

Half-Year Report

JANUARY–JUNE 2023



EURO
BATTERY
MINERALS



Q2 2023

» In Q2, we have focused specifically on our Finnish Hautalampi mine project, where Eurobattery Minerals is now the majority owner following a successful share issue in July. We are also one important step closer to mining following the approval of the environmental impact assessment in Finland. «

Roberto García Martínez, CEO

Highlights second quarter 2023

- ▶ Eurobattery Minerals will receive approximately SEK 17.4 million through warrant redemption.
- ▶ 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 received an additional report from the scientists in the research partnership that further confirms the viability of the new method for large-scale extraction of rare earth elements in Eurobattery Minerals' Fetsjön project in Sweden.
- ▶ The Finnish Safety and Chemicals Agency (Tukes) has entered the Hautalampi mining right in the mining register pursuant to the Mining Act. The Hautalampi mining area has the full legal force behind it for its underground mine and its concession.
- ▶ Outokumpu town Urban Development Board has initiated the zoning and site plan change for the Hautalampi mine project.



Dear shareholders,

At Eurobattery Minerals, we believe Europe must substantially increase its supply of critical minerals such as copper, nickel, cobalt and rare earth elements. Trusting that the sustainable transformation in Europe should be built using minerals from countries with dubious working conditions or where environmental aspects are neglected is neither a sustainable nor a secure strategy. Therefore, it's very encouraging to see that our view is shared by decision-makers in Europe, where critical raw materials make an excellent case in point.

Great business opportunities

The political agenda with its focus on the green transition, and the automotive and clean energy industries' focus on electrification mean that Eurobattery Minerals has some powerful tailwinds. With this in mind, I am pleased to update you on our progress in the provision of responsibly mined battery minerals from Europe to Europe.

Following up on activities in the first quarter and the successful capital raise of SEK 17 million at the beginning of the second quarter, we have continued to deliver in line with our business goals.

Majority ownership and several important steps for starting the mine in Finland accomplished

We have focused specifically on our Finnish Hautalampi mine project, where Eurobattery Minerals is now the majority owner following a successful share issue in July. We are also one important step closer to mining following the approval of the environmental impact assessment in Finland. The nickel, copper and cobalt projects in the mining friendly Outokumpu district have been classified in the highest categories as viable mining projects under the United Nations Framework Classification for Resources (UNFC).

The projects have also been entered into Finland's official mining register. This entry entails that the Hautalampi mining area has the full legal force behind it for its underground mine and its concession. As part of preparing to start the mine, the Outokumpu town Urban Development Board has initiated the zoning and site plan change for the Hautalampi mine project. Even if things can always go faster, I am very pleased with our good collaboration with the local authorities, Outokumpu and the mining authorities in Finland. We are now looking forward to positive developments in terms of the environmental permit process.

Operational- and environmental permit next up in Spain

Let me also briefly mention our Spanish Corcel project, which comprises three different deposits (Castriz, Monte Mayor and Monte Castello) and which is located on a large nickel, copper, and cobalt deposit in northeast Spain. Based on results from several drilling campaigns and independent reports, Eurobattery Minerals aims to produce sufficient minerals for the production a few million 60 kWh car batteries from the Corcel project in the future. We have provided the necessary information for the operational and environmental permits, and are awaiting a positive outcome from the authority.

Work has also progressed in Sweden, particularly in terms of our research collaboration for the extraction of rare earth elements. We have 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 report confirms the viability of the new method for large-scale extraction, which allows nearly 100% recovery of rare earth elements in Eurobattery Minerals' Fetsjön project.

Thank you very much for your continued support for Eurobattery Minerals! I look forward to giving you more news as our mine projects progress.

Yours truly,



Roberto García Martínez
CEO of Eurobattery Minerals



Half-Year Report January–June 2023

Second quarter 2023

- ▶ Net sales amounted to SEK 0 thousand (Q2 2022: SEK 0 thousand).
- ▶ Operating profit/loss after financial items totalled SEK -6,637 thousand (Q2 2022: SEK -10,046 thousand).
- ▶ Earnings per share after financial items before dilution amounted to SEK -0.26 (Q2 2022: SEK -0.64).
- ▶ Earnings per share after financial items after dilution amounted to SEK -0.20 (Q2 2022: SEK -0.59).
- ▶ Cash flow from operating activities was SEK -11,225 thousand (Q2 2022: SEK -12,325 thousand).

First half year 2023

- ▶ Net sales amounted to SEK 0 thousand (6M 2022: SEK 0 thousand).
- ▶ Operating profit/loss after financial items totalled SEK -9,925 thousand (6M 2022: SEK -12,403 thousand).
- ▶ Earnings per share after financial items before dilution amounted to SEK -0.60 (6M 2022: SEK -0.79).
- ▶ Earnings per share after financial items after dilution amounted to SEK -0.29 (6M 2022: SEK -0.73).
- ▶ Cash flow from operating activities was SEK -1,833 thousand (6M 2022: SEK -11,786 thousand).

Significant events, January–June 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.

Significant events after the period

- ▶ On 14 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).

Earnings and sales

Comments on the second quarter, 1 April – 30 June 2023

Earnings and sales

The company's net sales for the second quarter totalled SEK 0 thousand (Q2 2022: SEK 0 thousand), and earnings after financial items totalled SEK -6,637 thousand (Q2 2022: SEK -10,046 thousand). Operating costs amounted to SEK -7,031 thousand (Q2 2022: SEK -8,891 thousand). EBITDA for the second quarter was SEK -6,640 thousand (Q2 2022: SEK -8,876 thousand). Financial expenses for the quarter amounted to SEK 3 thousand (Q2 2022: SEK -1,170 thousand).

Investments

Investments in property, plant and equipment in the second quarter totalled SEK 0 thousand (Q2 2022: SEK 0 thousand). Investments in intangible assets amounted to SEK 1,098 thousand (Q2 2022: SEK 1,258 thousand). Investments in non-current financial assets amounted to SEK 3,933 thousand (Q2 2022: SEK 0 thousand).

Financial position

On 30 June, cash and cash equivalents amounted to SEK 3,025 thousand (30 June 2022: SEK 5,325 thousand). Equity was SEK 94,392 thousand (30 June 2022: SEK 59,311 thousand).

Cash flow and financing

Cash flow from operating activities in the second quarter was SEK -11,225 thousand (Q2 2022: SEK -12,325 thousand). Cash flow from investing activities was SEK -5,031 thousand (Q2 2022: SEK -1,259 thousand), while cash flow from financing activities was SEK 18,569 thousand (Q2 2022: SEK 18,000 thousand).

Comments on the first half of the year, 1 January–30 June 2023

Earnings and sales

The company's net sales for the first half of the year totalled SEK 0 thousand (6M 2022: SEK 0 thousand), and earnings after financial items totalled SEK -9,925 thousand (6M 2022: SEK -12,403 thousand). Operating costs amounted to SEK -10,211 thousand (6M 2022: SEK -11,481 thousand). EBITDA for the first half of the year was SEK -9,562 thousand (6M 2022: SEK -11,450 thousand). Financial expenses for the period amounted to SEK -363 thousand (6M 2022: SEK -953 thousand).

Investments

Investments in property, plant and equipment in the first half of the year totalled SEK 0 thousand (6M 2022: SEK 0 thousand). Investments in intangible assets amounted to SEK 1,823 thousand (6M 2022: SEK 2,690 thousand).

Investments in non-current financial assets amounted to SEK 5,166 thousand (6M 2022: SEK 1,031 thousand).

Financial position

On 30 June, cash and cash equivalents amounted to SEK 3,025 thousand (30 June 2022: SEK 5,325 thousand). Equity was SEK 94,392 thousand (30 June 2022: SEK 59,311 thousand).

Cash flow and financing

Cash flow from operating activities in the first half of the year was SEK -1,833 thousand (6M 2022: SEK -11,786 thousand). Cash flow from investing activities was SEK -6,989 thousand (6M 2022: SEK -3,721 thousand), while cash flow from financing activities was SEK 11,130 thousand (6M 2022: SEK 18,000 thousand).

The share

The share capital of Eurobattery Minerals AB (publ) amounted to SEK 33,738,202 on 30 June 2023. The total number of shares outstanding was 33,738,202.

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 3,700 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 777 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 June 2023

| Shareholder | Number of shares | Percentage (%) |
|-----------------------------|-------------------|----------------|
| Clearstream Banking Germany | 5,289,925 | 15.68% |
| Six Sis AG | 2,171,170 | 6.44% |
| Nazgero Consulting | 1,691,459 | 5.01% |
| Avanza Pension | 1,490,679 | 4.42% |
| UBS Switzerland AG | 1,013,611 | 3.00% |
| Andrew Randall | 978,169 | 2.90% |
| Nordea Bank Finland | 720,598 | 2.14% |
| Ulex Recursos S.L. | 687,471 | 2.04% |
| DH Invest AB | 530,000 | 1.57% |
| Kimberly Wrixon | 500,000 | 1.48% |
| Total other shareholders | 18,665,120 | 55.32% |
| | 33,738,202 | 100.00% |

Balance Sheet

| <i>SEK thousand</i> | <i>30 Jun 2023</i> | <i>30 Jun 2022</i> | <i>31 Dec 2022</i> |
|-------------------------------------|--------------------|--------------------|--------------------|
| ASSETS | | | |
| Subscribed but not paid-up capital | 0 | 0 | 27,516 |
| Intangible assets | 62,283 | 47,133 | 60,460 |
| Tangible assets | 36 | 54 | 42 |
| Financial assets | 43,488 | 23,981 | 38,322 |
| Other current assets | 8,155 | 7,340 | 8,129 |
| Cash and bank balance | 3,025 | 5,325 | 263 |
| TOTAL ASSETS | 116,987 | 83,833 | 134,732 |
| EQUITY AND LIABILITIES | | | |
| Equity | 94,392 | 59,311 | 84,948 |
| Deferred tax | 5,282 | 5,497 | 5,282 |
| Current liabilities | 17,313 | 19,025 | 44,502 |
| TOTAL EQUITY AND LIABILITIES | 116,987 | 83,833 | 134,732 |

Income Statement

| <i>SEK thousand</i> | <i>2023 Jan–Jun</i> | <i>2022 Jan–Jun</i> | <i>2023 Apr–Jun</i> | <i>2022 Apr–Jun</i> | <i>2022 Jan–Dec</i> |
|-----------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Operating income | | | | | |
| Net sales | 0 | 0 | 0 | 0 | 0 |
| Other operating income | 649 | 31 | 391 | 15 | 56 |
| Operating costs | | | | | |
| Other external costs | -8,744 | -10,352 | -6,093 | -8,152 | -14,262 |
| Staff costs | -1,461 | -1,129 | -935 | -739 | -2,938 |
| Depreciation of tangible assets | -6 | 0 | -3 | 0 | -12 |
| Operating profit/loss | -9,562 | -11,450 | -6,640 | -8,876 | -17,156 |
| Net interest items | -363 | -953 | 3 | -1,170 | -2,982 |
| Profit/loss before tax | -9,925 | -12,403 | -6,637 | -10,046 | -20,138 |
| Tax on profit/loss for the period | 0 | 0 | 0 | 0 | 9 |
| PROFIT/LOSS FOR THE PERIOD | -9,925 | -12,403 | -6,637 | -10,046 | -20,129 |

Statement of Cash flow

| <i>SEK thousand</i> | 2023 <i>Jan–Jun</i> | 2022 <i>Jan–Jun</i> | 2023 <i>Apr–Jun</i> | 2022 <i>Apr–Jun</i> | 2022 <i>Jan–Dec</i> |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|
| Operating profit/loss for the period | -9,562 | -11,450 | -6,640 | -8,876 | -17,156 |
| Amortisation and depreciation | 6 | 0 | 3 | 0 | 12 |
| Interest paid | -363 | -953 | 3 | -1,170 | -2,983 |
| Cash flow from operating activities before change in working capital | -9,919 | -12,403 | -6,646 | -10,046 | -20,127 |
| Change in operating receivables | 27,490 | 607 | 564 | 747 | -695 |
| Change in operating liabilities | -19,404 | 10 | -4,940 | -3,026 | 25,261 |
| Cash flow from operating activities | -1,833 | -11,786 | -11,225 | -12,325 | 4,439 |
| Cash flow from investing activities | -6,989 | -3,721 | -5,031 | -1,259 | -31,390 |
| Cash flow from financing activities | 11,130 | 18,000 | 18,569 | 18,000 | 22,764 |
| Translation differences | 454 | | 595 | 0 | 1,618 |
| Cash flow for the period | 2,762 | 2,493 | 2,908 | 4,416 | -2,569 |
| Cash and cash equivalents at the beginning of the period | 263 | 2,832 | 117 | 909 | 2,832 |
| Cash and cash equivalents at the end of the period | 3,025 | 5,325 | 3,025 | 5,325 | 263 |

Change in equity

| <i>SEK thousand</i> | 2023 <i>Jan–Jun</i> | 2022 <i>Jan–Jun</i> | 2023 <i>Apr–Jun</i> | 2022 <i>Apr–Jun</i> | 2022 <i>Jan–Dec</i> |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|
| Equity at the beginning of the period | 84,948 | 71,181 | 82,085 | 68,994 | 71,181 |
| New share issue | 20,225 | | 19,271 | | 10,730 |
| Ongoing share issue | 0 | | 0 | | 27,516 |
| Translation differences | 239 | 533 | 375 | 363 | 1,616 |
| Costs for new share issue | -1,095 | | -702 | | -5,966 |
| Profit/loss for the period | -9,925 | -12,403 | -6,637 | -10,046 | -20,129 |
| Equity at the end of the period | 94,392 | 59,311 | 94,392 | 59,311 | 84,948 |

Key performance indicators and share data

| | 2023 Jan–Jun | 2022 Jan–Jun | 2022 Jan–Dec |
|---|-----------------|-----------------|-----------------|
| Average equity for the period (SEK thousand) | 89,670 | 65,246 | 78,066 |
| Average total capital for the period (SEK thousand) | 125,860 | 80,773 | 106,223 |
| Return on equity (%) | -11 | -19 | -26 |
| Return on total capital (%) | -8 | -14 | -16 |
| Equity/Assets ratio (%) | 81 | 71 | 63 |
| Earnings per share before dilution (SEK) | -0.60 | -0.79 | -1.28 |
| Earnings per share after dilution (SEK) | -0.29 | -0.73 | -1.22 |
| Equity per share (SEK) | 2.79 | 3.77 | 5.14 |
| Quick ratio (%) | 65 | 1,235 | 81 |
| Total number of shares | 33,738,202 | 16,919,503 | 16,522,237 |
| Average number of shares | 25,130,220 | 16,319,503 | 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 Interim Report for January to September will be published on 21 November 2023.

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.

August 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.

