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EUROBATTERY MINERALS DECIDES ON A RIGHTS ISSUE OF APPROXIMATELY SEK 29.3 MILLION AND UNDERTAKES TO CARRY OUT A CONVERTIBLE ISSUE OF SEK 5.0 MILLION

The Board of Directors of Eurobattery Minerals AB (Nordic Growth Market: BAT and Börse Stuttgart: EBM; in short: "Eurobattery" or the "Company") has today, subject to the approval of the Extraordinary General Meeting on 27 December 2023, decided to carry out a rights issue of a maximum of 36,594,058 units (the "Rights issue"). One (1) unit consists of two (2) shares, one (1) warrant of series T04 and one (1) warrant of series T05 (the "Warrants"). The subscription price is SEK 0.80 per unit, whereby Eurobattery upon full subscription in the Rights issue would obtain a maximum of approximately SEK 29.3 million before issue costs. For each (1) existing share in the Company, one (1) unit right is obtained. One (1) unit right entitles the holder to subscribe for one (1) unit. The subscription period commences on 8 January and ends on 22 January 2024. In connection with the Rights issue, the Company has undertaken to repay the outstanding convertible loan of SEK 10.0 million and issue a new convertible loan of SEK 5.0 million to Formue Nord Fokus A/S (the "Convertible issue"). Additionally, the Company has secured bridge financing of SEK 4.35 MSEK, to be repaid in full in connection with the registration of the new shares in the Rights issue. Upon full subscription in the Rights issue, the number of shares in the Company will increase by 73,188,116 shares, before any potential utilisation of the Warrants. In addition, the number of shares can increase by an additional maximum of 73,188,116 shares upon full utilisation of the Warrants, assuming full subscription in the Rights issue. The net proceeds from the Rights issue, the Warrants, and the Convertible issue are intended to be used for development of the Hautalampi project, repayment of interest-bearing debts, completion of the acquisition of FinnCobalt Oy ("FinnCobalt"), and financial flexibility for further operations through 2024. The Rights issue is secured to approximately SEK 22.0 million, corresponding to 75.0 per cent of the Rights issue, by subscription and underwriting commitments.

The transaction in brief

- Upon full subscription in the Rights issue, Eurobattery will obtain gross proceeds of approximately SEK 29.3 million before issue costs. In the event of full utilisation of the Warrants, the Company can obtain an additional maximum of approximately SEK 36.6 million, assuming full subscription in the Rights issue.
- The subscription price in the Rights issue is SEK 0.80 per unit, corresponding to SEK 0.40 per share (the Warrants are obtained free of charge).
- For each (1) existing share held on the record date, one (1) unit right is obtained in the Rights issue. One (1) unit right entitles the holder to subscribe for one (1) unit. One (1) unit consists of two (2) new shares, one (1) warrant of series TO4 and one (1) warrant of series TO5.
- The record date for the right to participate in the Rights issue is 4 January 2024, which means that the last day of trading in the Company's share including the right to participate in the Rights issue is 2 January 2024, and the first day of trading in the Company's share excluding the right to participate in the Rights issue is 3 January 2024.
- The subscription period in the Rights issue commences on 8 January and ends on 22 January 2024.
- The Rights issue is secured to approximately 5.2 per cent by subscription commitments (approximately SEK 1.5 million) and to approximately 69.8 per cent by underwriting commitments (approximately SEK 20.4 million). Thus, the Rights issue is secured to 75.0 per cent.
- Each one (1) warrant of series TO4 will entitle the holder to subscribe for one (1) new share during the exercise period commencing on 7 May and ending on 21 May 2024, at a price corresponding to 70 per cent of the volume-weighted average price of the Company's share during the ten trading days between 19 April and 3 May 2024, but not less than SEK 0.40 per share and no more than SEK 0.48 per share.
- Each one (1) warrant of series TO5 will entitle the holder to subscribe for one (1) new share during the exercise period commencing on 7 October and ending on 18 October 2024, at a price corresponding to 70 per cent of the volume-weighted average price of the Company's share during the ten trading days between 20 September and 3 October 2024, but not less than SEK 0.40 per share and no more than SEK 0.52 per share.
- The Company has undertaken to repay the whole outstanding convertible loan to Formue Nord Fokus A/S and to issue a new convertible loan with a nominal value of SEK 5.0 million to Formue Nord Fokus A/S.
- The net proceeds from the Rights issue, the Warrants, and the Convertible issue are intended to be used for development of the Hautalampi project (SEK 12.0 million), repayment of interest-bearing debts (SEK 15.0 million), completion of the acquisition of FinnCobalt Oy (SEK 4.0 million), and financial flexibility for further operations through 2024.

Background and motive in brief

Eurobattery is a mining and exploration company that conducts targeted mineral exploration in Europe with a focus on raw materials for the ongoing electrification. The Company currently has two flagship projects focusing on nickel, cobalt and copper in northwestern Spain and eastern Finland.

In June 2023, the Company announced its second stake acquisition of shares in FinnCobalt, in accordance with the investment agreement that was entered in May 2020. Through the stake acquisition, Eurobattery increased its stake in FinnCobalt to 70 per cent and became majority owner in the Finnish Hautalampi project. During the past year, the Company has implemented extensive development in the project and achieved several important milestones. In March 2023, the Company was able to publish a Preliminary Feasibility Study (PFS) for Hautalampi, before submitting an updated Environmental Impact Assessment the same month which was approved in July 2023. In May 2023, the project achieved the highest classification as a viable mining project in the United Nations Framework Classification for Resources, and the following month, the Hautalampi mining right (K7802) was registered in the Finnish mining register.

The Preliminary Feasibility Study (PFS), prepared by FinnCobalt and AFRY Finland Oy, indicates a strong economic outlook for the Hautalampi mine. Based on the study and a total investment of approximately EUR 65.1 million, Eurobattery foresees a payback period of 4.6 years for the project with 12 years of anticipated mining operations. The Company expects that the investment cost will decrease and the project economics improve when the actual detailed engineering commences.

The Company now intends to accelerate the development of Hautalampi by applying for an environmental permit, delivering a bankable feasibility study, signing an off-take agreement and completing the acquisition of the project in the first half of 2024. Through these planned efforts, the Company is laying the foundation for the commencement of the project's construction phase (indicatively 2025–2026) and the start of mining operations (indicatively 2026).

With respect to Eurobattery's abovementioned development plans, the Company's assessment is that the existing working capital is not sufficient to finance the operations going forward. Thus, the Board of Directors has decided, subject to the approval from the Extraordinary General Meeting on 27 December 2023, to carry out the Rights issue of units of approximately SEK 29.3 million and the Convertible issue of SEK 5.0 million. The net proceeds from the Rights issue and any exercise of the associated Warrants as well as the Convertible issue are intended to be used for the following purposes:

- Development – SEK 12.0 million for submission of the environmental permit application and completion of the feasibility study in the Hautalampi project.
- Debt – SEK 15.0 million for repayment of all outstanding interest-bearing debts.
- Additional proceeds will be used to complete the acquisition of FinnCobalt (SEK 4.0 million) and create financial flexibility and working capital for further operations through 2024.

Terms of the Rights issue

The Board of Directors of Eurobattery has today, on 22 November 2023, subject to the approval of the Extraordinary General Meeting on 27 December 2023, decided to carry out a Rights issue of a maximum of 36,594,058 units with preferential rights for existing shareholders.

The main terms of the Rights issue are presented below:

- Anyone who is registered as a shareholder in Eurobattery on the record date, 4 January 2023, will receive one (1) unit right for every (1) existing share. One (1) unit right entitles the holder to subscribe for one (1) unit. One (1) unit consists of two (2) shares, one (1) warrant of series TO4 and one (1) warrant of series TO5.
- The last day of trading in the Company's share including the right to participate in the Rights issue is 2 January 2024, and the first day of trading in the Company's share excluding the right to participate in the Rights issue is 3 January 2024.
- The unit rights are expected to trade on NGM Nordic SME between 8 January and 17 January 2024.
- The subscription price is SEK 0.80 per unit, corresponding to SEK 0.40 per share (the Warrants are obtained free of charge).
- The subscription period commences on 8 January and ends on 22 January 2024.
- The Rights issue comprises an issue of a maximum of 73,188,116 shares, 36,594,058 warrants of series TO4 and 36,594,058 warrants of series TO5, implying gross proceeds of approximately SEK 29.3 million upon full subscription before any exercise of Warrants.
- Each one (1) warrant of series TO4 will entitle the holder to subscribe for one (1) new share during the exercise period commencing on 7 May and ending on 21 May 2024, at a price corresponding to 70 per cent of the volume-weighted average price of the Company's share during the ten trading days between 19 April and 3 May 2024, but not less than SEK 0.40 per share and no more than SEK 0.48 per share.
- Each one (1) warrant of series TO5 will entitle the holder to subscribe for one (1) new share during the exercise period commencing on 7 October and ending on 18 October 2024, at a price corresponding to 70 per cent of the volume-weighted average price of the Company's share during the ten trading days between 20 September and 3 October 2024, but not less than SEK 0.40 per share and no more than SEK 0.52 per share.
- Upon full utilisation of the Warrants, the Company can receive additional proceeds of at most SEK 36.6 million, assuming full subscription in the Rights issue.
- For existing shareholders who do not participate in the Rights issue the dilution will be approximately 66.7 per cent in the case of full subscription in the Rights issue. Assuming full subscription in the Rights issue, full utilisation of the warrants of series TO4 will cause an incremental dilution of 25 per cent. Assuming full subscription in the Rights issue and full utilisation of the warrants of series TO4, full utilisation of the warrants of series TO5 will cause an incremental dilution of 20 per cent, whereby the maximum total dilution amounts to 80 per cent.

- The new shares and Warrants issued through the Rights issue are intended to be taken up for trading on NGM Nordic SME.

Terms for the Convertible issue

Since 10 January 2023, the Company has an outstanding convertible loan with a nominal value of SEK 10.0 million to Formue Nord Fokus A/S, which entitles the holder to conversion of up to 2,500,000 new shares in the Company at a conversion price of SEK 4.0 per share. In connection with the Rights issue, the Company has undertaken to repay the whole outstanding convertible loan, of which SEK 5.0 million to be paid in cash and the remaining amount intended to be offset against new convertibles in the Convertible issue. The Convertible issue is intended to be decided with support from the authorisation that the Extraordinary General Meeting on 27 December 2023. The terms of the Convertible issue, including the conversion price, have been established through negotiations at arm's length with Formue Nord Fokus A/S and are deemed by the Board of Directors to be at market. The main conditions for the Convertible issue are stated below:

- A convertible loan of a nominal value of SEK 5.0 million, which carries the right to convert to 10,416,666 new shares until 9 August 2025 at a conversion price of SEK 0.48.
- Minimum conversion amount of SEK 1.0 million per occasion.
- To the extent that conversion has not occurred, the loan must be repaid in full on 9 August 2025 at the latest.
- The convertible loan carries an annual interest of 12 per cent plus STIBOR 3M, to be paid on a quarterly basis and on the final due date.
- Upon full conversion of the convertible, the number of shares will increase by 10,416,666 shares, implying a maximum dilution of approximately 5.4 per cent under the assumption of full subscription of the Rights issue and full utilisation of the Warrants that are issued in the Rights issue.
- The total subscription price amounts to 95 per cent of the total nominal amount. Payment shall be made through offset against Formue Nord Fokus A/S's claim under the outstanding convertible.
- In the event that the Company carries out a directed issue of shares, the holder of the convertible loan has the right, during a period of 10 days, to convert the entire convertible loan at a conversion price corresponding to the issue price in the directed issue.

Terms for the bridge financing

The Company has secured a bridge loan of SEK 4.35 million from Formue Nord Fokus A/S which will be repaid in full in connection with the registration of the new shares in the Rights Issue. The terms for the bridge loan are deemed by the Board of Directors to be at market. The main conditions for the bridge financing are stated below:

- Nominal value of SEK 4.35 million.
- The bridge loan carries a fixed interest rate of ten (10) per cent of the nominal loan amount for the period between the loan disbursement date and the repayment date.

- The bridge loan, including the loan amount and interest, shall be repaid in full upon registration of the new shares in the Rights issue, either in cash or through set-off against shares in the Rights issue.

Subscription and underwriting commitments

Prior to the publication of the Rights issue, the Company's Chairman Henrik Johannesson, Board member and CEO Roberto García Martínez (through company), and CFO Mattias Modén (through company) have entered into subscription commitments corresponding to their respective pro-rata shares amounting to a total of approximately SEK 1.5 million, or approximately 5.2 per cent, in the Rights issue, of which approximately SEK 1.2 million will be paid by means of set-off. In addition, a consortium of external investors have entered into underwriting commitments amounting to a total of approximately SEK 20.4 million, or 69.8 per cent, in the Rights Issue.

The subscription commitments do not entitle to any compensation. The underwriting commitments entitle to an underwriting fee amounting to fifteen (15) per cent in cash, implying a maximum cash cost of approximately SEK 3.1 million for the Company, or alternatively, twenty (20) per cent in the form of units. The subscription price for the units referred to in the underwriting compensation will be the same as the subscription price in the Rights issue.

Overall, the Rights issue is secured by subscription and underwriting commitments amounting to a total of approximately SEK 22.0 million, corresponding to 75.0 per cent of the Rights issue. Neither the subscription commitments nor the underwriting commitments are secured by bank guarantees, escrow funds, pledge or similar arrangements.

Indicative timetable for the Rights issue

22 November 2023	Decision on the Rights issue
27 December 2023	EGM
2 January 2024	Last day of trading including unit rights
3 January 2024	Estimated date for publication of the prospectus
3 January 2024	First day of trading excluding unit rights
4 January 2024	Record date for the Rights issue
8 January – 17 January 2024	Trading in unit rights at NGM Nordic SME
8 January – 22 January 2024	Subscription period
8 January 2024 – registration at the Swedish Companies Registration Office	Trading in interim units (BTU)
24 January 2024	Estimated date for announcement of the outcome of the Rights issue

Extraordinary General Meeting

The Board of Directors' decision on the Rights issue is conditional on the approval of the Extraordinary General Meeting on 27 December 2023. The Extraordinary General Meeting is also proposed to decide on an authorisation for the Board of Directors to issue convertibles, which is intended to be used to decide on the Convertible issue. The decision on the Rights issue also assumes, and is conditional on, that the limits on share capital and number of shares in the Company's articles of association are changed in accordance with the Board of Directors' proposal for the Extraordinary General Meeting. Notice to the Extraordinary General Meeting will be published through a separate press release.

Prospectus

The terms and conditions of the Rights issue will be included in the Company's EU growth prospectus, which is expected to be published around 3 January 2024. The prospectus and subscription form will be available on the Company's website, <https://investors.eurobatteryminerals.com/>.

Advisers

[Augment Partners AB](#) is acting as the financial advisor and Advokatfirman Schjødt is acting as the legal advisor to the Company in connection with the transaction.

IMPORTANT INFORMATION

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This press release is not a prospectus according to the definition in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") and has not been approved by any regulatory authority in any jurisdiction. A prospectus will be prepared by the Company and published on the Company's website after the prospectus has been reviewed and approved by the Swedish Financial Supervisory Authority (Sw. Finansinspektionen).

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Forward-looking statements

This press release contains forward-looking statements related to the Company's intentions, estimates or expectations with regard to the Company's future results, financial position, liquidity, development, outlook, estimated growth, strategies and opportunities as well as the markets in which the Company is active. Forward-looking statements are statements that do not refer to historical facts and can be identified by the use of terms such as "believes," "expects," "anticipates," "intends," "estimates," "will," "may," "implies," "should," "could" and, in each case, their negative, or comparable terminology. The forward-looking statements in this press release are based on various assumptions, which in several cases are based on further assumptions. Although the Company believes that the assumptions reflected in these forward-looking statements are reasonable, there is no guarantee that they will occur or that they are correct. Since these assumptions are based on assumptions or estimates and involve risks and uncertainties, actual results or outcomes, for many different reasons, may differ materially from those what is stated in the forward-looking statements. Due to such risks, uncertainties, eventualities and other significant factors, actual events may differ materially from the expectations that expressly or implicitly are contained in this press release through the forward-looking statements. The Company does not guarantee that the assumptions which serve as a basis for the forward-looking statements in this press release are correct, and each reader of the press release should not rely on the forward-looking statements in this press release. The information, opinions and forward-looking statements that expressly or implicitly are stated herein are provided only as of the date of this press release and may change. Neither the Company nor any other party will review, update, confirm or publicly announce any revision of any forward-looking statement to reflect events that occur or circumstances that arise with respect to the contents of this press release, beyond what is required by law or Nordic Growth Markets' rules.

About Eurobattery Minerals

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 [X](#) as well.

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This information is information that Eurobattery Minerals is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2023-11-22 08:45 CET.

Image Attachments

[Image](#)

Attachments

[Eurobattery Minerals decides on a rights issue of approximately SEK 29.3 million and undertakes to carry out a convertible issue of SEK 5.0 million](#)