

# Interim report

JANUARY – MARCH 2024



EURO  
BATTERY  
MINERALS

# Q1 2024

» Europe is under pressure to drive the green transition and to become more self-sufficient in the supply and production of critical raw materials. With the newly approved Critical Raw Material Act (CRMA), the EU wants to achieve just this. The CRMA is very good news for us at Eurobattery Minerals since it is, among other things, expected to shorten permitting timeframes considerably. «

**Roberto García Martínez**, CEO

## Highlights first quarter 2024

- ▶ In January, the company announced the process design for the concentration plant at its battery mineral mine project Hautalampi. The designed capacity of the plant is 500,000 tonnes per annum and is expected to produce annually 21,000 tonnes of Ni 7%/Co 1.9% concentrate and 5,000 tonnes of Cu 25% concentrate during the anticipated 12 years of mining at the site.
- ▶ Also, in January, Eurobattery Minerals published the preliminary and final outcomes for the rights issue. It showed that 28,288,738 units were subscribed for, corresponding to a subscription rate of approximately 77.3 per cent. Eurobattery thereby receives total issue proceeds of approximately SEK 22.6 million.
- ▶ On 18 March 2024 Eurobattery Minerals AB announced positive results on research proving that the bedrock conditions in its Finnish Hautalampi battery minerals mine project are ideal for future mining operations.



# Dear all,

*When I´m writing this, Eurobattery Minerals has just completed a crucial step towards the start of mining operations at our Hautalampi battery mineral project in Finland. At the end of April, we submitted the Environmental Permit Application (EPA) to the Finnish Regional State Administrative Agency. With this, we are now closer to our vision to make Europe self-sufficient in responsibly mined battery minerals and thereby power a cleaner world.*

## **A brief overview of the Environmental Permit Application for Hautalampi, Finland**

The EPA process is an important aspect to make sure that all mining and corresponding activities is taking place with maximum consideration for the environment. The permit application process has been intensive work for the company which has led to an increase in operating costs compared to same period last year.

Among other things, the EPA contains Eurobattery Minerals´ description and ambition for responsible and modern mining by using state-of-the-art technology. The application also addresses impact on the local environment, the processing plant and also transport and logistics solutions. In addition, the EPA includes all essential aspects of an operational mine at Hautalampi, like underground mining operations for ore and waste rock, crushing operations for ore and waste rock usage for construction. Furthermore, it also covers an application for producing metal concentrates, discharge treatment, handling mining waste, implementing mine backfilling, and depositing extractive waste in extractive waste areas. Moreover, the environmental permit application also

covers aspects that are regulated by the Finnish Environmental Protection Act, (Ympäristönsuojelulaki 527/2014).

We are looking forward to continuing working closely with the Finnish Regional State Administrative Agency to ensure a smooth and quick environmental permit process and expect a positive outcome.

## **Additional activity in the Hautalampi project**

In parallel with the submission and processing of the EPA, the company will continue the development of off-take and equipment agreements and the discussions about these, which are part of the preparatory work for the bankable feasibility study. We are also continuing with the detailed engineering of the next phases.

From previous analyses made at the Hautalampi project, we knew that there is a great economic outlook for mining of cobalt, nickel, and copper at this site. In addition to the financial aspects, the Finnish mine is also a good opportunity to increase Europe's self-sufficiency when it comes to responsibly mined battery minerals.

## **Our Corcel project in Spain – A strategic asset**

As for Eurobattery Minerals' Spanish project, the Corcel project, the company submitted all necessary information for environmental and operating permits in August 2022.

Galicia celebrated local elections in February 2024 and the local government has been formed. And the Galician government has just highlighted the strategic importance of the mining sector in the transition towards a digitalized and decarbonized economy.

This is positive news for Eurobattery Minerals and together with the newly approved European Critical Raw Materials Act (CRMA) – which calls for greatly increased local extraction, processing, and recycling – they are indications of that the permitting process in Spain could be made easier during the upcoming months. Eurobattery Minerals' Corcel project is a strategic asset for the region to source the raw materials needed in Europe and we intend to do it in an efficient and responsible production process.

**Investment opportunity in a Spanish tungsten project**

As announced in the beginning of May 2024, Eurobattery Minerals is now faced with an interesting new investment opportunity in a Spanish tungsten project with all licences and contracts in place to commence production in 2025, including an LOI with an off-taker within the Swedish Sandvik Group. As the project is nearing production, the investment (which is contingent on satisfactory due diligence of the target as well as an investment agreement and financing) would be a game changer for Eurobattery Minerals and transform our DNA. Considering the expected positive cash flows within 12 months from the investment – with ample opportunities for increased value – as well as tungsten's role as a critical raw material and its applications within e.g. the defence industries, this investment would be an interesting complement to our current project portfolio.

**State of the mining industry**

A successful transition to a greener economy depends to a considerable extent on the availability of various critical raw materials. Unfortunately, geopolitical tensions have come in the way of this ambition and the critical raw materials have already become, or risk becoming, a trade weapon. A certain raw material could be labelled “critical” when it is of high importance to a country's or a region's economy, but also when there is an elevated risk associated with the supply of this material.

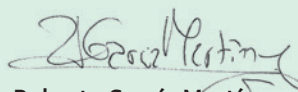
The newly approved CRMA has been put into place by the EU to resolve this problem in Europe. Because we need responsibly mined minerals – from Europe, for Europe, just like we say in our vision!

Various individual member states, including Finland and Sweden, are now scrambling to adapt their legislations to the CRMA. Environmental laws have to be adapted; the permitting process has to be cut much shorter.

At Eurobattery Minerals we look forward to seeing the results of these strategy revisions, which are certain to be good news for our company.

In our journey towards responsible mining and greater self-sufficiency in critical and strategic minerals, every step we take brings us closer to a cleaner, greener future. Together, let us power the change we want to see in the world. Thank you for supporting the important work of Eurobattery Minerals, interesting developments ahead!

Yours faithfully



**Roberto García Martínez**  
CEO of Eurobattery Minerals



# Interim Report January–March 2024

## First quarter 2024

- ▶ Net sales amounted to SEK 0 thousand (Q1 2023: SEK 0 thousand).
- ▶ Operating profit/loss after financial items totalled SEK -4,551 thousand (Q1 2023: SEK -3,288 thousand).
- ▶ Earnings per share after financial items before dilution amounted to SEK -0.11 (Q1 2023: SEK -0.20).
- ▶ Earnings per share after financial items after dilution amounted to SEK -0.04 (Q1 2023: SEK -0.12).
- ▶ Cash flow from operating activities was SEK -7,960 thousand (Q1 2023: SEK 1,388 thousand).

## Significant events in Q1 2024

- ▶ In January, the company announced process design for the concentration plant at its battery mineral mine project in Hautalampi. The concentrator for refinement will consist of a comminution circuit (crushing and grinding), copper flotation concentrate production, nickel-cobalt flotation concentrate production, sulphur removal and tailings handling. Hautalampi concentration plant is designed to produce annually 21,000 tonnes of Ni 7%/Co 1.9% concentrate and 5,000 tonnes of Cu 25% concentrate during the anticipated 12 years of mining at the site. The designed capacity of the plant is 500,000 tonnes per annum.
- ▶ Also, in January, Eurobattery Minerals published the preliminary and final outcomes for the rights issue. The final outcome in Eurobattery Minerals AB's rights issue of approximately SEK 29.3 million showed that 28,288,738 units were subscribed for, corresponding to a subscription rate of approximately 77.3 per cent. The company thereby received total issue proceeds of approximately SEK 22.6 million (of which SEK 1.6 million was obtained through set-off of debts) before issue costs. The net proceeds were intended to, among other things, be used for development of the battery mineral project Hautalampi and repayment of interest-bearing debts.

- ▶ On 18 March 2024 Eurobattery Minerals announced positive results on research proving that the bedrock conditions in its Finnish Hautalampi battery minerals mine project are ideal for future mining operations. The research was carried out as an essential part and as a standard procedure of the environmental permit process to determine possible risks associated with groundwater moving in shear zones in and out of the mine and the deposit. With the analysis ready, it can be concluded that the bedrock conditions in Hautalampi are favourable for mining operations.

## Significant events after the period

- ▶ At the end of April, Eurobattery Minerals submitted the environmental permit application for the battery mineral mine project Hautalampi in Finland. Filing the application for the environmental permit means that the company has now taken a major step towards mining operations in Finland. The pre-feasibility studies already concluded that there is a great economic outlook for the copper, nickel, and cobalt mine in Outokumpu and Eurobattery Minerals will now work closely with the authorities in Finland to ensure a smooth and quick environmental permit process.
- ▶ At the beginning of May 2024, Eurobattery Minerals AB signed a Letter of Intent to invest a majority stake

in Spanish company Tungsten San Juan SL (“TSJ”). TSJ is operating the development of the San Juan wolfram deposit, a site with appreciable mineralisation of tungsten. The Project has all the necessary licences and contracts in place to commence production, including a letter of intent for an off-take agreement with an Austrian world-leading tungsten producer within the Swedish Sandvik Group. The investment of EUR 2.5 million through a new share issue is intended to enable the start of production in 2025.

- ▶ In May, the company announced that it will apply for the battery mineral project Hautalampi to become a Strategic Project under the new EU Critical Raw Materials Act. This is an open call from the European Commission (DG GROW). The recognition of a project as a Strategic Project has several advantages, including streamlined and predictable permitting procedures and support in gaining access to finance.



# Earnings and sales

## Comments on the first quarter, 1 January–31 March 2024

### Earnings and sales

The company's net sales for the first quarter totalled SEK 0 thousand (Q1 2023: SEK 0 thousand), and earnings after financial items totalled SEK -4,551 thousand (Q1 2023: SEK -3,288 thousand). Operating costs amounted to SEK -4,497 thousand (Q1 2023: SEK -3,180 thousand). The increase in operating costs compare to same period last year are all connected to the intensive work in Finland to finalize the application for the environmental permit. EBITDA for the first quarter was SEK -4,117 thousand (Q1 2023: SEK -2,919 thousand). Financial items for the quarter amounted to SEK -417 thousand (Q1 2023: SEK -366 thousand).

### Investments

Investments in property, plant, and equipment in the first quarter totalled SEK 0 thousand (Q1 2023: SEK 0 thousand). Investments in intangible assets amounted to SEK 5,919 thousand (Q1 2023: SEK 724 thousand). The investments in intangible assets are connected to the work in Finland to finalize the application for the environmental permit. Investments in non-current financial assets amounted to SEK 0 thousand (Q1 2023: SEK 1,233 thousand).

### Financial position

Cash and cash equivalents amounted to SEK 677 thousand

on 31 March (31 March 2023: SEK 117 thousand). Equity was SEK 120,176 thousand on 31 March (31 March 2023: SEK 82,085 thousand).

### Cash flow and financing

Cash flow from operating activities in the first quarter was SEK -7,960 thousand (Q1 2023: SEK 1,388 thousand). Cash flow from investing activities was SEK -5,919 thousand (Q1 2023: SEK -1,957 thousand), while cash flow from financing activities was SEK 13,579 thousand (Q1 2023: SEK 564 thousand). The positive cash flow from the right issue in January has given us the opportunity to intensify the exploration work in Finland which has resulted in an increase in the negative cashflow from operation activities and investing activities.

### The share

The share capital of Eurobattery Minerals AB (publ) on 31 March 2024 amounted to SEK 41,252,735.20. The total number of shares outstanding was 103,131,838.

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. Since 15 January 2021, the share has been 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 Q1 2024, earnings were also charged with fees of SEK 839 thousand paid to CEO Roberto García Martínez's company Nazgero Consulting Services LTD for work carried out. Earnings for the period were also impacted by gross salary and other remuneration to the CEO in the amount of SEK 333 thousand.

## List of shareholders on 31 March 2024

Shareholder	Number of shares	Percentage (%)
Clearstream Banking Germany	21,259,278	20.61 %
Six Sis AG	5,695,481	5.52 %
Nazgero Consulting Services LTD	4,838,452	4.69 %
Formue Nord Fokus A/S	3,765,000	3.65 %
Avanza Pension	3,741,817	3.63 %
Nordea Bank Finland	2,562,759	2.48 %
UBS Switzerland AG	1,999,500	1.94 %
Tetra Ekberg OY	1,952,006	1.89 %
Nordnet Pensionsförsäkring AB	1,465,587	1.42 %
SEB AB Luxemburg	1,431,000	1.39 %
Other shareholders	54,420,958	52.78 %
	<b>103,131,838</b>	<b>100.00 %</b>

## Balance Sheet

<i>SEK thousand</i>	<i>31 Mar 2024</i>	<i>31 Mar 2023</i>	<i>31 Dec 2023</i>
<b>ASSETS</b>			
Intangible assets	147,086	61,185	141,124
Tangible assets	6,774	39	6,791
Financial assets	0	39,555	0
Other current assets	9,273	8,719	9,318
Cash and bank balances	677	117	458
<b>TOTAL ASSETS</b>	<b>163,810</b>	<b>109,615</b>	<b>157,691</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	120,176	82,085	101,449
Deferred tax	16,507	5,277	16,532
Provisions	1,833	0	1,765
Non-current liabilities	4,551	0	4,381
Current liabilities	20,743	22,253	33,564
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>163,810</b>	<b>109,615</b>	<b>157,691</b>

## Income Statement

<i>SEK thousand</i>	<i>2024 Jan–Mar</i>	<i>2023 Jan–Mar</i>	<i>2023 Jan–Dec</i>
<b>Operating income</b>			
Net sales	0	0	0
Other operating income	363	258	1,434
<b>Total operating income</b>	<b>363</b>	<b>258</b>	<b>1,434</b>
<b>Operating costs</b>			
Other external costs	-3,271	-2,651	-16,211
Staff costs	-1,209	-526	-4,209
Depreciation of tangible assets	-17	-3	-12
<b>Operating profit/loss</b>	<b>-4,134</b>	<b>-2,922</b>	<b>-18,998</b>
Net financial items	-417	-366	-4,057
<b>Profit/loss before tax</b>	<b>-4,551</b>	<b>-3,288</b>	<b>-23,055</b>
Tax on profit/loss for the period	0	0	0
Minority 's share in the result	349	0	1,085
<b>PROFIT/LOSS FOR THE PERIOD</b>	<b>-4,202</b>	<b>-3,288</b>	<b>-21,970</b>



## Statement of Cash flow

<i>SEK thousand</i>	<i>2024 Jan-Mar</i>	<i>2023 Jan-Mar</i>	<i>2023 Jan-Dec</i>
Operating profit/loss for the period	-4,134	-2,922	-18,998
Amortisation and depreciation	17	3	12
Interest paid	-417	-366	-1,296
<b>Cash flow from operating activities before change in working capital</b>	<b>-4,534</b>	<b>-3,285</b>	<b>-20,282</b>
Change in operating receivables	45	26,926	26,327
Change in operating liabilities	-3,471	-22,253	-4,792
<b>Cash flow from operating activities</b>	<b>-7,960</b>	<b>1,388</b>	<b>1,253</b>
<b>Cash flow from investing activities</b>	<b>-5,919</b>	<b>-1,957</b>	<b>-37,841</b>
<b>Cash flow from financing activities</b>	<b>13,579</b>	<b>564</b>	<b>35,083</b>
<b>Translation differences</b>	<b>519</b>	<b>-141</b>	<b>1,700</b>
<b>Cash flow for the period</b>	<b>219</b>	<b>-146</b>	<b>195</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>458</b>	<b>263</b>	<b>263</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>677</b>	<b>117</b>	<b>458</b>

## Change in equity

<i>SEK thousand</i>	<i>2024 Jan-Mar</i>	<i>2023 Jan-Mar</i>	<i>2023 Jan-Dec</i>
<b>Equity at the beginning of the period</b>	<b>101,449</b>	<b>84,948</b>	<b>84,948</b>
New share issue	26,615	954	31,905
Costs for new share issue	-5,680	-393	-1,203
Translation differences	393	-136	1,793
Profit/loss for the period	-4,202	-3,288	-21,970
Minority interest	1,601		5,976
<b>Equity at the end of the period</b>	<b>120,176</b>	<b>82,085</b>	<b>101,449</b>

## Key performance indicators and share data

	2024 Jan-Mar	2023 Jan-Mar	2023 Jan-Dec
Average equity for the period (SEK thousand)	110,812	83,518	93,198
Average total capital for the period (SEK thousand)	160,750	122,174	146,211
Return on equity (%)	-4	-4	-24
Return on total capital (%)	-3	-2	-13
Equity/assets ratio (%)	73	75	64
Earnings per share (SEK) (before dilution)	-0.11	-0.20	-1.33
Earnings per share (SEK) (after dilution)	-0.04	-0.12	-0.60
Equity per share (SEK)	1.17	3.16	2.77
Quick ratio (%)	48	40	29
Total number of shares	103,131,838	26,012,240	36,594,058
Average number of shares	69,862,948	21,267,239	26,558,147

### 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/Assets 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.

### 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 annual report for 2023 will be published on May 16, 2024.
- ▶ The interim report for Q2 2024 will be published on August 23, 2024.
- ▶ The interim report for Q3 2024 will be published on November 22, 2024.
- ▶ The year-end report for 2024 will be published on February 21, 2025.

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

May 2024

#### **Eurobattery Minerals AB**

*Board of Directors*

For further information:  
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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](http://www.eurobatteryminerals.com) for more information. Feel free to follow us on LinkedIn and Twitter as well.

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