



Year-end report

JANUARY – DECEMBER 2023



EURO
BATTERY
MINERALS

Q4 2023

» In Q4, we at Eurobattery Minerals have been working to accelerate the development of our Hautalampi battery mineral mine project, for example, by preparing the application for an environmental permit in Q1-2024 and by continuing to work on the finalization of the project acquisition, which is planned to take place during 2024. With these plans, we are laying the foundation for the start of the project's construction phase and the subsequent mining operations. «

Roberto García Martínez, CEO

Highlights fourth quarter 2023

- ▶ Eurobattery Minerals joins Smart Exploration Research Center, a research center led by Uppsala University in Sweden. It will focus on critical and strategic minerals and highlights the growing need for exploration of critical raw materials in Sweden and the Nordics, as well as in the rest of Europe.
- ▶ Eurobattery Minerals decided on a rights issue of approximately SEK 29.3 million and undertook to carry out a convertible issue of SEK 5.0 million.
- ▶ Eckhard Cordes became a new Board member of Eurobattery Minerals. Mr. Cordes is a highly regarded business leader in Europe. His previous positions include various executive roles such as CEO of the Mercedes Car Group and Member of the executive board of Daimler, and Board member of SKF, Rheinmetall, and Volvo AB. Currently, he serves as Partner at Cevian Capital and EMERAM Capital Partners, as well as the Chairman of the Supervisory Board at Bilfinger SE.



Dear all,

With globalisation on shaky grounds, increased geopolitical tension and urgent need to speed up electrification to tackle climate change, it is obvious that Eurobattery Minerals business idea, to make Europe self-sufficient in responsibly mined battery minerals, is on top of the European agenda. The industry needs massive amounts of battery minerals for green technologies and wants to rest assured that the minerals and metals are mined in a responsible way, taking care both of people and nature. With mining projects in Europe, our aim is to cater for this need.

As for our business operations, the Hautalampi battery mineral mine project is on target and in line with our plans. We are currently working on several items in our plan including finalising the acquisition of the project during 2024, and applying for an environmental permit in Q1-2024. With these plans, Eurobattery Minerals is laying the foundation for the commencement of the project's construction phase and the start of mining operations.

I would also like to bring your attention to our other battery mineral project in north-western Spain, the Corcel project, where studies confirm nickel worth nearly 114 million euro only in a small part of the mining area. We continue to await a positive decision from the Energy and Mining Authority of Galicia. Eurobattery has, as previously communicated through a press release in August 2022, submitted all necessary information for environmental and operating permits and will resume the development of Corcel when possible.

Further important events that took place in Q4 2023 was the election of Eckhard Cordes to the Eurobattery Minerals

board. Eckhard Cordes is a prominent business leader in Europe. Amongst other capabilities, Eckhard Cordes brings strategic vision carrying global perspectives which will help us navigate the European market, the regulatory landscape as well as in our establishment of partnerships. Eckhard Cordes maintains important industry connections as well as deep management and leadership experience.

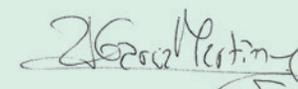
I would also like to touch a bit more on the topic about European self-sufficiency as mentioned in the preamble. In December, the European Parliament approved the Critical Raw Materials Act (CRMA). This is a decision we applaud as the aims for CRMA are to accelerate the green and digital transition and increase Europe's self-sufficiency in critical and strategical minerals. This will be done by, for example, reducing permitting times for domestic mining and recycling projects. The CRMA is now in the hands of the European Council and is set for final approval in May 2024.

Writing this text, we are already way into Q1 and in this quarter we have completed the rights issue announced in 2023. I am pleased that we have now secured funding

for development of the battery mineral mine project Hautalampi and repayment of interest-bearing debts. The funding, your commitment to Eurobattery Minerals and especially the hard work of the team all contributes to fulfilling our business idea to provide responsible battery minerals from Europe to Europe and as such power a cleaner world.

Thank you very much for your continued support of Eurobattery Minerals!

Yours faithfully



Roberto García Martínez
CEO of Eurobattery Minerals



Year-end report January–December 2023

Fourth quarter 2023

- ▶ Net sales amounted to SEK 0 (Q4 2022: SEK 0).
- ▶ Operating income after depreciation/amortisation and financial items totalled SEK -4,649 thousand (Q4 2022: SEK -3,881 thousand).
- ▶ Earnings per share after financial items before dilution amounted to SEK -0.97 (Q4 2022: SEK -0.23).
- ▶ Earnings per share after financial items after dilution amounted to SEK -0.97 (Q4 2022: SEK -0.23).
- ▶ Cash flow from operating activities was SEK 8,906 thousand (Q4 2022: SEK -5,751 thousand).

Full-year 2023

- ▶ Net sales amounted to SEK 0 (FY 2022: SEK 0).
- ▶ Operating income after depreciation/amortisation and financial items totalled SEK -23,055 thousand (FY 2022: SEK -20,138 thousand).
- ▶ Earnings per share after financial items before dilution amounted to SEK -1.33 (FY 2022: SEK -1.28).
- ▶ Earnings per share after financial items after dilution amounted to SEK -0.60 (FY 2022: SEK -1.22).
- ▶ Cash flow from operating activities was SEK 1,253 thousand (FY 2022: SEK 4,439 thousand).
- ▶ The Board of Directors does not intend to propose any dividend to the upcoming Annual General Meeting.

Significant events, January–December 2023

- ▶ In March, Eurobattery Minerals announced that FinnCobalt Oy had completed the pre-feasibility study for its Finnish Hautalampi mining project. The study, conducted by AFRY Finland, concludes that with a conservative metal price, and a total capital expenditure of EUR 65.1 million (excluding contingency) the payback period is 4.6 years. Total metal production during the anticipated 12 years of mining operations will be 11,400 tonnes of nickel and 2,900 tonnes of cobalt in the nickel-cobalt concentrate and 9,600 tonnes of copper in the copper concentrate. At the time of the announcement, Eurobattery Minerals owned 40% of FinnCobalt Oy.
- ▶ In March, Eurobattery Minerals announced that the Company was exercising its option to acquire 30% of the shares in FinnCobalt Oy, the owner of the ground and mining rights to the Hautalampi nickel-cobalt-copper project. This constituted the Company's second acquisition within the scope of its contracted right to acquire 100% of the shares in FinnCobalt Oy in a staged process until May 2024. Altogether, Eurobattery Minerals' stake in FinnCobalt Oy will amount to 70% following the impending acquisition.
- ▶ On 22 March, Eurobattery Minerals announced that FinnCobalt Oy submitted the Hautalampi project's

environmental impact assessment (EIA) update report to the North Karelia Centre for Economic Development, Transport, and the Environment for official review as part of the assessment.

- ▶ In March, Eurobattery Minerals received the first results from the new research partnership with Uppsala University in collaboration with AGH University of Science and Technology in Krakow, Poland. The results outline new methods for large-scale extraction of rare earth elements (REEs) allowing nearly 100% recovery of REEs in its Fetsjön project in Sweden.
- ▶ On 28 March, the Company announced that Eckhard Cordes, Chairman of the Supervisory Board of Bilfinger and former member of the Board of Management of Daimler, as well as former member of the Supervisory Board of Volvo, exercised warrants and will become a shareholder in Eurobattery Minerals.
- ▶ In April, Eurobattery Minerals announced that the Company will receive approximately SEK 17.4 million through warrant redemption. The number of shares has increased by 7,134,746, from 26,012,240 shares to 33,146,986 shares, when the new shares are registered with the Swedish Companies Registration Office. The share capital will increase by SEK 7,134,746, from SEK 26,012,240 to SEK 33,146,986, implying a dilution of approximately 21.5%.
- ▶ In May, Eurobattery Minerals announced that the Hautalampi ore reserves and minerals resources reserves have been classified in the highest categories

as viable mining projects under the United Nations Framework Classification for Resources (UNFC).

- ▶ In June, Eurobattery Minerals received an additional report from the scientists in the research partnership with Uppsala University in collaboration with AGH University of Science and Technology in Krakow, Poland. The new report further confirms the viability of the new method for large-scale extraction of rare earth elements in Eurobattery Minerals' Fetsjön project in Sweden.
- ▶ On 20 June, Eurobattery Minerals announced that the Finnish Safety and Chemicals Agency (Tukes) has entered (9.6.2023) the Hautalampi mining right (K7802) in the mining register pursuant to the Mining Act (503/1965). The Hautalampi mining area has the full legal force behind it for its underground mine and its concession.
- ▶ In June, Eurobattery Minerals announced that the Outokumpu town Urban Development Board had initiated the zoning and site plan change for the Hautalampi mine project.
- ▶ On 13 July, Eurobattery Minerals announced that the Board of Directors had resolved to issue 2,855,856 shares with the support of the authorization by the shareholders meeting on 13 June 2023. The share issue constitutes part of the Company's acquisition of an additional 30% of the shares of FinnCobalt Oy, the owner of the ground and mining rights to the nickel-cobalt-copper project Hautalampi. Following the closing, Eurobattery Minerals owns 70% of FinnCobalt Oy and the Hautalampi project.

- ▶ In July, Eurobattery Minerals announced that the first phase of the environmental permit process for the Hautalampi mine project had been completed successfully. The environmental impact assessment (EIA) submitted by FinnCobalt Oy in 2022, following the requested supplement submitted later in 2023, has now been fully approved by the Finnish Centre for Economic Development, Transport, and the Environment (ELY).
- ▶ In October, Eurobattery Minerals announced that it will not renew its exploration licenses for its seven Swedish assets when the permits expire. The decision will enable Eurobattery Minerals to currently focus on its more advanced projects to create better shareholder value. The decision means that the company reports a non-cash flow affecting write-down of SEK 2.7 million during the third quarter.
- ▶ In October, Eurobattery Minerals announced its partnership with the Research Center for Smart Exploration led by Uppsala University in Sweden. The research centre has been granted SEK 60 million by the Swedish Foundation for Strategic Research. It is a multidisciplinary centre that will research the exploration and refinement of metals and minerals.
- ▶ In November, Eurobattery Minerals decided on a rights issue of approximately SEK 29.3 million and undertakes to carry out a convertible issue of SEK 5.0 million. The rights issue was secured to approximately SEK 22.0 million, corresponding to 75.0 per cent of the rights issue, by subscription and underwriting commitments.

- ▶ On the 18th of December 2023, Eurobattery Minerals AB announced its intention to propose Eckhard Cordes as new Board member in Eurobattery.
- ▶ In December, the Extraordinary General Meeting was held on the 27th and resolved, inter alia, to approve the board of directors' resolution on a rights issue of units and other related proposals, as well as the election of a new board member, namely Eckhard Cordes. Eckhard Cordes is a highly regarded business leader in Europe with extensive experience in the automotive industry. His previous positions include various executive roles such as CEO of the Mercedes Car Group and Member of the executive board of Daimler, and Board member of SKF, Rheinmetall, and Volvo AB. Currently, he serves as Partner at Cevian Capital and EMERAM Capital Partners, as well as the Chairman of the Supervisory Board at Bilfinger SE.

Significant events after the period

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

Earnings and sales

Comments on the fourth quarter, 1 October–31 December 2023

Earnings and sales

The company's net sales for the fourth quarter totalled SEK 0 (Q4 2022: SEK 0), and earnings after financial items totalled SEK -4,649 thousand (Q4 2022: SEK -3,881 thousand). Operating costs amounted to SEK -7,036 thousand (Q4 2022: SEK -2,836 thousand). EBITDA for the fourth quarter was SEK -6,478 thousand (Q4 2022: SEK -2,294 thousand). Net interest items for the quarter amounted to SEK 1,831 thousand (Q4 2022: SEK -1,575 thousand).

Investments

Investments in property, plant, and equipment in the fourth quarter totalled SEK 0 (Q4 2022: SEK 0). Investments in intangible assets amounted to SEK 13,436 thousand (Q4 2022: SEK 12,333 thousand). Investments in non-current financial assets amounted to SEK 0 thousand (Q4 2022: SEK 822 thousand).

Financial position

On 31 December, cash and cash equivalents amounted to SEK 458 thousand (31 December 2022: SEK 263 thousand). Equity was SEK 101,449 thousand (31 December 2022: SEK 84,948 thousand).

Cash flow and financing

Cash flow from operating activities in the fourth quarter was SEK 8,906 thousand (Q4 2022: SEK -5,751 thousand). Cash flow from investing activities was SEK -13,436 thousand (Q4 2022: SEK -13,155 thousand), while cash flow from financing activities was SEK 4,288 thousand (Q4 2022: SEK 16,117 thousand).

Comments on the full-year 2023

Earnings and sales

The company's net sales for the full year totalled SEK 0 (FY 2022: SEK 0), and earnings after financial items totalled SEK -23,055 thousand (FY 2022: SEK -20,138 thousand). Operating costs amounted to SEK -20,432 thousand (FY 2022: SEK -17,212 thousand). EBITDA for the full year was SEK -18,998 thousand (FY 2022: SEK -17,156 thousand). Financial expenses for the period amounted to SEK -4,057 thousand (FY 2022: SEK -2,982 thousand).

Investments

Investments in property, plant, and equipment in the full year totalled SEK 6,761 thousand (FY 2022: SEK 0 thousand). Investments in intangible assets amounted to SEK 31,092 thousand (FY 2022: SEK 16,018 thousand).

Investments in non-current financial assets amounted to SEK 0 thousand (FY 2022: SEK 15,372 thousand).

Financial position

On 31 December, cash and cash equivalents amounted to SEK 458 thousand (31 December 2022: SEK 263 thousand). Equity was SEK 101,449 thousand (31 December 2022: SEK 84,948 thousand).

Cash flow and financing

Cash flow from operating activities in the full year was SEK 1,253 thousand (FY 2022: SEK 4,439 thousand). Cash flow from investing activities was SEK -37,841 thousand (FY 2022: SEK -31,390 thousand), while cash flow from financing activities was SEK 35,083 thousand (FY 2022: SEK 22,764 thousand).

The share

The share capital of Eurobattery Minerals AB (publ) amounted to SEK 36,594,058 on 31 December 2023. The total number of shares outstanding was 36,594,058.

On the 27 December 2023, the Extraordinary General Meeting resolved to approve a rights issue of not more than 36,594,058 units containing 2 shares and 1 warrant of series TO4 and 1 warrant of series TO5. At the Extraordinary General Meeting on December 27, it was also decided to reduce the share capital in order to decrease the quota value of the shares without the cancellation of shares.

On 2 February 2024, the Swedish Companies Registration Office registered the completed rights issue together with the reduction of the share capital and the quota value of the shares. After registration, the share capital amounts to SEK 41,252,735.20. The total number of outstanding shares amounts to 103,131,838.

The company was listed on AktieTorget on 22 June 2015. On 17 April 2019, the share moved to the NGM, where trading began on 18 April 2019. The share's ticker symbol is BAT and its ISIN is SE0012481570. Since 15 January 2021, the share has been traded on Börse Stuttgart under the symbol EBM. According to Euroclear's register, Eurobattery Minerals had approximately 8,800 shareholders at the end of the period.

Related-party transactions

During the period, earnings were also charged with fees of SEK 5,133 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 1,875 thousand.

Finally, earnings were impacted by fees of SEK 75 thousand paid to Board member Jan Arnbom's company Arnbom Geokonsult AB for work carried out during the period.

List of shareholders on 31 December 2023

Shareholder	Number of shares	Percentage (%)
Clearstream Banking Germany	7,003,787	19.14 %
Nordea Bank Finland	2,562,759	7.00 %
Six Sis AG	2,171,170	5.93 %
Avanza Pension	1,302,207	3.57 %
Tetra Ekberg OY	1,234,530	3.37 %
UBS Switzerland AG	992,611	2.71 %
Ulex Recursos S.L.	687,471	1.88 %
DH Invest	502,943	1.38 %
SEB AB Luxemburg	477,000	1.30 %
Euroclear Bank S. A/N.V	464,903	1.27 %
Other shareholders	19,194,677	52.45 %
	36,594,058	100.00 %

Balance Sheet

<i>SEK thousand</i>	<i>31 Dec 2023</i>	<i>31 Dec 2022</i>
ASSETS		
Subscribed but not paid-up capital	0	27,516
Intangible assets	141,124	60,460
Tangible assets	6,791	42
Financial assets	0	38,322
Other current assets	9,318	8,129
Cash and bank balances	458	263
TOTAL ASSETS	157,691	134,732
EQUITY AND LIABILITIES		
Equity	101,449	84,948
Deferred tax	16,532	5,282
Provisions	1,765	0
Non-current liabilities	4,381	0
Current liabilities	33,564	44,502
TOTAL EQUITY AND LIABILITIES	157,691	134,732

Income Statement

<i>SEK thousand</i>	<i>2023</i> <i>Oct.–Dec</i>	<i>2022</i> <i>Oct.–Dec</i>	<i>2023</i> <i>Jan–Dec</i>	<i>2022</i> <i>Jan–Dec</i>
Operating income				
Net sales	0	0	0	0
Other operating income	556	530	1,434	56
Operating costs				
Other external costs	-5,052	-2,023	-16,211	-14,262
Staff costs	-1,982	-801	-4,209	-2,938
Depreciation of tangible assets	-2	-12	-12	-12
Operating profit/loss	-6,480	-2,306	-18,998	-17,156
Net interest items	1,831	-1,575	-4,057	-2,982
Profit/loss before tax	-4,649	-3,881	-23,055	-20,138
Tax on profit/loss for the period	0	15	0	9
Minority's share in the result	1,085	0	1,085	0
PROFIT/LOSS FOR THE PERIOD	-3,564	-3,866	-21,970	-20,129

Statement of Cash flow

<i>SEK thousand</i>	2023 <i>Oct.-Dec</i>	2022 <i>Oct.-Dec</i>	2023 <i>Jan-Dec</i>	2022 <i>Jan-Dec</i>
Operating profit/loss for the period	-6,480	-2,306	-18,998	-17,156
Amortisation and depreciation	2	12	12	12
Interest paid	1,831	-1,575	-1,296	-2,983
Other taxes	0	15	0	0
Cash flow from operating activities before change in working capital	-4,648	-3,854	-20,282	-20,127
Change in operating receivables	-1,301	-19,890	26,327	-695
Change in operating liabilities	14,854	-17,993	-4,792	25,261
Cash flow from operating activities	8,906	-5,751	1,253	4,439
Cash flow from investing activities	-13,436	-13,155	-37,841	-31,390
Cash flow from financing activities	4,288	16,117	35,083	22,764
Translation differences	80	0	1,700	1,618
Cash flow for the period	-162	-2,789	195	-2,569
Cash and cash equivalents at the beginning of the period	620	3,052	263	2,832
Cash and cash equivalents at the end of the period	458	263	458	263

Change in equity

<i>SEK thousand</i>	<i>2023</i>	<i>2022</i>	<i>2023</i>	<i>2022</i>
	<i>Oct.-Dec</i>	<i>Oct.-Dec</i>	<i>Jan-Dec</i>	<i>Jan-Dec</i>
Equity at the beginning of the period	97,641	66,046	84,948	71,181
New share issue	0	0	31,905	10,730
Ongoing new share issue	0	27,516	0	27,516
Translation differences	1,489	679	1,793	1,616
Costs for new share issue	-93	-5,427	-1,203	-5,966
Profit/loss for the period	-3,564	-3,866	-21,970	-20,129
Minority interest	5,976	0	5,976	0
Equity at the end of the period	101,449	84,948	101,449	84,948

Key performance indicators and share data

	2023 Oct–Dec	2022 Oct–Dec	2023 Jan–Dec	2022 Jan–Dec
Average equity for the period (SEK thousand)	99,545	75,816	93,198	78,066
Average total capital for the period (SEK thousand)	141,852	105,108	146,211	106,223
Return on equity (%)	-4	-5	-24	-26
Return on total capital (%)	-5	-2	-13	-16
Equity/Assets ratio (%)	64	63	64	63
Earnings per share before dilution (SEK)	-0.97	-0.23	-1.33	-1.28
Earnings per share after dilution (SEK)	-0.97	-0.23	-0.60	-1.22
Equity per share (SEK)	2.77	5.14	2.77	5.14
Quick ratio (%)	29	19	29	19
Total number of shares	36,594,058	16,522,237	36,594,058	16,522,237
Average number of shares	36,594,058	16,522,237	26,558,147	16,120,870

Definitions of key performance indicators

Return on total capital:	Earnings after financial items plus financial expenses as a percentage of average total capital.
Return on equity:	Net profit according to the income statement as a percentage of average equity.
Equity/Assets ratio:	Equity as a percentage of total assets.
Earnings per share:	Earnings after tax in relation to the average number of shares.
Equity per share:	Equity in relation to the number of shares on the balance sheet date.
Quick ratio:	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 for 2023 will be published on May 16, 2024.
- ▶ The interim report for Q1 2024 will be published on May 24, 2024.
- ▶ The interim report for Q2 2024 will be published on August 23, 2024.
- ▶ The interim report for Q3 2024 will be published on November 22, 2024.
- ▶ The year-end report for 2024 will be published on February 21, 2025.

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

Annual general meeting

The annual general meeting for 2024 is scheduled for June 13, 2024.

February 2024
Eurobattery Minerals AB
Board of Directors

For further information:
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Eurobattery Minerals AB is a Swedish mining company listed on Swedish Nordic Growth Market (BAT) and German Börse Stuttgart (EBM). With the vision to make Europe self-sufficient in responsibly mined battery minerals, the company's focus is to realize numerous nickel-cobalt-copper projects in Europe to supply critical raw materials and, as such, power a cleaner world. Please visit www.eurobatteryminerals.com for more information. Feel free to follow us on LinkedIn and Twitter as well.

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

