

Interim Report

JANUARY – MARCH 2021



EURO
BATTERY
MINERALS

Q1 2021

Highlights first quarter 2021

- ▶ Eurobattery Minerals expands to Germany via dual listing
- ▶ Sustainable and cost-effective method of Fetsjön vanadium enrichment identified in research collaboration
- ▶ Eurobattery Minerals announces that the final assay results from the core drilling campaign, confirmed significant resource expansion in Hautalampi
- ▶ Eurobattery Minerals presents a report on raw materials supply and demand for e-mobility



» At the beginning of Q1 we activated the strategic move to enter the German market by a parallel listing at the Börse Stuttgart in Germany. I cannot underestimate the importance of the company being present in the biggest market in the automotive industry in Europe and globally «

Roberto García Martínez, CEO

Interim Report January–March 2021

First quarter 2021 (same period previous year)

- ▶ Net sales amounted to SEK 0 thousand (SEK 0 thousand).
- ▶ Operating income after financial items totalled SEK –2,721 thousand (SEK –2,248 thousand).
- ▶ Earnings per share after financial items amounted to SEK –0.17 (SEK –0.14).
- ▶ Cash flow from operating activities was SEK –2,048 thousand (SEK –2,522 thousand).

Significant events during the first quarter

- ▶ Eurobattery Minerals has announced that it intends to expand to Börse Stuttgart, under the ticker symbol EBM, by extending its listing from Nordic Growth Market (NGM) in Sweden. The Company has also announced that it will be opening an office in Berlin. The Company will remain a Swedish public limited company headquartered in Stockholm.
- ▶ FinnCobalt Oy, a company that Eurobattery Minerals has the option to gradually acquire in full, has reported the final analysis results from the summer's drill programme at the Hautalampi Ni-Co-Cu project in eastern Finland. The drillings have confirmed a considerable increase in the resource potential, from 800 to 1,400 metres along the strike direction northeast of the historical mineral resource, and an extension of the westernmost mineralised zone in a south-westerly direction towards the historical mineral resource Hautalampi.
- ▶ The Company has recorded positive initial results from its cooperation with AGH University of Science and Technology in Krakow on the development of optimal technology for the extraction of vanadium and rare earth elements (REE) from minerals in black shales. The technology that has been developed enables

sustainable and cost-effective enrichment of vanadium and REE at relatively low temperatures without the use of chemicals. The research has concluded that the previously confirmed large quantities of vanadium in the Fetsjön black shales is partly tied to the minerals rutile and mica, and partly to certain clay minerals.

- ▶ Eurobattery Minerals presented the report 'Critical raw materials and e-mobility', which was produced by London-based risk analysis firm Aperio Intelligence. The report provides an overview of supply and demand for critical raw materials within the EU, based on the EU's goal of increasing the degree of self-sufficiency in terms of raw materials in light of the electric vehicle revolution.

Significant events after the end of the period

- ▶ FinnCobalt Oy has engaged leading process consulting company AFRY to produce an estimate of the mineral resources at the Hautalampi project. AFRY will also provide FinnCobalt Oy with additional technical and financial evaluations, along with consulting services. The results are expected in six months. Eurobattery Minerals has the option to gradually acquire 100 percent of FinnCobalt Oy.

Letter from our CEO



We are now well into 2021 and progressing with our battery minerals projects in Finland, Spain and Sweden. At the same time, we are constantly evaluating new opportunities to achieve our business goal of providing sustainable battery minerals and metals for the electric revolution.

During the first few months of this year, I have maintained a strong focus on increasing our footprints in the automotive industry and building a solid foundation for the company's long-term financing.

At the beginning of Q1, we made the strategic move of entering the German market via a parallel listing at the Börse Stuttgart in Germany. I cannot underestimate the importance of the company having a presence in the biggest market in the automotive industry in Europe and globally. Following the entry, I have been working hard on educating the industry about building future electric vehicles from sustainably produced raw materials from Europe, rather than depending on 'dirty' minerals from outside our region.

The entry into the German market is also significant from another perspective. We are now present in the biggest financial market in the EU post Brexit. The parallel listing gives easy access to Eurobattery Minerals for potential shareholders from Europe who are interested in investing. And we have seen substantial interest right from the start from both private investors as well as major German

institutions. Combined with our current significant investors and our considerable number of shareholders in Sweden and elsewhere, the move to Germany will further strengthen our financial position and increase our already robust owner structure.


Q1 also gave us the final results from last summer's drilling campaign at our Hautalampi project in eastern Finland. And we are thrilled to have confirmation that there is a significant resource expansion in this nickel, copper and cobalt project. The next step – and a significant prerequisite in developing a battery mineral mine – is to conduct a resource estimate, and work is underway with results due after the summer.

We have also received some interesting initial findings from our research collaboration with AGH University of Science and Technology in Krakow that could make an important contribution to the future of more sustainable mining. In this project, we are looking at ways to develop an optimal technology for extracting vanadium and rare earth elements (REE) from minerals in black shales, such as in our project in Fetsjön in Sweden. Initial results

suggest that the vanadium can be obtained more sustainably and cost-effectively than what was previously believed, and the researchers are now conducting further tests.

We are committed to being the sustainable foundation of the battery value chain, and taking part in research collaborations is one crucial way of achieving this goal. After all, the one thing we know for certain is that the number of electric vehicles on our roads will increase substantially, which means there is a constant and growing need for battery minerals. If you would like to know the exact figures, please refer to the report we commissioned from research company Aperio during Q1. It will give you a good overview of supply and demand and provide details about market potential in the regions in which Eurobattery Minerals operates.

Yours Faithfully



Roberto García Martínez
CEO

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Comments on the first quarter 1 Jan–31 March 2021

Earnings and sales

The Company's net sales for the first quarter totalled SEK 0 thousand (SEK 0 thousand), and earnings after financial items totalled SEK –2,721 thousand (SEK –2,248 thousand). Operating expenses amounted to SEK –2,912 thousand (SEK –2,253 thousand). EBITDA for the first quarter was SEK –2,848 thousand (SEK –2,244 thousand). Financial items for the quarter amounted to SEK 127 thousand (SEK –4 thousand).

Investments

Investments in property, plant and equipment in the first quarter totalled SEK 0 thousand (SEK 0 thousand). Investments in non-current intangible assets amounted to SEK 754 thousand (SEK 1,266 thousand). Investments in non-current financial assets amounted to SEK 8,075 thousand (SEK 0 thousand).

Financial position

Cash and cash equivalents amounted to SEK 31,860 thousand (SEK 2,824 thousand) at 31 March. Equity was SEK 89,743 thousand (SEK 38,506 thousand).

Cash flow and financing

Cash flow from operating activities in the first quarter was SEK –2,048 thousand (SEK –2,522 thousand). Cash flow

from investing activities was SEK –8,829 thousand (SEK –1,266 thousand), while cash flow from financing activities was SEK –0 thousand (SEK –0 thousand).

Share information

The share capital in Eurobattery Minerals AB (publ) at 31 March 2021 amounted to SEK 15,679,318. The total number of shares outstanding was 15,679,318.

The Company began trading its shares on NGM on 18 April 2019. The share's ticker symbol is BAT and its ISIN code is SE0012481570. As of 15 January 2021, the Company has a parallel listing on Börse Stuttgart under the ticker symbol EBM. This was achieved via an extension of its listing from NGM in Sweden. According to Euroclear's register, Eurobattery Minerals had approximately 9,100 shareholders at the close of the period.

Related-party transactions

During the period, earnings were affected by fees of SEK 601 thousand paid to CEO Roberto García Martínez'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 376 thousand.

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

List of shareholders at 31 March 2021

Shareholder	Number of shares	Percentage (%)
Clearstream Banking Germany	1,710,437	10.91 %
Andrew Randall	985,416	6.28 %
Avanza Pension	826,717	5.27 %
Ulex Recursos S.L.	687,471	4.38 %
Kimberly Wrixon	500,000	3.19 %
Swedbank Försäkring	361,916	2.31 %
DH Invest AB	300,000	1.91 %
Frenergy AB	259,351	1.65 %
Daniel Eddington	225,000	1.44 %
He Shin Kim	224,687	1.43 %
Other shareholders	9,598,323	61.23 %
	15,679,318	100.00 %

Accounting principles

Eurobattery Minerals AB has been applying the Swedish Annual Accounts Act and the Swedish Accounting Standards Board's general recommendation 2012:1 (K3) on the preparation of financial statements since 2014.

Auditor's report

This interim report has not been subject to review by an auditor.

Mentor

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Financial calendar

The interim report for the period January–June will be published on 20 August 2021.

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

20 May 2021
Eurobattery Minerals AB
Board of Directors

For further information, please contact CEO
Roberto García Martínez.
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Income Statement

<i>SEK thousand</i>	<i>2021 Jan-Mar</i>	<i>2020 Jan-Mar</i>	<i>2020 Jan-Dec</i>
Operating revenue			
Net sales			
Other operating income	64	9	206
Total operating income			206
Operating costs			
Other external costs	-2,536	-1,299	-11,029
Staff costs	-376	-954	-2,327
Depreciation of property, plant and equipment			-3
Operating profit/loss	-2,848	-2,244	-13,153
Net financial items	127	-4	-875
Earnings before tax	-2,721	-2,248	-14,028
PROFIT/LOSS FOR THE PERIOD	-2,721	-2,248	-14,028

Balance Sheet

<i>SEK thousand</i>	<i>31/03/2021</i>	<i>31/03/2020</i>	<i>31/12/2020</i>
ASSETS			
Non-current intangible assets	38,641	34,942	37,887
Property, plant and equipment	17	20	17
Non-current financial assets	19,354	79	11,279
Other current assets	527	1,020	899
Cash & bank balances	31,860	2,824	42,737
TOTAL ASSETS	90,399	38,885	92,819
EQUITY AND LIABILITIES			
Equity	89,743	38,506	92,464
Current liabilities	656	379	355
TOTAL EQUITY AND LIABILITIES	90,399	38,885	92,819

Change in equity

<i>SEK thousand</i>	<i>2021 Jan–Mar</i>	<i>2020 Jan–Mar</i>	<i>2020 Jan–Dec</i>
Equity at start of period	92,464	40,754	40,754
New share issue	-	-	72,119
Costs for new share issue	-	-	-6,381
Profit/loss for the period	-2,721	-2,248	-14,028
Equity at end of period	89,743	38,506	92,464

Statement of Cash flow

<i>SEK thousand</i>	<i>2021 Jan–Mar</i>	<i>2020 Jan–Mar</i>	<i>2020 Jan–Dec</i>
Operating profit/loss for the period	-2,848	-2,244	-13,152
Amortisation and depreciation	0	0	3
Financial items	127	-4	-745
Cash flow from operating activities before change in working capital	-2,721	-2,248	-13,894
Change in operating receivables	372	-1	119
Change in operating liabilities	301	-273	-296
Cash flow from operating activities	-2,048	-2,522	-14,071
Cash flow from investing activities	-8,829	-1,266	-15,411
Cash flow from financing activities	0	-0	65,607
Cash flow for the year	-10,877	-3,788	36,125
Cash and cash equivalents at the beginning of the period	42,737	6,612	6,612
Cash and cash equivalents at the end of the period	31,860	2,824	42,737

Key performance indicators and share data

<i>SEK thousand</i>	<i>2021 Jan–Mar</i>	<i>2020 Jan–Mar</i>	<i>2020 Jan–Dec</i>
Average equity for the period (SEK thousand)	91,103	39,630	66,609
Average total capital for the period (SEK thousand)	91,609	40,145	67,113
Return on equity (%)	–3	–6	–21
Return on total capital (%)	–3	–5	–20
Equity/assets ratio (%)	99	99	99
Basic earnings per share (SEK)	–0.28	–0.23	–1.45
Diluted earnings per share (SEK)	–0.17	–0.23	–0.89
Equity per share (SEK)	5.72	3.97	5.90
Quick ratio (%)	4,937	1,014	12,292
Total number of shares	15,679,318	9,694,694	15,679,318
Average number of shares	15,679,318	9,694,694	12,687,006

Definitions of key performance indicators

Return on total capital:	Earnings after financial items plus finance costs as a percentage of average total capital.
Return on equity:	Net profit according to 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 average number of shares.
Equity per share:	Equity in relation to number of shares at 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.

