

# Interim Report

JANUARY – JUNE 2021



EURO  
BATTERY  
MINERALS





# Q2 2021

» In this quarter, my team and I have continued our work with our projects in Finland, Spain and Sweden. At the same time, we have continued our work to influence decision-makers and policymakers in the EU to enable Europe to cater to its own needs of battery minerals «

**Roberto García Martínez, CEO**

## Highlights second quarter 2021

- ▶ Eurobattery Minerals announces that FinnCobalt Oy has hired a Tier-1 process consulting company AFRY to prepare a mineral resource estimate for the Hautalampi project in Finland.
- ▶ Eurobattery Minerals Finnish project joins BATCircle 2.0, a research project focusing on circular ecosystem of battery metals.
- ▶ A new drilling campaign that will target the Castriz prospect zone begins.
- ▶ Maiden mineral resource from Hautalampi project in Finland estimates 100% resource upside.
- ▶ Fieldwork commenced at the Hietajärvi project, where Eurobattery Minerals has been granted a reservation notification for applying for an exploration permit.



# Interim Report January–June 2021

## Second quarter 2021 (same period previous year)

- ▶ Net sales amounted to SEK 0 thousand (SEK 0 thousand).
- ▶ Operating income after depreciation/amortisation and financial items totalled SEK –4,121 thousand (SEK –2,934 thousand).
- ▶ Earnings per share after depreciation/amortisation and financial items amounted to SEK –0.26 (SEK –0.53).
- ▶ Cash flow from operating activities was SEK –3,150 thousand (SEK –1,124 thousand).

## First half year 2021 (same period previous year)

- ▶ Net sales amounted to SEK 0 thousand (SEK 0 thousand).
- ▶ Operating income after depreciation/amortisation and financial items totalled SEK –6,842 thousand (SEK –5,182 thousand).
- ▶ Earnings per share after depreciation/amortisation and financial items amounted to SEK –0.44 (SEK –0.53).
- ▶ Cash flow from operating activities was SEK –5,198 thousand (SEK –3,646 thousand).

## Significant events during the first half year

- ▶ Eurobattery Minerals announced that it is expanding to Börse Stuttgart, under the ticker EBM, via an extension of its listing on Nordic Growth Market in Sweden. The Company also announced that it is opening an office in Berlin. The Company will remain a Swedish public limited company (AB) with its head office in Stockholm.
- ▶ FinnCobalt Oy, the company that Eurobattery Minerals has the option to acquire 100% of in a staged acquisition, updated Eurobattery Minerals on the final assay results from last summer's drilling programme at the Hautalampi Ni-Co-Cu Project in eastern Finland. Drilling confirmed a significant extension of the resource potential from 800 to 1400 metres along the strike northeast of the historical mineral resource, as well as an extension of the westernmost mineralised zone in a south-westerly direction towards the historical Hautalampi mineral resource.
- ▶ The Company reported a positive first result from its collaboration with AGH University of Science and Technology in Krakow on the development of optimal technologies for the extraction of vanadium and rare earth elements (REE) from alum shale minerals. The technology developed enables the sustainable and cost-effective enrichment of vanadium and REE at

relatively low temperatures without the use of chemicals. Research has shown that the previously confirmed large amounts of vanadium in Fetsjön's alum shales are bound to the minerals rutile and mica and to some clay minerals.

- ▶ Eurobattery Minerals presented the 'Critical raw materials and e-mobility' report produced by London-based risk analysis firm Aperio Intelligence. The report provides an overview of the supply and demand of critical raw materials in the EU, based on the EU's goal of increasing the level of self-sufficiency in raw materials in the context of the electric car revolution.
- ▶ Eurobattery Minerals announced that FinnCobalt Oy has hired the Tier-1 process consulting company AFRY to prepare a mineral resource estimate for the Hautalampi project in Finland. AFRY will also provide other technical and economical evaluations and guidance for FinnCobalt Oy. The results are expected in 6 months. Eurobattery Minerals has the option to acquire 100% of FinnCobalt Oy in a staged acquisition.
- ▶ FinnCobalt Oy informed Eurobattery Minerals that it will participate in BATCircle 2.0, a Finnish research project focusing on circular ecosystems for battery metals.

FinnCobalt's own subproject will use materials from the former Outokumpu Keretti copper mine tailings area, part of the Hautalampi mine development project. The tailings area sampling will also be incorporated into the current Environmental Impact Assessment (EIA) report for the Hautalampi project, which will be published in the autumn. Eurobattery Minerals has the option to acquire 100% of FinnCobalt Oy in a staged acquisition.

- ▶ Eurobattery Minerals announced the start of a new drilling campaign that will target the Castriz prospect zone. Castriz is one of three primary prospects in the larger Corcel project in Spain, together with Monte Mayor and Monte Castello. With a target of approximately 1,000 metres of new drilling, the campaign – along with an estimate of inferred resources as stipulated in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC code) – will be finalised in December 2021.
- ▶ Eurobattery Minerals AB has been informed that FinnCobalt Oy received new maiden mineral resources estimate results from its Hautalampi mine development project. The new resource estimate includes the newly estimated Hautalampi area and its North-Eastern extension known as the Mökkivaara deposit area, which was the target of the 2020 core drilling campaign.

Compared to earlier estimates, the total tonnage in the measured, indicated and inferred resource categories has increased by approximately 100% and contained metal totalling approximately 50% in the mine lease area.

- ▶ FinnCobalt Oy informed Eurobattery Minerals about the next steps for the Hietajärvi project in Finland, where the company has been granted a reservation notification for applying for an exploration permit. Located ~40km south of FinnCobalt's Hautalampi Project, Hietajärvi contains similar prospective rocks known to contain Co-Cu-Ni-Zn deposits. Following the review of historical exploration data and developing a new prospectivity map of the area, fieldwork will commence in June 2021. Eurobattery Minerals has the option to acquire 100% of FinnCobalt Oy in a staged acquisition.



# Letter from our CEO



*I am pleased to provide the Q2 report for 2021. As societies and businesses are recovering, we can see huge investments going into a sustainable re-opening of the economy. It is encouraging to see that the community is committed to working for a better future.*

A crucial part of achieving this transition is the electrification of the vehicle and transport industry and society at large. For this, we need batteries and battery minerals and metals. The latter is our contribution to the sustainable transition of society. As you are aware, our focus is to mine these critical components in Europe with a complete focus on ethics and traceability throughout the entire supply chain.

In this quarter, my team and I have continued our work with our projects in Finland, Spain, and Sweden. At the same time, we have continued our work to influence decisionmakers and policymakers in the EU to enable Europe to cater to its own needs for battery minerals. By doing this, we will be less dependent on supply from countries with poor labour conditions, unsustainable mining methods, and lack of traceability. In Europe, we have all the minerals we need to achieve the superpower position the region aims for in battery production. However, we still need to better align our policies in this field and make the permit process smoother.

Let me also briefly comment on the recycling of batteries and battery minerals that has been very much in focus.


First of all, we salute all initiatives when it comes to the recycling of battery minerals. For example, our Finnish project has recently joined a government-funded project to leverage materials from tailings to obtain battery minerals. However, let me be very clear, recycling will only play a minor role initially as the demand for battery minerals needed by the electric revolution widely exceeds the current supply.

During this quarter, I would specifically like to put your focus on the recent mineral resource report we released about our Finnish Hautalampi project. We have known for some time that the mineral potential in the area is good, and following a new analysis conducted by consultancy AFRY the mineral resource potential has doubled. We are now planning to conduct further drilling to get even more details on the economic potential. However, we can already say that the Hautalampi resource area has a great potential to become a key contributor of battery minerals to the electric revolution. Close to Hautalampi we have also started field activities this summer to assess the potential of the Hietajärvi resource area. We have good reasons to believe that the exploration area has some outstanding mineral potential.

Moving your attention from Finland to our Spanish Corcel project, I am pleased to be starting a new drilling campaign in the potential mineral area near Galicia. Later this year, we will receive a JORC-compliant mineral resource estimate that will enable us to assess the opportunities for an open pit mine in the region.

Finally, I would like to extend my thanks for your support. As a shareholder in Eurobattery Minerals you are actively taking part in the transition to a green society.

Yours Faithfully

  
**Roberto García Martínez**  
CEO

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# Earnings and sales

## Comments on the second quarter, 1 April–30 June 2021

### Earnings and sales

The Company's net sales for the second quarter totalled SEK 0 thousand (SEK 0 thousand), and earnings after financial items totalled SEK –4,121 thousand (SEK –2,934 thousand). Operating expenses amounted to SEK –4,327 thousand (SEK –2,915 thousand). EBITDA for the second quarter was SEK –4,154 thousand (SEK –2,915 thousand). Financial expenses for the quarter amounted to SEK 33 thousand (SEK –19 thousand).

### Investments

Investments in property, plant and equipment in the second quarter totalled SEK 5 thousand (SEK 0 thousand). Investments in intangible assets amounted to SEK 4,360 thousand (SEK 3,294 thousand).

### Financial position

Cash and cash equivalents amounted to SEK 24,345 thousand (SEK 523 thousand) at 30 June. Equity was SEK 85,622 thousand (SEK 37,685 thousand).

### Cash flow and financing

Cash flow from operating activities in the second quarter

was SEK –3,150 thousand (SEK –1,124 thousand). Cash flow from investing activities was SEK –4,365 thousand (SEK –3,294 thousand), while cash flow from financing activities was SEK 0 thousand (SEK 2,113 thousand).

## Comments on the first half year, 1 January–30 June 2021

### Earnings and sales

The Company's net sales for the first half year totalled SEK 0 thousand (previous year SEK 0 thousand), and earnings after financial items totalled SEK –6,842 thousand (SEK –5,182 thousand). Operating expenses amounted to SEK –7,239 thousand (SEK –5,222 thousand). EBITDA for the first half year was SEK –7,002 thousand (SEK –5,159 thousand). Financial expenses for the period amounted to SEK 160 thousand (SEK –23 thousand).

### Investments

Investments in property, plant and equipment for the first half year totalled SEK 5 thousand (SEK 0 thousand). Investments in intangible assets amounted to SEK 13,189 thousand (SEK 4,560 thousand).

### Financial position

Cash and cash equivalents amounted to SEK 24,345 thousand (SEK 523 thousand) at 30 June. Equity was SEK 85,622 thousand (SEK 37,685 thousand).

### Cash flow and financing

Cash flow from operating activities in the first half year was SEK –5,198 thousand (SEK –3,646 thousand). Cash flow from investing activities was SEK –13,194 thousand (SEK –4,560 thousand), while cash flow from financing activities was SEK 0 thousand (SEK 2,113 thousand).



## The share

The share capital in Eurobattery Minerals AB (publ) at 30 June 2021 amounted to SEK 15,719,503. The total number of shares outstanding was 15,719,503.

The Company was listed on AktieTorget on 22 June 2015. On 17 April 2019, the share was moved to NGM, where trading began on 18 April 2019. The share's ticker symbol is BAT and its ISIN code is SE0012481570. According to Euroclear's register, Eurobattery Minerals had approximately 9,300 shareholders at the close of the period.

## List of shareholders at 30 June 2021

Shareholder	Number of shares	Percentage (%)
Clearstream Banking Germany	1,811,932	11.53 %
Andrew Randall	985,416	6.27 %
Avanza Pension	759,053	4.83 %
Ulex Recursos S.L.	687,471	4.37 %
Kimberly Wrixon	500,000	3.18 %
Swedbank Försäkring	364,607	2.32 %
Six Sis AG	331,906	2.11 %
DH Invest AB	300,000	1.91 %
Frenergy AB	260,000	1.65 %
Nazgero Consulting Services*	248,646	1.58 %
Other shareholders	9,470,472	60.25 %
	<b>15,719,503</b>	<b>100.00 %</b>

\* Roberto García Martínez, CEO

## Related-party transactions

During the period, earnings were also affected by fees of SEK 1,216 thousand paid to CEO Roberto García's company Nazgero Consulting Service LTD for work carried out. Earnings for the period have also been impacted by salary and other remuneration to the CEO in the amount of SEK 754 thousand.

Finally, earnings were impacted during the period by fees of SEK 23 thousand paid to Board member Jan Arnbom's company Arnbom Geotrade HB for work carried out.

## Accounting principles

Eurobattery Minerals has been applying the Swedish Annual Accounts Act and Swedish Accounting Standards Board's general recommendation 2012:1 (K3) on the preparation of financial statements since 2014. Changes to accounting policies have not had any impact on 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

Interim Report January–September will be published on 18 November 2021.

The Year-end Report for 2021 will be published on 24 February 2022.

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

August 2021

Eurobattery Minerals AB  
Board of directors

For further information: [ir@eurobatteryminerals.com](mailto:ir@eurobatteryminerals.com).



## Income Statement

<i>SEK thousand</i>	2021 <i>Jan–Jun</i>	2020 <i>Jan–Jun</i>	2021 <i>Apr–Jun</i>	2020 <i>Apr–Jun</i>	2020 <i>Jan–Dec</i>
<b>Operating income</b>					
Net sales	0	0	0	0	0
Other operating income	237	63	173	0	206
<b>Operating costs</b>					
Other external costs	-6,100	-3,877	-3,564	-2,578	-11,029
Staff costs	-1,139	-1,345	-763	-391	-2,327
Depreciation of tangible fixed assets	0	0	0	0	-3
<b>Operating profit/loss</b>	<b>-7,002</b>	<b>-5,159</b>	<b>-4,154</b>	<b>-2,915</b>	<b>-13,153</b>
Net interest items	160	-23	33	-19	-875
<b>Earnings before tax</b>	<b>-6,842</b>	<b>-5,182</b>	<b>-4,121</b>	<b>-2,934</b>	<b>-14,028</b>
<b>PROFIT/LOSS FOR THE PERIOD</b>	<b>-6,842</b>	<b>-5,182</b>	<b>-4,121</b>	<b>-2,934</b>	<b>-14,028</b>

## Balance Sheet

<i>SEK thousand</i>	30/06/2021	30/06/2020	31/12/2020
<b>ASSETS</b>			
Intangible assets	39,965	38,256	37,887
Tangible assets	22	0	17
Financial assets	22,390	79	11,279
Other current assets	617	2,244	899
Cash & bank balances	24,345	523	42,737
<b>TOTAL ASSETS</b>	<b>87,339</b>	<b>41,102</b>	<b>92,819</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	85,622	37,685	92,464
Current liabilities	1,717	3,417	355
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>87,339</b>	<b>41,102</b>	<b>92,819</b>

## Change in equity

<i>SEK thousand</i>	<i>2021 Jan–Jun</i>	<i>2020 Jan–Jun</i>	<i>2021 Apr–Jun</i>	<i>2020 Apr–Jun</i>	<i>2020 Jan–Dec</i>
<b>Equity at the beginning of the period</b>	<b>92,464</b>	<b>40,754</b>	<b>89,743</b>	<b>38,506</b>	<b>40,754</b>
New share issue	0	2,113	0	2,113	72,119
Costs for new share issue	0	0	0	0	–6,381
Profit/loss for the period	–6,842	–5,182	–4,121	–2,934	–14,028
<b>Equity at the end of the period</b>	<b>85,622</b>	<b>37,685</b>	<b>85,622</b>	<b>37,685</b>	<b>92,464</b>

## Statement of Cash flow

<i>SEK thousand</i>	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>	<i>2020</i>
	<i>Jan–Jun</i>	<i>Jan–Jun</i>	<i>Apr–Jun</i>	<i>Apr–Jun</i>	<i>Jan–Dec</i>
Operating profit/loss for the period	-7,002	-5,159	-4,154	-2,915	-13,152
Amortisation and depreciation	0	0	0	0	3
Interest paid	160	-23	33	-19	-745
<b>Cash flow from operating activities before change in working capital</b>	<b>-6,842</b>	<b>-5,182</b>	<b>-4,121</b>	<b>-2,934</b>	<b>-13,894</b>
<b>Change in operating receivables</b>	<b>282</b>	<b>-1,229</b>	<b>-90</b>	<b>-1,228</b>	<b>119</b>
<b>Change in operating liabilities</b>	<b>1,362</b>	<b>2,765</b>	<b>1,061</b>	<b>3,038</b>	<b>-296</b>
<b>Cash flow from operating activities</b>	<b>-5,198</b>	<b>-3,646</b>	<b>-3,150</b>	<b>-1,124</b>	<b>-14,071</b>
<b>Cash flow from investment activities</b>	<b>-13,194</b>	<b>-4,560</b>	<b>-4,365</b>	<b>-3,294</b>	<b>-15,411</b>
<b>Cash flow from financing activities</b>	<b>0</b>	<b>2,113</b>	<b>0</b>	<b>2,113</b>	<b>65,607</b>
<b>Cash flow for the period</b>	<b>-18,392</b>	<b>-6,093</b>	<b>-7,515</b>	<b>-2,305</b>	<b>36,125</b>
Cash and cash equivalents at the beginning of the period	42,737	6,616	31,860	2,828	6,612
Cash and cash equivalents at the end of the period	24,345	523	24,345	523	42,737



## Key performance indicators and share data

	2021 <i>Jan–Jun</i>	2020 <i>Jan–Jun</i>	2020 <i>Jan–Dec</i>
Average equity for the period (SEK thousand)	89,043	39,219	66,609
Average total capital for the period (SEK thousand)	90,079	41,254	67,113
Return on equity (%)	–8	–13	–21
Return on total capital (%)	–8	–12	–20
Equity/assets ratio (%)	98	92	99
Basic earnings per share SEK	–0.44	–0.53	–1.45
Diluted earnings per share SEK	–0.44	–0.53	–0.89
Equity per share (SEK)	5.46	3.86	5.90
Quick ratio (%)	14,538	81	12,292
Total number of shares	15,679,318	9,845,357	15,679,318
Average number of shares	15,679,318	9,770,025	12,687,006

### Definitions of key performance indicators

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



Eurobattery Minerals AB is a Swedish mining company listed on NGM Nordic SME (BAT) and Börse Stuttgart (EBM). As the foundation of the battery value chain the company's vision is to help Europe become self-sufficient in ethical and fully traceable battery minerals for the electric vehicle industry. The company is focused on exploration and development of several nickel-cobalt-copper projects in Europe to supply sustainably mined raw materials critical to the rapidly growing battery market. Please visit [eurobatteryminerals.com](http://eurobatteryminerals.com) for more information.

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

