

Half-Year Report

JANUARY – JUNE 2022



EURO
BATTERY
MINERALS



Q2 2022

Highlights second quarter 2022

- ▶ In May, Eurobattery Minerals completed another step towards realising the Finnish Hautalampi battery mineral project as the environmental impact assessment (EIA) report was submitted.
- ▶ On 31 May, Eurobattery Minerals 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.
- ▶ 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.
- ▶ In June, the company was also appointed as the new Vice-President of the Swedish-Spanish Chamber of Commerce (Cámara de Comercio Hispano Sueca).

» To quickly recap our strategy: our focus is to realise numerous nickel-cobalt-copper projects in Europe to supply critical raw materials and, thereby, power a cleaner world. «

Roberto García Martínez, CEO



Dear shareholders,

We are halfway through 2022, but there is no time for rest for Eurobattery Minerals. Responsibly mined battery minerals from Europe for the clean energy and automotive sectors are more sought after than ever. At Eurobattery Minerals, we are working hard and at full speed to provide these precious minerals to the market.

To quickly recap our strategy: our focus is to realise numerous nickel-cobalt-copper projects in Europe to supply critical raw materials and, thereby, power a cleaner world. In the second quarter of 2022, we made significant progress on this strategy, which I would like to share with you all.

Acquisition: we have bought 40% of the Finnish Hautalampi battery mineral project

We successfully finalised a directed issue of convertibles of SEK 18 million (EUR 1.7 million) in April, funding earmarked for the financing of the acquisition of the Finnish Hautalampi project and other value-creating investments and projects. I am delighted that we could exercise our option to buy 100% of the Hautalampi nickel-cobalt-copper project from its current owner FinnCobalt Oy for the first time with this investment in hand. In May, we initiated a 40% stake acquisition which was completed in July, thus taking a critical step in realising a battery mineral mine in Finland.

We also took another crucial step in establishing responsible mining operations in Finland, submitting the environmental impact assessment (EIA) report during the second quarter. 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.

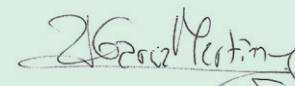
Confirmation: we can extract minerals for several million car batteries from our Spanish Corcel project

In the meantime, we have also received the independent NI 43-101 report for our nickel-cobalt-copper prospect zone Castriz, which, together with the two prospect zones Monte Mayor and Monte Castello, is included in the Corcel project in north-western Spain. The report, prepared by independent external auditors, found that the 10% of the Castriz deposit covered in the report contains the amount of nickel needed to produce 500,000 car batteries. Considering the nickel grade, we can confidently say that the Castriz prospect zone contains the minerals required to produce a few million

car batteries with a capacity of 60 kWh. The outlook for a battery mineral mine in the Iberian Peninsula looks very promising.

Finally, I'd like to take a moment and say a big thank you to everyone supporting Eurobattery Minerals. As a member of our team or as an investor, you play a significant role in making Europe self-sufficient in responsibly mined battery minerals. In doing so, you are helping to power a cleaner world.

Yours faithfully


Roberto García Martínez
 CEO



Half-Year Report 2022

Second quarter 2022

- ▶ Net sales amounted to SEK 0 (Q2 2021: SEK 0).
- ▶ Operating income after depreciation/amortisation and financial items totalled SEK -10,046 thousand (Q2 2021: SEK -4,121 thousand).
- ▶ Earnings per share after financial items before dilution amounted to SEK -0.64 (Q2 2021: SEK -0.26).
- ▶ Earnings per share after financial items after dilution amounted to SEK -0.59 (Q2 2021: SEK -0.26).
- ▶ Cash flow from operating activities was SEK -12,325 thousand (Q2 2021: SEK -3,150 thousand).

First half year 2022

- ▶ Net sales amounted to SEK 0 (6M 2021: SEK 0).
- ▶ Operating income after depreciation/amortisation and financial items totalled SEK -12,403 thousand (6M 2021: SEK -6,842 thousand).
- ▶ Earnings per share after financial items before dilution amounted to SEK -0.79 (6M 2021: SEK -0.44).
- ▶ Earnings per share after financial items after dilution amounted to SEK -0.73 (6M 2021: SEK -0.44).
- ▶ Cash flow from operating activities was SEK -11,786 thousand (6M 2021: SEK -5,198 thousand).

Significant events, January–June 2022

- ▶ In January, Eurobattery Minerals AB announced highly satisfactory first assay results from drillings at the Spanish Corcel project: 60 million tonnes of rock with a nickel grade of 0.25% are estimated. 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

delayed until Q2 2022 due to Covid-19-related lags 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 in the case of the Corcel project, the full results for Hautalampi are also delayed due to Covid-19-related lags 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.
- ▶ 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 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 events after the period

- ▶ On 1 July, the company announced the closing 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. Eurobattery Minerals has the option to acquire 100% of the shares in FinnCobalt by 2024 at the latest.

Earnings and sales

Comments on the second quarter, 1 April–30 June 2022

Earnings and sales

The company's net sales for the second quarter totalled SEK 0 (Q2 2021: SEK 0), and earnings after financial items totalled SEK -10,046 thousand (Q2 2021: SEK -4,121 thousand). Operating costs amounted to SEK -8,891 thousand (Q2 2021: SEK -4,327 thousand). EBITDA for the second quarter was SEK -8,876 thousand (Q2 2021: SEK -4,154 thousand). Financial expenses for the quarter amounted to SEK -1,170 thousand (Q2 2021: SEK 33 thousand).

Investments

Investments in property, plant and equipment in the second quarter totalled SEK 0 thousand (Q2 2021: SEK 5 thousand). Investments in intangible assets amounted to SEK 1,258 thousand (SEK 4,360 thousand). Investments in non-current financial assets amounted to SEK 0 thousand (Q2 2021: SEK 3,036 thousand).

Financial position

On 30 June, cash and cash equivalents amounted to SEK 5,325 thousand (30 June 2021: SEK 24,345 thousand). Equity was SEK 59,311 thousand (30 June 2021: SEK 85,622 thousand).

Cash flow and financing

Cash flow from operating activities in the second quarter was SEK -12,325 thousand (Q2 2021: SEK -3,150 thousand). Cash flow from investing activities was SEK -1,259 thousand (Q2 2021: SEK -4,365 thousand), while cash flow from financing activities was SEK 18,000 thousand (Q2 2021: SEK 0 thousand).

Comments on the first half of the year, 1 January–30 June 2022

Earnings and sales

The company's net sales for the first half of the year totalled SEK 0 (6M 2021: SEK 0), and earnings after financial items totalled SEK -12,403 thousand (6M 2021: SEK -6,842 thousand). Operating costs amounted to SEK -11,481 thousand (6M 2021: SEK -7,239 thousand). EBITDA for the first half of the year was SEK -11,450 thousand (6M 2021: SEK -7,002 thousand). Financial expenses for the period amounted to SEK -953 thousand (6M 2021: SEK 160 thousand).

Investments

Investments in property, plant and equipment in the first half of the year totalled SEK 0 thousand (6M 2021: SEK 5 thousand). Investments in intangible assets

amounted to SEK 2,690 thousand (6M 2021: SEK 13,189 thousand). Investments in non-current financial assets amounted to SEK 1,031 thousand (6M 2021: SEK 11,111 thousand).

Financial position

On 30 June, cash and cash equivalents amounted to SEK 5,325 thousand (30 June 2021: SEK 24,345 thousand). Equity was SEK 59,311 thousand (30 June 2021: SEK 85,622 thousand).

Cash flow and financing

Cash flow from operating activities in the first half of the year was SEK -11,786 thousand (6M 2021: SEK -5,198 thousand). Cash flow from investing activities was SEK -3,721 thousand (6M 2021: SEK -13,194 thousand), while cash flow from financing activities was SEK 18,000 thousand (6M 2021: SEK 0 thousand).

The share

The share capital of Eurobattery Minerals AB (publ) amounted to SEK 15,719,503 on 30 June 2022. 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. 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.

List of shareholders on 30 June 2022

Shareholder	Number of shares	Percentage (%)
Clearstream Banking Germany	2,067,586	13.15%
Andrew Randall	971,170	6.18%
Avanza Pension	726,276	4.62%
Ulex Recursos S.L.	687,471	4.37%
Six Sis AG	592,570	3.77%
Kimberly Wrixon	425,000	2.70%
Swedbank Försäkring	362,745	2.31%
Frenergy AB	310,000	1.97%
DH Invest AB	300,000	1.91%
UBS Switzerland AG	296,165	1.88%
Other shareholders	8,980,520	57.14%
	15,719,503	100.00%

Related-party transactions

During the period, earnings were also charged with fees of SEK 1,342 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 780 thousand.

Finally, earnings were impacted by fees of SEK 46 thousand paid to Board member Jan Arnbom's company Arnbom Geokonsult AB for work carried out during the period.

Balance Sheet

<i>SEK thousand</i>	<i>30 Jun 2022</i>	<i>30 Jun 2021</i>	<i>31 Dec 2021</i>
ASSETS			
Intangible assets	47,133	39,965	44,443
Tangible assets	54	22	54
Financial assets	23,981	22,390	22,950
Other current assets	7,340	617	7,434
Cash and bank balance	5,325	24,345	2,832
TOTAL ASSETS	83,833	87,339	77,713
EQUITY AND LIABILITIES			
Equity	59,311	85,622	71,181
Deferred tax	5,497	0	5,291
Non-current liabilities	18,000	0	0
Current liabilities	1,025	1,717	1,241
TOTAL EQUITY AND LIABILITIES	83,833	87,339	77,713

Income Statement

<i>SEK thousand</i>	<i>2022 Jan-Jun</i>	<i>2021 Jan-Jun</i>	<i>2022 Apr-Jun</i>	<i>2021 Apr-Jun</i>	<i>2021 Jan-Dec</i>
Operating income					
Net sales	0	0	0	0	0
Other operating income	31	237	15	173	302
Operating costs					
Other external costs	-10,352	-6,100	-8,152	-3,564	-15,422
Staff costs	-1,129	-1,139	-739	-763	-1,931
Depreciation of tangible assets	0	0	0	0	-4
Operating profit/loss	-11,450	-7,002	-8,876	-4,154	-17,055
Net interest items	-953	160	-1,170	33	279
Profit/loss before tax	-12,403	-6,842	-10,046	-4,121	-16,776
Tax on profit/loss for the period	0	0	0	0	220
PROFIT/LOSS FOR THE PERIOD	-12,403	-6,842	-10,046	-4,121	-16,556

Statement of Cash flow

<i>SEK thousand</i>	2022 <i>Jan-Jun</i>	2021 <i>Jan-Jun</i>	2022 <i>Apr-Jun</i>	2021 <i>Apr-Jun</i>	2021 <i>Jan-Dec</i>
Operating profit/loss for the period	-11,450	-7,002	-8,876	-4,154	-17,055
Amortisation and depreciation	0	0	0	0	4
Interest paid	-953	160	-1,170	33	466
Cash flow from operating activities before change in working capital	-12,403	-6,842	-10,046	-4,121	-16,585
Change in operating receivables	607	282	747	-90	-6,535
Change in operating liabilities	10	1,362	-3,026	1,061	885
Cash flow from operating activities	-11,786	-5,198	-12,325	-3,150	-22,235
Cash flow from investing activities	-3,721	-13,194	-1,259	-4,365	-18,278
Cash flow from financing activities	18,000	0	18,000	0	608
Cash flow for the period	2,493	-18,392	4,416	-7,515	-39,905
Cash and cash equivalents at the beginning of the period	2,832	42,737	909	31,860	42,737
Cash and cash equivalents at the end of the period	5,325	24,345	5,325	24,345	2,832

Change in equity

<i>SEK thousand</i>	<i>2022 Jan–Jun</i>	<i>2021 Jan–Jun</i>	<i>2022 Apr–Jun</i>	<i>2021 Apr–Jun</i>	<i>2021 Jan–Dec</i>
Equity at the beginning of the period	71,181	92,464	68,994	89,743	92,465
New share issue	0	0	0	0	608
Effect of correction of deferred tax	0	0	0	0	-5,530
Translation differences	533	0	363	0	194
Costs for new share issue	0	0	0	0	0
Profit/loss for the period	-12,403	-6,842	-10,046	-4,121	-16,556
Equity at the end of the period	59,311	85,622	59,311	85,622	71,181

Key performance indicators and share data

	2022 <i>Jan-Jun</i>	2021 <i>Jan-Jun</i>	2021 <i>Jan-Dec</i>
Average equity for the period (SEK thousand)	65,246	39,219	79,058
Average total capital for the period (SEK thousand)	80,773	41,254	85,261
Return on equity (%)	-19	-13	-22
Return on total capital (%)	-14	-12	-19
Equity/Assets ratio (%)	71	92	92
Earnings per share before dilution (SEK)	-0.79	-0.53	-1.06
Earnings per share after dilution (SEK)	-0.73	-0.53	-1.05
Equity per share (SEK)	3.77	3.86	4.53
Quick ratio (%)	1,235	81	827
Total number of shares	16,919,503	9,845,357	15,719,503
Average number of shares	16,319,503	9,770,025	15,699,411

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) to the preparation of 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 18 November 2022.

The Year-End Report for 2022 will be published on 22 February 2023.

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

August 2022

Eurobattery Minerals AB

Board of Directors





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.

