

Interim Report

JANUARY – SEPTEMBER 2022



EURO
BATTERY
MINERALS



Q3 2022

Highlights third quarter 2022

- ▶ The company announced an updated resource estimate on the Finnish Hautalampi project. The independent JORC-compliant estimate concludes that compared to the previous analysis in 2021, the available mineral resources in the project have almost doubled with almost 40% more metals.
- ▶ 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 Hautalampi Ni-Co-Cu project.
- ▶ Eurobattery Minerals presented the results from a new German survey: Every second German considers buying an electric or hybrid car.
- ▶ Eurobattery Minerals took another important step in preparing for a mine in Corcel as the necessary information for completion of the Environmental and Operating Permit was submitted to the Energy & Mining Service of La Coruña.
- ▶ Eurobattery Minerals announced that FinnCobalt had received a request for additional information for the Hautalampi project Environmental Impact Assessment (EIA) Report from the North Karelia Centre for Economic Development, Transport and the Environment.

» More than ever, the European clean energy and automotive industry must rely on batteries made with responsibly mined European minerals. At Eurobattery Minerals, we are committed to offering a solution for responsibly mined battery minerals in Europe – for Europe. «

Roberto García Martínez, CEO



Dear shareholders,

Responsibly mined battery minerals are the fuel for a greener Europe. Therefore, taking control of the supply and sourcing these minerals in Europe is critical both from a sustainable and from a geopolitical point of view. More than ever, the European clean energy and automotive industry must rely on batteries made with responsibly mined European minerals. At Eurobattery Minerals, we are committed to offering a solution for responsibly mined battery minerals in Europe – for Europe.

I am delighted to update you on our progress during the third quarter of 2022.

With 40% more metals, the Finnish Hautalampi mine project exceeds our expectations!

This quarter brought more good news from Finland after completing the 40% stake acquisition of the Hautalampi mine project in July, in the form of the much-awaited independent, JORC-compliant resource estimate. Following the previous analysis in 2021, the mineral resources in the mine project have almost doubled. With more than 40% more metals, the new estimate exceeds our previous expectations and confirms that the Hautalampi mine project has more than a third more battery minerals available than anticipated. We also plan to acquire 100% of the Hautalampi project during the first half of 2023. Alongside providing additional information for the environmental impact assessment and simultaneously preparing for the environmental permit application, we will publish an updated preliminary economic assessment (PEA) and a preliminary feasibility study (PFS) for Hautalampi during Q1 2023. This will further enable us to predict the economic viability of our Finnish battery mineral project.

Meanwhile, in Spanish Corcel, we are continuing our work to establish an open pit mine. In addition to the independent NI 43-101 report received in June, indicating an estimated production capacity of battery minerals sufficient for several million car batteries, all necessary information for completing the environmental and operating permit was submitted to local authorities during the reported quarter.

To further advance our projects, including bringing the Corcel project to the same stage as Hautalampi, we decided on a rights issue, which proposes authorisation of an over-allotment issue and decided on the issue of a convertible loan. We have already secured 50% of the rights issue and our maximum target for the entire funding round is SEK 96.9 million.

Consumers are willing to pay more for responsibly mined minerals!

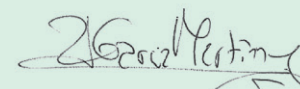
As a critical supplier to the automotive and energy sector within the clean energy transition, we are keen to understand the drivers from an end-consumer perspective. Therefore, we conducted an end-consumer survey in Germany among end consumers to obtain their views

on battery minerals in connection with buying a car. The survey found that 48% of consumers are willing to pay a higher price for sustainable battery production, and 57% support more mining in Europe for critical minerals. Moreover, the recent evolution of the copper market shows us that consumers are willing to pay a higher price for responsibly mined copper.

I can state with a high level of confidence that Eurobattery Minerals is positioned in a very compelling industry at the right time and has an excellent opportunity for growth in the current market.

Finally, I would like to thank all our current and new investors as well as our team members for supporting the company.

Powerful and sincere regards,


Roberto García Martínez
 CEO



Interim Report January – September 2022

Third quarter 2022

- ▶ Net sales amounted to SEK 0 thousand (Q3 2021: SEK 0 thousand).
- ▶ Operating income after depreciation/amortisation and financial items totalled SEK -3,857 thousand (Q3 2021: SEK -5,621 thousand).
- ▶ Earnings per share after financial items before dilution amounted to SEK -0.25 (Q3 2021: SEK -0.36).
- ▶ Earnings per share after financial items after dilution amounted to SEK -0.23 (Q3 2021: SEK -0.36).
- ▶ Cash flow from operating activities was SEK 2,580 thousand (Q3 2021: SEK -5,406 thousand).

First nine months 2022

- ▶ Net sales amounted to SEK 0 thousand (9M 2021: SEK 0 thousand).
- ▶ Operating income after depreciation/amortisation and financial items totalled SEK -16,260 thousand (9M 2021: SEK -12,463 thousand).
- ▶ Earnings per share after financial items before dilution amounted to SEK -1.06 (9M 2021: SEK -0.79).
- ▶ Earnings per share after financial items after dilution amounted to SEK -0.98 (9M 2021: SEK -0.79).
- ▶ Cash flow from operating activities was SEK -9,945 thousand (9M 2021: SEK -10,604 thousand).

Significant events, January–September 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 terms of the 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.

- ▶ 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.
- ▶ In August, the company presented the results from a new German survey on consumers' attitudes to battery minerals in connection with buying a car. The survey, conducted by analyst company YouGov concluded, among other things, that 48% are willing to pay a higher price for sustainable battery production and 57% support more mining in Europe for critical minerals.
- ▶ In August, Eurobattery Minerals took another important step in preparing for a mine in its Spanish Corcel project as the necessary information for completion of the Environmental and Operating Permit was submitted to the Energy & Mining Service of La Coruña. In order to obtain these permits, Eurobattery Minerals has now submitted the Exploitation Project, the Environmental Impact Study, and the Restoration Plan to the local authorities.
- ▶ In September, Eurobattery Minerals announced that FinnCobalt Oy, the majority owner of the Hautalampi

project, had received a request for additional information or the Hautalampi project Environmental Impact Assessment (EIA) Report from the North Karelia Centre for Economic Development, Transport and the Environment. Eurobattery Minerals view is that these requirements will help and speed up the process of the final environmental permit application and that the work to complete the EIA and preparation of the final environmental permit application will commence simultaneously.

- ▶ In September, the company announced an updated resource estimate on the Hautalampi project. The independent JORC-compliant estimate prepared by AFRY Finland Oy concludes that compared to the previous analysis in 2021, the available mineral resources in the mine project have almost doubled with almost 40% more metals. The new estimate exceeds Eurobattery Minerals' previous expectations and confirms that the Hautalampi mine project has more than a third more battery minerals available than what was thought. The company is now conducting further technical and financial evaluations of the project viability.

Significant events after the period

- ▶ In October Eurobattery Minerals received the complete JORC-compliant report entitled "Hautalampi Ni-, Cu-, Co-Deposit Mineral Resource Estimate, Outokumpu, Finland". The independent report prepared by AFRY Finland Oy concludes that, compared to the previous analysis in 2021, the available mineral resources in the

mine project have almost doubled with around 40% more metals.

- ▶ In October, Eurobattery Minerals decided on a rights issue of approx. SEK 49.6 million and proposed an authorisation for an over-allotment issue of an additional approx. SEK 15 million and decided on the issue of a convertible loan of SEK 10 million. Approximately SEK 24.8 million of the rights issue is secured by subscription and underwriting commitments, which correspond to 50.0% of the rights issue. The subscription period for the rights issue commences on 7 December and ends on 21 December 2022. With the additional funding, Eurobattery Minerals intends to complete the acquisition of 100% of the Hautalampi project from its current owner FinnCobalt during the first half of 2023. In addition to the completion of the acquisition of Hautalampi, the company also expects to publish an updated preliminary economic assessment (PEA) and a preliminary feasibility study (PFS) for Hautalampi during Q1 2023. As for Eurobattery Minerals' Corcel project in Spain, the company expects to publish new metallurgical results in Q4 2022 and to start a third drilling campaign in Q1 2023, with the aim of accelerating Corcel to the same project stage as Hautalampi.
- ▶ In November, Eurobattery Minerals announced that the Swedish Mining Inspectorate has decided that all Eurobattery Minerals exploration permits have been automatically extended by one year. The extension is a result of legislative change mitigating the effects of Covid-19, which extends the validity of all exploration permits that were in force on 9 June this year.

- ▶ In November, Eurobattery Minerals received the final verdict of the Hautalampi mining concession proceeding. The completed mining concession proceeding in Hautalampi brings Eurobattery Minerals one step closer to a much-needed European battery mineral mine. According to Finnish mining law, the company now has the full right to exploit all the mineral resources in the area.
- ▶ In November Eurobattery Minerals announced that Ilari Kinnunen has been appointed new Managing Director (MD) of FinnCobalt Oy in Finland as of 01st of March 2023, replacing the current MD Markus Ekberg, who will be retiring. Markus Ekberg will continue as the Chairman of the Board of FinnCobalt Oy. Ilari Kinnunen, will be responsible for the development and operations of Hautalampi battery mineral mine development project.

Earnings and sales

Comments on the third quarter, 1 July – 30 September 2022

Earnings and sales

The company's net sales for the third quarter totalled SEK 0 thousand (Q3 2021: SEK 0 thousand), and earnings after financial items totalled SEK -3,857 thousand (Q3 2021: SEK -5,621 thousand). Operating costs amounted to SEK -2,895 thousand (Q3 2021: SEK -5,755 thousand). EBITDA for the third quarter was SEK -2,872 thousand (Q3 2021: SEK -5,716 thousand). Financial expenses for the quarter amounted to SEK -985 thousand (Q3 2021: SEK 95 thousand).

Investments

Investments in property, plant and equipment in the third quarter totalled SEK 0 thousand (Q3 2021: SEK 37 thousand). Investments in intangible assets amounted to SEK 995 thousand (Q3 2021: SEK 1,878 thousand). Investments in non-current financial assets amounted to SEK 14,484 thousand (Q3 2021: SEK 30 thousand).

Financial position

On 30 September, cash and cash equivalents amounted to SEK 3,052 thousand (30 September 2021: SEK 16,994 thousand). Equity was SEK 66,046 thousand (30 September 2021: SEK 80,001 thousand).

Cash flow and financing

Cash flow from operating activities in the third quarter was SEK 2,580 thousand (Q3 2021: SEK -5,406 thousand). Cash flow from investing activities was SEK -15,479 thousand (Q3 2021: SEK -1,945 thousand), while cash flow from financing activities was SEK 10,626 thousand (Q3 2021: SEK 0 thousand).

Comments on the first nine months of 2022

Earnings and sales

The company's net sales for the first nine months of the year totalled SEK 0 thousand (9M 2021: SEK 0 thousand), and earnings after financial items totalled SEK -16,260 thousand (9M 2021: SEK -12,463 thousand). Operating costs amounted to SEK -14,376 thousand (9M 2021: SEK -12,995 thousand). EBITDA for the first nine months of the year was SEK -14,322 thousand (9M 2021: SEK -12,718 thousand). Financial expenses for the period amounted to SEK -1,938 thousand (9M 2021: SEK 255 thousand).

Investments

Investments in property, plant and equipment in the first nine months of the year totalled SEK 0 thousand (9M 2021: SEK 42 thousand). Investments in intangible assets amounted to SEK 3,685 thousand (9M 2021: SEK

3,956 thousand). Investments in non-current financial assets amounted to SEK 15,515 thousand (9M 2021: SEK 11,141 thousand).

Financial position

On 30 September, cash and cash equivalents amounted to SEK 3,052 thousand (30 September 2021: SEK 16,994 thousand). Equity was SEK 66,046 thousand (30 September 2021: SEK 80,001 thousand).

Cash flow and financing

Cash flow from operating activities in the first nine months of the year was SEK -9,945 thousand (9M 2021: SEK -10,604 thousand). Cash flow from investing activities was SEK -19,200 thousand (9M 2021: SEK -15,139 thousand), while cash flow from financing activities was SEK 29,365 thousand (9M 2021: SEK 0 thousand).

The share

The share capital of Eurobattery Minerals AB (publ) amounted to SEK 16,522,237 on 30 September 2022. The total number of shares outstanding was 16,522,237.

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 September 2022

Shareholder	Number of shares	Percentage (%)
Clearstream Banking Germany	2,092,177	12.66%
Andrew Randall	971,170	5.88%
Avanza Pension	737,028	4.46%
Ulex Recursos S.L.	687,471	4.16%
Nordea Bank Finland	620,598	3.76%
Six Sis AG	600,070	3.63%
Kimberly Wrixon	425,000	2.57%
Swedbank Försäkring	356,325	2.16%
Frenergy AB	310,000	1.88%
DH Invest AB	300,000	1.82%
Other shareholders	9,422,398	57.02%
	16,522,237	100.00%

Related-party transactions

During the period, earnings were also charged with fees of SEK 2,077 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 1,010 thousand.

Finally, earnings were impacted by fees of SEK 74 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 Sep 2022</i>	<i>30 Sep 2021</i>	<i>31 Dec 2021</i>
ASSETS			
Intangible assets	48,128	41,843	44,443
Tangible assets	54	58	54
Financial assets	38,465	22,420	22,950
Other current assets	770	715	7,434
Cash and bank balance	3,052	16,994	2,832
TOTAL ASSETS	90,469	82,030	77,713
EQUITY AND LIABILITIES			
Equity	66,046	80,001	71,181
Deferred tax	5,531	0	5,291
Long-term liabilities	18,000	0	0
Current liabilities	892	2,029	1,241
TOTAL EQUITY AND LIABILITIES	90,469	82,030	77,713

Income Statement

<i>SEK thousand</i>	<i>2022 Jan–Sep</i>	<i>2021 Jan–Sep</i>	<i>2022 Jul–Sep</i>	<i>2021 Jul–Sep</i>	<i>2021 Jan–Dec</i>
Operating income					
Net sales	0	0	0	0	0
Other operating income	54	277	23	40	302
Operating costs					
Other external costs	-12,239	-11,433	-1,887	-5,333	-15,422
Staff costs	-2,137	-1,561	-1,008	-422	-1,931
Depreciation of tangible assets	0	1	0	-1	-4
Operating profit/loss	-14,322	-12,718	-2,872	-5,716	-17,055
Net interest items	-1,938	255	-985	95	279
Profit/loss before tax	-16,260	-12,463	-3,857	-5,621	-16,776
Tax on profit/loss for the period	0	0	0	0	220
PROFIT/LOSS FOR THE PERIOD	-16,260	-12,463	-3,857	-5,621	-16,556

Statement of Cash flow

<i>SEK thousand</i>	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>	<i>2021</i>
	<i>Jan–Sep</i>	<i>Jan–Sep</i>	<i>Jul–Sep</i>	<i>Jul–Sep</i>	<i>Jan–Dec</i>
Operating profit/loss for the period	-14,322	-12,718	-2,872	-5,716	-17,055
Amortisation and depreciation	0	1	0	1	4
Interest paid	-1,938	255	-985	95	466
Cash flow from operating activities before change in working capital	-16,260	-12,462	-3,857	-5,620	-16,585
Change in operating receivables	6,664	184	6,570	-98	-6,535
Change in operating liabilities	-349	1,674	-133	312	885
Cash flow from operating activities	-9,945	-10,604	2,580	-5,406	-22,235
Cash flow from investing activities	-19,200	-15,139	-15,479	-1,945	-18,278
Cash flow from financing activities	29,365	0	10,626	0	608
Cash flow for the period	220	-25,743	-2,273	-7,351	-39,905
Cash and cash equivalents at the beginning of the period	2,832	42,737	5,325	24,345	42,737
Cash and cash equivalents at the end of the period	3,052	16,994	3,052	16,994	2,832

Key performance indicators and share data

	2022 <i>Jan–Sep</i>	2021 <i>Jan–Sep</i>	2021 <i>Jan–Dec</i>
Average equity for the period (SEK thou-sand)	68,614	86,232	79,058
Average total capital for the period (SEK thousand)	84,092	87,424	85,261
Return on equity (%)	-24	-14	-22
Return on total capital (%)	-19	-15	-19
Equity/Assets ratio (%)	73	98	92
Earnings per share before dilution (SEK)	-1.06	-0.79	-1.06
Earnings per share after dilution (SEK)	-0.98	-0.79	-1.05
Equity per share (SEK)	3.99	5.09	4.53
Quick ratio (%)	428	14,538	827
Total number of shares	16,522,237	15,719,503	15,719,503
Average number of shares	16,120,870	15,699,410	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

Augment Partners AB
Telephone: +46 8-604 22 55
E-mail: info@augment.se

Upcoming reporting dates

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.

November 2022

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.

