



Interim report
January 1 – June 30, 2024

2024

CINIS IS NOW IN CONTINUOUS PRODUCTION

In the second quarter of 2024, barely 15 months after ground was broken, we started the production of environmentally friendly potassium sulfate with a low carbon footprint in Örnsköldsvik. A long-awaited milestone and a starting point to lower the carbon footprint from fertilizer production and thus contribute to greener agriculture. The focus during the second quarter has been on tuning in the plant, which now produces high-quality water-soluble potassium sulfate in accordance with specification. The first delivery has been sold to Van Iperen International and delivered to the end-customer. Gradually we will now increase the deliveries.

April – June 2024

- Net sales amounted to SEK – million (0.0)
- Operating profit/loss amounted to SEK -20.5 million (-8.5)
- Profit/loss after financial items amounted to SEK -22.3 million (-8.5)
- Earnings per share, before and after dilution, amounted to SEK -0.31 (-0.12)
- Cash flow from operating activities after changes in working capital amounted to SEK -38.6 million (19.7)

Significant events during the quarter

- Sweden's first production of green mineral fertilizer on an industrial scale started.
- An official inauguration of Cinis Fertilizer's first production facility was held.
- The Annual and Sustainability report was published.
- The Annual General Meeting of Cinis Fertilizer AB was held on May 23, 2024.

January – June 2024

- Net sales amounted to SEK – million (0.0)
- Operating profit/loss amounted to SEK -34.2 million (-14.2)
- Profit/loss after financial items amounted to SEK -36.5 million (-13.2)
- Earnings per share, before and after dilution, amounted to SEK -0.50 (-0.18)
- Cash flow from operating activities after changes in working capital amounted to SEK -44.8 million (19.6)

Significant events after the quarter

- A first truckload of potassium sulfate was sent to the customer Van Iperen International.
- After Northvolt's delays, the company has chosen to revise the timetable for the planned production facility in Skellefteå. The company assesses that Northvolt's non-delivery of sodium sulfate will entail additional costs of approximately SEK 25 million in 2024 and that the target of an EBITDA margin exceeding 25 percent will not be reached in 2024.

About Cinis Fertilizer

Cinis Fertilizer is a Swedish green-tech company producing an environmentally friendly mineral fertilizer, potassium sulphate (SOP), by recycling waste products from battery manufacturing and recycling, as well as the pulp industry and other industries. The patent protected technology will use half as much energy as today's production methods and the result is a fertilizer with low carbon footprint, a unique and circular contribution enabling sustainable agriculture. FNCA Sweden AB is Certified Adviser. For further information please visit: www.cinis-fertilizer.com.



CEO'S COMMENT

STEP BY STEP WE ARE INCREASING DELIVERIES AND OUR CONTRIBUTION TO A GREENER AGRICULTURE



Jakob Liedberg,
CEO Cinis Fertilizer AB.

At the beginning of May, barely 15 months after ground was broken, we started the production of environmentally friendly potassium sulfate with a low carbon footprint. A long-awaited milestone and a starting point to lower the carbon footprint from fertilizer production and thus contribute to greener agriculture. Now we have gone into continuous production and the first delivery has been sold to Van Iperen International and delivered on to the end customer.

I am incredibly impressed by our employees who, in an inspiring and solution-oriented way, took on the demanding, but also enormously fun, task of starting up and fine-tuning a brand-new business and production facility. After building a brand-new facility in record time, we and our partners had high hopes of being able to ramp it up to high, continuous production in record time. There, together with our technical suppliers, we have had to revise the plan after having to deal with a few challenges, such as minor mechanical problems and operational disturbances, that have now been fixed. It is nothing unusual when you put this type of process plant into operation and solving problems and dealing with unplanned events is business as usual for all of us who work to build new industry and break new ground.

During a critical phase of the tuning in July, we suffered a longer power outage that could not be parried because the redundancy line ordered in the design phase had not yet been completed. The interruption meant a production stoppage for just over three weeks, during which the facility underwent an extensive cleaning process. The stop means that the timing of expected cash flow positivity is moved forward a few weeks. Production has since been started up again and we are already producing continuously. Periodically, we are also producing very close to the facility's planned capacity. The next step in the ramp-up plan is to achieve these high production levels continuously over time. Our employees are constantly making new progress in tuning and improving operations. Our communicated production volume of 100,000 tons in Örnsköldsvik when the ramp-up is complete includes planned downtime for service and maintenance and corresponds to an availability of approximately 85 percent.

The first production runs delivered a high-quality water-soluble potassium sulfate that met all quality requirements. The following production interval we experienced some mechanical problems and operational disruptions, which is very common when tuning in a new plant, and the quality during this period was of satisfactory and sellable quality. Now we continuously produce a water-soluble potassium sulfate of the highest quality, completely according to the required specifications, which has been confirmed by our own analyzes as well as an external laboratory.



In the first week of July, we sent a bulk truck of potassium sulfate to Van Iperen as they wanted to test the product in their packaging plant. For this purpose, we sent a sample batch of satisfactory quality from the plant trim period which, if successful, could be sold to selected markets. The test was very successful, and the product has been sold on by Van Iperen. The volumes from the early trim period that cannot be sold to the "high-tech" segment will be sold to other markets.

The demand for a green mineral fertilizer with a lower carbon dioxide footprint is great, and together with Van Iperen we are the first to provide a potassium sulfate that meets that demand. The big environmental benefit Cinis Fertilizer offers comes from the fossil-free production process, which has significantly lower energy consumption than today's dominant process.

To manage the slightly longer ramp-up period and the increased costs of sodium sulfate in the start-up phase, we have established a new credit facility to ensure that we can get to positive cash flows without new equity.

In Hopkinsville, Kentucky, Ascend Elements' construction is progressing at a rapid pace. With the lessons learned from Northvolt, we are following Ascend Element's progress closely and await further milestones in their project before breaking ground in the US. We have proven that we can build a production plant for potassium sulfate in a short time and therefore see no need to make any major investments until we see that Ascend Elements has progressed further and we ourselves have generated positive cash flows. We are thus postponing the start of production in Hopkinsville until 2026.

Our circular idea – turning industrial by-products into nutritious fertilizers – is not just about creating a profitable product; it is about promoting a new way of thinking about the process industry and the chemical industry. The industry's green transition will not happen overnight, but our business model will create profitable growth already in the near future and give our partners better opportunities to reach their goals for a sustainable future. Of course, we would have liked to be further ahead already today, but building and starting up a new industry takes time. However, we see a huge interest around the world in what we do. To launch an industrial project as quickly as we have done is unique and arouses great interest globally. Cinis Fertilizer has already shown that it is possible to produce potassium sulfate with a fossil-free production method, and together with our partners we will establish new facilities. We have been conducting concrete and detailed discussions with several companies in the global electric vehicle battery industry for some time now regarding the establishment of new cooperations, which will now be further prioritized against the background of the delays at Northvolt. We are also working actively with several pulp mills that have shown an interest in upcycling their residual material, and together with them we are working on technical solutions that make this possible. Our long-term targets remain.

We have now crossed the first threshold on Cinis Fertilizer's journey. We have moved from the start-up phase and fine-tuning to continuous production that enables profitability, expansion and additional production facilities. In the near future, I look forward to step by step increasing deliveries and our contribution to greener agriculture.

Jakob Liedberg, CEO



CLEARLY DEFINED GROWTH PLAN

About Cinis Fertilizer

Cinis Fertilizer is a Swedish green-tech company. The business concept is to produce a sustainable and environmentally friendly water-soluble mineral fertilizer, potassium sulfate, by recycling industrial waste from the manufacture of electric car batteries and battery materials and from the pulp and paper industry.

Operational targets

Cinis Fertilizer has a clear plan for the company's growth. The company has operational targets to reach annual installed production capacity and production volume of potassium sulfate totaling 1.5 million metric tons by the end of 2030. The company intends to achieve the targets by building six production facilities. See also table below.

The production of potassium sulfate in the company's first plant is starting up. The second plant will be built in Hopkinsville, USA, and is planned to be commissioned in 2026. Another plant is planned to Skellefteå, Sweden, with planned commissioning in 2028. Three additional production facilities are planned to be built during the period 2027–2030.

In order to take advantage of secured contracts and handle supplies of inputs in an efficient manner, Cinis Fertilizer's production facilities will be located in strategic locations, with access to fossil-free electricity at favorable prices, close to, for example, electric car battery manufacturers and pulp mills to simplify the transport of inputs and to ports to simplify the distribution of sold products.

Circular strategy

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

The circular strategy also means that Cinis Fertilizer intends to develop new and complementary offers to strengthen the business of existing and new customer categories.



Cinis Fertilizer's plant in Örnsköldsvik is up and running. The production capacity amounts to approximately 100,000 metric tons of potassium sulfate or 65,000 metric tons of sodium chloride per year at full production.

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

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

	Örnsköldsvik Sweden	Hopkinsville USA	Plant 3	Skellefteå Sweden	Plant 5	Plant 6
Production scheduled to start	2024	2026	2027	2028	2029	2030
Production capacity, tonnes per year⁷⁾	100,000	300,000	300,000	200,000	300,000	300,000
Potassium sulfate offtake	100% ¹⁾	100% ²⁾	–	100% ¹⁾	–	–
Sodium sulfate intake	100% ^{3, 4)}	100% ⁵⁾	–	100% ^{3, 4)}	–	–
Potassium chloride intake	100% ⁶⁾	100% ⁶⁾	–	100% ⁶⁾	–	–

- 1) Signed agreement with Van Iperen for sales and distribution of potassium sulfate
- 2) Signed LOI with K+S for sales and distribution of potassium sulfate
- 3) Signed long-term agreement with Northvolt for sodium sulfate intake
- 4) Signed long-term agreement with BASF for sodium sulfate intake

- 5) Signed long-term agreement with Ascend Elements for sodium sulfate intake
- 6) Signed agreement with K+S for potassium chloride
- 7) Yearly estimated production volume, including down-time



THE MARKET

Customers

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

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

Suppliers

The company has signed a supply agreement with electric car battery manufacturer Northvolt for supplies of their residual product, sodium sulfate, for a period of 10+10 years. Cinis Fertilizer also has agreements with the battery manufacturer BASF for the supply of sodium sulfate for a period of 10+10 years and a leading American manufacturer of battery materials, Ascend Elements, for the supply of sodium sulfate from their facility in Hopkinsville, Kentucky for a period of 10+5 years.

In addition to manufacturers of batteries and battery materials, Cinis Fertilizer will sign agreements with complementary suppliers who offer sodium sulfate as a residual stream from their operations. Following delays at Northvolt, Cinis Fertilizer will initially also purchase raw materials from other established suppliers and has secured that available volumes cover the production need. These flows will be phased out in line with increasing deliveries with sodium sulfate as a residual product.

Cinis Fertilizer has signed a long-term agreement with K+S to purchase the input product potassium chloride for the company's two Swedish production facilities and has a letter of intent with K+S for them to supply Cinis Fertilizer's US facility.

Potassium sulfate

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

The price of potassium sulfate also rose sharply in the latter part of 2022 due to the high price of potassium chloride, and then followed it downwards. Since August 2023, the price of standard bulk potassium sulfate in Northwest Europe has been in an upward trend, which now seems to have leveled off. At the end of June 2024, the price amounted to 595 euros per ton, a decrease of 1.7 percent from 31 March 2024. Water-soluble potassium sulfate has an additional price premium of approximately percent compared to standard potassium sulfate.



Potassium chloride

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

With Russia and Belarus accounting for just over 30 percent of the world's sales of potash and since sanctions have been imposed on these countries, prices rose sharply in 2022. Over the past year, prices have steadily moved towards levels corresponding to those just before Russia's invasion of Ukraine. At the end of June 2024, the price for Standard potash in bulk, Northwest Europe, was 256 euros per ton, a decrease of 1.2 percent from 31 March 2024.

Pricing

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

The price is based on the spot price of water-soluble potassium sulfate with a discount of ten percent.

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

Potassium sulfate is, compared to potassium chloride, a premium product and is priced accordingly. Historically, potassium sulfate has traded at a premium to potash of approximately EUR 250 per metric ton and water-soluble potassium sulfate has traded at a premium of 20 percent over standard potassium sulfate.

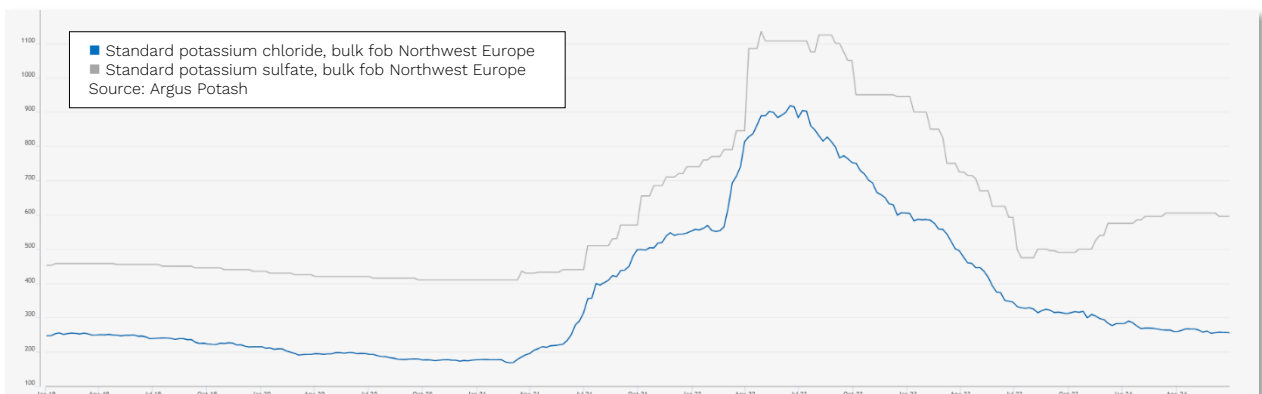
In the long term, Cinis Fertilizer also sees an opportunity to charge a higher price as a result of the product's environmentally friendly profile, but the company has initially chosen to sign long-term contracts without an environmental premium to secure future income in order to achieve a quick impact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

Cinis Fertilizer's pricing is, among others, linked to the price difference (spread) between the input potassium chloride and the end-product potassium sulfate.

Historically, the price has co-varied over time and the price premium on potassium sulfate of EUR 200–300 per metric ton has been maintained.

The spread on June 30, 2024, amounted to EUR 339 per metric ton.

Price development January 3, 2019 – June 30, 2024. Euro per ton





THE GROUP'S FINANCIAL DEVELOPMENT

GROUP

April – June 2024

Net sales and earnings

Net sales amounted to SEK – million (0.0).

Operating profit/loss amounted to SEK -20.5 million (-8.5).

Interest expenses and similar profit/loss items amounted to SEK -1.9 million (0.0).

Profit/loss after financial items amounted to SEK -22.3 million (-8.5).

Cash flow

Cash flow for the second quarter 2024 amounted to SEK -7.7 million, including investments in ongoing new facilities.

Cash flow from operating activities after changes in working capital amounted to SEK -38.6 million (19.7), whereof the change in working capital amounted to SEK -18.1 million (28.2).

Cash flow from investing activities amounted to SEK -54.5 million (-120.2).

Cash flow from financing activities amounted to SEK 87.2 million (0.0).

January – June 2024

Net sales and earnings

Net sales amounted to SEK – million (0.0).

Operating profit/loss amounted to SEK -34.2 million (-14.2).

Interest expenses and similar profit/loss items amounted to SEK -2.3 million (0.9).

Profit/loss after financial items amounted to SEK -36.4 million (-13.2).

Cash flow

Cash flow amounted to SEK -101.8 million, with investments in ongoing new facilities.

Cash flow from operating activities after changes in working capital amounted to SEK -44.8 million (19.6), whereof the change in working capital amounted to SEK -10.6 million (33.7).

Cash flow from investing activities amounted to SEK -165.1 million (-215.1).

Cash flow from financing activities amounted to SEK 108.1 million (0.9).

Financial position

At the end of the period the liquidity amounted to SEK 93.0 million (208.0) whereof SEK 66 million in available credit facilities, including overdraft, and SEK 27.0 million (208.0 in cash and cash equivalents). The company has established a new credit facility of SEK 100 million, whereof SEK 50 million has been drawn.

The equity/assets ratio was 42.2 percent (84.7) and the net gearing ratio was 1.37 times (0.18).

Equity amounted to SEK 368.3 million (423.2).

Equity per share amounted to SEK 5.1 SEK (5.8).

Deferred tax claim

The Group has unused loss carry forwards in Sweden amounting to SEK 134.0 million (78.4), where the tax effect has not been reported as a deferred tax asset in the balance sheet. The deductions have no further time limit for utilization.

Investments

Investments in tangible fixed assets in the second quarter 2024 amounted to SEK 54.5 million. Accumulated as per 30 June 2024, investments amounted to SEK 165.1 million, attributable to capitalization of expenses for the company's first production facility.

As a result of the weakening of SEK against mainly EUR and high inflation in Sweden during the construction period, the investment cost for the company's production facility increased during the period. This, in combination with costs in connection with the installation and commissioning of the company's first facility, means that the total investment as per 30 June 2024, amounted to SEK 797.1 million.

PARENT COMPANY

January – June 2024

The Parent company's net sales during the second quarter 2024, amounted to SEK 0.0 million (0.0). Operating profit/loss for the quarter amounted to SEK -9.2 million (-8.1) and the profit/loss after financial items amounted to SEK -10.2 million (-8.1).

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–Jun 2024	Jan–Jun 2023	Full year 2023	Jan–Jun 2024	Jan–Jun 2023	Full year 2023
Installed production capacity, tons*	100,000	–	–	–	–	–
Net sales	–	–	–	–	–	–
Balance sheet total	873.5	499.8	786.7	442.4	427.6	414.7
EBITDA	-32.6	-14.2	-36.1	-18.4	-13.7	-32.8
EBITDA margin (%)*	neg	neg	neg	neg	neg	neg
Profit/loss after financial items	-36.5	-13.2	-32.6	-19.4	-12.8	-30.5
Cash flow from investment activities	-165.1	-215.1	-585.1	-0.8	-237.1	-332.3
Equity	368.3	423.3	404.7	387.4	423.7	406.8
Equity/assets ratio (%)	42.2	84.7	51.4	42.2	99.1	98.1
Net debt (+) / Net cash (-)	367.0	-208.0	167.6	35.9	-40.0	-26.5
Net debt/EBITDA (times)*	-11.2	14.7	-4.6	-1.9	2.2	0.8

* Operational and financial targets as of 2024

DEFINITIONS

Installed production capacity, metric tons

Installed annual production capacity, taking into account planned downtime for service and maintenance

EBITDA

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

EBITDA-margin (%)

EBITDA in relation to net sales plus other operating income

Net debt (+) / Net cash (-)

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

Net debt/EBITDA (times)

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

Equity/assets ratio

Equity divided by total assets

OPERATIONAL TARGETS

By the end of 2030, the company will have six production facilities with a total annual production volume of 1,500,000 metric tons.

FINANCIAL TARGETS

The company's financial target 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

Interim report
January – June 2024
August 22, 2024

Interim report
January – September 2024
November 28, 2024

Year-end report 2024
January – December 2024
February 13, 2025

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, August 22, 2024, at 8.00 a.m. CEST.

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

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

Personnel and organization

The average number of employees in the second quarter 2024 amounted to 40 (9). At the end of June, the number of employees amounted to 40 (9), whereof 21 percent (33) women and 79 percent (67) men.

Warrant program

The purpose of share incentive programs is to encourage, through long-term financial interests, an ownership interest in the company in order to strengthen the ties between shareholders and employees. Cinis Fertilizer has established a share incentive program based on capital-taxed warrants.

As per June 30, 2024, the company had two warrant programs outstanding. More information about the warrants can be found in the Annual Report 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.

Other information

Due to the warrant program with redemption period in October 2024, Cinis Fertilizer has chosen to move the interim report for January - September 2024 to November 28, 2024 to minimize the overlap between the redemption period and the 30-day trading ban before the interim report.



This Interim report contains forward-looking statements that reflect the company's current expectations. Although the company believes that the expectations reflected in such forward-looking statements are reasonable, there can be no assurance that the expectations will prove to be correct because they are subject to risks and uncertainties that could mean that actual results differ significantly depending on a number of different factors. Such factors include, but are not limited to, changes in the ability of suppliers, customer demand, changed conditions regarding the economy, market and competition, limitations in purchasing and production, exchange rate changes, developments regarding product liability disputes, changes in the regulatory environment and other government actions. Forward-looking statements represent expectations only as of the date they were made, and, except as required by applicable law, the company undertakes no obligation to update any of them in the event of new information or future events.

Signatures

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

Örnsköldsvik, August 22, 2024

Roger Johansson
Chair

Viktoria Bergman
Board member

Sten Hedbäck
Board member

Åsa Källenius
Board member

Morgan Sadarangani
Board member

Anna-Maria
Tuominen-Reini
Board member

Jakob Liedberg
CEO

Expansion of circular products to customers with stable demand.



FINANCIAL REPORTS IN BRIEF

CONSOLIDATED INCOME STATEMENT

SEK million	Note	Apr–Jun 2024	Apr–Jun 2023	Jan–Jun 2024	Jan–Jun 2023	Full year 2023
Net sales		–	0,0	–	0,0	0,0
Other operating income		0.0	0.2	0.8	0.4	1.4
Change in inventory		2.5	–	2.5	–	–
Raw materials and consumables		-2.1	–	-2.2	–	–
Other external expenses	7	-9.1	-4.9	-15.9	-7.2	-20.3
Personnel costs		-10.7	-3.0	-17.6	-6.2	-14.5
Depreciation/amortization		-0.9	0.0	-1.6	0.0	0.0
Other operating expenses		-0.2	-0.7	-0.3	-1.2	-2.7
Operating profit/loss		-20.5	-8.5	-34.2	-14.2	-36.1
Interest income		0.0	–	0.1	0.9	3.8
Interest expenses		-1.9	0.0	-2.4	0.0	-0.3
Profit/loss after financial items		-22.3	-8.5	-36.4	-13.2	-32.6
Tax		0.0	–	0.0	–	–
Total profit/loss for the period		-22.3	-8.5	-36.4	-13.2	-32.6
Profit for the period attributable to:						
Owners of the Parent company		-22.3	-8.5	-36.4	-13.2	-32.6

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK million	Note	Apr–Jun 2024	Apr–Jun 2023	Jan–Jun 2024	Jan–Jun 2023	Full year 2023
Profit/loss for the period		-22.3	-8.5	-36.4	-13.2	-32.6
Other comprehensive income		–	–	–	–	–
Comprehensive income for the period		-22.3	-8.5	-36.4	-13.2	-32.6
Comprehensive income for the period attributable to:						
Owners of the Parent company		-22.3	-8.5	-36.4	-13.2	-32.6
Earnings per share before and after dilution, SEK*		-0.31	-0.12	-0.50	-0.18	-0.45
Number of shares		72,526,468	72,526,468	72,526,468	72,526,468	72,526,468
Average number of shares		72,526,468	72,526,498	72,526,468	72,526,468	72,526,498

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



CONSOLIDATED BALANCE SHEET

SEK million	Note	30 Jun 2024	30 Jun 2023	31 Dec 2023
Assets				
<i>Non-current assets</i>				
Construction in progress and advance payment for property, plant, and equipment	8	799.3	264.3	634.4
Right-of-use assets	11	17.7	-	0.0
Equipment		0.2	0.0	0.0
<i>Total property, plant, and equipment</i>		<i>817.2</i>	<i>264.3</i>	<i>634.4</i>
<i>Financial assets</i>				
Participation in associated companies		-	-	-
Deferred tax assets		0.1	0.0	0.0
<i>Total financial assets</i>		<i>0.1</i>	<i>0.0</i>	<i>0.0</i>
<i>Total non-current assets</i>		<i>817.3</i>	<i>264.3</i>	<i>634.4</i>
<i>Current assets</i>				
Stock-in-trade	9	25.0	-	-
Accounts receivables		0.7	-	-
Current tax receivables		0.1	-	-
Other current receivables	10	2.4	22.1	22.7
Prepaid expenses and accrued income		1.1	5.4	0.8
Cash and cash equivalents	13	27.0	208.0	128.8
<i>Total current assets</i>		<i>57.0</i>	<i>235.4</i>	<i>152.3</i>
Total assets		873.5	499.8	786.7
Equity and liabilities				
<i>Equity</i>				
Share capital		0.7	0.7	0.7
Other capital contributions		463.6	462.7	463.6
Retained earnings		-59.6	-27.0	-48.3
Profit/loss for the period		-36.4	-13.2	-11.3
<i>Equity attributable to owners of Parent company</i>		<i>368.3</i>	<i>423.3</i>	<i>404.7</i>
Total equity		368.3	423.3	404.7
Liabilities				
<i>Non-current liabilities</i>				
Overdraft facility		14.0	-	-
Interest-bearing liabilities	13	321.7	-	296.4
Lease liabilities		14.4	-	-
<i>Total non-current liabilities</i>		<i>350.1</i>	<i>0.0</i>	<i>296.4</i>
<i>Current liabilities</i>				
Interest-bearing liabilities		72.3	0.0	0.0
Accounts payable		73.6	74.3	73.8
Lease liabilities		3.2	-	-
Other current liabilities		2.2	0.9	1.7
Deferred income and accrued expenses		3.9	1.3	10.0
<i>Total current liabilities</i>		<i>155.2</i>	<i>76.5</i>	<i>85.6</i>
<i>Total liabilities</i>		<i>505.3</i>	<i>76.5</i>	<i>382.0</i>
Total equity and liabilities		873.5	499.8	786.7



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Attributable to owners of Parent company

SEK million	Share capital	Other capital contributions	Retained earnings	Profit/loss for the period	Total equity
Opening balance, January 1, 2023	0.7	462.8	-3.4	-23.6	436.5
Profit/loss for the period	–	–	–	-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	
Warrant premiums		0.0			
<i>Total transactions with shareholders</i>	0.0	0.0	-23.6	23.6	0.0
Closing balance, June 30, 2023	0.7	462.7	-27.0	-13.2	423.2
Opening balance, January 1, 2024	0.7	463.6	-27.0	-32.6	404.7
Profit/loss for the period	–	–	–	-36.4	-36.4
Other comprehensive income	–	–	–	–	–
<i>Comprehensive income for the period</i>	–	–	–	-36.4	-36.4
<i>Retained earnings</i>			-32.6	32.6	
<i>Total transactions with shareholders</i>	0.0	0.0	-32.6	32.6	0.0
Closing balance, June 30, 2024	0.7	463.6	-59.6	-36.4	368.3



CONSOLIDATED CASH FLOW STATEMENT

SEK million	Note	Apr–Jun 2024	Apr–Jun 2023	Jan–Jun 2024	Jan– Jun 2023	Full year 2023
Operating activities						
Operating profit/loss		-20.5	-8.5	-34.2	-14.1	-36.1
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		-20.5	-8.5	-34.2	-14.1	-36.1
Operating receivables (+ decrease)		-7.0	-9.7	-5.8	-17.7	-13.7
Operating liabilities (+ increase)		-11.2	37.9	-4.8	51.4	60.5
<i>Cash flow from working capital</i>		<i>-18.1</i>	<i>28.2</i>	<i>-10.6</i>	<i>33.7</i>	<i>46.8</i>
Cash flow from operating activities		-38.6	-19.7	-44.8	19.6	10.7
Investing activities						
Investments in property, plant, and equipment		-54.5	-120.2	-165.1	-215.1	-585.1
Cash flow from investing activities		-54.5	-120.2	-165.1	-215.1	-585.1
Financing activities						
New share issue		-	-	-	0.0	-
Warrant premiums		-	-	-	-	0.8
Loans raised, net transaction costs		87.2	-	111.0	-	296.2
Amortization		-0.8	-	-1.2	-	-
Interest received		0.0	0.0	0.1	0.9	3.8
Interest paid		-1.5	-	-1.8	0.0	-0.1
Cash flow from financing activities		85.0	0.0	108.1	0.9	300.7
Cash flow for the period		-7.7	-100.4	-101.8	-194.6	-273.7
Cash and cash equivalents for the period		34.7	308.4	128.8	402.5	402.5
Cash and cash equivalents at end of period		27.0	208.0	27.0	208.0	128.8



PARENT COMPANY INCOME STATEMENT

SEK million	Note	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	Full year 2023
Net sales		-	0.0	-	0.0	0.0
Other operating income		0.0	0.2	0.1	0.4	0.5
Other external expenses	7	-4.2	-4,9	-8.2	-7.2	-18.0
Personnel costs		-5.1	-3.0	-10.1	-6.2	-14.5
Depreciation/amortization		0.0	0.0	0.0	0.0	0.0
Other operating expenses		0.0	-0,3	-0.1	-0.8	-0.8
Operating profit/loss		-9.2	-8.1	-18.4	-13.7	-32.8
Interest income and similar profit/loss items		0.0	0.9	0.2	0.9	2.3
Interest expense and similar profit/loss items		0.0	0.0	-1.2	0.0	0.0
Profit/loss after financial items		-9.2	-4.7	-19.4	-12.8	-30.5
Tax		-	-	-	-	-
Total profit/loss for the period		-9.2	-4.7	-19.4	-12.8	-30.5

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

SEK million	Note	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	Full year 2023
Profit/loss for the period		-10.2	-8.1	-19.4	-12.8	-30.5
Other comprehensive income		-	-	-	-	-
Comprehensive income for the period		-10.2	-8.1	-19.4	-12.8	-30.5



PARENT COMPANY BALANCE SHEET

SEK million	Note	Jun 30, 2024	Jun 30, 2023	Dec 31, 2023
Assets				
<i>Non-current assets</i>				
Construction in progress and advance payment for property, plant, and equipment	8	2.2	1.3	1.6
Equipment		0.0	0.0	0.0
<i>Total property, plant, and equipment</i>		2.3	1.3	1.6
<i>Financial non-current assets</i>				
Participations in Group companies	12	380.1	380.1	380.1
<i>Total financial non-current assets</i>		380.1	380.1	380.1
<i>Total non-current assets</i>		382.5	381.4	381.7
<i>Current receivables</i>				
Receivables from Group company		46.7	2.8	5.4
Other current receivables	10	0.8	1.1	0.4
Prepaid expenses and accrued income		1.2	2.4	0.7
<i>Total current receivables</i>		48.6	6.2	6.6
<i>Cash and cash equivalents</i>				
Cash and bank equivalents		11.4	40.0	26.5
<i>Total cash and cash equivalents</i>		11.4	40.0	26.5
<i>Total current assets</i>		60.0	46.2	33.0
Total assets		442.4	427.6	414.7
Equity and liabilities				
Share capital		0,7	0,7	0,7
<i>Total restricted equity</i>		0,7	0,7	0,7
<i>Unrestricted equity</i>				
Share premium reserve		463,6	462,7	463,6
Retained earnings		-57,5	-27,0	-47,3
Profit/loss for the period		-19,4	-12,8	-10,2
<i>Total unrestricted equity</i>		386,5	423,0	406,0
Total equity		387.4	423.7	406.8
Liabilities				
<i>Current liabilities</i>				
Interest-bearing liabilities		47.3	-	-
Accounts payable		3.4	1.7	3.9
Other current liabilities		1.5	0.9	1.7
Deferred income and accrued expenses		2.9	1.3	2.3
<i>Total current liabilities</i>		55.0	4.0	8.0
Total liabilities		55.0	4.0	8.0
Total equity and liabilities		442.4	427.6	414.7



CINIS FERTILIZER'S SHAREHOLDERS AND SHARE

THE COMPANY'S 10 LARGEST SHAREHOLDERS AS PER JUNE 30, 2024

SHAREHOLDER*	NUMBER OF SHARES	SHARE OF CAPITAL AND VOTES, %
Jakob Liedberg	26,400,000	36.4
Roger Johansson	13,947,427	19.2
Thomas Ranje	11,075,676	15.3
Molindo Energy	2,387,457	3.3
Schroders	1,332,574	1.8
Livförsäkringsbolaget Skandia	1,305,504	1.8
Åsa Källenius	1,005,733	1.4
Poularde AB	862,068	1.2
GADD & Cie	682,617	0.9
SEB Funds	678,974	0.9
<i>Other shareholders</i>	<i>12,848,438</i>	<i>17.8</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

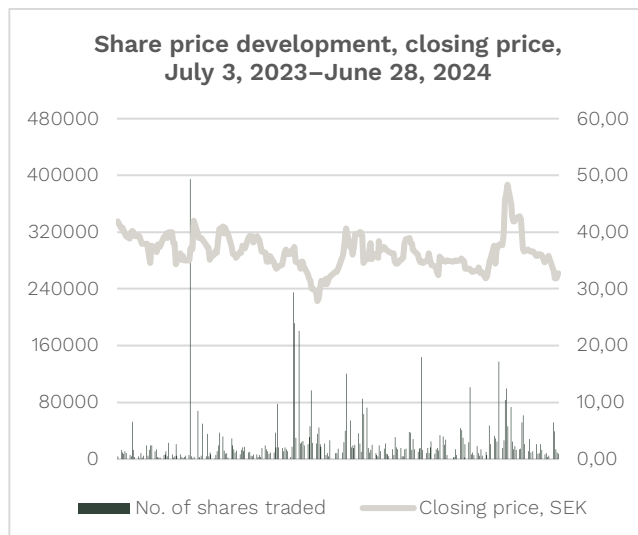
On June 30, 2024, Cinis Fertilizer had 72,526,468 outstanding shares. Each share corresponds to one vote.

The share development

The share at opening on October 21, 2022 was SEK 29.00. At close of trading on June 28, 2024, the price for one share in Cinis Fertilizer amounted to SEK 32.80.

Highest paid price at closing amounted to SEK 48.35 on May 17, 2024. Lowest closing price amounted to SEK 31.85 on June 25, 2024.

During the period April 1–June 30, 2024, daily trading in the share amounted to an average of 25,401 shares.





NOTES

Note 1 General information

Cinis Fertilizer is a Swedish green-tech company that will produce an environmentally friendly mineral fertilizer, potassium sulfate, by recycling industrial waste from the manufacture of electric car batteries and from the pulp and paper industry. The parent company Cinis Fertilizer AB with corporate identity number (559154-0322) is a Swedish limited liability company based in Örnsköldsvik. The parent company's holdings of shares in group companies as of June 30, 2024, consist of the wholly owned subsidiary Cinis Sweden AB (559322-4156), Asset-KH (559379-9132) and Cinis Fertilizer LLC (EIN: 36-5087250). The Group was formed on December 23, 2021.

Note 2 Accounting principles

Consolidated accounts for Cinis Fertilizer AB have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, the Swedish Annual Accounts Act (ÅRL) and the Swedish Financial Reporting Council RFR 1 "Supplementary accounting rules for groups". The parent company's financial reports are prepared in accordance with the Annual Accounts Act and RFR 2, "Accounting for legal entities".

This interim report has been prepared in accordance with IAS 34 "Interim reporting".

The accounting principles and calculation methods that are applied are in accordance with those described in the annual report for 2023 with the exception of accounting for leasing according to IFRS 16, which is applied for the first time in the first quarter of 2024. New standards and interpretations that came into force from and including January 1, 2024, have not had any effect on the Group's or Parent company's financial reports for the interim period.

Leasing

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

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

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

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

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

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



Note 3 Significant risks and uncertainties

Cinis Fertilizer's operations and financial position are affected by internal factors that the company controls as well as a number of external factors where the ability to influence the course of events is limited. As a relatively young company without commercial production, the company is exposed to operational and financial risks. The company's financial position is affected, among other things, by the price of the end-product potassium sulfate, and the input potassium chloride. An account of the company's significant risks and risk management can be found in the company's annual report 2023.

Note 4 Financial instruments

All financial assets and liabilities have been valued at amortized cost, which in all cases is deemed to be consistent with fair value.

Note 5 Events after the end of the period

A first truckload of potassium sulfate was sent to the customer Van Iperen International. After Northvolt's communicated delays, the company has chosen to revise the timetable for the planned production facility in Skellefteå. The company assesses that Northvolt's non-delivery of sodium sulfate will entail additional costs of approximately SEK 25 million in 2024 and that the target of an EBITDA margin exceeding 25 percent will not be reached in 2024.

Note 6 Segment reporting

The CEO of Cinis Fertilizer, as the highest executive, follows up and analyses the results and financial position of the company as an entity, whereupon the company only consists of one reporting segment.

Note 7 External expenses

Operating expenses essentially consist of personnel expenses and other external expenses attributable to the start-up of the business.

SEK million	GROUP		PARENT COMPANY	
	Jan-Jun 2024	Jan-Jun 2023	Jan-Jun 2024	Jan-Jun 2023
Consulting services	0.9	0.7	0.5	0.7
Insurance fees	5.5	4.2	3.8	4.2
Other	9.5	2.3	4.0	2.3
Total	15.9	7.2	8.2	7.2

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

SEK million	Jun 30, 2024	Jun 30, 2023	Dec 31, 2023
Opening balance	634.4	49.3	-
Investments in the period	164.9	215.1	585.1
Closing balance	799.3	264.3	634.4
Örnsköldsvik production plant	797.1	263.0	632.8
Skellefteå production plant	1.6	1.3	1.6
Hopkinsville production plant	0.6	0.0	0.0

Investments in tangible fixed assets in the second quarter of 2024 amounted to SEK 799.3 million, attributable mainly to capitalization of expenses for the company's first production facility.

Note 9 Inventory

SEK million	GROUP			PARENT COMPANY		
	Jun 30, 2024	Jun 30, 2023	Dec 31, 2023	Jun 30, 2024	Jun 30, 2023	Dec 31, 2023
Raw materials	22.5	-	-	-	-	-
Finished goods	2.5	-	-	-	-	-
Totalt	25.0	-	-	-	-	-



Note 10 Other current receivables

SEK million	GROUP			PARENT COMPANY		
	Jun 30, 2024	Jun 30, 2023	Dec 31, 2023	Jun 30, 2024	Jun 30, 2023	Dec 31, 2023
VAT receivable	1.8	22.1	22.6	0.0	1.1	0.4
Receivables from Group company	–	–	–	46.7	2.8	5.4
Accounts receivable	0.0	–	–	0.0	0.0	–
Other current receivables	0.0	–	–	0.2	0.0	–
Tax account	0.6	0.0	–	0.0	0.0	0.0
Total	2.4	22.1	22.6	47.4	3.8	5.8

Note 11 Right-of-use assets

SEK million	GROUP			PARENT COMPANY		
	Jun 30, 2024	Jun 30, 2023	Dec 31, 2023	Jun 30, 2024	Jun 30, 2023	Dec 31, 2023
Opening balance	–	–	–	–	–	–
Additional right-of-use assets	19.4	–	–	–	–	–
Closing balance, historical costs	19.4	–	–	–	–	–
Opening balance, amortization	–	–	–	–	–	–
Amortization of the period	-1.6	–	–	–	–	–
Closing balance, historical costs	-1.6	–	–	–	–	–

Reported value, SEK million 17.7

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

Note 12 Participation in Group companies

SEK million	Jun 30, 2024	Jun 30, 2023	Dec 31, 2023
Opening balance	380.1	0.1	0.1
Acquisitions	0.0	0.0	0.0
Shareholders' contributions	0.0	380.0	380.0
Closing balance	380.1	380.1	380.1

The Parent company's holdings and participations in subsidiaries

Jun 30, 2024

Company, Corporate Identity No.	Registered office	Equity share, %	Reported value, SEK m
Cinis Sweden AB, 559322-4156	Örnköldsvik	100	380.0
Asset-KH AB, 559379-9132	Örnköldsvik	100	0.1
Cinis Fertilizer LLC, 36-5087250	Delaware	100	0.0



Note 13 Financing

	GROUP			PARENT COMPANY		
	Jun 30, 2024	Jun 30, 2023	Dec 31, 2023	Jun 30, 2024	Jun 30, 2023	Dec 31, 2023
SEK million						
Cash held on reserved accounts	15.1	110.0	46.4	–	–	–
Cash and cash equivalents	11.9	97.9	82.4	11.4	40.0	26.5
Total	27.0	207.9	128.8	11.4	40.0	26.5

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

	GROUP			PARENT COMPANY		
	Jun 30, 2024	Jun 30, 2023	Dec 31, 2023	Jun 30, 2024	Jun 30, 2023	Dec 31, 2023
SEK million						
Non-current liabilities to credit institutions	321.7	0.0	296.4	–	–	–
Current liabilities to credit institutions	72.3	–	–	47.3	–	–
Total liabilities to credit institutions	394.0	0.0	296.4	47.3	–	–

	GROUP			PARENT COMPANY		
	Jun 30, 2024	Jun 30, 2023	Dec 31, 2023	Jun 30, 2024	Jun 30, 2023	Dec 31, 2023
SEK million						
Nordea/SEK	346.7	0.0	296.4	–	–	–
Other credit institutions	47.3	–	–	47.3	–	–
Total liabilities to credit institutions	394.0	0.0	296.4	47.3	–	–

Cinis Sweden AB has a loan agreement with Nordea Bank Abp and AB Svensk Exportkredit (SEK) corresponding to SEK 350 million. Financing costs of SEK 4.2 million. Amortization six years, starting six months after “Commercial operation date”. Cinis Fertilizer has an overdraft facility with Nordea of SEK 30 million. In addition to these, Cinis Fertilizer has established a credit facility of SEK 100 million, whereof SEK 50 million has been drawn as of June 30, 2024.

Note 14 Seasonal effects

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

Note 15 Pledged assets and contingent liabilities

	GROUP			PARENT COMPANY		
	Jun 30, 2024	Jun 30, 2023	Dec 31, 2023	Jun 30, 2024	Jun 30, 2023	Dec 31, 2023
SEK million						
Corporate mortgages	100.0	–	100.0	–	–	–
Pledged fixed assets*	100.0	–	25.0	–	–	–
Total	200.0	–	125.0	–	–	–

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

Note 16 Warrants

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

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



On June 4, 2024, the official inauguration of Cinis Fertilizer's production facility in Örnsköldsvik was held. Dan Ericsson, State Secretary to Minister for Rural Affairs Peter Kullgren, cut the ribbon together with Cinis Fertilizers CEO and founder Jakob Liedberg, Van Iperen International's Managing Director, Erik van den Bergh, and Anna-Britta Åkerlind, chairman of the municipal board Örnsköldsvik. Photo: Leif Wikberg



Left: Cinis Fertilizer's CEO Jakob Liedberg and Van Iperen International's MD Erik van den Bergh inspect Cinis Fertilizer's potassium sulfate.
Right: First truckload of potassium sulfate was sent to Van Iperen International in the first week of July.

