



Interim Report

JANUARY – SEPTEMBER 2021



EURO
BATTERY
MINERALS



Q3 2021

Highlights third quarter 2021

- ▶ Eurobattery Minerals announced the availability of the mineral resource report from the Hautalampi project in Finland. The Mineral Resource Report provides an update for the Hautalampi deposit and adjoining Mökkivaara deposit resources.
- ▶ In August, the company presented a new survey on end consumer perspectives on electric cars and sustainability. The survey was conducted in Sweden and Germany by the research company YouGov.



With a new drilling campaign in its Spanish Corcel project, mineral resource calculations and drilling under way in its Finnish Hautalampi project, as well as investigations of several battery mineral opportunities in Germany, Eurobattery Minerals has during the third quarter taken several important steps in delivering on its business strategy to provide the automotive industry with sustainable battery minerals mined exclusively in Europe. The target for the company is to produce and deliver battery minerals by 2023.

Interim Report January–September 2021

Third quarter 2021 (corresponding period last year)

- ▶ Net sales amounted to SEK 0 thousand (SEK 0 thousand).
- ▶ Operating income after depreciation/amortisation and financial items totalled SEK -5,621 thousand (SEK -3,510 thousand).
- ▶ Earnings per share after depreciation/amortisation and financial items amounted to SEK -0.36 (SEK -0.25).
- ▶ Cash flow from operating activities was SEK -5,406 thousand (SEK -4,777 thousand).

First nine months of 2021 (corresponding period last year)

- ▶ Net sales amounted to SEK 0 thousand (SEK 0 thousand).
- ▶ Operating income after depreciation/amortisation and financial items totalled SEK -2,463 thousand (SEK -8,692 thousand).
- ▶ Earnings per share after depreciation/amortisation and financial items amounted to SEK -0.79 (SEK -0.74).
- ▶ Cash flow from operating activities was SEK -10,604 thousand (SEK -8,423 thousand).

Significant events during the period January–September 2021

- ▶ 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 1,400 meters along the strike north-east 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

- ▶ Eurobattery Minerals announced the availability of the mineral resource report from the Hautalampi project in Finland. The Mineral Resource Report provides an update for the Hautalampi deposit and adjoining Mökkivaara deposit resources. Eurobattery Minerals has the option to acquire 100% of FinnCobalt Oy in a staged acquisition.
- ▶ Eurobattery Minerals presented a new survey on end consumer perspectives on electric cars and sustainability. The survey was conducted in Sweden and Germany by the research company YouGov in August 2021 targeting Swedes and Germans who currently own or lease, or are interested in buying or leasing, an electric or hybrid car.

Significant events after the period

- ▶ Eurobattery Minerals announced the start of a new drilling campaign at its Finnish battery mineral project targeting the Hautalampi project resource increase. The campaign will cover the previously non-drilled gap area between the Hautalampi deposit and the north-eastern extension of the Mökkivaara deposits, and aims to verify resources between these already established deposits. An earlier drilling campaign in 2020 confirmed a resource increase of approximately 100%. With a target of approximately 5,000 metres of new drilling, the campaign will be finalised in early 2022.

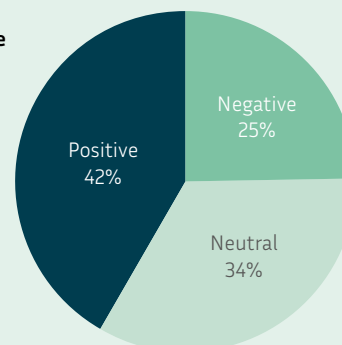
Letter from our CEO



With the Q3 report in hand, I can conclude that we have taken several important steps in delivering on our business model to provide the automotive and battery industry with clean and sustainable battery minerals from Europe. Our solid and experienced team across Sweden, Germany, Finland and Spain aims to produce and deliver battery minerals by 2023, with our first sales the same year.

I can also conclude that we are in an industry that is on the radar of many. Electrification and the need to source raw materials locally and sustainably is a topic politicians and the media across Europe discuss daily. I am glad to say that in several cases, we are driving this conversation. Sustainable battery minerals is also a topic that is important for car buyers, as we discovered in a survey we conducted in August. One crucial fact shown in the survey is that consumers are willing to pay a higher price for electric cars with sustainably-mined battery minerals!

Are you willing to pay more for a car if the battery minerals are sourced more sustainably?



► [Read the survey here](#)

Since our dual listing in Germany earlier this year, we have been busy investigating different battery mineral opportunities with representatives from several key German vehicle component manufacturers. It is clear that the automotive industry is eager to identify sources of sustainable battery minerals. I am impressed by how quickly the industry has shifted focus and now only considers sustainable raw materials for the future electric vehicle industrialisation.

We are looking at various opportunities in Germany, in the country that is the key automotive producer in Europe. With the need to source locally and sustainably, the mining industry and politicians in Germany are showing solid support for such initiatives. In this context, it is also important to say that we are looking at other mining opportunities across central Europe.

On the topic of European sourcing, it is important to mention our other home market, Sweden. From its historic position as a strong mining nation, Sweden has significantly dropped in the Frasier Institute's mining attractiveness

ranking in the last couple of years. The reason is the significant uncertainties related to existing mining permit processes. On a positive note, however, we acknowledge the vast investments which are being made in the arena of battery industrialisation, green steel production and other green transitions. As a consequence, we are in dialogue with decision-makers as to drive increased ease in permit granting processes, foremost in proximity to other players in the battery supply chain, such as Northvolt.

We recently started a new drilling campaign at our Hautalampi project in Finland. We already know that we have premium nickel, copper and cobalt in Hautalampi, where, as earlier communicated, our expected resources have doubled. With our current extended drilling campaign, we aim to investigate the intersection between Hautalampi and the Mökkivaara deposit. We hope to verify that the two ore bodies are connected, which would increase the exploration target whilst at the same time render economies of scale with one single larger ore body. The Hautalampi project is located at an old copper mine, implying that we have access to parts of the infrastructure required for mining in the region.

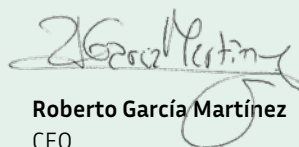
In combination with our Spanish Castriz project, where drilling is progressing according to plan, I can conclude that Eurobattery Minerals is in a good position, and we are running our operations according to our time plan.

Finally, it is worth taking a look at commodity prices. At the end of October, the cost of one ton of copper was approximately USD 10,000, compared to USD 6,600 one year earlier. In October 2021, the cost of nickel was

approximately USD 20,000 per ton, compared to USD 15,500 one year earlier. According to experts from Wood Mackenzie, demand for nickel will double by 2040. We see the same trends related to cobalt. In October 2020, the cost of one ton was USD 33,000 compared to current prices amounting to approximately USD 55,500 per ton.

I appreciate your support for our business. Ultimately, your investment is an essential foundation for the green transition of the vehicle industry!

Yours Faithfully


Roberto García Martínez
CEO

► [For more news, subscribe to our newsletter!](#)



Earnings and sales

Comments on the third quarter, 1 July–30 September 2021

Earnings and sales

The Company's net sales for the third quarter totalled SEK 0 thousand (SEK 0 thousand), and earnings after financial items totalled SEK -5,621 thousand (SEK -3,510 thousand). Operating expenses amounted to SEK -5,755 thousand (SEK -3,294 thousand). EBITDA for the third quarter was SEK -5,716 thousand (SEK -3,272 thousand). Financial expenses for the quarter amounted to SEK 95 thousand (SEK -238 thousand).

Investments

Investments in property, plant and equipment in the third quarter totalled SEK 42 thousand (SEK 0 thousand). Investments in intangible assets amounted to SEK 1,903 thousand (SEK 7,551 thousand).

Financial position

Cash and cash equivalents amounted to SEK 16,994 thousand (SEK 30,282 thousand) on 30 September. Equity was SEK 80,001 thousand (SEK 76,262 thousand).

Cash flow and financing

Cash flow from operating activities in the third quarter

was SEK -5,406 thousand (SEK -4,777 thousand). Cash flow from investing activities was SEK -1,945 thousand (SEK -7,551 thousand), while cash flow from financing activities was SEK 0 thousand (SEK 42,087 thousand).

Comments on the first nine months of 2021

Earnings and sales

The Company's net sales for the first nine months of the year totalled SEK 0 thousand (SEK 0 thousand), and earnings after financial items totalled SEK -12,463 thousand (SEK -8,692 thousand). Operating expenses amounted to SEK -12,994 thousand (SEK -8,516 thousand). EBITDA for the nine months of the year was SEK -12,718 thousand (SEK -8,431 thousand). Financial expenses for the period amounted to SEK 255 thousand (SEK -261 thousand).

Investments

Investments in property, plant and equipment for the first nine months of the year totalled SEK 42 thousand (SEK 0 thousand). Investments in intangible assets amounted to SEK 15,097 thousand (SEK 12,111 thousand).

Financial position

Cash and cash equivalents amounted to SEK 16,994

thousand (SEK 30,282 thousand) on 30 September. Equity was SEK 80,001 thousand (SEK 76,262 thousand).

Cash flow and financing

Cash flow from operating activities in the first nine months of the year was SEK -10,604 thousand (SEK -8,423 thousand). Cash flow from investing activities was SEK -15,139 thousand (SEK -12,111 thousand), while cash flow from financing activities was SEK 0 thousand (SEK 44,200 thousand).



The share

The share capital in Eurobattery Minerals AB (publ) at 30 September 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 moved to the NGM, where trading began on 18 April 2019. The share's ticker symbol is BAT and its ISIN 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 September 2021

Shareholder	Number of shares	Percentage (%)
Clearstream Banking Germany	1,810,229	11.52 %
Andrew Randall	985,416	6.27 %
Avanza Pension	750,982	4.78 %
Ulex Recursos S.L.	687,471	4.37 %
Kimberly Wrixon	500,000	3.18 %
Six Sis AG	431,082	2.74 %
Swedbank Försäkring	372,032	2.37 %
DH Invest AB	300,000	1.91 %
Frenergy AB	260,000	1.65 %
Nazgero Consulting Services *	248,646	1.58 %
Other shareholders	9,373,645	59.63 %
	15,719,503	100.00 %

* Roberto García Martínez, CEO

Related-party transactions

During the period, earnings were also affected by fees of SEK 1,866 thousand paid to CEO Roberto García Martínez 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 1,212 thousand.

Finally, earnings were impacted during the period by fees of SEK 42 thousand paid to Board member Jan Arnbom's company Arnbom Geokonsult AB 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

Augment Partners AB
Telefon: +46 8-604 22 55
Email: info@augment.se

Upcoming reporting dates

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 and on www.eurobatteryminerals.com.

November 2021
Eurobattery Minerals AB
Board of directors

For further information: ir@eurobatteryminerals.com.

Income Statement

<i>SEK thousand</i>	2021 <i>Jan–Sep</i>	2020 <i>Jan–Sep</i>	2021 <i>Jul–Sep</i>	2020 <i>Jul–Sep</i>	2020 <i>Jan–Dec</i>
Operating income					
Net sales	0	0	0	0	0
Other operating income	277	85	40	22	206
Operating costs					
Other external costs	-11,433	-6,564	-5,333	-2,687	-11,029
Staff costs	-1,561	1,952	-422	-607	-2,327
Depreciation of tangible fixed assets	-1	0	-1	0	-3
Operating profit/loss	-12,718	-8,431	-5,716	-3,272	-13,153
Net interest items	255	-261	95	-238	-875
Earnings before tax	-12,463	-8,692	-5,621	-3,510	-14,028
PROFIT/LOSS FOR THE PERIOD	-12,463	-8,692	-5,621	-3,510	-14,028

Balance Sheet

<i>SEK thousand</i>	30 Sep 2021	30 Sep 2020	31 Dec 2020
ASSETS			
Intangible assets	41,843	45,787	37,887
Tangible assets	58	20	17
Financial assets	22,420	79	11,279
Other current assets	715	991	899
Cash & bank balances	16,994	30,282	42,737
TOTAL ASSETS	82,030	77,159	92,819
EQUITY AND LIABILITIES			
Equity	80,001	76,262	92,464
Current liabilities	2,029	897	355
TOTAL EQUITY AND LIABILITIES	82,030	77,159	92,819

Change in equity

<i>SEK thousand</i>	<i>2021 Jan–Sep</i>	<i>2020 Jan–Sep</i>	<i>2021 Jul–Sep</i>	<i>2020 Jul–Sep</i>	<i>2020 Jan–Dec</i>
Equity at the beginning of the period	92,464	40,754	85,622	37,685	40,754
New share issue	0	49,369	0	47,256	72,119
Costs for new share issue	0	-5,169	0	-5,169	-6,381
Profit/loss for the period	-12,463	-8,692	-5,621	-3,510	-14,028
Equity at the end of the period	80,001	76,262	80,001	76,262	92,464

Statement of Cash flow

<i>SEK thousand</i>	<i>2021 Jan–Sep</i>	<i>2020 Jan–Sep</i>	<i>2021 Jul–Sep</i>	<i>2020 Jul–Sep</i>	<i>2020 Jan–Dec</i>
Operating profit/loss for the period	-12,718	-8,431	-5,716	-3,272	-13,152
Amortisation and depreciation	1	0	1	0	3
Interest paid	255	-261	95	-238	-745
Cash flow from operating activities before change in working capital	-12,462	-8,692	-5,620	-3,510	-13,894
Change in operating receivables	184	24	-98	1,253	119
Change in operating liabilities	1,674	245	312	-2,520	-296
Cash flow from operating activities	-10,604	-8,423	-5,406	-4,777	-14,071
Cash flow from investment activities	-15,139	-12,111	-1,945	-7,551	-15,411
Cash flow from financing activities	0	44,200	0	42,087	65,607
Cash flow for the period	-25,743	23,666	-7,351	-29,759	36,125
Cash and cash equivalents at the beginning of the period	42,737	6,616	24,345	523	6,612
Cash and cash equivalents at the end of the period	16,994	30,282	16,994	30,282	42,737

Key performance indicators and share data

	2021 <i>Jan–Sep</i>	2020 <i>Jan–Sep</i>	2020 <i>Jan–Dec</i>
Average equity for the period (SEK thousand)	86,232	58,508	66,609
Average total capital for the period (SEK thousand)	87,424	59,282	67,113
Return on equity (%)	-14	-15	-21
Return on total capital (%)	-15	-14	-20
Equity/assets ratio (%)	98	99	99
Basic earnings per share SEK	-0.79	-0.90	-1.45
Diluted earnings per share SEK	-0.79	-0.74	-0.89
Equity per share (SEK)	5.09	5.53	5.90
Quick ratio (%)	14,538	3,486	12,292
Total number of shares	15,719,503	13,783,499	15,679,318
Average number of shares	15,699,410	11,739,096	12,687,006

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 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.



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 for more information.

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

