

Interim Report

JANUARY – SEPTEMBER 2023



EURO
BATTERY
MINERALS



Q3 2023

Highlights third quarter 2023

- ▶ The Board of Directors has resolved to issue 2,855,856 shares with the support of the authorization by the shareholders meeting on 13 June 2023. The share issue constitutes part of the Company's acquisition of an additional 30% of the shares of FinnCobalt Oy. Following the closing, Eurobattery Minerals owns 70% of FinnCobalt Oy and the Hautalampi project.
- ▶ The first phase of the environmental permit process for the Hautalampi mine project has been completed successfully as the environmental impact assessment (EIA) has been fully approved by the Finnish Centre for Economic Development, Transport and the Environment (ELY).



» With our focus to provide responsible battery minerals, the CRMA is a significant opportunity for Eurobattery Minerals. Europe is now showing real ambitions to increase self-sufficiency and is eager to extract its own raw materials for the electrification and to reach the goals of the Green Deal. «

Roberto García Martínez, CEO

Dear shareholders,

Critical raw materials, such as nickel, copper, and cobalt, are essential resources that will power the green transition. To meet the needs of the future, and to reduce Europe's import dependency from third countries, the EU Parliament, Council and Commission have reached a political agreement on the Critical Raw Materials Act (CRMA).

This means that the framework conditions of the legal text have been finalised. The three parties will negotiate the final details at a technical level. That said, the adoption of the law is considered a formality.

The CRMA has set specific targets on increased domestic extraction, processing, and recycling as well as limits regarding maximum amount of import from third countries. Specifically, the politicians have approved the following main points.

- ▶ The authorisation processes of licensing a mine may only take 27 months.
- ▶ 10 per cent of the annual demand for raw materials must be generated in the EU.
- ▶ Strategically important companies, e.g., battery manufacturers or aircraft manufacturers, must in future prepare regular risk analyses regarding their raw material supply chains.

With our focus to provide responsible battery minerals, the CRMA is a significant opportunity for Eurobattery

Minerals. Europe is now showing real ambitions to increase self-sufficiency and is eager to extract its own raw materials for the electrification and to reach the goals of the Green Deal. The EU wants to avoid being trapped in geopolitical games and having to rely on not so democratic countries for critical materials. The CRMA is set to make the permit process more predictable, and this will make the investment case in European mines such as ours, even more compelling.

From an operational perspective, we have several items on our agenda. Following the decision not to renew the licenses in Sweden – due to huge uncertainty in the permit process – we are now focusing our efforts on the mining projects that are in a more advanced stage, namely the ones in Hautalampi in Finland and Corcel in Spain. We believe that this strategy will create better value for our shareholders.

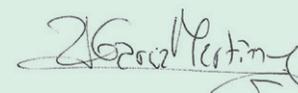
In our Finish Hautalampi project to extract nickel, copper, and cobalt, we are working as fast as possible to provide the necessary documentation for the environmental permit procedure. Following the environmental impact assessment that was approved this summer, the permit

process is the final step before proceeding with mining operations. Our schedule is to provide the permit application to the authorities in Finland by Q1/2024.

At our Spanish Corcel Project – located on a large nickel, copper, and cobalt deposit in northeast Spain – we are awaiting a positive decision from the authorities. We have, as communicated earlier, provided all the necessary information for the operational and environmental permits.

Thank you very much for your continued support of Eurobattery Minerals! I look forward to give you more news as our mining projects continue to progress.

Yours truly,



Roberto García Martínez
CEO of Eurobattery Minerals



Interim Report January–September 2023

Third quarter 2023

- ▶ Net sales amounted to SEK 0 thousand (Q3 2022: SEK 0 thousand).
- ▶ Operating profit/loss after financial items totalled SEK -8,481 thousand (Q3 2022: SEK -3,857 thousand).
- ▶ Earnings per share after financial items before dilution amounted to SEK -0.25 (Q3 2022: SEK -0.25).
- ▶ Earnings per share after financial items after dilution amounted to SEK -0.23 (Q3 2022: SEK -0.23).
- ▶ Cash flow from operating activities was SEK 2,047 thousand (Q3 2022: SEK 2,580 thousand).

First nine months 2023

- ▶ Net sales amounted to SEK 0 thousand (9M 2022: SEK 0 thousand).
- ▶ Operating profit/loss after financial items totalled SEK -18,406 thousand (9M 2022: SEK -16,260 thousand).
- ▶ Earnings per share after financial items before dilution amounted to SEK -0.55 (9M 2022: SEK -1.06).

- ▶ Earnings per share after financial items after dilution amounted to SEK -0.50 (9M 2022: SEK -0.98).
- ▶ Cash flow from operating activities was SEK -6,337 thousand (9M 2022: SEK -9,945 thousand).

Significant events, January–September 2023

- ▶ 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 was 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.

- ▶ In April, Eurobattery Minerals announced that the Company will receive approximately SEK 17.4 million through warrant redemption. The number of shares has increased 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 under the United Nations Framework Classification for Resources (UNFC). Eurobattery Minerals owns 40% of FinnCobalt Oy and the Hautalampi project and has decided to acquire an additional 30%.
- ▶ In June, Eurobattery Minerals received an additional report from the scientists in the research partnership with Uppsala University in collaboration with AGH University of Science and Technology in Krakow, Poland. The new report further confirms the viability of the new method for large-scale extraction of rare earth elements in Eurobattery Minerals' Fetsjön project in Sweden.
- ▶ On 20 June, Eurobattery Minerals announced that the Finnish Safety and Chemicals Agency (Tukes) has entered (9.6.2023) the Hautalampi mining right (K7802) in the mining register pursuant to the Mining Act (503/1965). The Hautalampi mining area has the

full legal force behind it for its underground mine and its concession.

- ▶ In June, Eurobattery Minerals announce that the Outokumpu town Urban Development Board had initiated the zoning and site plan change for the Hautalampi mine project.
- ▶ On 13 July, Eurobattery Minerals announced that the Board of Directors had resolved to issue 2,855,856 shares with the support of the authorization by the shareholders meeting on 13 June 2023. The share issue constitutes part of the Company's acquisition of an additional 30% of the shares of FinnCobalt Oy, the owner of the ground and mining rights to the nickel-cobalt-copper project Hautalampi. Following the closing, Eurobattery Minerals owns 70% of FinnCobalt Oy and the Hautalampi project.
- ▶ In July, Eurobattery Minerals announced that the first phase of the environmental permit process for the Hautalampi mine project had been completed successfully. The environmental impact assessment (EIA) submitted by FinnCobalt Oy in 2022, following the requested supplement submitted later in 2023, has now been fully approved by the Finnish Centre for Economic Development, Transport and the Environment (ELY).

Significant events after the period

- ▶ In October, Eurobattery Minerals announced that it will not renew its exploration licenses for its seven Swedish assets when the permits expire. The decision will enable Eurobattery Minerals to currently focus on its more advanced projects to create better shareholder value. The decision means that the company reports a non-cash flow affecting write-down of SEK 2.7 million during the third quarter.
- ▶ In October, Eurobattery Minerals announced its partnership with the research centre Smart Exploration Research led by Uppsala University in Sweden. The research centre has been granted SEK 60 million by the Swedish Foundation for Strategic Research. It is a multi-disciplinary centre that will research the exploration and refinement of metals and minerals.

Earnings and sales

Comments on the third quarter, 1 July–30 September 2023

Earnings and sales

The company's net sales for the third quarter totalled SEK 0 thousand (Q3 2022: SEK 0 thousand), and earnings after financial items totalled SEK -8,481 thousand (Q3 2022: SEK -3,857 thousand). Operating costs amounted to SEK -3,185 thousand (Q3 2022: SEK -2,895 thousand). EBITDA for the third quarter was SEK -2,952 thousand (Q3 2022: SEK -2,872 thousand). Financial expenses for the quarter amounted to SEK -5,525 thousand, the item contains a write-down of non-recurring character amounting to SEK 2.7 million, the company's profit participation from FinnCobalt, as well as interest expenses and adjustments for currency effects (Q3 2022: SEK -985 thousand).

Investments

Investments in property, plant and equipment in the third quarter totalled SEK 0 thousand (Q3 2022: SEK 0 thousand). Investments in intangible assets amounted to SEK 209 thousand (Q3 2022: SEK 995 thousand). Investments in non-current financial assets amounted to SEK 16,391 thousand (Q3 2022: SEK 14,484 thousand).

Financial position

On 30 September, cash and cash equivalents amounted

to SEK 620 thousand (30 September 2022: SEK 3,052 thousand). Equity was SEK 97,641 thousand (30 September 2022: SEK 66,046 thousand).

Cash flow and financing

Cash flow from operating activities in the third quarter was SEK 2,047 thousand (Q3 2022: SEK 2,580 thousand). Cash flow from investing activities was SEK -16,182 thousand (Q3 2022: SEK -15,479 thousand), while cash flow from financing activities was SEK 11,665 thousand (Q3 2022: SEK 10,626 thousand).

Comments on the first nine months of 2023

Earnings and sales

The company's net sales for the first nine months of the year totalled SEK 0 thousand (9M 2022: SEK 0 thousand), and earnings after financial items totalled SEK -18,406 thousand (9M 2022: SEK -16,260 thousand). Operating costs amounted to SEK -13,396 thousand (9M 2022: SEK -14,376 thousand). EBITDA for the first nine months of the year was SEK -12,508 thousand (9M 2022: SEK -14,322 thousand). Financial expenses for the period amounted to SEK -5,888 thousand, the item contains a write-down of non-recurring character amounting to SEK 2.7 million, the company's profit participation from

FinnCobalt, as well as interest expenses and adjustments for currency effects (9M 2022: SEK -1,938 thousand).

Investments

Investments in property, plant and equipment in the first nine months of the year totalled SEK 0 thousand (9M 2022: SEK 0 thousand). Investments in intangible assets amounted to SEK 1,498 thousand (9M 2022: SEK 3,685 thousand). Investments in non-current financial assets amounted to SEK 22,907 thousand (9M 2022: SEK 15,515 thousand).

Financial position

On 30 September, cash and cash equivalents amounted to SEK 620 thousand (30 September 2022: SEK 3,052 thousand). Equity was SEK 97,641 thousand (30 September 2022: SEK 66,046 thousand).

Cash flow and financing

Cash flow from operating activities in the first nine months of the year was SEK -6,337 thousand (9M 2022: SEK -9,945 thousand). Cash flow from investing activities was SEK -24,405 thousand (9M 2022: SEK -19,200 thousand), while cash flow from financing activities was SEK 30,795 thousand (9M 2022: SEK 29,365 thousand).

The share

The share capital of Eurobattery Minerals AB (publ) amounted to SEK 36,594,058 on 30 September 2023. The total number of shares outstanding was 36,594,058.

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. As of 15 January 2021, the share is traded on Börse Stuttgart under the symbol EBM. According to Euroclear's register, Eurobattery Minerals had approximately 8,800 shareholders at the end of the period.

Related-party transactions

During the period, earnings were also charged with fees of SEK 4,270 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 1,364 thousand.

Finally, earnings were impacted by fees of SEK 75 thousand paid to Board member Jan Arnbom's company Arnbom Geokonsult AB for work carried out during the period.

List of shareholders on 30 September 2023

Shareholder	Number of shares	Percentage (%)
Clearstream Banking Germany	5,776,359	15.78 %
Nordea Bank Finland	2,562,759	7.00 %
Six Sis AG	2,171,170	5.93 %
Avanza Pension	1,395,738	3.81 %
Tetra Ekberg OY	1,234,530	3.37 %
Nazgero Consulting	1,182,837	3.23 %
UBS Switzerland AG	1,013,611	3.00 %
Andrew Randall	978,169	2.67 %
Ulex Recursos S.L.	687,471	1.88 %
DH Invest AB	550,000	1.50 %
Other shareholders	19,041,414	51.83 %
	36,594,058	100.00%

Balance Sheet

<i>SEK thousand</i>	<i>30 Sep 2023</i>	<i>30 Sep 2022</i>	<i>31 Dec 2022</i>
ASSETS			
Subscribed but not paid-up capital	0	0	27,516
Intangible assets	59,258	48,128	60,460
Tangible assets	32	54	42
Financial assets	58,088	38,465	38,322
Other current assets	8,017	770	8,129
Cash and bank balance	620	3,052	263
TOTAL ASSETS	126,014	90,469	134,732
EQUITY AND LIABILITIES			
Equity	97,641	66,046	84,948
Deferred tax	5,282	5,531	5,282
Current liabilities	23,091	18,892	44,502
TOTAL EQUITY AND LIABILITIES	126,014	90,469	134,732

Income Statement

<i>SEK thousand</i>	<i>2023 Jan–Sep</i>	<i>2022 Jan–Sep</i>	<i>2023 Jul–Sep</i>	<i>2022 Jul–Sep</i>	<i>2022 Jan–Dec</i>
Operating income					
Net sales	0	0	0	0	0
Other operating income	878	54	229	23	56
Operating costs					
Other external costs	-11,159	-12,239	-2,415	-1,887	-14,262
Staff costs	-2,227	-2,137	-766	-1,008	-2,938
Depreciation of tangible assets	-10	0	-4	0	-12
Operating profit/loss	-12,518	-14,322	-2,956	-2,872	-17,156
Net interest items	-5,888	-1,938	-5,525	-985	-2,982
Profit/loss before tax	-18,406	-16,260	-8,481	-3,857	-20,138
Tax on profit/loss for the period	0	0	0	0	9
PROFIT/LOSS FOR THE PERIOD	-18,406	-16,260	-8,481	-3,857	-20,129

Statement of Cash flow

<i>SEK thousand</i>	2023 <i>Jan–Sep</i>	2022 <i>Jan–Sep</i>	2023 <i>Jul–Sep</i>	2022 <i>Jul–Sep</i>	2022 <i>Jan–Dec</i>
Operating profit/loss for the period	-12,518	-14,322	-2,956	-2,872	-17,156
Amortisation and depreciation	10	0	4	0	12
Interest paid	-46	-1,938	-917	-985	-2,983
Cash flow from operating activities before change in working capital	-12,554	-16,260	-3,869	-3,857	-20,127
Change in operating receivables	27,628	6,664	138	6,570	-695
Change in operating liabilities	-21,411	-349	5,778	-133	25,261
Cash flow from operating activities	-6,337	-9,945	2,047	2,580	4,439
Cash flow from investing activities	-24,405	-19,200	-16,182	-15,479	-31,390
Cash flow from financing activities	30,795	29,365	11,665	10,626	22,764
Translation differences	304	0	65	0	1,618
Cash flow for the period	357	220	-2,405	-2,273	-2,569
Cash and cash equivalents at the beginning of the period	263	2,832	3,025	5,325	2,832
Cash and cash equivalents at the end of the period	620	3,052	620	3,052	263

Change in equity

<i>SEK thousand</i>	<i>2023 Jan–Sep</i>	<i>2022 Jan–Sep</i>	<i>2023 Jul–Sep</i>	<i>2022 Jul–Sep</i>	<i>2022 Jan–Dec</i>
Equity at the beginning of the period	84,948	71,181	94,392	59,311	71,181
New share issue	31,905	10,730	11,680	10,730	10,730
Ongoing share issue	0	0	0	0	27,516
Translation differences	304	935	65	402	1,616
Costs for new share issue	-1,110	-540	-15	-540	-5,966
Profit/loss for the period	-18,406	-16,260	-8,481	-3,857	-20,129
Equity at the end of the period	97,641	66,046	97,641	66,046	84,948

Key performance indicators and share data

	2023 <i>Jan–Sep</i>	2022 <i>Jan–Sep</i>	2022 <i>Jan–Dec</i>
Average equity for the period (SEK thousand)	91,295	68,614	78,066
Average total capital for the period (SEK thousand)	130,373	84,092	106,223
Return on equity (%)	-20	-24	-26
Return on total capital (%)	-14	-19	-16
Equity/Assets ratio (%)	77	73	63
Earnings per share before dilution (SEK)	-0.55	-1.06	-1.28
Earnings per share after dilution (SEK)	-0.50	-0.98	-1.22
Equity per share (SEK)	2.67	3.99	5.14
Quick ratio (%)	37	20	19
Total number of shares	36,594,058	16,522,237	16,522,237
Average number of shares	35,166,130	16,120,870	16,120,870

Definitions of key performance indicators

Return on total capital:	Earnings after financial items plus financial expenses as a percentage of average total capital.
Return on equity:	Net profit according to the income statement as a percentage of average equity.
Equity/Assets ratio:	Equity as a percentage of total assets.
Earnings per share:	Earnings after tax in relation to the average number of shares.
Equity per share:	Equity in relation to the number of shares on the balance sheet date.
Quick ratio:	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 Year-End Report for 2023 will be published on 22 February 2024.

Reports, press releases and further are published on Nordic Growth Market's website www.ngm.se and on www.eurobatteryminerals.com/en.

November 2023

Eurobattery Minerals AB
Board of Directors

For further information: ir@eurobatteryminerals.com.





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.

