



# Interim Report

JANUARY – MARCH 2022



EURO  
BATTERY  
MINERALS

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# Q1 2022

» Battery minerals are the foundation for a successful transition to cleaner automotive, energy, and technology industries. And it is our focus to realize numerous nickel-cobalt-copper projects in Europe to supply critical raw materials and, as such, power a cleaner world. «

**Roberto García Martínez, CEO**

## Highlights first quarter 2022

- ▶ Expansion of operations in Finland: FinnCobalt Oy receives an exploration permit for the promising “Varislahti” project located approx. 10 km from “Hautalampi” project. The prospect area contains cobalt, copper, and nickel, among other minerals, and is ideally connected to FinnCobalt’s infrastructure and current operating base.
- ▶ Eurobattery Minerals achieves exceptional exploration results for nickel, copper and cobalt in Spanish “Corcel” project: The deposit in Castriz comprises an estimated 60 million tonnes of mineralised rock with a nickel content of 0.25%.
- ▶ Initial assay results and sightings from phase 2 drilling campaign at Hautalampi provide concrete evidence that the two mineral resources “Hautalampi” and “Mökkivaara” are interconnected. A connection of the two deposits would make future mining operations at Hautalampi more efficient and economical.



# Dear shareholders,

*An eventful three months have come to an end. I would like to use this letter to showcase a few of the key developments in our business in the first quarter and to illustrate our progress in delivering on our strategy for providing responsibly mined battery minerals – from Europe, for Europe.*

But before we go into depth, I would like to reiterate: With our business model, we serve an overgrowing market. We focus on the vital battery minerals nickel, cobalt and copper, which are used in electric cars, smartphones, and solar panels for example. These battery minerals are the foundation for a successful transition to cleaner automotive, energy, and technology industries. And it is our focus to realize numerous nickel-cobalt-copper projects in Europe to supply critical raw materials and, as such, power a cleaner world.

## **Great outlook for battery mineral projects both in Finland and in Spain**

We received the first drilling results from our Finnish nickel-copper-cobalt project Hautalampi. The campaign aimed to investigate a possible connection between two prospect zones in the project – and the results indicated an actual connection. This will make the mining operations there more economical.

Our nickel-copper-cobalt project Corcel in north-western Spain includes an active prospect zone in Castriz and two additional prospect zones in Monte Mayor and Monte Castello. Results from the latest drilling campaign in the Castriz prospect zone indicated that it has a potential of

60 million tonnes of rock with a nickel grade of 0.25%. With these volumes of nickel located close to the surface, we are confident that we will establish a cost-efficient open-pit mine in Castriz.

## **The influence of Covid-19**

Yes, the pandemic has also affected our business. Our external laboratory partner ALS Global, which analyses the cores drilled in Hautalampi and Corcel, experienced delays. Contrary to what we expected and communicated, we will now receive the final drilling results from the phase 2 drilling campaign in Hautalampi, as well as the third-party verified mineral resource update both from Hautalampi and from Corcel in the second instead of the first quarter of this year. With the two resource calculations in hand, we will have a good overview of the economic aspects of mining both in Finland and in Spain.

## **A solid start to a promising second quarter**

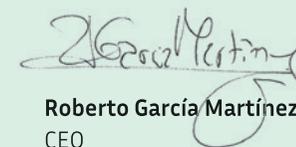
We kicked off the second quarter with a financial highlight: A directed issue of convertibles of SEK 18 million. We will use this additional funding to acquire additional shares in FinnCobalt Oy, the current owner of the Hautalampi project, and for other potential value-creating investments and projects.

## **Dear employees, investors and shareholders**

On behalf of the entire Board, I would like to thank all our team members for their continuous dedication. They have been the foundation of our success to date and will continue to be so in the future.

I would also like to thank our shareholders and our new investors for the trust they have placed in us and for the rewarding collaboration.

Yours faithfully



**Roberto García Martínez**  
CEO



# Interim Report January–March 2022

## First quarter 2022

- ▶ Net sales amounted to SEK 0 thousand (Q1 2021: SEK 0 thousand).
- ▶ Operating profit/loss after financial items totalled SEK -2,357 thousand (Q1 2021: SEK -2,721 thousand).
- ▶ Earnings per share after financial items amounted to SEK -0.15 (Q1 2021: SEK -0.17).
- ▶ Cash flow from operating activities was SEK 540 thousand (Q1 2021: SEK -2,048 thousand).

## Significant events in the first quarter

- ▶ The company announced highly satisfactory first assay results from drillings at the Spanish Corcel project with an estimated 60 million tonnes of rock with a nickel grade of 0.25%. 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 within the Corcel project.
- ▶ Eurobattery Minerals was informed by FinnCobalt Oy, the current owner of the Hautalampi project, 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 which usually contain the minerals cobalt, copper, nickel, zinc, and gold. The prospect 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 is delayed

until Q2 2022 due to Covid-19 issues at the responsible ALS Global laboratory.

- ▶ Eurobattery Minerals announced first results from the phase 2 core drilling campaign completed at the Hautalampi Ni-Co-Cu project in Eastern Finland. The results indicate that the resource areas in Hautalampi are connected. Such a connection would make intended future mining activities more efficient and economical. Just as in the case of the Corcel project, the full results for Hautalampi are also delayed due to Covid-19 issues at the responsible ALS Global laboratory. They are now also expected in Q2 2022 along with the mineral resource update according to the JORC.

## Significant events after the period

- ▶ 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 authorization of 1 June 2021, is to finance the acquisition of additional shares in FinnCobalt Oy in line with existing agreements, and to finance additional value-creating investments as well as to create flexibility in acquiring other projects or parts thereof.

# Comments on the first quarter, 1 January – 31 March 2022

## Earnings and sales

The company's net sales for the first quarter totalled SEK 0 thousand (Q1 2021: SEK 0 thousand), and earnings after financial items totalled SEK -2,357 thousand (Q1 2021: SEK -2,721 thousand). Operating costs amounted to SEK -2,590 thousand (Q1 2021: SEK -2,912 thousand). EBITDA for the first quarter was SEK -2,574 thousand (Q1 2021: SEK -2,848 thousand). Financial items for the quarter amounted to SEK 217 thousand (Q1 2021: SEK 127 thousand).

## Investments

Investments in property, plant, and equipment in the first quarter totalled SEK 0 thousand (Q1 2021: SEK 0 thousand). Investments in intangible assets amounted to SEK 1,433 thousand (Q1 2021: SEK 754 thousand). Investments in non-current financial assets amounted to SEK 1,030 thousand (Q1 2021: SEK 8,075 thousand).

## Financial position

Cash and cash equivalents amounted to SEK 909 thousand (Q1 2021: SEK 31,860 thousand) on 31 March. Equity was SEK 68,994 thousand (Q1 2021: SEK 89,743 thousand).

## Cash flow and financing

Cash flow from operating activities in the first quarter was SEK 540 thousand (Q1 2021: SEK -2,048 thousand). Cash

flow from investing activities was SEK -2,463 thousand (Q1 2021: SEK -8,829 thousand), while cash flow from financing activities was SEK 0 thousand (Q1 2021: SEK 0 thousand).

## The share

The share capital of Eurobattery Minerals AB (publ) on 31 March 2022 amounted to SEK 15,719,503. 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. From 15 January 2021, the share can be traded on the Börse Stuttgart under the symbol EBM. According to Euroclear's register, Eurobattery Minerals had approximately 8,800 shareholders at the close of the period.

## Related-party transactions

During the first quarter 2022, earnings were also charged with fees of SEK 653 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 390 thousand.

Finally, earnings were impacted during the first quarter 2022 by fees of SEK 0 thousand paid to Board member Jan Arnbom's company Arnbom Geokonsult AB for work carried out.

## List of shareholders on 31 March 2022

| Shareholder                 | Number of shares  | Percentage (%) |
|-----------------------------|-------------------|----------------|
| Clearstream Banking Germany | 1,951,973         | 12.42%         |
| Andrew Randall              | 971,170           | 6.18%          |
| Avanza Pension              | 724,975           | 4.61%          |
| Ulex Recursos S.L.          | 687,471           | 4.37%          |
| Six Sis AG                  | 497,235           | 3.16%          |
| Kimberly Wrixon             | 445,000           | 2.83%          |
| Swedbank Försäkring         | 367,462           | 2.34%          |
| DH Invest AB                | 300,000           | 1.91%          |
| UBS Switzerland AG          | 281,165           | 1.79%          |
| Frenergy AB                 | 260,000           | 1.65%          |
| Total other shareholders    | 9,233,052         | 58.74%         |
|                             | <b>15,719,503</b> | <b>100.00%</b> |

## Balance Sheet

| <i>SEK thousand</i>                 | <i>31 Mar 2022</i> | <i>31 Mar 2021</i> | <i>31 Dec 2021</i> |
|-------------------------------------|--------------------|--------------------|--------------------|
| <b>ASSETS</b>                       |                    |                    |                    |
| Intangible assets                   | 45,875             | 38,641             | 44,442             |
| Tangible assets                     | 54                 | 17                 | 54                 |
| Financial assets                    | 23,980             | 19,354             | 22,950             |
| Other current assets                | 7,724              | 527                | 7,435              |
| Cash and bank balances              | 909                | 31,860             | 2,832              |
| <b>TOTAL ASSETS</b>                 | <b>78,542</b>      | <b>90,399</b>      | <b>77,713</b>      |
| <b>EQUITY AND LIABILITIES</b>       |                    |                    |                    |
| Equity                              | 68,994             | 89,743             | 71,180             |
| Deferred tax                        | 5,291              | 0                  | 5,291              |
| Current liabilities                 | 4,257              | 656                | 1,242              |
| <b>TOTAL EQUITY AND LIABILITIES</b> | <b>78,542</b>      | <b>90,399</b>      | <b>77,713</b>      |

## Income Statement

| <i>SEK thousand</i>               | <i>2022<br/>Jan–Mar</i> | <i>2021<br/>Jan–Mar</i> | <i>2021<br/>Jan–Dec</i> |
|-----------------------------------|-------------------------|-------------------------|-------------------------|
| <b>Operating income</b>           |                         |                         |                         |
| Net sales                         |                         |                         |                         |
| Other operating income            | 16                      | 64                      | 302                     |
| <b>Total operating income</b>     |                         |                         | <b>302</b>              |
| <b>Operating costs</b>            |                         |                         |                         |
| Other external costs              | -2,200                  | -2,536                  | -15,422                 |
| Staff costs                       | -390                    | -376                    | -1,931                  |
| Depreciation of tangible assets   |                         |                         | -4                      |
| <b>Operating profit/loss</b>      | <b>-2,574</b>           | <b>-2,848</b>           | <b>-17,055</b>          |
| Net financial items               | 217                     | 127                     | 279                     |
| <b>Profit/loss before tax</b>     | <b>-2,357</b>           | <b>-2,721</b>           | <b>-16,776</b>          |
| Tax on profit/loss for the year   | 0                       | 0                       | 220                     |
| <b>PROFIT/LOSS FOR THE PERIOD</b> | <b>-2,357</b>           | <b>-2,721</b>           | <b>-16,556</b>          |

## Statement of Cash flow

| <i>SEK thousand</i>   | <i>2022</i>    | <i>2021</i>    | <i>2021</i>    |
|---|----------------|----------------|----------------|
|   | <i>Jan–Mar</i> | <i>Jan–Mar</i> | <i>Jan–Dec</i> |
| Operating profit/loss for the period  | -2,574         | -2,848         | -17,055        |
| Amortisation and depreciation   | 0              | 0              | 4              |
| Financial items, etc.   | 388            | 127            | 466            |
| <b>Cash flow from operating activities before change in working capital</b> | <b>-2,186</b>  | <b>-2,721</b>  | <b>-16,585</b> |
| Change in operating receivables   | -289           | 372            | -6,535         |
| Change in operating liabilities   | 3,015          | 301            | 885            |
| <b>Cash flow from operating activities</b>                                  | <b>540</b>     | <b>-2,048</b>  | <b>-22,235</b> |
| <b>Cash flow from investing activities</b>                                  | <b>-2,463</b>  | <b>-8,829</b>  | <b>-18,278</b> |
| <b>Cash flow from financing activities</b>                                  | <b>0</b>       | <b>0</b>       | <b>608</b>     |
| <b>Cash flow for the period</b>   | <b>-1,923</b>  | <b>-10,877</b> | <b>-39,905</b> |
| <b>Cash and cash equivalents at the beginning of the period</b>             | <b>2,832</b>   | <b>42,737</b>  | <b>42,737</b>  |
| <b>Cash and cash equivalents at the end of the period</b>                   | <b>909</b>     | <b>31,860</b>  | <b>2,832</b>   |

## Changes in equity

| <i>SEK thousand</i>                          | <i>2022</i>    | <i>2021</i>    | <i>2021</i>    |
|--|----------------|----------------|----------------|
|  | <i>Jan–Mar</i> | <i>Jan–Mar</i> | <i>Jan–Dec</i> |
| <b>Equity at the beginning of the period</b> | <b>71,180</b>  | <b>92,464</b>  | <b>92,464</b>  |
| New share issue                              |                |                | 608            |
| Changes in deferred tax                      |                |                | -5,530         |
| Translation differences                      | 171            |                | 194            |
| Profit/loss for the period                   | -2,357         | -2,721         | -16,556        |
| <b>Equity at the end of the period</b>       | <b>68,994</b>  | <b>89,742</b>  | <b>71,180</b>  |

## Key performance indicators and share data

|   | 2022<br><i>Jan–Mar</i> | 2021<br><i>Jan–Mar</i> | 2021<br><i>Jan–Dec</i> |
|---|------------------------|------------------------|------------------------|
| Average equity for the period (SEK thousand)        | 70,087                 | 91,103                 | 79,058                 |
| Average total capital for the period (SEK thousand) | 78,128                 | 91,609                 | 85,261                 |
| Return on equity (%)                                | -4                     | -3                     | -22                    |
| Return on total capital (%)                         | -3                     | -3                     | -19                    |
| Equity/assets ratio (%)                             | 88                     | 99                     | 92                     |
| Earnings per share (SEK) (before dilution)          | -0.15                  | -0.17                  | -1.06                  |
| Earnings per share (SEK) (after dilution)           | -0.15                  | -0.17                  | -1.05                  |
| Equity per share (SEK)                              | 4.39                   | 5.72                   | 4.53                   |
| Quick ratio (%)                                     | 203                    | 4,937                  | 827                    |
| Total number of shares                              | 15,719,503             | 15,679,318             | 15,719,503             |
| Average number of shares                            | 15,719,503             | 15,679,318             | 15,699,411             |

### 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) 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 Annual Report 2021 will be published soon.  
The interim report for the January to June period (half-year report) will be published on 19 August 2022.

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 2022

**Eurobattery Minerals AB**  
*Board of Directors*

For further information: [ir@eurobatteryminerals.com](mailto: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](http://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](mailto:info@augment.se), phone: +46 8-604 22 55, is the company's Mentor.

