

A woman with long blonde hair, wearing a black long-sleeved top and black pants, is standing next to a dark-colored electric car. She is holding a charging cable and appears to be plugging it into the car's charging port. The background is a light-colored wall with vertical lines, possibly a garage or a charging station. The overall lighting is soft and natural, suggesting an outdoor setting.

# Year-end report

JANUARY – DECEMBER 2021



EURO  
BATTERY  
MINERALS



# Q4 2021

## Highlights fourth quarter 2021

- ▶ 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.
- ▶ Eurobattery Minerals AB announced that FinnCobalt Oy has informed the company that it has joined BATTRACE, a Finnish research project focusing on traceability and sustainable processing of battery metals.
- ▶ Eurobattery Minerals announced the completion of the drilling campaigns in its Hautalampi project in Finland and its Corcel project in Spain. The campaigns have been completed on schedule and on budget. The drill cores have been dispatched to a laboratory operated by ALS to verify the resources. Due to delays at the lab because of the Covid-19 pandemic, the results will be presented in the first quarter of 2022.

» In this quarter, we focused fully on our battery minerals projects in Finland and Spain, with drilling campaigns finalised on time and according to budget in both projects. «

**Roberto García Martínez, CEO**



# Year-end report January – December 2021

## Fourth quarter 2021 (same period previous year)

- ▶ Net sales amounted to SEK 0 thousand (SEK 0 thousand).
- ▶ Operating income after depreciation/amortisation and financial items totalled SEK -4,160 thousand (SEK -5,336 thousand).
- ▶ Earnings per share after depreciation/amortisation and financial items amounted to SEK -0.26 (SEK -0.34).
- ▶ Cash flow from operating activities was SEK -5,392 thousand (SEK -5,786 thousand).

## Full-year 2021 (same period previous year)

- ▶ Net sales amounted to SEK 0 thousand (SEK 0 thousand).
- ▶ Operating income after depreciation/amortisation and financial items totalled SEK -16,623 thousand (SEK -14,028 thousand).
- ▶ Earnings per share after depreciation/amortisation and financial items amounted to SEK -1.06 (SEK -0.89).
- ▶ Cash flow from operating activities was SEK -22,287 thousand (SEK -14,071 thousand).

## Significant events during the January – December 2021 period

- ▶ 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 six 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 according to the National Instrument (NI) 43-101, a codified set of rules and guidelines for reporting and displaying information related to mineral properties – 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 commenced 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.
- ▶ 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.
- ▶ Eurobattery Minerals AB announced that FinnCobalt Oy has informed the company that it has joined BATTRACE, a Finnish research project focusing on traceability and

sustainable processing of battery metals. Eurobattery Minerals has the option to acquire 100% of FinnCobalt Oy in a staged acquisition.

- ▶ Eurobattery Minerals announced the completion of the drilling campaigns in its Hautalampi project in Finland and its Corcel project in Spain. The campaigns have been completed on schedule and on budget. The drill cores have been dispatched to a laboratory operated by ALS to verify the resources. Due to delays at the lab because of the Covid-19 pandemic, the results will be presented in the first quarter of 2022.

### Significant events after the period

- ▶ Eurobattery Minerals announced that the first assay results have been received from the drill holes carried out as part of the 2021 diamond drilling campaign on its Spanish Project (Corcel Project), initiated in June 2021 and completed on time and on budget. With an estimated 60 million tonnes with 0.25% nickel, the company believes the results are highly satisfactory for the continued projection of the Corcel resource.
- ▶ Eurobattery Minerals AB announced that FinnCobalt Oy has informed the company about its expansion in eastern Finland with a new granted reservation for applying an exploration permit over the highly prospective Varislahti prospect. The prospect covers over 23.6 km<sup>2</sup> of ground highly prospective for Outokumpu-type deposits (cobalt-copper-nickel-zinc-gold). Eurobattery Minerals has the option to acquire 100% of FinnCobalt Oy in a staged acquisition.

# Letter from our CEO



*Q4 concludes another eventful year for Eurobattery Minerals. In this quarter, we focused fully on our battery minerals projects in Finland and Spain, with drilling campaigns finalised on time and according to budget in both projects.*

Any drilling campaign is always an essential part of our business as it will give us a better idea about the mineral potential in projects. However, the two campaigns completed as part of the Hautalampi project and the Corcel project in the last quarter of 2021 are particularly significant. The world-leading ALS lab is still analysing the results from the two campaigns. Furthermore, and this is the significant part, the results will also be certified in accordance with two different but similar mining standards. In Corcel, the certification will be the National Instrument (NI) 43-101. This is a codified set of rules and guidelines for reporting and displaying information related to mineral properties. In Hautalampi, the JORC Code will be applied, which is a professional code of practice that sets minimum standards for public reporting of minerals exploration results. With results from these two in hand, Eurobattery Minerals will gain an even better overview of the mineral potential, thereby allowing us to decide the next steps for the two projects.

That said, we already know from previous drilling campaigns that the mineral potential in both Hautalampi and Corcel is very promising. Furthermore, we announced preliminary results from our drilling operations in Corcel at the beginning of this year. With analyses ready from two of seven drill cores, results suggest that the Corcel battery

mineral deposit consists of at least 60 million tonnes with a nickel grade as high as 0.25 per cent. The results confirm that an open-pit mine is possible in Corcel, which is much more cost efficient than an underground mine.

So indeed, the prerequisites for a battery mineral mine in Spain look very promising. Moreover, with new battery gigafactories being established and announced frequently across Europe, proximity to the mineral reserves will be vital in establishing a sustainable battery industry in the region.

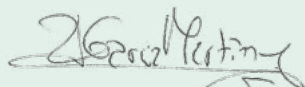
As I have highlighted in the past, the focus on sourcing critical raw materials from EU member states is essential and a priority on the political agenda. In this context, I would like to highlight an important vote in the EU in November 2021. With 543 votes in favour, the European Parliament approved the action plan for critical raw materials and called for “sustainable sourcing to be explored in critical raw-material-rich member states.” The outcome of the vote sends a powerful message from Europe’s policy-makers – we need more mines in Europe!

Apart for the actual drilling operations, another fundamental part of our business is to develop new technologies, processes, and methods to make mining even more sustainable. The strict environmental laws governing

mining across Europe are good. They ensure that mining processes are conducted with minimal impact on the environment, that working conditions are good, and that the interests of the local communities are taken into account. However, there always needs to be even more developments in this field. Therefore, we are committed to taking part in essential industry collaborations, such as the Initiative for Responsible Mining Assurance (IRMA) and the European Raw Material Alliance (ERMA) and partnerships with universities. I am happy to say that in Q4, we also joined the Finnish government-sponsored project BATTRACE. The research project focuses on traceability and sustainable processing of battery metals. We also joined the “Leaders for climate action,” an action-driven climate community comprising more than 1,600 member organisations across 36 countries – Eurobattery minerals is one of them.

Although my comments relate to the fourth quarter, we are already well into 2022, which I believe will be a very exciting year in which Eurobattery Minerals aims to reach some very important milestones. As always, I am grateful for your support and pleased that you are a part of our journey towards a greener world.

Yours Faithfully



**Roberto García Martínez**  
CEO

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# Earnings and sales

## Comments on the fourth quarter, 1 October–31 December 2021

### Earnings and sales

The Company's net sales for the fourth quarter totalled SEK 0 thousand (SEK 0 thousand), and earnings after financial items totalled SEK -4,160 thousand (SEK -5,336 thousand). Operating expenses amounted to SEK -4,362 thousand (SEK -4,842 thousand). EBITDA for the fourth quarter was SEK -4,337 thousand (SEK -4,721 thousand). Financial expenses for the quarter amounted to SEK 177 thousand (SEK -615 thousand).

### Investments

Investments in property, plant and equipment in the fourth quarter totalled SEK 0 thousand (SEK 0 thousand). Investments in intangible assets amounted to SEK 2,599 thousand (SEK 1,541 thousand). Investments in non-current financial assets amounted to SEK 7,122 thousand (SEK 1,756 thousand).

### Financial position

Cash and cash equivalents amounted to SEK 2,818 thousand (SEK 42,737 thousand) on 31 December. Equity was SEK 76,491 thousand (SEK 92,464 thousand).

### Cash flow and financing

Cash flow from operating activities in the fourth quarter was SEK -5,392 thousand (SEK -5,786 thousand). Cash flow from investing activities was SEK -9,420 thousand (SEK -3,297 thousand), while cash flow from financing activities was SEK 636 thousand (SEK 21,538 thousand).

## Comments on the full-year 2021

### Earnings and sales

The Company's net sales for the full-year 2021 totalled SEK 0 thousand (SEK 0 thousand), and earnings after financial items totalled SEK -16,623 thousand (SEK -14,028 thousand). Operating expenses amounted to SEK -17,357 thousand (SEK -13,359 thousand). EBITDA for the full-year 2021 amounted to SEK -17,055 thousand (SEK -13,153 thousand). Financial expenses for the period amounted to SEK 432 thousand (SEK -875 thousand).

### Investments

Investments in property, plant and equipment in the full-year 2021 totalled SEK 42 thousand (SEK 0 thousand). Investments in intangible assets amounted to SEK 6,555 thousand (SEK 4,218 thousand). Investments in non-current financial assets amounted to SEK 11,672 thousand (SEK 11,190 thousand).

### Financial position

Cash and cash equivalents amounted to SEK 2,818 thousand (SEK 42,737 thousand) on 31 December. Equity was SEK 76,491 thousand (SEK 92,464 thousand).

### Cash flow and financing

Cash flow from operating activities was SEK -22,287 thousand (SEK -14,071 thousand) for the full-year 2021. Cash flow from investing activities was SEK -18,268 thousand (SEK -15,411 thousand), while cash flow from financing activities was SEK 636 thousand (SEK 65,607 thousand).



## The share

The share capital in Eurobattery Minerals AB (publ) on 31 December 2021 amounted to SEK 15,719,503. The total number of shares outstanding was 15,719,503.

The Company was listed on AktieTorget in June 2015. In April 2019, the share moved its listing to Nordic SME Sweden. The share's ticker symbol is BAT and its ISIN is SE0012481570. In January 2021, a parallel listing of the company's share was implemented, and it can now also be traded on Börse Stuttgart in Germany under the ticker symbol EBM.

According to Euroclear's register, Eurobattery Minerals had approximately 8,823 shareholders at the close of the period.

## List of shareholders on 31 December 2021

Shareholder	Number of shares	Percentage (%)
Clearstream Banking Germany	1,884,723	11.99%
Andrew Randall	985,416	6.27%
Avanza Pension	761,715	4.85%
Ulex Recursos S.L.	687,471	4.37%
Six Sis AG	461,082	2.93%
Kimberly Wrixon	450,000	2.86%
Swedbank Försäkring	369,641	2.35%
DH Invest AB	300,000	1.91%
UBS Switzerland AG	281,165	1.79%
Frenergy AB	260,000	1.65%
Total, other shareholders	9,278,290	59.03%
	<b>15,719,503</b>	<b>100.00%</b>

## Related-party transactions

During the period, earnings were also affected by fees of SEK 2,513 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 1,587 thousand.

Finally, earnings were impacted during the period by fees of SEK 72 thousand paid to Board member Jan Arnbom's company Arnbom Geotrade HB 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

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## Upcoming reporting dates

The interim report for Q1 2022 will be published on 20 May 2022.

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

February 2022

## **Eurobattery Minerals AB**

*Board of directors*

For further information: [ir@eurobatteryminerals.com](mailto:ir@eurobatteryminerals.com).



## Income Statement

<i>SEK thousand</i>	<i>2021 Oct–Dec</i>	<i>2020 Oct–Dec</i>	<i>2021 Jan–Dec</i>	<i>2020 Jan–Dec</i>
<b>Operating income</b>				
Net sales	0	0	0	0
Other operating income	25	121	302	206
<b>Operating costs</b>				
Other external costs	-3,989	-4,465	-15,422	-11,029
Staff costs	-370	-375	-1,931	-2,327
Amortisation and depreciation	-3	-2	-4	-3
<b>Operating profit/loss</b>	<b>-4,337</b>	<b>-4,721</b>	<b>-17,055</b>	<b>-13,153</b>
Net financial items	177	-615	432	-875
<b>Earnings before tax</b>	<b>-4,160</b>	<b>-5,336</b>	<b>-16,623</b>	<b>-14,028</b>
Tax on profit/loss for the year	14	0	14	0
<b>PROFIT/LOSS FOR THE PERIOD</b>	<b>-4,146</b>	<b>-5,336</b>	<b>-16,609</b>	<b>-14,028</b>

## Balance Sheet

<i>SEK thousand</i>	<i>31 Dec 2021</i>	<i>31 Dec 2020</i>
<b>ASSETS</b>		
Intangible assets	44,442	37,887
Tangible assets	54	17
Financial assets	22,951	11,279
Other current assets	7,467	899
Cash & bank balances	2,818	42,737
<b>TOTAL ASSETS</b>	<b>77,732</b>	<b>92,819</b>
<b>EQUITY AND LIABILITIES</b>		
Equity	76,491	92,464
Current liabilities	1,241	355
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>77,732</b>	<b>92,819</b>

## Change in equity

<i>SEK thousand</i>	2021	2020	2021	2020
	<i>Oct–Dec</i>	<i>Oct–Dec</i>	<i>Jan–Dec</i>	<i>Jan–Dec</i>
<b>Equity at the beginning of the period</b>	<b>80,001</b>	<b>43,576</b>	<b>92,464</b>	<b>40,754</b>
New share issue	636	0	636	72,119
Costs for new share issue	0	-0	0	-6,381
Profit/loss for the period	-4,146	-2,939	-16,609	-14,028
<b>Equity at the end of the period</b>	<b>76,491</b>	<b>40,637</b>	<b>76,491</b>	<b>92,464</b>

## Statement of Cash flow

<i>SEK thousand</i>	2021	2020	2021	2020
	<i>Oct–Dec</i>	<i>Oct–Dec</i>	<i>Jan–Dec</i>	<i>Jan–Dec</i>
Operating profit/loss for the period	-4,337	-4,723	-17,055	-13,152
Amortisation and depreciation	3	2	4	3
Interest paid	177	-615	432	-745
Other operating income	14	0	14	0
<b>Cash flow from operating activities before change in working capital</b>	<b>-4,143</b>	<b>-5,336</b>	<b>-16,605</b>	<b>-13,894</b>
<b>Change in operating receivables</b>	<b>-461</b>	<b>92</b>	<b>-6,568</b>	<b>-119</b>
<b>Change in operating liabilities</b>	<b>-788</b>	<b>-542</b>	<b>886</b>	<b>296</b>
<b>Cash flow from operating activities</b>	<b>-5,392</b>	<b>-5,786</b>	<b>-22,287</b>	<b>-14,071</b>
<b>Cash flow from investment activities</b>	<b>-9,420</b>	<b>-3,297</b>	<b>-18,268</b>	<b>-15,411</b>
<b>Cash flow from financing activities</b>	<b>636</b>	<b>21,538</b>	<b>636</b>	<b>65,607</b>
<b>Cash flow for the period</b>	<b>-14,176</b>	<b>12,455</b>	<b>-39,919</b>	<b>36,125</b>
Cash and cash equivalents at the beginning of the period	16,994	30,282	42,737	6,612
Cash and cash equivalents at the end of the period	2,818	42,737	2,818	42,737

## Key performance indicators and share data

	2021 <i>Jan–Dec</i>	2020 <i>Jan–Dec</i>
Average equity for the period (SEK thousand)	84,477	66,609
Average total capital for the period (SEK thousand)	85,275	67,113
Return on equity (%)	-5	-21
Return on total capital (%)	-5	-20
Equity/assets ratio (%)	98	99
Earnings per share (SEK)	-0.29	-0.89
Equity per share (SEK)	4.87	5.90
Quick ratio (%)	829	12,292
Total number of shares	15,719,503	15,679,318
Average number of shares	14,203,254	12,687,006

### 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 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.



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](http://eurobatteryminerals.com) for more information.

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