

ANNUAL REPORT & CONSOLIDATED FINANCIAL STATEMENTS

Responsibly mined battery minerals from Europe

22



EURO
BATTERY
MINERALS

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Dear shareholders,

I am excited to update you on the progress of Eurobattery Minerals, a company that enables the green transition. Our business is to mine European and responsible battery minerals – in 2022, we took several crucial steps to realise this strategy.

Upswing for European mines and for Eurobattery Minerals

As the electric car is becoming a commodity in many homes and more and more Europeans trust renewable sources for their electricity supply and heating, batteries, battery minerals and mines are being increasingly discussed around dinner tables across the region. In combination with the world's geopolitical situation, the understanding that we need more mines in Europe to supply these critical raw materials has increased significantly.

Part of my job is to meet critical political stakeholders and inform them on Eurobattery Minerals' role in the green transition. Even if I would like, for example, operating and environmental permit processes to move faster, it's encouraging that the political sphere is also taking action to increase Europe's self-sufficiency. The recently announced Critical Raw Materials Act is one very important development. As an advocate for the mining industry, this is a very positive and essential development, particularly for Eurobattery Minerals.

Speedy start to 2023

Before addressing the most significant developments for our operations in 2022, I would like to briefly summarise what we have achieved so far in 2023.

In Finland, we have announced our intention to become the majority owner of our nickel, copper and cobalt Hautalampi mine project with an additional acquisition of a 30% stake. Furthermore, the much-awaited pre-feasibility study points to a pay-back time of roughly 4.5 years during the planned 12-year operations for the mine. I am also pleased to have a new managing director in place in Finland, with the finalisation of the environmental permit top of the agenda.

In Sweden, we received the findings of our research collaboration on rare earth elements. Using material from our Fetsjön and Rönnerberget exploration targets, Eurobattery Minerals has worked together with scientists in a project to identify an efficient method of retrieving precious metals. The first results suggest an almost 100% recovery rate – an impressive and exciting development in this substantial deposit of rare earth elements. I have also visited our Corcel project several times this year, engaging in fruitful dialogues with local authorities and politicians around our battery minerals project in Spain and the environmental and operating permit we are awaiting.

Several steps closer to mining in both Finland and Spain

During 2022, we made significant advances in preparations for the start of the Hautalampi mine. In July 2022, we finalised the acquisition of the first 40% stake. Furthermore, we

received the results from the independent JORC-compliant estimate. The report concludes that compared to the previous analysis in 2021, the mineral resources in the mine project have almost doubled, with nearly 40% more metals. In addition, we had several meetings with the local community in Outokumpu and local authorities to make way for a new mine in the mining-friendly area in Eastern Finland.

Corcel is our wholly owned battery mineral mine project in the northwest of Spain. The project includes the active prospect zone in Castriz and two additional prospect zones in Monte Mayor and Monte Castello. In 2022, we received the independent NI-43-101 report. With only 10% of the exploration target covered, the report points out that the nickel in Corcel is sufficient to manufacture half a million 60 kWh car batteries. Following the report, a metallurgical study has been carried out that confirms a high level of nickel worth EUR 113.9 million – again, only in the small part of the project that was covered in the Ni-43-101 report. Having provided the necessary information for the environmental and operating permit in August 2022, we are now eagerly awaiting feedback from the authorities in Spain – we are ready to operate an open pit battery mineral mine!

Additional mine projects for Eurobattery Minerals on the agenda

Alongside Finland and Spain and the research collaboration in our Swedish project in Fetsjön and Rönnerberget, we are actively seeking additional mining opportunities across Europe with a specific focus on the central parts of the region. It's clear that regardless of the critical recycling of old batteries, Europe's demand for responsibly mined battery minerals is enormous. At Eurobattery Minerals, we are committed to actively contributing to this demand. We are working closely with automakers, battery manufacturers, local authorities, and financial institutions to make this happen.

Finally, I would like to thank the entire team at Eurobattery Minerals for their hard work and dedication. I would also like to thank everyone who has invested in the company. I have said it before, and I will repeat it, as an investor in Eurobattery Minerals, you are actively contributing to a better and cleaner world. Thank you!



Roberto García Martínez
CEO

EUROBATTERY MINERALS AB

Directors' Report

The Board of Directors and CEO of Eurobattery Minerals AB (publ), company registration number 556785-4236, hereby present the following Annual Report and consolidated financial statements for the operations for the 2022 financial year. All amounts are reported in SEK unless otherwise indicated.

General information on activities

The Company was established in 2009 under the name Resolution Energy RE AB with the intention of conducting seismic surveys for the oil industry. The planned operations were not pursued, so the Company was dormant until 2014, when the new business focus began to take shape. The Company registered its current name on 28 June 2019.

Business concept

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 realise numerous nickel-cobalt-copper projects in Europe to supply critical raw materials and, as such, power a cleaner world.

The Group

The Group consists of the Parent Company and the wholly owned subsidiary CORCEL MINERALS, S.L. – B70541792 with its head office in Coruna, Spain. The Group also consists of 40 % in the associated companies

FinnCobalt Oy, 2300988-4 with its head office in Outokumpu Finland.

Head office

The Company's head office is in Stockholm, Sweden.

The share

On 31 December 2022, the share capital of Eurobattery Minerals AB (publ) amounted to SEK 16,522,237. The total number of shares outstanding was 16,522,237. The new share issue implemented in December 2022 was registered with the Swedish Companies Registration Office on 10 January 2023. A total of 9,490,003 new shares were registered and the share capital was increased by SEK 9,490,003. 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.

SHARE CAPITAL

Year	Event	Quota (SEK)	Change in number of shares	Changes in share capital (SEK)	Total number of shares	Total share capital (SEK)
2009	Company formation	0.10	1,000,000	100,000	1,000,000	100,000
2014	New share issue	0.10	4,000,000	400,000	5,000,000	500,000
2014	New share issue	0.07	2,750,000	55,000	7,750,000	555,000
2015	New share issue	0.04	16,876,071	337,521.42	24,626,071	892,521
2015	Share warrants	0.03	14,969,665	299,393.30	39,595,736	1,191,914
2018	New share issue	0.02	105,037,824	2,100,756.48	144,633,560	3,292,671
2018	New share issue	0.02	14,153,648	283,072.96	158,787,208	3,575,744
2018	New share issue	0.02	73,025,761	1,460,515.22	231,812,969	5,036,259
2019	New share issue	0.02	31	0.62	231,813,000	5,036,260
2019	Merger	2.17	-229,494,870	0	2,318,130	5,036,260
2019	New share issue	2.06	3,777,089	7,554,178	6,095,219	12,590,438
2019	Reduction	1.00	0	-6,295,219	6,095,219	6,295,219
2019	New share issue	1.00	3,399,475	3,399,475	9,694,694	9,694,694

SHARE CAPITAL (continued from previous page)

Year	Event	Quota (SEK)	Change in number of shares	Changes in share capital (SEK)	Total number of shares	Total share capital (SEK)
2020	New share issue	1.00	150,663	150,663	9,845,357	9,845,357
2020	New share issue	1.00	3,938,142	3,938,142	13,783,499	13,783,499
2020	Share warrants	1.00	1,895,819	1,895,819	15,679,318	15,679,318
2021	New share issue	1.00	40,185	40,185	15,719,503	15,719,503
2022	New share issue	1.00	802,734	802,734	16,522,237	16,522,237
2023	New share issue	1.00	9,172,102	9,172,102	25,694,339	25,694,339
2023	New share issue	1.00	317,901	317,901	26,012,240	26,012,240

List of shareholders on 31 December 2022

Shareholder	Number of shares	Percentage (%)
Clearstream Banking Germany	2,298,680	13.91%
Andrew Randall	803,007	4.86%
Avanza Pension	718,517	4.35%
Ulex Recursos S.L.	687,471	4.16%
Six Sis AG	635,270	3.84%
Nordea Bank Finland	620,598	3.76%
Kimberly Wrixon	375,000	2.27%
UBS Switzerland	296,165	1.79%
Tetra Ekberg	282,578	1.71%
Frenergy AB	250,000	1.51%
Other shareholders	9,554,951	57.84%
	16,522,237	100.00%

Related-party transactions

During the 2022 financial year, earnings were affected by fees of SEK 3,839 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 1,587 thousand.

Finally, earnings were impacted during the 2022 financial year by fees of SEK 95 thousand paid to Board Member Jan Arnbom's company Arnbom Geokonsult AB for work carried out.

Incumbent Board of Directors and CEO▶ **Roberto Garcia Martinez**

Born 1970, CEO, Board Member
 Joined the Board and took over as CEO on 7 March 2019
 Shareholding: 248,646 shares
 Board fee 2022: SEK 80 thousand

▶ **Henrik Johannesson**

Born 1975, Chairman of the Board
 Joined the Board on 17 June 2020
 Shareholding: 159,000 shares
 Board fee 2022: SEK 250 thousand

▶ **Jan Olof Arnbom**

Born 1952, Board Member
 Joined the Board on 28 June 2018
 Shareholding: 0 shares
 Board fee 2022: SEK 80 thousand

GROUP

Financial overview

Earnings and sales

The Company's net sales for full-year 2022 totalled SEK 0 thousand (FY 2021: SEK 0 thousand), and earnings after financial items totalled SEK -20,139 thousand (FY 2021: SEK -16,776 thousand). Operating costs amounted to SEK -17,212 thousand (FY 2021: SEK -17,357 thousand). EBITDA for full-year 2022 amounted to SEK -17,156 thousand (FY 2021: SEK -17,055 thousand). Financial items for the period amounted to SEK -2,983 thousand (FY 2021: SEK 279 thousand).

Investments

Investments in tangible assets for full-year 2022 totalled SEK 0 thousand (FY 2021: SEK 42 thousand). Investments in intangible assets amounted to SEK 16,017 thousand (FY 2021: SEK 6,555 thousand). Investments in non-current financial assets amounted to SEK 15,372 thousand (FY 2021: SEK 11,682 thousand).

Financial position

Cash and cash equivalents at year end amounted to SEK

263 thousand (YE 2021: SEK 2,832 thousand). Equity at year end was SEK 84,947 thousand (FY 2021: SEK 71,181 thousand).

Cash flow and financing

Cash flow from operating activities was SEK 5,413 thousand (FY 2021: SEK -22,235 thousand) for the full-year 2022. Cash flow from investing activities was SEK -31,390 thousand (FY 2021: SEK -18,279 thousand), while cash flow from financing activities was SEK 22,764 thousand (FY 2021: SEK 608 thousand).

Equity

The Group's equity at year end was SEK 84,947 thousand (FY 2021: SEK 71,181 thousand). One new share issue was completed during the year. The issue totalled SEK 10,730 thousand, with a subscription price of SEK 13.36 per share. A total of 802,734 shares were issued. At the end of the financial year, 16,522,237 shares were in issue.

EQUITY (SEK THOUSAND)

<i>Group</i>	Share capital	Ongoing new share issue	Fund for development costs	Other contributed capital	Other equity including profit for the year	Total
Equity 31/12/2021	15,719	0	12,111	105,571	-62,222	71,180
New share issues	803			9,927		10,730
Ongoing new share issue		9,1724		18,344		27,516
Costs for new share issue				-5,966		-5,966
Provision for development costs				16,019	-16,019	0
Translation differences				-14	1,629	1,616
Profit/loss for the year					-20,129	-20,129
Equity 31/12/2022	16,522	9,172	28,130	127,862	-96,740	84,947
<i>Parent Company</i>	Share capital	Ongoing new share issue	Fund for development costs	Share premium reserve	Profit/loss for the year, incl. retained earnings	Total
Equity 31/12/2021	15,719	0	1,479	105,571	-45,793	76,976
New share issues	803			9,927		10,730
Ongoing new share issue		9,172		18,344		27,516
Costs for new share issue				-5,966		-5,966
Translation differences				-14		-14
Profit/loss for the year					-30,799	-30,799
Equity 31/12/2022	16,522	9,172	1,479	127,862	-76,592	78,443

MULTI-YEAR REVIEW

Group	2022	2021	2020
Net sales (SEK thousand)	0	0	0
Operating profit/loss (SEK thousand)	-17,156	-17,055	-13 152
Profit/loss before tax (SEK thousand)	-20,139	-16,776	-14 028
Balance sheet total (SEK thousand)	134,732	77,713	92 809
Intangible assets (SEK thousand)	60,460	44,442	37 887
Equity/assets ratio (%)	63	92	94
Number of employees	2	1	1
Parent Company	2022	2021	2020
Net sales (SEK thousand)	0	0	0
Operating profit/loss (SEK thousand)	-28,787	-17,001	-13,114
Profit/loss before tax (SEK thousand)	-30,799	-16,722	-13,437
Balance sheet total (SEK thousand)	122,877	77,899	93,443
Intangible assets (SEK thousand)	2,761	2,761	2,761
Shares and receivables Group companies (SEK thousand)	65,826	49,602	36,355
Reported equity/assets ratio (%)	64	99	99
Number of employees	2	1	1
Number of shares at the end of the period	16,522,237	15,719,503	15,679,318

Definitions of key performance indicators

Equity/assets ratio: Equity capital and untaxed reserves (after deductions for deferred tax) in relation to the balance sheet total.

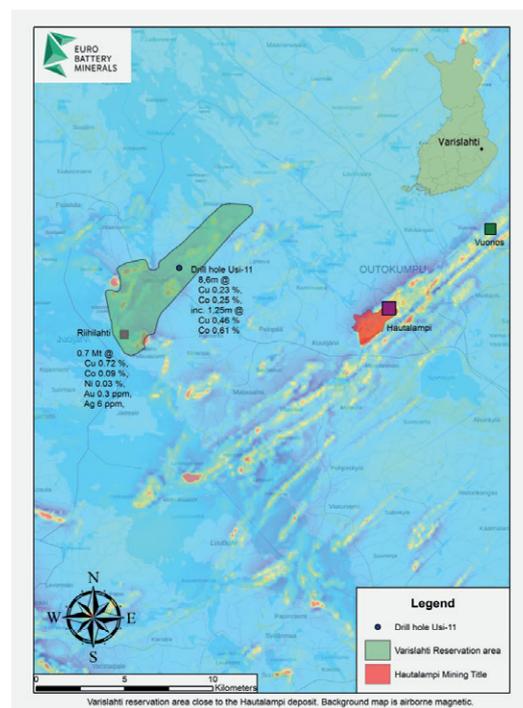
Significant events in 2022

January–March

- ▶ In January, Eurobattery Minerals AB announced highly satisfactory first assay results from drillings at the Spanish Corcel project: an estimated 60 million tonnes of rock with a nickel grade of 0.25%. The initial assay results are from the first two of seven drill holes carried out in the Castriz prospect area in 2021. Together with Monte Mayor and Monte Castello, Castriz is one of three prospect areas in the Corcel project.
- ▶ In February, FinnCobalt Oy, the current owner of the Hautalampi project, informed Eurobattery Minerals about its expansion in eastern Finland via a newly granted reservation for applying for an exploration permit over the highly prospective Varislahti prospect zone. Varislahti covers over 23.6 km² of highly prospective ground and is expected to contain the minerals nickel, cobalt, copper, zinc and gold. It is ideally located in terms of infrastructure and close to the Hautalampi project. Eurobattery Minerals has the option to acquire 100% of FinnCobalt in a staged process.
- ▶ In March, the Company announced additional assay results from drillings at the Spanish Corcel project, confirming the results already communicated in January: an estimated 60 million tonnes of rock with a nickel grade of 0.25%. Accreditation of the resource was held up until Q2 2022 due to Covid-19-related delays on the part of the responsible ALS Global laboratory.
- ▶ In March, Eurobattery Minerals also announced the first results from the phase 2 core drilling campaign completed at the Hautalampi Ni-Co-Cu project in eastern Finland. The results indicated that the resource areas in Hautalampi are connected. Such a connection will make intended future mining activities more efficient and economical. As for the Corcel project, the full results for Hautalampi are also held up due to Covid-19-related delays on the part of the responsible ALS Global laboratory. At the time of the announcement, the results were expected in Q2 2022, along with the mineral resource update according to the JORC.



Highly satisfactory results from drillings at the Spanish Corcel Project: Estimated 60 million tonnes with 0.25% nickel.



Eurobattery Minerals expands operations in Finland.



Core drilling results indicates a connection between the resource areas in Hautalampi, Finland.

April–June

- ▶ At the beginning of April, the Company decided to carry out a directed issue of convertibles of SEK 18 million to Formue Nord Fokus A/S. The objective of the directed issue, which is based on the Annual General Meeting's authorisation of 1 June 2021, is to finance the acquisition of additional shares in FinnCobalt in line with existing agreements, to finance additional value-creating investments and to create flexibility in acquiring other projects or parts thereof.
- ▶ In May, Eurobattery Minerals completed another step towards realising the Finnish Hautalampi battery mineral project as the environmental impact assessment (EIA) report was submitted. The EIA report will present the status of the environment of the Hautalampi mine project as well as the environmental impact of the assessed options and their significance. As soon as the environmental compatibility of the Hautalampi project is officially confirmed, one of the conditions for Eurobattery Minerals to start mining at Hautalampi will be fulfilled.
- ▶ On 31 May, Eurobattery Minerals took another critical step in realising a battery mineral mine in Finland as the Company purchased 40% of the Finnish Hautalampi battery mineral mine project from its current owner FinnCobalt. This was the first time that the Company had exercised its option to acquire 100% of the shares in FinnCobalt in a staged process. As announced about two years ago, Eurobattery Minerals plans to acquire 100% of the shares in FinnCobalt by 2024 at the latest.
- ▶ In June, Eurobattery Minerals received the independent NI 43-101 report for the Castriz deposit, which is one part of the Corcel project. The report covered 10% of the deposit and concluded that this part alone contains the amount of nickel needed for 500,000 car batteries. Considering that the Castriz deposit has a nickel grade of 0.23%, Eurobattery Minerals will be able to produce minerals for a few million car batteries with a capacity of 60 kWh in the future.
- ▶ In June, the Company was also appointed as the new Vice-President of the Swedish-Spanish Chamber of Commerce (Cámara de Comercio Hispano Sueca). The two-year vice-presidency is shared with the renowned Swedish car manufacturer Volvo Cars. Within its office, the Company will benefit from networking with professionals and representatives in terms of the economy and politics, among others. In addition, the Company will actively promote the green transition, which will see its battery mineral projects, also needed for zero-emission mobility, receive additional EU funding.



Significant stake acquisition: Eurobattery Minerals purchases 40% of Finnish Hautalampi battery mineral mine project.



Eurobattery Minerals receives independent NI-43-101 report for the Corcel project.



Eurobattery Minerals takes over vice-presidency of the Swedish-Spanish Chamber of Commerce and increases its contribution to the Green Transition.

July–September

- ▶ On 1 July, the Company announced the completion of the acquisition of the 40% stake in FinnCobalt Oy, the current owner of the ground and all mining rights of the Finnish Hautalampi nickel-cobalt-copper project. In conjunction with the transaction, the Board of Directors of Eurobattery Minerals completed a directed issue of 802,734 shares with a total value of EUR 1,000,002. In addition, EUR 250,000 in cash was paid to the three current owners of FinnCobalt.
- ▶ In August, the Company presented the results from a new German survey on consumers' attitudes to battery minerals in connection with buying a car. Among other findings, the survey, conducted by analyst company YouGov concluded that 48% are willing to pay a higher price for sustainable battery production, and 57% support more mining in Europe for critical minerals.
- ▶ In August, Eurobattery Minerals took another important step in preparing for a mine in its Spanish Corcel project as the necessary information for completion of the Environmental and Operating Permit was submitted to the Energy & Mining Service of La Coruña. In order to obtain these permits, Eurobattery Minerals has now submitted the Exploitation Project, the Environmental Impact Study, and the Restoration Plan to the local authorities.
- ▶ In September, Eurobattery Minerals announced that FinnCobalt Oy, the majority owner of the Hautalampi project, had received a request for additional information on the Hautalampi project Environmental Impact Assessment (EIA) Report from the North Karelia Centre for Economic Development, Transport and the Environment Eurobattery Minerals' view is that these requirements will help and speed up the process of the final environmental permit application and that the work to complete the EIA and preparation of the final environmental permit application will commence simultaneously.
- ▶ In September, the Company announced an updated resource estimate for the Hautalampi project. The independent JORC-compliant estimate prepared by AFRY Finland Oy concludes that compared to the previous analysis in 2021, the available mineral resources in the mine project have almost doubled with almost 40% more metals. The new estimate exceeds Eurobattery Minerals' previous expectations and confirms that the Hautalampi mine project has more than a third more battery minerals available than what was previously believed. The Company is now conducting further technical and financial evaluations of the project's viability.



Eurobattery Minerals completes 40% stake acquisition of Finnish Hautalampi battery mineral mine project and directed share issue.



Every second German considers buying an electric or hybrid car.



Eurobattery Minerals: Almost 40% increase in the contained metals in the Finnish Hautalampi Ni-Co-Cu mine project.

October–December

- ▶ In October Eurobattery Minerals received the complete JORC-compliant report entitled “Hautalampi Ni-, Cu-, CoDeposit Mineral Resource Estimate, Outokumpu, Finland.” The independent report prepared by AFRY Finland Oy concludes that, compared to the previous analysis in 2021, the available mineral resources in the mine project have almost doubled with around 40% more metals.

- ▶ In October, Eurobattery Minerals decided on a rights issue of approx. SEK 49.6 million and proposed an authorisation for an over-allotment issue of an additional approx. SEK 15 million and decided on the issue of a convertible loan of SEK 10 million. Approximately SEK 24.8 million of the rights issue was secured by subscription and underwriting commitments, which corresponded to 50.0% of the rights issue. In November, Eurobattery Minerals announced that the Swedish Mining Inspectorate had decided that all Eurobattery Minerals exploration permits have been automatically extended by one year. The extension is a result of legislative change mitigating the effects of Covid-19, which extends the validity of all exploration permits that were in force on 9 June 2022.

- ▶ In November, Eurobattery Minerals received the final verdict of the Hautalampi mining concession proceeding. The completed mining concession proceeding in Hautalampi brings Eurobattery Minerals one step closer to a much-needed European battery mineral mine. According to Finnish mining law, the Company now has full rights to exploit all the mineral resources in the area.

- ▶ In November, Eurobattery Minerals announced that Ilari Kinnunen has been appointed new Managing Director (MD) of FinnCobalt Oy in Finland as of 1 March 2023, replacing the current MD Markus Ekberg, who will be retiring. Markus Ekberg will continue as the Chairman of the Board of FinnCobalt Oy. Ilari Kinnunen will be responsible for the development and operations of the Hautalampi battery mineral mine development project.

- ▶ In December, Eurobattery Minerals announced that German SRH AlsterResearch’s analysts have initiated coverage of the Company. The independent analysts have issued a speculative buy recommendation. The assessment was based on Eurobattery Minerals’ good positioning to benefit from the rapidly increasing demand for minerals such as nickel, cobalt or copper, which are essential for the electrification of the global automobile industry. Eurobattery Minerals will be



Eurobattery Minerals receives the final verdict of the Hautalampi mining concession proceeding.



Eurobattery Minerals strengthens Finnish Hautalampi team with new experienced Managing Director.



SRH AlsterResearch initiates coverage of Eurobattery Minerals AB.

able to meet this demand thanks to the high forecast mineral deposits.

- ▶ In December, Eurobattery Minerals announced the result of a metallurgical study in its Spanish Corcel project. The study, carried out on three samples with different nickel grades (medium, low and high), confirms a high level of nickel worth EUR 113.9 million for just a small part of the Castriz project. With all current data available the potential of the Corcel project is significantly higher than previously anticipated. Combining this insight with the identification that well-proven techniques can be used by Eurobattery Minerals to extract the minerals with recoveries above 50% underline that the great outlook for a significant battery mineral mine in Corcel.
- ▶ In December, the Company also announced a new research collaboration with the University of Uppsala on mining for rare earth elements (REE) in its Swedish Fetsjön project. The partnership aims to investigate the opportunity for large-scale extraction of REEs using existing methods. REEs are critical components for electric vehicles and other electric equipment and raw materials classified as “critical” by the European Union.
- ▶ In December, Eurobattery Minerals announced the completion of the Rights issue with a subscription period between 7 December and 21 December 2022. The Rights issue received subscriptions for approximately 56% and the Company will receive approximately SEK 27.5 million before the deduction of issue costs. The proceeds from the Rights issue will be used for partial repayment of an outstanding convertible, finalisation of the acquisition of all shares in FinnCobalt Oy and for further investments in the Corcel and Hautalampi projects.



Metallurgical study in Corcel confirms high level of Nickel worth EUR 113.9 million.



Eurobattery Minerals starts new research collaboration on large-scale extraction of REE in Sweden.

Significant events after 2022

- ▶ 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 the FinnCobalt and 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 the FinnCobalt Oy and 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 & 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.
- ▶ 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 shares, from 26,012,240 shares to 33,146,986 shares, when the new shares are registered by 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, which implies 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 %.



Strong economic outlook for Hautalampi mine according to pre-feasibility study.



Eurobattery Minerals increases its stake in the Finnish Hautalampi project to 70 per cent.



New ground-breaking method allows nearly 100% recovery of REEs in Fetsjön.

Expected future developments, risks and uncertainties

The electric revolution is continuing at full speed and Eurobattery Minerals' business strategy of providing a sustainable foundation for this development stands firm. The combination of increased consumer demand for EVs and the focus on increased self-sufficiency in terms of these crucial battery minerals for the EU are key drivers for the Company and moreover, important factors for future development. However, more positively, electrification and battery development are seen as cornerstones of the EU's post-pandemic recovery as the development is vital for the region in achieving its ambitious climate targets.

Going concern

In order for the company to further explore projects and develop its strategy in the medium and long term, it will need additional capital also in the short term. Management and the Board of Directors are negotiating with various external parties and potential off-take partners in order to secure the company's financial capacity to develop and accelerate the company's project pipeline and to become a European mining and mineral raw materials supplier. It's the Board's assessment that there are opportunities for continued financing and thus opportunities for continued operation.

PROPOSED APPROPRIATION OF PROFITS (SEK)

Proposed appropriation of the Company's profits	
Share premium reserve	127,875,811
Retained earnings	-45,807,046
Loss for the year	-30,0799,286
	51,269,479
<hr/>	
The Board of Directors proposes that the following is carried forward	51,269,479

For more information on the Company's results and position in general, please refer to the following income statements, balance sheets and accompanying notes. All amounts are reported in SEK unless otherwise indicated.

INCOME STATEMENT GROUP AND PARENT COMPANY (SEK)

Income statement	Note	GROUP		PARENT COMPANY	
		2022	2021	2022	2021
Operating income					
Net sales		0	0	0	0
Other operating income		55,801	302,396	51,578	302,396
Total operating income		55,801	302,396	51,578	302,396
Operating costs					
Other external costs	5,6	-14,262,396	-15,421,707	-25,900,480	-15,371,571
Staff costs	6	-2,937,680	-1,931,511	-2,937,680	-1,931,511
Depreciation of tangible fixed assets	11	-11,710	-4,308	0	0
Total operating costs		-17,211,786	-17,357,526	-28,838,160	-17,303,082
Operating profit/loss		-17,155,985	-17,055,130	-28,786,582	-17,000,686
Profit/loss from financial items					
Results from shares in associated companies	7	-964,427	0	0	0
Interest income and similar items		1,140,937	282,211	949,597	281,491
Interest expenses and similar items	7	-3,159,016	-3,312	-2,962,301	-2,981
Total profit/loss from financial items		-2,982,551	278,899	-2,012,704	278,509
Profit/loss before tax		-20,138,536	-16,776,231	-30,799,286	-16,722,177
Tax on profit/loss for the year	8	9,373	220,447	0	0
Profit/loss for the year		-20,129,163	-16,555,784	-30,799,286	-16,722,177
Basic earnings per share (SEK)			-1.06	-1.96	-1.07
Diluted earnings per share (SEK)		-1.22	-1.05	-1.86	-1.06

Profit/loss in full attributable to shareholders in the Parent Company

Number of shares at beginning of year	15,719,503	15,679,318
Number of shares at end of year	16,522,237	15,719,503
Number of shares on average	16,120,870	15,699,411

BALANCE SHEET GROUP AND PARENT COMPANY (SEK)

		GROUP		PARENT COMPANY	
	Note	2022	2021	2022	2021
ASSETS					
Subscribed but not paid capital		27,516,306	0	27,516,306	0
Non-current assets					
Intangible assets					
Licences and mining concessions	9	25,844,146	25,844,146	0	0
Capitalised development costs	10	34,615,464	18,598,076	2,761,127	2,761,127
Total intangible assets		60,459,610	44,442,222	2,761,127	2,761,127
Tangible assets					
Machinery and equipment	11	41,922	54,397	0	0
Total tangible assets		41,922	54,397	0	0
Financial assets					
Participations in Group companies	12	0	0	45,780,948	43,465,016
Receivables from Group companies		0	0	7,045,290	6,137,280
Participations in associated companies	13	22,989,107	0	22,989,107	0
Paid deposits		78,777	78,777	78,777	78,777
Other long-term investments	14	15,254,644	22,871,574	16,219,314	22,871,574
Total financial assets		38,322,528	22,950,351	92,113,436	72,552,647
Total non-current assets		98,824,060	67,446,970	94,874,563	75,313,774
Current assets					
Current receivables					
Other receivables		8,000,227	7,305,439	345,690	196,107
Prepaid expenses and accrued income	15	128,699	128,760	119,840	128,760
Total current receivables		8,128,926	7,434,199	465,530	324,867
Cash and bank balances		262,655	2,831,737	21,088	2,260,143
Total current assets		8,391,581	10,265,936	486,618	2,585,010
Total assets		134,731,947	77,712,906	122,877,487	77,898,784

BALANCE SHEET GROUP AND PARENT COMPANY (SEK)

	Note	GROUP		PARENT COMPANY	
		2022	2021	2022	2021
EQUITY AND LIABILITIES					
Equity					
Share capital		16,522,237	15,719,503		
Ongoing new issue		9,172,102	0		
Fund for development costs		28,130,392	12,111,389		
Other contributed capital		127,862,331	105,570,796		
Other equity including profit for the year		-96,739,317	-62,220,786		
<i>Restricted equity</i>					
Share capital		0	0	16,522,237	15,719,503
Ongoing new issue		0	0	9,172,102	0
Fund for development costs		0	0	1,479,085	1,479,085
Total restricted equity		0	0	27,173,424	17,198,588
<i>Unrestricted equity</i>					
Share premium reserve		0	0	127,862,331	105,570,796
Retained earnings		0	0	-45,793,566	-29,071,389
Profit/loss for the year		0	0	-30,799,286	-16,722,177
Total unrestricted equity		0	0	51,269,479	59,777,230
Total equity		84,947,745	71,180,902	78,442,903	76,975,818
Deferred tax	16	5,282,364	5,291,066	0	0
Current liabilities					
Convertible debenture	17	18,000,000	0	18,000,000	0
Trade payables		10,091,308	955,795	10,030,705	822,966
Other current liabilities		8,070,874	153,450	8,070,874	0
Accrued expenses and deferred income	18	8,339,656	131,693	8,333,005	100,000
Total current liabilities		44,501,838	1,240,938	44,434,584	922,966
Total equity and liabilities		134,731,947	77,712,906	122,877,487	77,898,784

STATEMENT OF CASH FLOW GROUP AND PARENT COMPANY (SEK)

		GROUP		PARENT COMPANY	
	Note	2022	2021	2022	2021
Operating activities					
Operating activities		-17,155,985	-17,055,130	-28,786,582	-17,000,686
Profit/loss before financial items		11,710	4,308	0	0
Amortisation and depreciation		1,140,937	0	0	0
Interest received etc		-3,149,061	465,663	-2,962,301	278,509
Interest paid etc.		-19,152,399	465,663	-2,012,704	278,509
Cash flow from operating activities before change in working capital		-20,126,826	-16,585,159	-30,799,286	-16,722,177
Change in working capital					
Change in current receivables		-694,727	-6,534,911	-140,663	404,387
Change in current liabilities		25,260,900	885,319	25,511,618	569,815
Change in working capital		24,566,173	-5,649,592	25,370,955	974,202
Cash flow from operating activities		5,413,774	-22,234,751	-5,428,331	-15,747,975
Investment activities					
Investments in intangible assets		-16,017,388	-6,554,969	0	0
Investments in tangible assets		0	-42,075	0	0
Investments in non-current financial assets		-15,372,177	-11,681,566	-19,560,789	-24,928,697
Cash flow from investing activities		-31,389,565	-18,278,610	-19,560,789	-24,928,697
Financing activities					
Share issues		10,730,051	607,999	10,730,051	607,999
Costs for share issue		-5,966,506	0	-5,966,506	0
New loans		18,000,000	0	18,000,000	0
Repayment of loans and credits		0	0	0	0
Cash flow from financing activities		22,763,545	607,999	22,763,545	607,999
Translation differences		643,164	0	-13,480	0
Change to cash and cash equivalents		-2,569,082	-39,905,362	-2,239,055	-40,068,673
Cash and cash equivalents at the beginning of the year		2,831,737	42,737,099	2,260,143	42,328,816
Cash and cash equivalents at end of year		262,655	2,831,737	21,088	2,260,143

NOTE 1 ACCOUNTING AND VALUATION PRINCIPLES

The Company has prepared its Annual Report according to the Annual Accounts Act and BFAR 2012:1, Annual Reports and consolidated accounts (K3).

Valuation principles, etc.

In previous years, the deferred tax on the surplus values of mining concessions in acquisitions of subsidiaries has not been recognised. This affected the financial statements for 2020.

Consolidation principles

Eurobattery Minerals AB (publ) prepares consolidated financial statements. The Company in which Eurobattery Minerals AB (publ) holds the majority of the votes at the Annual General Meeting and in which Eurobattery Minerals AB (publ) has a controlling influence is classified as a subsidiary and is consolidated in the consolidated financial statements (see Note 2). Information on Group companies is included in the note on non-current financial assets. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The consolidated financial statements have been prepared in accordance with the acquisition method. The acquisition date is the date on which the controlling influence is obtained. Identifiable assets and liabilities are initially measured at fair value at the time of acquisition. Goodwill consists of the difference between the identifiable net assets acquired at the time of acquisition and the cost and is initially measured at cost.

Balances between Group companies are eliminated in full.

Group relationships

Eurobattery Minerals AB (publ), company registration number 556785-4236, in Stockholm, Sweden, is the Parent Company of wholly owned subsidiary CORCEL MINERALS, S.L. – B70541792, Coruna, Spain. The Company also own 40% in the associated companies FinnCobalt Oy, 2300988-4 with its head office in Outokumpu Finland

Definition of average number of shares

To calculate the average number of shares, the Company uses the ratio on the balance sheet date. If a split or merger of shares has occurred during the year, the number of shares included in the period will be converted to reflect the ratio on the balance sheet date.

Intangible assets

Intangible assets are recognised at cost less accumulated amortisation and any impairment

Amortisation takes place straight-line over the estimated useful life. The amortisation period for patents, licenses and internally generated intangible assets is five years. The Company's holdings consist of exploration permits, geological information and exploration costs. As no extraction has begun, there is no amortisation at this time.

Tangible assets

Tangible assets are recognised at cost less depreciation. Cost includes expenditure that is directly attributable to the acquisition of the asset.

When a component of a non-current asset is replaced, any remaining portion of the old component is scrapped and the new component's cost is capitalised.

Additional expenses related to assets that are not broken down into components are added to the acquisition cost if they are expected to provide the Company with future economic benefits, to the extent of the asset's performance increases in relation to the asset's value at acquisition.

Expenditures for ongoing repairs and maintenance are reported as expenses.

A capital gain or capital loss on disposal of a fixed asset is recognised as Other operating income or Other operating costs.

Tangible assets are depreciated systematically over the asset's estimated useful life. The asset's residual value is taken into account, where applicable, in determining the asset's depreciable amount. The straight-line depreciation method is used for other types of tangible assets. The following depreciation periods are applied:

Depreciation of tangible assets:

Equipment, tools, fixtures and fittings 5 years

Receivables

Receivables have been recognised at the amounts expected to be paid after deductions for individually assessed doubtful receivables.

Foreign currencies

Assets and liabilities in foreign currencies are valued at closing day rate.

Other securities held as fixed assets

Other securities held as fixed assets are intended for

long-term holdings and are recognised at cost. If a long-term securities holding has a lower value than the book value on the balance sheet date, the asset is written down to this lower value if it can be assumed that the decline in value is permanent.

Income tax

Reported income tax includes taxes to be paid or received for the current year, adjustments to previous years' taxes, and participations in associated companies' taxes. Tax liabilities/receivables are valued at the amounts the Company estimates should be paid to or received from the tax authority. The assessment is made based on tax rules and tax rates which are already decided or are announced and likely to be adopted. For items that are recognised in the income statement, related tax effects are also recognised in the income statement. The tax effects of items that are recognised directly against equity are recognised in equity.

Statement of cash flow

The statement of cash flow is prepared according to the indirect method. Reported cash flow includes only transactions involving receipts or disbursements.

Cash and cash equivalents include cash and bank balances and short-term financial investments that are only exposed to an insignificant risk of changes in value, managed in an open market and have a maturity of less than three months from the acquisition date.

Parent Company's accounting and valuation principles
The Parent Company applies the same accounting and valuation principles as the Group, except in the cases given below.

Shares and participations in subsidiaries

Shares and participations in subsidiaries are recognised at cost less any impairment. The cost includes the price paid for the shares and acquisition costs. Any capital injections and Group contributions are added to cost when paid. Dividends from subsidiaries are reported as income.

Equity

Equity is divided into restricted and unrestricted equity, in accordance with the division in the Swedish Annual Accounts Act.

Leasing

The Company has no current or historical leases.

NOTE 2 ESTIMATES AND ASSESSMENTS

The Company considers it probable that the intangible and financial assets that are reported will generate future economic benefits that will accrue to the Company. No

new assumptions about the future have been made that have resulted in a significant risk for adjustment of the carrying amounts of assets and liabilities.

NOTE 3 FINANCIAL RISKS IN THE GROUP

Laws and regulations

Eurobattery Minerals AB's (publ) activities include the entire chain of exploration activities from boulder exploration and geological mapping via geophysical soil measurements and geochemical sampling to diamond drilling. The Swedish Minerals Act (1991:45) regulates the exploration and mining of deposits of mineral substances known as "Concession Minerals" regardless of who owns the land.

Exploration may only be carried out by the party who has been granted the exploration permit, and mining only by the party who has been granted the mining permit. In addition to the Minerals Act, operations are also regulated by other relevant rules, including the Minerals Ordinance

(1992:285), the Planning and Building Act (1987:10) and the Swedish Environmental Code (1998:808).

The Company may conduct activities subject to permits pursuant to the Environmental Code for certain types of exploration work. To date, the environmental impact of exploration has been minor. In its activities, Eurobattery Minerals AB (publ) follows the guidelines for good environmental practice in exploration produced by SveMin (an industry association for mines, mineral and metal producers in Sweden).

Risks and uncertainties

Like all businesses, Eurobattery Minerals AB's (publ) operations are associated with risk. These risks can

generally be divided into risks related to business operations and risks related to financial operations. Operations must also be evaluated in light of the risks, costs and difficulties that exploration companies often face.

According to the Board's assessment, the two most material risks are financing requirements and access to capital, and exploration risk. The exploration industry is capital intensive, which means that further financing will be required for the favourable development of the Company. The Board of Directors and management team work continuously to secure the Company's capital requirements.

Operational risks

Exploration

The risks in an exploration company such as Eurobattery Minerals AB (publ) are mainly linked to the outcome of the exploration activities themselves. Although the data collected is continuously analysed and evaluated carefully, there is always the risk that positive results will fail to materialise. Ore exploration is by its very nature a high-risk business – with only a few surveyed areas leading to the development of producing mines – and therefore constitutes a significant financial risk.

In its Finnish Hautalampi mine development project, Eurobattery Minerals AB (publ) has received the pre-feasibility study pointing at a strong economic outlook. For its other projects, Eurobattery Minerals AB (publ) has found indications of the occurrences of different metals in several places, but the company is still in the process of establish the economic value of them. Although careful analyses and assessments are made of deposits, the Company still needs to continue with several processes before establishing the commercial levels and determining whether other obstacles will arise.

Permit issues relating to exploration as well as obtaining the necessary permits and rights can also pose a risk.

Environment

Great consideration must be given to the environmental impact of operations. Accordingly, it may not be possible to explore certain deposits. One conceivable consequence is a deterioration in the possibility of disposing of these deposits.

Employees

Eurobattery Minerals AB (publ) is dependent both on internal and external qualified expertise. The Company's

organisation is currently limited. The ability to retain permanent or hired staff as well as the possibility of recruiting new employees is decisive for the Company's future development. The Board of Directors and management continuously evaluate alternative solutions to optimally conduct operations.

Competitors

In some cases, exploration companies can compete for the same object or area. Areas around existing ore fields and mines are usually most exposed to competition. If Eurobattery Minerals AB (publ) fails to find new deposits or mineralisations due to competition, this could have a negative impact on the Company's position in the exploration market.

Legal requirements

Mining activities are regulated by laws and regulations and are carefully controlled by various authorities. Activities are subject to particularly far-reaching environmental regulations. Permits are required for a large number of activities. Authorities, organisations, and land and property owners can therefore delay or stop a project through lengthy processing time, appeals or by not granting applications for exploration permits. Legislative changes can also be detrimental to the business.

Financial risks

Liquidity

Liquidity risk means that payment obligations cannot be met as a result of insufficient liquidity.

Prices of raw materials

A fall in metal prices could affect the value of mineral assets and potential reserves to varying degrees. Base and precious metals are global raw materials. Prices for these on the global market have shown large fluctuations in the past. Prices for other metals also show large fluctuations. Metal market price trends are affected by many factors beyond the Company's control, including supply and demand, exchange rates, inflation, changes in the global economy, and political factors. If metal prices fall, this could have a negative impact on the value of Eurobattery Minerals AB's (publ) project portfolio.

Economic developments

External factors such as supply and demand, and recessions and booms may have an impact on operating costs, global market prices for metals and share valuations. Future revenues and share valuations may be affected by these factors, which are beyond the Company's control.

NOTE 4 SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

- ▶ 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 the FinnCobalt and 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 the FinnCobalt Oy and 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 & 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.
- ▶ 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 shares, from 26,012,240 shares to 33,146,986 shares, when the new shares are registered by 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, which implies 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 %.

NOTE 5 REMUNERATION TO THE GROUP'S AUDITORS

	GROUP		PARENT COMPANY	
<i>Baker Tilly MLT KB</i>	2022	2021	2022	2021
Audit assignment	123,500	140,000	123,500	140,000
Auditing activities other than the auditing assignment	5,000	15,000	5,000	15,000
Total	128,500	155,000	128,500	155,000

NOTE 6 EMPLOYEES, SALARIES AND BENEFITS

	GROUP		PARENT COMPANY	
	2022	2021	2022	2021
Number of employees at the end of the year				
Sweden	2	1	2	1
<i>Of which women %</i>	0%	0%	0%	0%
Total number of employees at the end of the year	2	1	2	1
Board and senior executives				
Board	3	3	3	3
<i>Of which women %</i>	0%	0%	0%	0%
Senior executives	0	0	0	0
<i>Of which women %</i>	0%	0%	0%	0%
Total, Board and senior executives	3	3	3	3
Salaries, other benefits and social security contributions (SEK thousand)				
Board and senior executives	1,695,692	1,479,643	1,695,692	1,479,643
Other employees	902,086	0	902,086	0
Social security contributions	339,902	415,868	339,902	451,868
Pension expenses	0	0	0	0
Total salaries and benefits	2,937,680	1,931,511	2,937,680	1,931,511
Invoiced consulting services from Board members	3,934,838	3,193,382	3,934,838	3,193,382
Total staff costs	6,872,518	5,124,893	6,872,518	5,124,893

No pensions or similar benefits were paid in 2022 or 2021.

NOTE 7 PROFIT/LOSS FROM FINANCIAL ITEMS

	GROUP		PARENT COMPANY	
	2022	2021	2022	2021
Interest expenses and similar items				
Interest expenses and similar items	-3,159,061	-3,312	-2,962,301	-2,982
Results from associated companies	-964,427	0	0	0
Total	-4,123,488	-3,312	-2,962,301	-2,982

NOTE 8 TAX ON PROFIT/LOSS FOR THE YEAR

	GROUP		PARENT COMPANY	
	2022	2021	2022	2021
Current tax	0	0	0	0
Deferred tax	9,373	220,447	0	0
Total	9,373	220,447	0	0
Reconciliation of effective tax:				
Profit/loss before tax	-20,138,536	-16,555,784	-30,799,286	-16,722,177
Tax expense 20.6%	4,148,538	3,410,492	6,344,653	3,444,768
Tax effect:				
Tax adjustments for foreign tax	9,373	2,410	0	0
Tax effect of group adjustments	2,196,115	0	0	0
Changed tax rate for deferred tax	0	206,753	0	0
Unmeasured deficit	-6,344,653	-3,399,209	-6,344,653	-3,444,768
Total	9,373	220,447	0	0

NOTE 9 PATENTS AND LICENCES

	GROUP		PARENT COMPANY	
	2022	2021	2022	2021
Opening cost	25,844,146	25,844,146	0	0
Purchases for the year	0	0	0	0
Closing accumulated cost	25,844,146	25,844,146	0	0
Opening amortisation	0	0	0	0
Amortisation for the year	0	0	0	0
Closing accumulated amortisation	0	0	0	0
Closing residual value according to plan	25,844,146	25,844,146	0	0

*Refers to acquired exploration permits and geological information.
As no extraction has begun there is no amortisation at this time.*

NOTE 10 CAPITALISED DEVELOPMENT COSTS

	GROUP		PARENT COMPANY	
	2022	2021	2022	2021
Opening cost	18,598,076	12,043,107	2,761,127	2,761,127
Purchases for the year	16,017,388	6,554,969	0	0
Closing accumulated cost	34,615,464	18,598,076	2,761,127	2,761,127
Opening amortisation	0	0	0	0
Amortisation for the year	0	0	0	0
Closing accumulated amortisation	0	0	0	0
Closing residual value according to plan	34,615,464	18,598,076	2,761,127	2,761,127

Refers to work on the preparation of geological information and exploration costs.
As no extraction has begun there is no amortisation at this time.

NOTE 11 TANGIBLE ASSETS

	GROUP		PARENT COMPANY	
	2022	2021	2022	2021
Opening cost	62,429	20,354	0	0
Translation differences	-765	0		
Purchases for the year	0	42,072	0	0
Closing accumulated cost	61,664	62,429	0	0
Opening depreciation	-8,032	-3,724	0	0
Depreciation for the year	-11,710	-4,308	0	0
Closing accumulated depreciation	-19,742	-8,031	0	0
Closing residual value according to plan	41,922	54,397	0	0

NOTE 12 PARTICIPATIONS IN GROUP COMPANIES

Group	Corporate ID number	Domicile	Share of capital (%)	Number of shares	Book value in Parent Company 2022
CORCEL MINERALS, S.L.	B70541792	Coruna, Spain	100	567	48,780,948
Book value in Parent company					48,780,948
			Equity		Result
CORCEL MINERALS, S.L.			21,061,169		-43,244

Book value in Parent company	2022	2021
Opening cost	43,465,016	32,508,794
Acquisition for the year	0	0
Shareholders' contribution for the year	2,315,932	10,956,222
Closing cost	45,780,948	43,465,016
Opening impairment	0	0
Disposals for the year	0	0
Impairment for the year	0	0
Closing impairment	0	0
Book value	45,780,948	43,465,016

The acquisition value of shares in subsidiaries includes estimated surplus values of concessions and permits.

NOTE 13 PARTICIPATIONS IN GROUP COMPANIES

Group	Corporate ID number	Domicile	Share of capital (%)	Number of shares	Book value in Parent Company 2022
FinnCobalt Oy	2300988-4	Outokumpu, Finland	40%	1,500	22,989,107
Book value in Parent company					22,989,107
			Equity		Result
FinnCobalt Oy			32,741,774		-3,629,800

Book value in Parent company	2022	2021
Opening cost	0	0
Acquisition for the year	13,428,577	0
Shareholders' contribution for the year	9,560,530	0
Closing cost	22,989,107	0
Opening impairment	0	0
Disposals for the year	0	0
Impairment for the year	0	0
Closing impairment	0	0
Book value	22,989,107	0

The acquisition value of shares in subsidiaries includes estimated surplus values of concessions and permits.

NOTE 14 OTHER LONG-TERM INVESTMENTS

	GROUP		PARENT COMPANY	
	2022	2021	2022	2021
Opening cost	22,871,574	11,908,008	22,871,574	11,908,008
This year's reclassification	-9,560,530	0	-9,560,530	0
Share of associated company results	-964,670	0	0	0
Purchases for the year	2,908,270	10,963,566	2,908,270	10,963,566
Closing accumulated cost	15,254,644	22,871,574	16,219,314	22,871,574
Opening depreciation	0	0	0	0
Depreciation for the year	0	0	0	0
Closing accumulated depreciation	0	0	0	0
Closing residual value according to plan	15,254,644	22,871,574	16,219,314	22,871,574

Purchases for the year include part of the investment and shareholder agreement with an option to acquire the Hautalampi nickel-cobalt-copper mine approved by the company's shareholders at the Extraordinary General Meeting on May 27, 2020.

NOTE 15 PREPAID EXPENSES AND ACCRUED INCOME

	GROUP		PARENT COMPANY	
	2022	2021	2022	2021
Prepaid rents	26,840	40,260	26,840	40,260
Other prepaid expenses and accrued income	101,859	88,500	93,000	88,500
Total prepaid expenses and accrued income	128,699	128,760	119,840	128,760

NOTE 16 DEFERRED TAX

	GROUP		PARENT COMPANY	
	2022	2021	2022	2021
Deferred tax on temporary differences, mining concessions	5,291,066	5,323,894	0	0
Translation differences	671	0	0	0
Tax losses	-9,373	-32,828	0	0
Total	5,282,364	5,291,066	0	0

NOTE 17 INTEREST-BEARING LIABILITIES

Short-term liabilities	Interest type	Due date	GROUP		PARENT COMPANY	
			2022	2021	2022	2021
Convertible debenture	fixed	2023-01-11	8,000,000	0	8,000,000	
Convertible debenture	fixed	2023-12-23	10,000,000	0	10,000,000	0
Total			18,000,000	0	18,000,000	0

The Convertible Debenture of SEK 8,000,000 has been repaid on the due date January 11, 2023. The Convertible Debenture of SEK 10,000,000 carries an annual interest rate of 12%. The commitment fee is 5% of the Loan Amount. Conversion is made at a Conversion Price of SEK 4, or, in the event Conversion is demanded following a resolution to conduct a Directed Share Issue, the issue price of the relevant Directed Share Issue, however no less than SEK 1.

NOTE 18 ACCRUED EXPENSES

	GROUP		PARENT COMPANY	
	2022	2021	2022	2021
Accrued fees	1,311,997	100,000	1,311,997	100,000
Accrued expenses new issue	4,037,799	0	4,037,799	0
Other accrued expenses	2,989,860	31,693	2,983,212	0
Total accrued expenses	8,339,656	131,693	8,333,008	100,000

NOTE 19 APPROPRIATIONS

The accumulated profit of SEK 62,039,507 is at the disposal of the AGM. The Board of Directors proposes that the amount be carried forward.

As regards the company's results and position, refer to the following income statements, balance sheets and accompanying notes. The Group's comparison year equates to the Parent Company's comparison year.

Stockholm, May 23, 2023

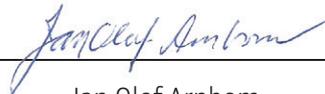
Eurobattery Minerals AB (publ)



Henrik Johannesson
Chairman



Roberto García Martínez
Chief Executive Officer



Jan Olof Arnbom
Board member

My auditor's report was submitted on May 23, 2023



Stein Karlsen
Authorised public accountant

AUDITOR'S REPORT

To the general meeting of the shareholders of Eurobattery Minerals AB (publ)
Corporate identity number 556785-4236

Report on the annual accounts and consolidated accounts

Opinions

I have audited the annual accounts and consolidated accounts of Eurobattery Minerals AB (publ) for the year 2022. The annual accounts and consolidated accounts of the company are included on pages 4-26 in this document.

In my opinion, the annual accounts and consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company and the group as of 31 December 2022 and their financial performance for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

I therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Basis for Opinions

I conducted my audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. My responsibilities under those standards are further described in the "Auditor's Responsibilities" section. I am independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled my ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinions.

Significant uncertainty regarding the going concern assumption

Without prejudice to my opinion above, I would like to draw attention to the statement in the Directors' Report that the company is dependent on further capital injections in 2023 to ensure its continued operation.

The Board is negotiating with external stakeholders for a long-term solution to strengthen the company's liquidity and equity. It is the Board's assessment that there are good opportunities for continued financing.

The above indicates that there is a material uncertainty, which may cast significant doubt on the company's ability to continue as a going concern.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 3. The Board of Directors and the Managing Director are responsible for this other information.

My opinion on the annual accounts and consolidated accounts does not cover this other information and I do not express any form of assurance conclusion regarding this other information.

In connection with my audit of the annual accounts and consolidated accounts, my responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure I also take into account my knowledge otherwise

obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If I, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act. The board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, the Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

My objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to my audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.

- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. I also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify my opinion about the annual accounts and consolidated accounts. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my opinions.

I must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. I must also inform of significant audit findings during my audit, including any significant deficiencies in internal control that I identified.

Report on other legal and regulatory requirements

Opinions

In addition to my audit of the annual accounts and consolidated accounts, I have also audited the administration of the Board of Directors and the Managing Director of Eurobattery Minerals AB (publ) for the year 2022 and the proposed appropriations of the company's profit or loss.

I recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

I conducted the audit in accordance with generally accepted auditing standards in Sweden. My responsibilities under those standards are further described in the "Auditor's Responsibilities" section. I am independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled my ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

My objective concerning the audit of the administration, and thereby my opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

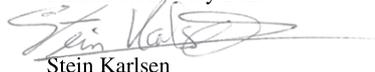
- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

My objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby my opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, I exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on my professional judgment with starting point in risk and materiality. This means that I focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. I examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to my opinion concerning discharge from liability. As a basis for my opinion on the Board of Directors' proposed appropriations of the company's profit or loss I examined whether the proposal is in accordance with the Companies Act.

Malmö on 23 May 2023



Stein Karlsen

Authorized Public Accountant Far



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 for more information. Feel free to follow us on LinkedIn and Twitter as well.

Augment Partners AB, e-mail: info@augment.se, phone: +46 8-604 22 55, is the company's Mentor.

