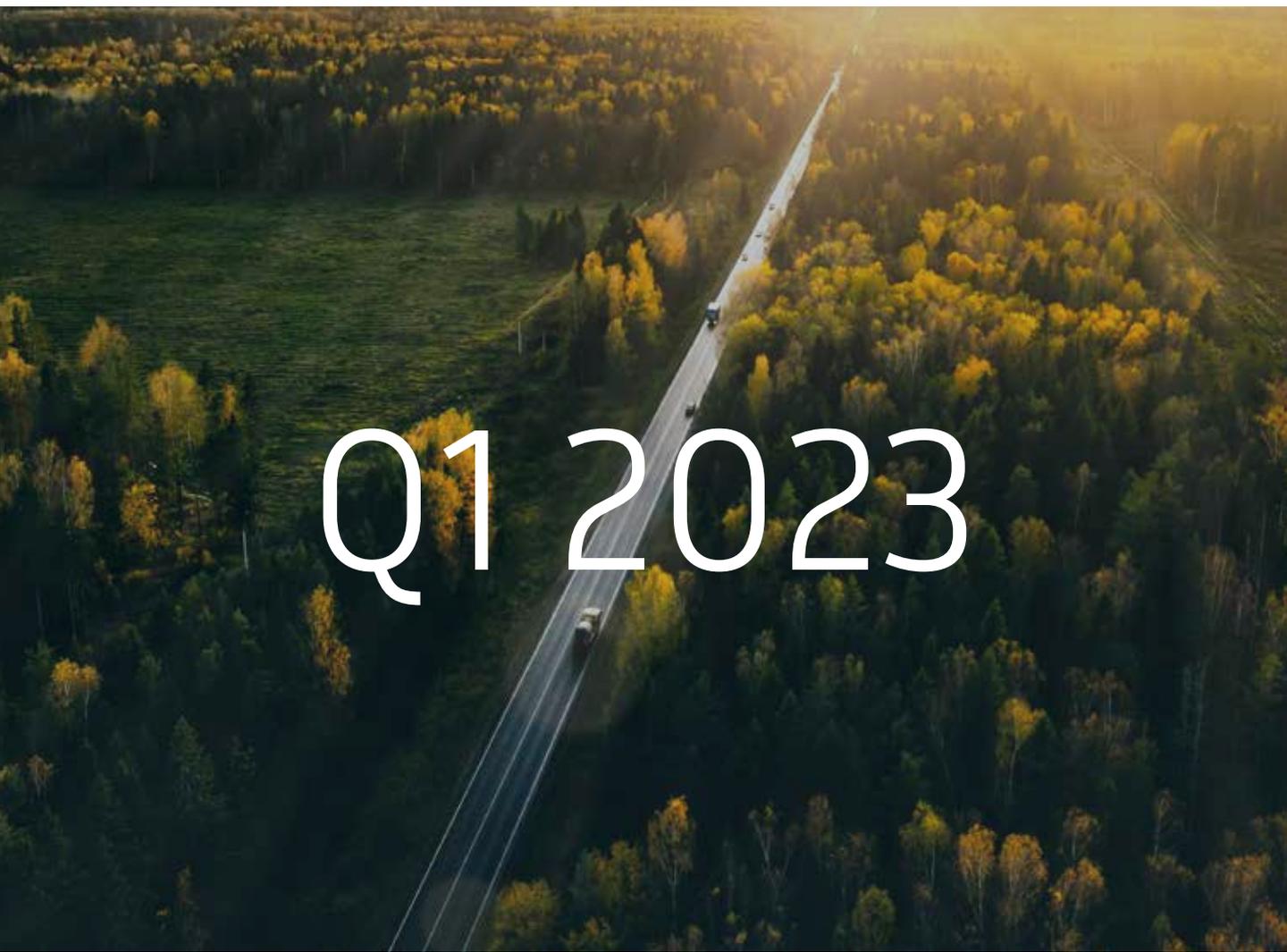


# Interim Report

JANUARY–MARCH 2023



EURO  
BATTERY  
MINERALS



# Q1 2023

## Highlights first quarter 2023

- ▶ Eurobattery Minerals announced the completion of the pre-feasibility study for its Finnish Hautalampi mining project.
- ▶ The company announced an additional 30% stake acquisition of FinnCobalt and the Hautalampi project. Altogether, Eurobattery Minerals' stake in FinnCobalt Oy will amount to 70% following the impending acquisition.
- ▶ Hautalampi project's environmental impact assessment update report was submitted to the North Karelia Centre for Economic Development, Transport, and the Environment for official review as part of the assessment.
- ▶ First results from the new research partnership outline new methods for large-scale extraction of rare earth elements (REEs), allowing nearly 100% REEs recovery in its Sweden Fetsjön project.
- ▶ Eckhard Cordes, Chairman of the Board of Bilfinger and former member of the Board of Management of Daimler, as well as former Board member of Volvo, exercised warrants and will become a shareholder in Eurobattery Minerals.

» How can Europe build a sustainable future, reach its climate targets and contribute globally to a more transparent and better future? Finding the answers to these questions is critical for our future and has also served as the starting point for our business. «

**Roberto García Martínez**, CEO



# Dear all,

*How can Europe build a sustainable future, reach its climate targets and contribute globally to a more transparent and better future? Finding the answers to these questions is critical for our future and has also served as the starting point for our business. At Eurobattery Minerals, we are determined to do our uttermost to overcome these challenges by providing the automotive and clean energy industry with responsibly mined battery minerals from European mines.*

## **European Critical Raw Materials Act and rare earth elements driving growth**

From being a significant mining region, European mining activity has gradually declined over time, resulting in a situation with a high supply dependency outside our region. Given today's geopolitical situation, any dependency outside the EU is a significant problem in many areas, including for critical raw materials. To tackle this problem, the European Union recently unveiled its Critical Raw Materials Act, emphasising the importance of building up the European mining sector again. Even if some of the targets could have been tougher, I am pleased that the EU acknowledges the challenges posed by our dependency and is working hard to rebuild the European mining industry. We have been saying for several years that we need more mines in our own backyard.

In the latest quarterly report, I promised to keep you posted on the new research collaboration around rare earth elements (REEs). In March, we received the first results that outline new methods for large-scale extraction of rare earth elements allowing nearly 100% recovery of these precious minerals. The research is done on samples from our project in Fetsjön in Sweden, where confirmed analysis

of the complete REE-bearing shale formation that also covers our Rönnerget exploration targets is estimated to be 165,000 to 180,000 tonnes of rare earths. So, applying the new method on a large scale and adding the large tonnage of REE means we have a very significant deposit of rare earth elements at the disposal of the Company.

## **Very strong economic outlook for Hautalampi**

In Hautalampi in eastern Finland, things are progressing fast towards an operational mine. In Q1 2023, we revealed our intention to acquire an additional 30% stake, making Eurobattery Minerals the majority owner of the nickel, copper and cobalt mine project. We announced the stake acquisition just a few days after we received the much-awaited pre-feasibility study.

With a conservative metal price and a total capital expenditure of EUR 65.1 million (excluding contingency), the payback period for the mine in Finland is 4.6 years. With an anticipated 12 years of mining operation and estimated 11,400 tonnes of nickel and 2,900 tonnes of cobalt in the nickel-cobalt concentrate, and 9,600 tonnes of copper in the copper concentrate, the economic outlook for Hautalampi is excellent. With the updated environmental

impact assessment report provided to local authorities, we are now proceeding with the environmental permit application.

At the end of the first quarter of 2023, we also finalised the cap raise with the completion of the rights issue announced in 2022, adding a total of SEK 17 million to the Company. So again, I am grateful for the trust you have shown in us. Also, please remember that as an investor, you are genuinely part of creating a more sustainable future – thank you.

Yours faithfully,



**Roberto García Martínez**  
CEO of Eurobattery Minerals



# Interim Report January–March 2023

## First quarter 2023

- ▶ Net sales amounted to SEK 0 thousand (Q1 2022: SEK 0 thousand).
- ▶ Operating profit/loss after financial items totalled SEK -3,288 thousand (Q1 2022: SEK -2,357 thousand).
- ▶ Earnings per share after financial items before dilution amounted to SEK -0.20 (Q1 2022: SEK -0.15).
- ▶ Earnings per share after financial items after dilution amounted to SEK -0.12 (Q1 2022: SEK -0.15).
- ▶ Cash flow from operating activities was SEK 1,388 thousand (Q1 2022: SEK 540 thousand).

## Significant events in the first quarter

- ▶ In March, Eurobattery Minerals announced that FinnCobalt Oy had completed the pre-feasibility study for its Finnish Hautalampi mining project. The study, conducted by AFRY Finland, concludes that with a conservative metal price, and a total capital expenditure of EUR 65.1 million (excluding contingency) the payback period is 4.6 years. Total metal production during the anticipated 12 years of mining operations will be 11,400 tonnes of nickel and 2,900 tonnes of cobalt in the nickel-cobalt concentrate and 9,600 tonnes of copper in the copper concentrate. Eurobattery Minerals owns 40% of FinnCobalt Oy and the Hautalampi project and has decided to acquire an additional 30%.
- ▶ In March, Eurobattery Minerals announced that the Company is exercising its option to acquire 30% of the shares in FinnCobalt Oy, the owner of the ground and mining rights to the Hautalampi nickel–cobalt–copper project. This constituted the Company's second acquisition within the scope of its contracted right to acquire 100% of the shares in FinnCobalt Oy in a staged process until May 2024. Altogether, Eurobattery Minerals' stake in FinnCobalt Oy will amount to 70% following the impending acquisition.
- ▶ On 22 March, Eurobattery Minerals announced that FinnCobalt Oy submitted the Hautalampi project's environmental impact assessment (EIA) update report to the North Karelia Centre for Economic Development, Transport, and the Environment for official review as part of the assessment. Eurobattery Minerals owns 40% of FinnCobalt Oy and the Hautalampi project and has decided to acquire an additional 30%.
- ▶ In March, Eurobattery Minerals received the first results from the new research partnership with Uppsala University in collaboration with AGH University of Science and Technology in Krakow, Poland. The results outline new methods for large-scale extraction of rare earth elements (REEs) allowing nearly 100% recovery of REEs in its Fetsjön project in Sweden.
- ▶ On 28 March, the Company announced that Eckhard Cordes, Chairman of the Board of Bilfinger and former member of the Board of Management of Daimler, as well as former Board member of Volvo, exercised warrants and will become a shareholder in Eurobattery Minerals.

## Significant events after the period

- ▶ In April, Eurobattery Minerals announced that the Company will receive approximately SEK 17.4 million through warrant redemption. The number of shares will increase by 7,134,746, from 26,012,240 shares to 33,146,986 shares, when the new shares are registered with the Swedish Companies Registration Office. The share capital will increase by SEK 7,134,746, from SEK 26,012,240 to SEK 33,146,986, implying a dilution of approximately 21.5%.
- ▶ In May, Eurobattery Minerals announced that the Hautalampi ore reserves and minerals resources reserves have been classified in the highest categories as viable mining projects in the United Nations Framework Classification for Resources (UNFC). Eurobattery Minerals owns 40 % of FinnCobalt Oy and Hautalampi project and has decided to acquire additional 30 %.

# Earnings and sales

## Comments on the first quarter, 1 January–31 March 2023

### Earnings and sales

The Company's net sales for the first quarter totalled SEK 0 thousand (Q1 2022: SEK 0 thousand), and earnings after financial items totalled SEK -3,288 thousand (Q1 2022: SEK -2,357 thousand). Operating costs amounted to SEK -3,180 thousand (Q1 2022: SEK -2,590 thousand). EBITDA for the first quarter was SEK -2,919 thousand (Q1 2022: SEK -2,574 thousand). Financial items for the quarter amounted to SEK -366 thousand (Q1 2022: SEK 217 thousand).

### Investments

Investments in property, plant and equipment in the first quarter totalled SEK 0 thousand (Q1 2022: SEK 0 thousand). Investments in intangible assets amounted to SEK 724 thousand (Q1 2022: SEK 1,433 thousand). Investments in non-current financial assets amounted to SEK 1,233 thousand (Q1 2022: SEK 1,030 thousand).

### Financial position

Cash and cash equivalents amounted to SEK 117 thousand on 31 March (31 March 2022: SEK 909 thousand). Equity was SEK 82,085 thousand on 31 March (31 March 2022: SEK 68,994 thousand).

### Cash flow and financing

Cash flow from operating activities in the first quarter was SEK 1,388 thousand (Q1 2022: SEK 540 thousand). Cash flow from investing activities was SEK -1,957 thousand (Q1 2022: SEK -2,463 thousand), while cash flow from financing activities was SEK 564 thousand (Q1 2022: SEK 0 thousand).

### The share

The share capital of Eurobattery Minerals AB (publ) on 31 March 2023 amounted to SEK 26,012,240. The total number of shares outstanding was 26,012,240. On 13 April 2023, the share capital increased by SEK 7,134,746, from SEK 26,012,240 to SEK 33,146,986.

The Company was listed on AktieTorget on 22 June 2015. On 17 April 2019, the share moved to the NGM, where trading began on 18 April 2019. The share's ticker symbol is BAT and its ISIN is SE0012481570. From 15 January 2021, the share can be traded on the Börse Stuttgart under the symbol EBM. According to Euroclear's register, Eurobattery Minerals had approximately 8,800 shareholders at the close of the period.

### Related-party transactions

During Q1 2023, earnings were also charged with fees of SEK 763 thousand paid to CEO Roberto García Martínez's company Nazgero Consulting Service LTD for work carried

out. Earnings for the period were also impacted by salary and other remuneration to the CEO in the amount of SEK 426 thousand.

Finally, earnings were impacted during Q1 2023 by fees of SEK 52 thousand paid to Board member Jan Arnbom's company Arnbom Geokonsult AB for work carried out.

## List of shareholders on 13 April 2023

Shareholder	Number of shares	Percentage (%)
Clearstream Banking Germany	4,001,007	12.32%
Six Sis AG	2,171,170	6.68%
Avanza Pension	1,681,027	5.17%
Nazgero Consulting	1,100,243	3.39%
UBS Switzerland AG	1,033,465	3.18%
Andrew Randall	978,169	3.01%
Nordea Bank Finland	720,598	2.22%
Ulex Recursos S.L.	687,471	2.12%
Kimberly Wrixon	500,000	1.54%
DH Invest AB	500,000	1.54%
Total other shareholders	19,773,836	58.83%
	<b>33,146,986</b>	<b>100.00%</b>

## Balance Sheet

<i>SEK thousand</i>	<i>31 Mar 2023</i>	<i>31 Mar 2022</i>	<i>31 Dec 2022</i>
<b>ASSETS</b>			
Subscribed but not paid-up capital	0	0	27,516
Intangible assets	61,185	45,875	60,461
Tangible assets	39	54	42
Financial assets	39,555	23,980	38,322
Other current assets	8,719	7,724	8,129
Cash and bank balances	117	909	263
<b>TOTAL ASSETS</b>	<b>109,615</b>	<b>78,542</b>	<b>134,733</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	82,085	68,994	84,950
Deferred tax	5,277	5,291	5,277
Current liabilities	22,253	4,257	44,506
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>109,615</b>	<b>78,542</b>	<b>134,733</b>

## Income Statement

<i>SEK thousand</i>	<i>2023 Jan–Mar</i>	<i>2022 Jan–Mar</i>	<i>2022 Jan–Dec</i>
<b>Operating income</b>			
Net sales			
Other operating income	258	16	584
<b>Total operating income</b>	<b>258</b>	<b>16</b>	<b>584</b>
<b>Operating costs</b>			
Other external costs	-2,651	-2,200	-14,262
Staff costs	-526	-390	-2,938
Depreciation of tangible assets	-3		-12
<b>Operating profit/loss</b>	<b>-2,922</b>	<b>-2,574</b>	<b>-16,628</b>
Net financial items	-366	217	-3,513
<b>Profit/loss before tax</b>	<b>-3,288</b>	<b>-2,357</b>	<b>-20,141</b>
Tax on profit/loss for the period	0	0	15
<b>PROFIT/LOSS FOR THE PERIOD</b>	<b>-3,288</b>	<b>-2,357</b>	<b>-20,126</b>

## Statement of Cash flow

<i>SEK thousand</i>	<i>2023</i>	<i>2022</i>	<i>2022</i>
	<i>Jan–Mar</i>	<i>Jan–Mar</i>	<i>Jan–Dec</i>
Operating profit/loss for the period	-2,922	-2,574	-16,628
Amortisation and depreciation	3	0	12
Financial items, etc.	-366	388	-3,347
<b>Cash flow from operating activities before change in working capital</b>	<b>-3,285</b>	<b>-2,186</b>	<b>-19,963</b>
Change in operating receivables	26,926	-289	-695
Change in operating liabilities	-22,253	3,015	25,265
<b>Cash flow from operating activities</b>	<b>1,388</b>	<b>540</b>	<b>-4,607</b>
<b>Cash flow from investing activities</b>	<b>-1,957</b>	<b>-2,463</b>	<b>-31,391</b>
<b>Cash flow from financing activities</b>	<b>564</b>	<b>0</b>	<b>22,764</b>
Translation differences	-141		1,451
<b>Cash flow for the period</b>	<b>-146</b>	<b>-1,923</b>	<b>-2,569</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>263</b>	<b>2,832</b>	<b>2,832</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>117</b>	<b>909</b>	<b>263</b>

## Change in equity

<i>SEK thousand</i>	<i>2023</i>	<i>2022</i>	<i>2022</i>
	<i>Jan–Mar</i>	<i>Jan–Mar</i>	<i>Jan–Dec</i>
<b>Equity at the beginning of the period</b>	<b>84,950</b>	<b>71,180</b>	<b>71,180</b>
New share issue	954	0	10,730
Ongoing new share issue	0	0	27,516
Costs for new share issue	-393	0	-5,966
Translation differences	-138	171	1,616
Profit/loss for the period	-3,288	-2,357	-20,126
<b>Equity at the end of the period</b>	<b>82,085</b>	<b>68,994</b>	<b>84,950</b>

## Key performance indicators and share data

	2023 Jan–Mar	2022 Jan–Mar	2022 Jan–Dec
Average equity for the period (SEK thousand)	83,518	70,087	78,066
Average total capital for the period (SEK thousand)	122,174	78,128	106,223
Return on equity (%)	-4	-4	-26
Return on total capital (%)	-2	-3	-16
Equity/assets ratio (%)	75	88	63
Earnings per share (SEK) (before dilution)	-0.20	-0.15	-1.28
Earnings per share (SEK) (after dilution)	-0.12	-0.15	-1.22
Equity per share (SEK)	3.16	4.39	5.14
Quick ratio (%)	40	203	81
Total number of shares	26,012,240	15,719,503	16,522,237
Average number of shares	21,267,239	15,719,503	16,120,870

### Definitions of key performance indicators

<b>Return on total capital:</b>	Earnings after financial items plus financial expenses as a percentage of average total capital.
<b>Return on equity:</b>	Net profit according to the income statement as a percentage of average equity.
<b>Equity/Assets ratio:</b>	Equity as a percentage of total assets.
<b>Earnings per share:</b>	Earnings after tax in relation to the average number of shares.
<b>Equity per share:</b>	Equity in relation to the number of shares on the balance sheet date.
<b>Quick ratio:</b>	Current assets excluding stock in relation to current liabilities.

### Accounting principles

Since 2014, Eurobattery Minerals has applied the Swedish Annual Accounts Act and Swedish Accounting Standards Board's general recommendation 2012:1 (K3) in its preparation of the financial statements.

### Auditor's report

This interim report has not been subject to review by an auditor.

### Mentor

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### Upcoming reporting dates

The interim report for the January to June period will be published on 22 August 2023.

Reports, press releases and further are published on Nordic Growth Market's website [www.ngm.se](http://www.ngm.se) and on [www.investors.eurobatteryminerals.com/en](http://www.investors.eurobatteryminerals.com/en).

May 2023

**Eurobattery Minerals AB**  
*Board of Directors*

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Eurobattery Minerals AB is a Swedish mining company listed on Swedish Nordic Growth Market (BAT) and German Börse Stuttgart (EBM). With the vision to make Europe self-sufficient in responsibly mined battery minerals, the company's focus is to realize numerous nickel-cobalt-copper projects in Europe to supply critical raw materials and, as such, power a cleaner world. Please visit [www.eurobatteryminerals.com](http://www.eurobatteryminerals.com) for more information. Feel free to follow us on LinkedIn and Twitter as well.

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