

ANNUAL REPORT & CONSOLIDATED FINANCIAL STATEMENTS

Ethically produced and fully  
traceable battery minerals

20



EURO  
BATTERY  
MINERALS

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## CEO comments

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Dear Shareholder,

Eurobattery Minerals is committed to providing the battery minerals needed for society's electric transition at large, and specifically for the electric vehicle industry. With nickel, copper, cobalt and vanadium projects in Finland, Spain and Sweden, Eurobattery Minerals has made significant advancements during 2020, which is why I am pleased to present this annual report.

Like everyone, we have lived with the Covid pandemic since March 2020 and we are closely monitoring the developments. From a consumer demand perspective, the pandemic has not been seen to slow down the electric revolution. During the year, consumer demand for EV-cars and the constant increase of battery production capacity, combined with a clear political push from the EU to increase its self-sufficiency in these critical raw materials, has further strengthened our business's basis as a European and sustainable foundation for the battery and EV-value chain. With the considerable investment going into the re-start of the European economy post-pandemic, I am pleased to see that electrification and battery development are seen as cornerstones to this recovery and, as a consequence, will be vital to achieving the region's ambitious climate targets.

Let me summarise the year, starting with our projects in Finland, Spain, and Sweden. In May 2020, we expanded our footprint as we concluded an investment and shareholders agreement with the Hautalampi project in eastern Finland. The deal gives us the option for a staged acquisition of 100 per cent of the shares in the Vulcan Hautalampi Oy and its nickel, copper and cobalt project. Via drilling campaigns conducted in 2020, it is confirmed that Hautalampi has a significant potential for resource expansion. In combination with the submission of the environmental impact assessment procedure and the development grant the project was awarded in 2020, I am looking forward to seeing this important project's progression.

Close to Hautalampi, Vulcan Hautalampi Oy has also been granted a preliminary exploration permit for the Hietajärvi Project. The project covers over 289 km<sup>2</sup> of ground highly prospective for cobalt, copper, nickel and zinc deposits.

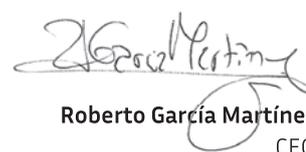
In our Corcel project in Spain, we have three primary prospect zones that include Castriz, Monte Mayor and Monte Castell. Our exploration efforts have so far focused on the Castriz prospect. During 2020, we conducted extensive mineral tests and analysis of the nickel, copper and cobalt drill core samples. The results of the analysis confirm high-value nickel sulphide minerals as the dominating asset in the Castriz deposit. Sulphide minerals are the preferred raw materials for the EV battery manufacturing industry, making Corcel a potentially vital source of battery minerals. We are working on identifying ways to maximise our discovery's value by identifying potential massive sulphide zones and assessing the optimal mineral processing option.

In Sweden, we have seven exploration permits in the north of the country, focusing on critical battery minerals such as nickel-copper-cobalt and rare earth elements as well as vanadium. During the year, we conducted desktop studies to assess the broader potential of these projects. Our main attention has been on our Fetsjön project in Västerbotten. We collaborate with Uppsala University and the AGH University of Science & Technology in Krakow on sustainable mining methods. Sustainable sourcing with a focus on ethics and traceability is the core business of our company. Together, we have joined forces with other stakeholders in the EV and mining industry and work with third-party verification and certification. We believe that the electric revolution should be built on sustainable raw material.

Looking at the financial situation, I am pleased to have raised an additional SEK 90 million in 2020 from existing and new shareholders via a rights issue and a warrant trade. In all, we are well-financed for our future work, and I am grateful for your support.

As this report is published late in the spring, we are already a long way into 2021, and the expansion into Germany and the dual listing has further elevated our business strategy. In conclusion, we are well-positioned to provide Europe with sustainable battery minerals for the electric revolution.

Yours Faithfully



**Roberto García Martínez**  
CEO

»I am pleased to see that electrification and battery development are seen as cornerstones to the post-pandemic recovery and, as a consequence, will be vital to achieving the region's ambitious climate targets.«

**Roberto García Martínez**  
CEO



## EUROBATTERY MINERALS AB

# Directors' Report

The Board of Directors and CEO of Eurobattery Minerals AB (publ), company reg. no. 556785-4236, hereby present the following annual report and consolidated financial statements for the operations during the financial year 2020.

### General information on activities

The Company was established in 2009 under the name Resolution Energy RE AB with the intention of conducting seismic surveys for the oil industry. The planned operations were not pursued, so the Company was dormant until 2014, when the new business focus began to take shape. The Company registered its current name on 28 June 2019.

### Business concept

Eurobattery Minerals AB (publ) is a Swedish company, and the very foundation of our value chain for battery production is our vision to help Europe become self-sufficient in ethical and fully traceable battery minerals for the electric vehicle industry. We are exploring and developing several nickel, cobalt and copper projects in Europe.

### Group

The Group consists of the Parent Company and the wholly

owned subsidiary CORCEL MINERALS, S.L. – B70541792 with its head office in Coruna, Spain.

### Head office

The Company's head office is in Stockholm Municipality in Sweden.

### The share

The share capital in Eurobattery Minerals AB (publ) at 31 December 2020 amounted to SEK 15,679,318. The total number of shares outstanding was 15,679,318.

The Company was listed on AktieTorget on 22 June 2015. On 17 April 2019, the share was moved to NGM, where trading began on 18 April 2019. The share's ticker symbol is BAT and its ISIN code is SE0012481570. According to Euroclear's register, Eurobattery Minerals had approximately 7,800 shareholders at the close of the period.

## SHARE CAPITAL

Year	Event	Quota	Change in number of shares	Change in share capital	Total number of shares	Total share capital
2009	New establishment	0.10	1,000,000	100,000	1,000,000	100,000.00
2014	New share issue	0.10	4,000,000	400,000	5,000,000	500,000.00
2014	New share issue	0.07	2,750,000	55,000	7,750,000	555,000.00
2015	New share issue	0.04	16,876,071	337,521.42	24,626,071	892,521.42
2015	Share warrant	0.03	14,969,665	299,393.30	39,595,736	1,191,914.72
2018	New share issue	0.02	105,037,824	2,100,756.48	144,633,560	3,292,671.20
2018	New share issue	0.02	14,153,648	283,072.96	158,787,208	3,575,744.16
2018	New share issue	0.02	73,025,761	1,460,515.22	231,812,969	5,036,259.38
2019	New share issue	0.02	31	0.62	231,813,000	5,036,260.00
2019	Merger	2.17	-229,494,870	0	2,318,130	5,036,260.00
2019	New share issue	2.06	3,777,089	7,554,178	6,095,219	12,590,438.00
2019	Reduction	1.00	0	-6,295,219	6,095,219	6,295,219.00
2019	New share issue	1.00	3,399,475	3,399,475	9,694,694	9,694,694.00
2020	New share issue	1.00	150,663	150,663	9,845,357	9,845,357.00
2020	New share issue	1.00	3,938,142	3,938,142	13,783,499	13,783,499.00
2020	Share warrant	1.00	1,895,819	1,895,819	15,679,318	15,679,318.00



#### List of shareholders at 31 December 2020

Shareholder	Number of shares	Percentage (%)
Avanza Pension	1,160,694	7.40%
Ulex Recursos S.L.	973,110	6.21%
Andrew Randall	969,919	6.19%
Marbury Ridge Ltd	966,116	6.16%
Kimberly Wrixon	654,400	4.17%
Daniel Eddington	450,000	2.87%
He Shin Kim	359,723	2.29%
Swedbank Försäkring	333,638	2.13%
DH Invest AB	300,000	1.91%
Frenergy AB	259,351	1.65%
Other shareholders	9,252,367	59.02%
	<b>15,679,318</b>	<b>100.00%</b>

#### Related-party transactions

During the period, earnings were also affected by fees of SEK 2,636 thousand paid to CEO Roberto García'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 2,178 thousand.

Finally, earnings were impacted during the period by fees of SEK 127 thousand paid to Board member Jan Arnbom's company Arnbom Geotrade HB for work carried out.

#### Incumbent Board of Directors and CEO

- ◆ **Roberto García Martínez**,  
b 1970, CEO, Board Member  
Joined the Board and took over as CEO on 7 March 2019  
Shareholding: 208,461 shares  
Board fee 70 KSEK
- ◆ **Henrik Johannesson**,  
b 1975, Chairman of the Board, Board Member  
Joined the Board on 17 June 2020  
Shareholding: 159,000 shares  
Board fee: 150 KSEK
- ◆ **Jan Olof Arnbom**,  
b 1952, Board Member  
Joined the Board on 28 June 2018  
Shareholding: 0 shares  
Board fee: 70 KSEK

## THE GROUP

## Financial overview

**Earnings and sales**

The Company's net sales for 2020 totalled SEK 0 thousand (SEK 0 thousand), and earnings after financial items totalled SEK -14,028 thousand (SEK -11,809 thousand). Operating expenses amounted to SEK -13,358 thousand (SEK -11,639 thousand). EBITDA for the full year 2020 was SEK -13,152 thousand (SEK -11,624 thousand). Financial expenses for the period amounted to SEK -876 thousand (SEK -185 thousand).

**Investments**

Investments in tangible assets for the full year 2020 totalled SEK 0 thousand (SEK 20). Investments in non-current intangible assets amounted to SEK 4,221 thousand (SEK 31,121 thousand). Investments in non-current financial assets amounted to SEK 11,190 thousand (SEK 0 thousand).

**Financial position**

Cash and cash equivalents amounted to SEK 42,737

thousand (SEK 6,612 thousand) at 31 December 2020. Equity was SEK 92,464 thousand (SEK 40,754 thousand).

**Cash flow and financing**

Cash flow from operating activities for the full year was SEK -14,071 thousand (SEK -12,317 thousand). Cash flow from investing activities was SEK -15,411 thousand (SEK -31,141 thousand), while cash flow from financing activities was SEK 65,607 thousand (SEK 45,442 thousand).

**Equity**

The Group's equity at year-end totalled SEK 92,464 thousand (SEK 40,754). During the year, there were two new share issues and one exercise of warrants. The new issues amounted to a total of SEK 72,119 thousand, with a subscription price of SEK 12 per share. In total 5,984,624 shares were issued. At the end of the financial year, 15,679,318 shares were issued.

## EQUITY

<i>Group</i>	Share capital	Fund for development costs	Other contributed capital	Other equity including profit for the year	Total
<b>Equity 31/12/2019</b>	<b>9,695</b>	<b>6,540</b>	<b>45,380</b>	<b>-20,861</b>	<b>40,754</b>
New issues	5,984		66,135		72,119
Provision for development costs		4,221		-4,221	
Translation differences				131	131
Costs related to new share issues			-6,512		-6,512
Profit/loss for the year				-14,028	-14,028
<b>Equity 31/12/2020</b>	<b>15,679</b>	<b>10,761</b>	<b>105,003</b>	<b>-38,979</b>	<b>92,464</b>

<i>Parent company</i>	Share capital	Fund for development costs	Share premium reserve	Profit/loss for the year incl. accumulated	Total
<b>Equity 31/12/2019</b>	<b>9,695</b>	<b>1,479</b>	<b>45,380</b>	<b>-15,634</b>	<b>40,920</b>
New issues	5,984		66,135		72,119
Costs related to new share issues			-6,512		-6,512
Profit/loss for the year				-13,437	-13,437
<b>Equity 31/12/2020</b>	<b>15,679</b>	<b>1,479</b>	<b>105,003</b>	<b>-29,071</b>	<b>93,090</b>

**MULTI-YEAR REVIEW**

<b>Group</b>	<b>2020</b>	<b>2019</b>	
Net sales (KSEK)	0	0	
Operating profit (KSEK)	-13,152	-11,624	
Profit/loss before tax (KSEK)	-14,028	-11,809	
Balance sheet total (KSEK)	92,819	41,406	
Intangible assets (KSEK)	37,887	33,666	
Equity/assets ratio (%)	99	98	
Number of employees	1	1	
<b>Parent company</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Net sales (KSEK)	0	0	0
Operating profit (KSEK)	-13,114	-11,596	-3,401
Profit/loss before tax (KSEK)	-13,437	-11,659	-3,483
Balance sheet total (KSEK)	93,443	41,646	7,731
Intangible assets (KSEK)	2,761	2,761	2,761
Shares and receivables Group companies (KSEK)	36,355	32,509	0
Reported equity/assets ratio (%)	99	98	92
Number of employees	1	1	0
Number of shares at the end of the period	15,679,318	9,694,694	251,812,969

**Definitions of key performance indicators**

Equity ratio: Equity capital and untaxed reserves (after deductions for deferred tax) in relation to the balance sheet total.

## Important events in 2020

### January – March

- During the period, the Company received the final assay results from the recent drilling of the Castriz deposit, comprising four drill holes of 998m, which is part of the Nickel-Cobalt-Copper (Ni-Co-Cu) project in northwest Spain.

Exploration confirmed that there are large areas of ultramafic rock with elevated nickel concentrations. Anomalous levels of nickel were found along a zone more than 700 metres long and 700 metres wide. Some of the key findings from the four boreholes are as follows:

- 69 metres @ 0.30% Ni, 0.04% Cu and 0.01% Co from 78m (19DD0001)
- 24.5 metres @ 0.30% Ni, 0.12% Cu and 0.01% Co from 14.5m (19DD0002)
- 75m @ 0.24% Ni, 0.04% Cu and 0.01% Co from 131.5m (19DD0003)
  - including 9m @ 0.44% Ni, 0.14% Cu and 0.02% Co from 191.5m
- 28.8 metres @ 0.20% Ni, 0.14% Cu and 0.01% Co from 6.8m (19DD0004)

Studies of the mineral content of the Castriz boreholes began to calculate the potential for nickel extraction using sustainable and conventional methods. The final results of the mineral surveys are expected early in the second quarter of 2020. (Press release 28.01.20).

- The collaboration between Uppsala University and AGH University of Science and Technology in Krakow on the possibility of extracting vanadium from rock sequences at Fetsjön in Västerbotten concluded that a type of the mineral rutile is a carrier of vanadium. Work is now underway to identify opportunities for the sustainable extraction of the vanadium. (Press release 23.03.20).
- The Company was also selected to participate in the S3-MINE EU project. The main objective of S3-MINE is to develop and implement mining industry pilot projects at ten different sites in six EU countries, in order to demonstrate the potential of introducing innovative digital technologies throughout the mining lifecycle. The aim is to increase the efficiency, choice and profitability of mining operations, while minimising environmental impact as well as health and safety concerns. As one of the qualifying members of the S3-MINE project, the Company can apply for financial support from a fund dedicated to this project. (Press release 17.02.20).



Final results from drilling, show larger prospect zone than expected in Castriz.

## April – June

- ◆ The Company announced the option to acquire Vulcan Hautalampi Oy (VHOy), the 100% owner of the Hautalampi nickel-cobalt-copper (Ni-Co-Cu) project, which is located on the same site as the well-known Outokumpu mine in Finland. The acquisition is an important milestone for the Company and will enable it to position itself as a producer of key battery metals in the near future. *(Press release 11.05.20).*
- ◆ The Company received the final assay results from nickel sulphide assays on mineralised samples taken in 2019 from drilling at the Castriz deposit, part of the Corcel (Ni-Co-Cu) project in northwest Spain. *(Press release 22.06.20).*
- ◆ The size of the Castriz deposit was confirmed at over 700m in strike length and approximately 700m in width, with mineralisation starting at the surface down to a depth of 200m. This makes open pit mining potentially feasible at a low cost at Castriz. The extension of mineralisation in multiple directions is still a possibility. *(Press release 22.06.20).*
- ◆ A rights issue was launched to raise up to SEK 46.5 million (EUR 4.44 million). The rights issue was secured at SEK 23.3 million by the Company's CEO Roberto García Martínez and external guarantees. The net proceeds from the rights issue will be used to increase the Company's shareholding in VHOy and to develop the Hautalampi project in Finland and the Corcel project in Spain. *(Press release 11.05.20).*
- ◆ The Company welcomed the election of Henrik Johansson as Chairman. Henrik has extensive experience from various industries and markets, and a long experience in managerial positions. *(Press release 17.06.20).*



*Eurobattery Minerals signs investment agreement with option to acquire the Hautalampi nickel-cobalt-copper mine*



*Henrik Johansson new chairman of the board*

## July – September

- ◆ Drilling commenced at the Hautalampi nickel-cobalt-copper (Ni-Co-Cu) project in Outokumpu, eastern Finland. It is an exploratory drilling programme aimed at expanding the existing estimated mineral resource of 3.2 Mt @ 0.43% Ni, 0.35% Cu and 0.12% Co. *(Press release 09.07.20).*
- ◆ The Company completed a rights issue which was subscribed to 209 per cent, raising SEK 47.3 million before issue costs. The number of shares increased by 3,938,142 to 13,783,499. The subscription price in the rights issue was SEK 24.00 per unit, where one unit consisted of two shares and one warrant. *(Press release 17.07.20).*
- ◆ Work began on the environmental impact assessment for mining and mineral processing at Hautalampi. The environmental impact assessment is expected to be



*Drilling commenced at the Hautalampi project in Finland*

completed in the next twelve months, and will be immediately followed by the submission of an application for an environmental permit. *(Press release 17.08.20).*

- ◆ Mineral testing conducted by SGS Canada at the Corcel project in Spain confirmed recoverable economical grade nickel in sulphide minerals as well as the greater exploration potential of the Castriz project. *(Press release 21.09.20).*
- ◆ The European Raw Materials Alliance (ERMA), of which the Company is a member, officially launched on 29 September 2020. The aim of ERMA is to ensure access to strategic metals and minerals, advanced materials and industrial processing expertise – with a focus on sustainability. *(Press release 29.09.20).*



*Eurobattery Minerals is part of the European Raw Materials Alliance (ERMA)*

#### October – December

- ◆ Eurobattery Minerals became a member of the Initiative for Responsible Mining Assurance (IRMA). As a member, Eurobattery Minerals will participate in and support credible independent third-party verification and certification based on a standard of best practice in areas addressing various environmental and social issues related to industrial-scale mining. *(Press release 07.10.20).*
- ◆ FinnCobalt Oy, the company that Eurobattery Minerals has the option to acquire 100% of in a staged acquisition, informed the Company of its expansion in Eastern Finland with a new reserve permit granted for exploration in the Hietajärvi project, a project with very good potential. The project covers over 289 square kilometres of land with high potential for cobalt, copper, nickel and zinc deposits. *(Press release 14.10.20).*
- ◆ During June and July 2020, the Company carried out a rights issue of units consisting of shares and warrants. The exercise period for the options ended on 16 October and a total of 1,895,819 warrants were exercised, corresponding to a subscription rate of approximately 96 per cent. Consequently, the Company received approximately SEK 22.7 million before issue costs. *(Press release 16.10.20).*
- ◆ The Company extended its collaboration with Uppsala University and is supporting the University in its application to the Swedish innovation agency Vinnova for a project focusing on new and modern methods for extracting rare earth elements from the shales of Fetsjön and other apatite-rich deposits in Sweden. Vinnova is expected to announce its decision in early spring 2021. *(Press release 19.11.20).*



*Eurobattery Minerals became a member of the Initiative for Responsible Mining Assurance (IRMA)*



*New granted reservation permit for exploration in Finland*

- ◆ Eurobattery Minerals and AGH University of Science and Technology in Krakow, Poland, expanded their cooperation with a project aimed at identifying the main minerals containing the battery metal vanadium and developing methods for extracting the metal as efficiently as possible. In this research project, researchers will use alum shale from Eurobattery Minerals' Fetsjön project in northern Sweden. Previous results from 52 exploration boreholes and chemical analyses confirm that the alum shales in Fetsjön contain large amounts of vanadium. *(Press release 25.11.20).*
- ◆ FinnCobalt Oy updated Eurobattery Minerals with additional assay results from last summer's drilling program at the Hautalampi Ni-Co-Cu Project ("Hautalampi", the "Project") in eastern Finland. Drilling has confirmed a significant extension of the known mineralisation from 800 metres to 1400 metres along its extension northeast of the historic mineral resource. The mineralisation may have a further continuation horizontally and in depth. *(Press release 30.11.20).*
- ◆ Eurobattery Minerals announced that FinnCobalt Oy has submitted a plan for the environmental impact assessment (EIA) of the Hautalampi project to the North Karelia Centre for Economic Development, Transport and the Environment. *(Press release 14.12.20).*
- ◆ Eurobattery Minerals announced that the South Savolax Centre for Economic Development, Transport and the Environment (ELY-centre) has granted FinnCobalt Oy a development grant of EUR 630,000 (SEK 6.4 million) for its mining and processing plant project at Hautalampi in Finland. Funding will come from the European Regional Development Fund. *(Press release 16.12.20).*



Research on vanadium enters next phase in Eurobattery Minerals Fetsjön project



Assays confirm resource expansion at the Hautalampi project



Finnish Hautalampi project awarded a 6.4 MSEK development grant

## Important events after the end of 2020

- ◆ The Company 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 will open an office in Berlin during the first quarter of 2021. The Company will remain a Swedish public limited company (AB) with its head office in Stockholm. *(Press release 15.01.21).*
- ◆ FinnCobalt Oy 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 1400 metres along the strike northeast 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. Eurobattery Minerals has the option of acquiring 100% of FinnCobalt Oy in a staged acquisition. *(Press release 25.01.21).*
- ◆ 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. *(Press release 01.02.21).*
- ◆ The Company 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. *(Press release 11.03.21).*



*Eurobattery Minerals expands to Germany via dual listing*



*Resource upside at the Hautalampi project*



*Eurobattery Minerals presents a report on raw materials supply and demand for e-mobility*

## Expected future development as well as risks and uncertainty factors

The electric revolution is continuing at full speed, and Eurobattery Minerals' business strategy to be the sustainable foundation of this development is firm. The combination of increased consumer demand for EVs and the focus on increased self-sufficiency for these crucial battery minerals within the EU are key drivers for the Company and important factors for its future development. In terms of the pandemic, should it continue long term this may be a long term risk for our organisation, as is the case for many other organisations. However, on a

positive note electrification and battery development are seen as cornerstones to the EU recovery post-pandemic, as this development is vital in order for the region to achieve its ambitious climate targets.

From a financial perspective, the Board of Directors' and the CEO's assessment is that the measures that were taken in 2020 are sufficient to ensure the Company's working capital needs and funding for at least 12 months.

### PROPOSED APPROPRIATION OF PROFITS

<b>Proposed appropriation of the Company's profits:</b>	
Share premium reserve	105,002,982
Retained earnings	-15,634,093
Loss for the year	-13,437,296
	<b>75,931,593</b>
<hr/>	
The Board of Directors proposes that the following is carried forward	75,931,593

For more information on the Company's results and position in general, please refer to the following income statements, balance sheets and accompanying notes. All amounts are reported in Swedish krona (SEK) unless otherwise indicated.

## INCOME STATEMENT GROUP AND PARENT COMPANY

Income statement	Note	GROUP		PARENT COMPANY	
		2020	2019	2020	2019
<b>Operating income</b>					
Net sales		0	0	0	0
Other operating income		206,395	15,138	206,395	15,138
<b>Total operating income</b>		<b>206,395</b>	<b>15,138</b>	<b>206,395</b>	<b>15,138</b>
<b>Operating costs</b>					
Other external costs	5,6	-11,028,714	-10,985,860	-10,993,773	-10,958,442
Staff costs	6	-2,327,030	-652,585	-2,327,030	-652,585
Depreciation of tangible fixed assets	9	-3,093	-631	0	
<b>Total operating costs</b>		<b>-13,358,837</b>	<b>-11,639,076</b>	<b>-13,320,803</b>	<b>-11,611,027</b>
<b>Operating profit/loss</b>		<b>-13,152,442</b>	<b>-11,623,938</b>	<b>-13,114,408</b>	<b>-11,595,889</b>
<b>Profit/loss from financial items</b>					
Interest income and similar items		0	0	0	0
Interest expenses and similar items	7	-875,483	-184,830	-322,888	-62,810
<b>Total profit/loss from financial items</b>		<b>-875,483</b>	<b>-184,830</b>	<b>-322,888</b>	<b>-62,810</b>
<b>Earnings before tax</b>		<b>-14,027,925</b>	<b>-11,808,768</b>	<b>-13,437,296</b>	<b>-11,658,699</b>
Tax on profit/loss for the year		0	7,012	0	0
<b>Profit/loss for the year</b>		<b>-14,027,925</b>	<b>-11,801,756</b>	<b>-13,437,296</b>	<b>-11,658,699</b>
Basic earnings per share (SEK)		-1.45	-4.69	-1.39	-4.63
Diluted earnings per share (SEK)		-0.89	-1.22	-0.86	-1.20

Profit/loss in full attributable to shareholders in the Parent Company

Number of shares at start of year	9,694,694	2,518,139
Number of shares at end of year	15,679,318	9,694,694
Number of shares on average	12,687,006	6,106,417

**BALANCE SHEET GROUP AND PARENT COMPANY**

		GROUP		PARENT COMPANY	
	Note	2020	2019	2020	2019
<b>ASSETS</b>					
<b>Fixed assets</b>					
<b>Intangible assets</b>					
Patents and licences	8	25,844,146	25,844,146	0	0
Capitalised development costs	9	12,043,107	7,821,638	2,761,127	2,761,127
<b>Total intangible assets</b>		<b>37,887,253</b>	<b>33,665,784</b>	<b>2,761,127</b>	<b>2,761,127</b>
<b>Tangible assets</b>					
Machinery and inventory	10	16,630	19,723	0	0
<b>Total tangible assets</b>		<b>16,630</b>	<b>19,723</b>	<b>0</b>	<b>0</b>
<b>Financial assets</b>					
Participations in group companies	11	0	0	32,508,794	26,439,623
Receivables from group companies		0	0	3,846,371	6,069,172
Paid deposits		78,777	78,777	78,777	78,777
Other long-term investments	12	11,190,008	0	11,190,008	0
Deferred tax assets		10,437	10,846	0	0
<b>Total financial assets</b>		<b>11,279,222</b>	<b>89,623</b>	<b>47,623,950</b>	<b>32,587,572</b>
<b>Total fixed assets</b>		<b>49,183,105</b>	<b>33,775,130</b>	<b>50,385,077</b>	<b>35,348,699</b>
<b>Current assets</b>					
<b>Current receivables</b>					
Other receivables		791,938	898,345	621,904	260,639
Prepaid expenses and accrued income	13	107,350	120,437	107,350	117,137
<b>Total current receivables</b>		<b>899,288</b>	<b>1,018,782</b>	<b>729,254</b>	<b>377,776</b>
<b>Cash and bank balances</b>		<b>42,737,099</b>	<b>6,612,413</b>	<b>42,328,816</b>	<b>5,919,115</b>
<b>Total current assets</b>		<b>43,636,387</b>	<b>7,631,195</b>	<b>43,058,070</b>	<b>6,296,891</b>
<b>Total assets</b>		<b>92,819,492</b>	<b>41,406,325</b>	<b>93,443,147</b>	<b>41,645,590</b>

**BALANCE SHEET GROUP AND PARENT COMPANY**

		<b>GROUP</b>		<b>PARENT COMPANY</b>	
	Note	2020	2019	2020	2019
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
<b>Share capital</b>		15,679,318	9,694,694		
<b>Fund for development costs</b>		10,761,065	6,539,596		
<b>Other contributed capital</b>		105,002,982	45,380,426		
<b>Other equity including profit for the year</b>		-38,979,492	-20,860,531		
<i>Restricted equity</i>					
Share capital		0	0	15,679,318	9,694,694
Fund for development costs		0	0	1,479,085	1,479,085
<b>Total restricted equity</b>		<b>0</b>	<b>0</b>	<b>17,158,403</b>	<b>11,173,779</b>
<i>Unrestricted equity</i>					
Share premium reserve		0	0	105,002,982	45,380,426
Accumulated funds		0	0	-15,634,093	-3,975,394
Profit/loss for the year		0	0	-13,437,296	-11,658,699
<b>Total unrestricted equity</b>		<b>0</b>	<b>0</b>	<b>75,931,593</b>	<b>29,746,333</b>
<b>Total equity</b>		<b>92,463,873</b>	<b>40,754,185</b>	<b>93,089,996</b>	<b>40,920,112</b>
<b>Current liabilities</b>					
Trade payables		213,201	414,654	213,201	414,654
Current tax liabilities		0	0	0	0
Other current liabilities		2,468	161,935	0	235,272
Accrued expenses and deferred income	14	139,950	75,551	139,950	75,551
<b>Total current liabilities</b>		<b>355,619</b>	<b>652,140</b>	<b>353,151</b>	<b>725,477</b>
<b>Total equity and liabilities</b>		<b>92,819,492</b>	<b>41,406,325</b>	<b>93,443,147</b>	<b>41,645,589</b>

## STATEMENT OF CASH FLOW GROUP AND PARENT COMPANY

Statement of cash flow	Note	GROUP		PARENT COMPANY	
		2020	2019	2020	2019
<b>Operating activities</b>					
Profit/loss before financial items		-13,151,698	-11,623,938	-13,114,408	-11,595,889
Amortisation and depreciation		3,093	631	0	0
Interest received/paid etc.		-745,793	-184,830	-322,888	-62,810
<b>Cash flow from operating activities before change in working capital</b>		<b>-13,894,398</b>	<b>-11,808,137</b>	<b>-13,437,296</b>	<b>-11,658,699</b>
<b>Change in working capital</b>					
Change in current receivables		119,494	-711,528	-351,478	-114,729
Change in current liabilities		-296,521	203,113	-372,326	131,278
<b>Change in working capital</b>		<b>-177,027</b>	<b>-508,415</b>	<b>-723,804</b>	<b>16,549</b>
<b>Cash flow from operating activities</b>		<b>-14,071,425</b>	<b>-12,316,552</b>	<b>-14,161,100</b>	<b>-11,642,150</b>
<b>Investment activities</b>					
Investments in intangible assets		-4,221,469	-4,711,144	0	0
Investments in tangible assets		0	-19,723	0	0
Investments in financial assets		-11,189,599	-26,410,027	-15,036,378	-32,508,594
<b>Cash flow from investing activities</b>		<b>-15,411,068</b>	<b>-31,140,894</b>	<b>-15,036,378</b>	<b>-32,508,594</b>
<b>Financing activities</b>					
Share issue		72,118,803	50,235,949	72,118,803	50,235,949
Costs for share issue		-6,511,624	-4,793,858	-6,511,624	-4,793,858
Amortisation of loans and credits		0	0	0	0
<b>Cash flow from financing activities</b>		<b>65,607,179</b>	<b>45,442,091</b>	<b>65,607,179</b>	<b>45,442,091</b>
<b>Change to cash and cash equivalents</b>		<b>36,124,686</b>	<b>1,984,645</b>	<b>36,409,701</b>	<b>1,291,347</b>
<b>Cash and cash equivalents at the start of the year</b>		<b>6,612,413</b>	<b>4,627,768</b>	<b>5,919,115</b>	<b>4,627,768</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>42,737,099</b>	<b>6,612,413</b>	<b>42,328,816</b>	<b>5,919,115</b>

## NOTE 1 ACCOUNTING AND VALUATION PRINCIPLES

The Company has prepared its annual report according to the Annual Accounts Act and BFNAR 2012:1, Annual reports and consolidated accounts (K3).

### *Valuation principles etc.*

Assets, provisions and liabilities have been valued at their acquisition value/nominal amount unless otherwise indicated.

### *Consolidation principles*

Eurobattery Minerals AB (publ) prepares consolidated financial statements. The company where Eurobattery Minerals AB (publ) holds the majority of the votes at the AGM and where Eurobattery Minerals AB (publ) has a controlling influence is classified as a subsidiary and is consolidated in the consolidated financial statements (see Note 2). Information on Group companies is included in the note on financial assets. The subsidiary is included in the consolidated financial statements from the date the controlling influence is transferred to the Group. It is excluded from the consolidated financial statements from the date on which the controlling influence ceases.

The consolidated financial statements have been prepared in accordance with the acquisition method. The acquisition date is the date on which the controlling influence is obtained. Identifiable assets and liabilities are initially valued at fair value at the time of acquisition. Goodwill consists of the difference between the identifiable net assets acquired at the time of acquisition and the cost, and is initially valued at cost.

Balances between Group companies are eliminated in full.

### *Group relationships*

Eurobattery Minerals AB (publ), company reg. no. 556785-4236, in Stockholm, Sweden, is the Parent company of wholly owned subsidiary CORCEL MINERALS, S.L. – B70541792, Coruna, Spain.

### *Definition of average number of shares*

To calculate the average number of shares, the Company uses the ratio on the balance sheet date. If a split or merger of shares has occurred during the year, the period's included number of shares will be converted to reflect the ratio on the balance sheet date.

### *Intangible assets*

Intangible assets are recognised at cost less accumulated amortisation and any impairment.

Amortisation is linear over the estimated useful life. The amortisation period for patents, licenses and internally generated intangible assets is 5 years. The Company's holdings consist of exploration permits, geological information and exploration costs. As no extraction has begun there is no amortisation at this time.

### *Tangible assets*

Tangible assets are recognised at cost less depreciation. Cost includes expenditure that is directly attributable to the acquisition of the asset.

When a component of a fixed asset is replaced, any remaining portion of the old component is scrapped and the new component's cost is capitalised.

Additional expenses related to assets that are not broken down into components are added to the acquisition cost if they are expected to provide the Company with future economic benefits, to the extent of the asset's performance increase in relation to the asset's value at acquisition.

Expenditures for ongoing repairs and maintenance are reported as expenses.

Capital gain or capital loss on disposal of a fixed asset is recognised as Other operating income or Other operating costs.

Tangible assets are depreciated systematically over the asset's estimated useful life. When the asset's depreciable amount is determined, the asset's residual value is taken into account as applicable. The linear depreciation method is used for other types of tangible assets. The following depreciation periods are applied:

Depreciation of tangible fixed assets:

Equipment, tools, fixtures and fittings.....5 years

### *Receivables*

Receivables have been recognised at the amounts expected to be paid after deductions for individually assessed doubtful receivables.

### *Foreign currencies*

Assets and liabilities in foreign currencies are valued at closing day rate.

### *Other securities held as fixed assets*

Other securities held as fixed assets are intended for

long-term holdings and are recognised at cost. If a long-term securities holding has a lower value than the book value on the balance sheet date, the asset is written down at this lower value if it can be assumed that the decline in value is permanent.

#### *Income tax*

Reported income tax includes taxes to be paid or received for the current year, adjustments to previous years' taxes, and participations in associated companies' taxes. Tax liabilities / receivables are valued at what the Company estimates should be paid to or received from the tax authority. The assessment is made based on tax rules and tax rates which are already decided or are announced and likely to be adopted. For items that are recognised in the income statement, related tax effects are also recognised in the income statement. The tax effects of items that are recognised directly against equity are recognised in equity.

#### *Statement of cash flow*

The statement of cash flow is prepared according to the indirect method. Reported cash flow includes transactions involving receipts or disbursements only.

Cash and cash equivalents include cash and bank balances and short-term financial investments that are

only exposed to an insignificant risk of changes in value, managed in an open market and have a maturity of less than three months from the acquisition date as cash equivalents.

Parent company's accounting and valuation principles  
The Parent company applies the same accounting and valuation principles as the Group, except in the cases given below.

#### *Shares and participations in subsidiaries*

Shares and participations in subsidiaries are reported at cost less any impairment losses. The cost includes the purchase price paid for the shares and acquisition costs. Any capital injections and group contributions are added to cost when paid. Dividends from subsidiaries are reported as income.

#### *Equity*

Equity is divided into restricted and unrestricted equity, in accordance with the division in the Swedish Annual Accounts Act.

#### *Leasing*

The Company has no current or historical leases.

## NOTE 2 ESTIMATES AND ASSESSMENTS

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The Company considers it probable that the intangible and financial assets that are reported will generate future economic benefits which will accrue to the

Company. No new assumptions about the future have been made, which has resulted in a significant risk of adjusting the reported values of assets and liabilities.

## NOTE 3 FINANCIAL RISKS IN THE GROUP

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### **Laws and regulations**

Eurobattery Minerals AB's (publ) activities include the entire chain of exploration activities from boulder exploration and geological mapping via geophysical soil measurements and geochemical sampling to diamond drilling. The Swedish Minerals Act (1991:45) regulates the exploration and mining of deposits of mineral substances known as 'Concession Minerals' regardless of who owns the land.

Exploration may only be carried out by the party who has been granted the exploration permit, and mining only

by the party who has been granted the mining permit. In addition to the Minerals Act, operations are also regulated by other relevant rules, including the Minerals Ordinance (1992:285), the Planning and Building Act (1987:10) and the Swedish Environmental Code (1998:808).

The Company may conduct activities subject to permits pursuant to the Environmental Code for certain types of exploration work. The environmental impact of exploration has so far been small. In its activities, Eurobattery Minerals AB (publ) follows the guidelines for good environmental practice in exploration produced by SveMin

(an industry association for mines, mineral and metal producers in Sweden).

### **Risks and uncertainties**

Like all businesses, Eurobattery Minerals AB's (publ) operations are associated with risk. These risks can generally be divided into operational risks related to business operations and risks related to financial operations. Operations must also be evaluated in the light of the risks, costs and difficulties that exploration companies often face.

According to the Board's assessment, the two biggest risks are financing needs and access to capital and exploration risk. The exploration industry is capital intensive, which means that further financing will be required for the favourable development of the Company. The Board of Directors and management team work continuously to secure the Company's capital needs. Their assessment is that the measures that were taken in 2020 will ensure the Company's working capital needs for at least the next 12 months.

### **Operational risks**

#### *Exploration*

The risks in an exploration company such as Eurobattery Minerals AB (publ) are mainly linked to the outcome of the exploration itself. Although the data collected is continuously analysed and evaluated carefully, there is always the risk that positive results fail to arrive. Ore exploration is by its very nature a high-risk business, where only a few surveyed areas lead to the development of producing mines, and therefore poses a significant financial risk.

Eurobattery Minerals AB (publ) has found indications of the occurrences of different metals in several places but has not yet been able to establish that the deposits have commercial potential. Although careful analyses and assessments are made of deposits, the Company cannot guarantee that commercial levels exist or whether other obstacles arise.

Permit issues relating to exploration as well as obtaining the necessary permits and rights can also pose a risk.

#### *Environment*

The business must pay great attention to the environmental impact. This means that it may not be possible to explore certain deposits. One conceivable consequence is the deterioration in the possibility of disposing of these.

#### *Employees*

Eurobattery Minerals AB (publ) is dependent on both internal and external qualified expertise. The Company's

organisation is currently limited. The ability to retain permanent or hired staff as well as the possibility of recruiting new employees is decisive for the Company's future development. The Board of Directors and management team continuously evaluate alternative solutions in order to run the business optimally.

#### *Competitors*

Exploration companies can in some cases compete for the same object or area. Areas around existing ore fields and mines are usually most exposed to competition. If Eurobattery Minerals AB (publ) fails to find new deposits or mineralisations due to competition, this could have a negative impact on the Company's position in the exploration market.

#### *Legal requirements*

Mining activities are regulated by laws and regulations and are carefully controlled by various authorities. Activities are subject to particularly far-reaching environmental regulations. Permits are required for a large number of activities. Authorities, organisations, and land and property owners can therefore delay or stop a project through lengthy processing time, appeals or not granting applications for exploration permits. Law changes can also be detrimental to the business.

### **Financial risks**

#### *Liquidity*

Liquidity risk means that payment obligations cannot be met as a result of insufficient liquidity.

#### *Prices of raw material*

A fall in metal prices could affect the value of mineral assets and potential reserves to varying degrees. Base and precious metals are global raw materials. Prices for these on the world market have historically shown large fluctuations. Prices for other metals also show large fluctuations. Metal market price trends are affected by many factors beyond the Company's control, including supply and demand, exchange rates, inflation, changes in the global economy, and political factors. If metal prices fall, this could have a negative impact on the value of Eurobattery Minerals AB's (publ) project portfolio.

#### *Economic developments*

External factors such as supply and demand and recessions and booms can have an impact on operating costs, world market prices for metals and stock valuation. Future revenues and share valuations may be affected by these factors, which are beyond the Company's control.

**NOTE 4 SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL YEAR**

In January, the Company is expanding into Germany via a parallel listing on Börse Stuttgart. The listing means that investors in Germany and the rest of Europe will be able to trade the Company's shares in euros with a real-time link to the Swedish market.

The Board has particularly considered the impact of the continued closure of large parts of Europe due to the Covid-19 pandemic on the Company's future performance, and risks that may affect future financial reporting. To date, the Board has not been able to assess these impacts.

**NOTE 5 REMUNERATION TO THE GROUP'S AUDITORS**

	GROUP		PARENT COMPANY	
	2020	2019	2020	2019
<b><i>Baker Tilly MLT KB</i></b>				
Audit assignment	135	105	135	105
Auditing activities other than the auditing assignment	55	30	55	30
<b>Total</b>	<b>190</b>	<b>135</b>	<b>190</b>	<b>135</b>

**NOTE 6 EMPLOYEES AND WAGES, SALARIES AND REMUNERATION**

	GROUP		PARENT COMPANY	
	2020	2019	2020	2019
<b><i>Number of employees at the end of the year</i></b>				
Sweden	1	1	1	1
<i>Of which women %</i>	0%	0%	0%	0%
<b>Total number of employees at the end of the year</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>Board and senior executives</b>				
Board	3	4	3	4
<i>Of which women %</i>	0%	25%	0%	25%
Senior executives	0	0	0	0
<i>Of which women %</i>	0%	0%	0%	0%
<b>Total, board and senior executives</b>	<b>3</b>	<b>4</b>	<b>3</b>	<b>4</b>
<b>Salaries, other remuneration and social security contributions</b>				
Board and senior executives	2,013	511	2,013	511
Other employees	0	0	0	0
Social security contributions	314	141	314	141
Pension expenses	0	0	0	0
<b>Total wages, salaries and remuneration</b>	<b>2,327</b>	<b>652</b>	<b>2,327</b>	<b>652</b>
Invoiced consulting services from board members	2,128	3,724	2,128	3,724
<b>Total staff costs</b>	<b>4,455</b>	<b>4,376</b>	<b>4,455</b>	<b>4,376</b>

No pensions or similar benefits were paid in 2020 or 2019.

**NOTE 7 PROFIT/LOSS FROM FINANCIAL ITEMS**

	GROUP		PARENT COMPANY	
	2020	2019	2020	2019
<b>Interest expenses and similar items</b>				
Interest expenses and similar items	4,690	4,182	4,690	4,182
Exchange rate losses	871,537	180,648	318,198	58,628
<b>Total</b>	<b>876,227</b>	<b>184,830</b>	<b>322,888</b>	<b>62,810</b>

**NOTE 8 PATENTS AND LICENCES**

	GROUP		PARENT COMPANY	
	2020	2019	2020	2019
Opening cost	25,844,146	0	0	0
Purchases for the year	0	25,844,146	0	0
<b>Closing accumulated cost</b>	<b>25,844,146</b>	<b>25,844,146</b>	<b>0</b>	<b>0</b>
Opening depreciation	0	0	0	0
Depreciation for the year	0	0	0	0
<b>Closing accumulated depreciation</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Closing residual value according to plan</b>	<b>25,844,146</b>	<b>25,844,146</b>	<b>0</b>	<b>0</b>

Refers to acquired exploration permits and geological information.  
As no extraction has begun there is no amortisation at this time.

**NOTE 9 CAPITALISED DEVELOPMENT COSTS**

	GROUP		PARENT COMPANY	
	2020	2019	2020	2019
Opening cost	7,821,638	2,761,127	2,761,127	2,761,127
Purchases for the year	4,221,469	5,060,511	0	0
<b>Closing accumulated cost</b>	<b>12,043,107</b>	<b>7,821,638</b>	<b>2,761,127</b>	<b>2,761,127</b>
Opening depreciation	0	0	0	0
Depreciation for the year	0	0	0	0
<b>Closing accumulated depreciation</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Closing residual value according to plan</b>	<b>12,043,107</b>	<b>7,821,638</b>	<b>2,761,127</b>	<b>2,761,127</b>

Refers to work on the preparation of geological information and exploration costs.  
As no extraction has begun there is no amortisation at this time.

**NOTE 10 TANGIBLE ASSETS**

	GROUP		PARENT COMPANY	
	2020	2019	2020	2019
Opening cost	20,354	0	0	0
Purchases for the year	0	20,354	0	0
<b>Closing accumulated cost</b>	<b>20,354</b>	<b>20,354</b>	<b>0</b>	<b>0</b>
Opening depreciation	-631	0	0	0
Depreciation for the year	-3,093	-631	0	0
<b>Closing accumulated depreciation</b>	<b>-3,724</b>	<b>-631</b>	<b>0</b>	<b>0</b>
<b>Closing residual value according to plan</b>	<b>16,630</b>	<b>19,723</b>	<b>0</b>	<b>0</b>

**NOTE 11 PARTICIPATIONS IN GROUP COMPANIES**

Group	Corporate ID number	Domicile	Share of Capital %	Number shares	Book value in Parent company: 2020
CORCEL MINERALS, S.L.	B70541792	Coruna, Spain	100	567	32,508,794
<b>Book value in Parent company</b>					<b>32,508,794</b>
		Equity		Result	
CORCEL MINERALS, S.L.		6,220,295		-33,266	

Book value in Parent company	2020	2019
<b>Opening cost</b>	26,439,623	0
Acquisition for the year	0	26,439,623
Shareholders' contribution for the year	6,069,171	0
<b>Closing cost</b>	<b>32,508,794</b>	<b>26,439,623</b>
<b>Opening impairment losses</b>	0	0
Disposals for the year	0	0
Impairment losses for the year	0	0
<b>Closing impairment losses</b>	<b>0</b>	<b>0</b>
<b>Book value</b>	<b>32,508,794</b>	<b>26,439,623</b>

*The acquisition value of shares in subsidiaries includes estimated surplus value of concessions and permits*

**NOTE 12 OTHER LONG-TERM INVESTMENTS**

	GROUP		PARENT COMPANY	
	2020	2019	2020	2019
Opening cost	0	0	0	0
Purchases for the year	11,908,008	0	11,908,008	0
<b>Closing accumulated cost</b>	<b>11,908,008</b>	<b>0</b>	<b>11,908,008</b>	<b>0</b>
Opening depreciation	0	0	0	0
Depreciation for the year	0	0	0	0
<b>Closing accumulated depreciation</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Closing residual value according to plan</b>	<b>11,908,008</b>	<b>0</b>	<b>11,908,008</b>	<b>0</b>

*Purchases for the year include part of the investment and shareholder agreement with an option to acquire the Hautalampi nickel-cobalt-copper mine approved by the company's shareholders at the Extraordinary General Meeting on 27 May 2020.*

**NOTE 13 PREPAID EXPENSES AND ACCRUED INCOME**

	GROUP		PARENT COMPANY	
	2020	2019	2020	2019
Prepaid rents	37,350	36,450	37,350	36,450
Other prepaid expenses and accrued income	70,000	83,987	70,000	80,687
<b>Total prepaid expenses and accrued income</b>	<b>107,350</b>	<b>120,437</b>	<b>107,350</b>	<b>117,137</b>

**NOTE 14 ACCRUED EXPENSES**

	GROUP		PARENT COMPANY	
	2020	2019	2020	2019
Accrued fees	70,000	30,000	70,000	30,000
Other accrued expenses	69,950	45,551	69,950	45,551
<b>Total accrued expenses</b>	<b>139,950</b>	<b>75,551</b>	<b>139,950</b>	<b>75,551</b>

**NOTE 15 APPROPRIATIONS**

The accumulated profit of SEK 75,931,593 is at the disposal of the AGM. The Board of Directors proposes that the amount is carried forward.

As regards the Company's results and position in general, please refer to the following income statements, balance sheets and accompanying notes. The Group's comparison year equates to the Parent company's comparison year.

Stockholm, May 3, 2021

**Eurobattery Minerals AB (publ)**



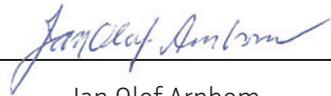
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Henrik Johannesson  
*Chairman*



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Roberto García Martínez  
*Chief Executive Officer*



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Jan Olof Arnbom  
*Board member*

My auditor's report was submitted on May 7, 2021



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Stein Karlsen  
*Authorised public accountant*

## AUDITOR'S REPORT

## DIRECT TRANSLATION

To the general meeting of the shareholders of Eurobattery Minerals AB  
Corporate identity number 556785-4236

### Report on the annual accounts and consolidated accounts

#### *Opinions*

We have audited the annual accounts and consolidated accounts of Eurobattery Minerals AB for the year 2020.

In our opinion, the annual accounts and consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company and the group as of 31 December 2020 and their financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

#### *Basis for Opinions*

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the "Auditor's Responsibilities" section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

#### *Responsibilities of the Board of Directors and the Managing Director*

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act. The board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, the Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

#### *Auditor's responsibility*

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or

error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

## Report on other legal and regulatory requirements

### Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Eurobattery Minerals AB for the year 2020 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

### Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the "Auditor's Responsibilities" section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

### Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

### Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

Malmö 7 May 2021

Baker Tilly MLT KB



Stein Karlsen

Authorized Public Accountant Far



# Ethical and fully traceable minerals for the electric revolution



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. Augment Partners AB, e-mail: [info@augment.se](mailto:info@augment.se), phone: +46 8-604 22 55, is the company's Mentor.