

# **EUROBATTERY MINERALS DECIDES ON A DIRECTED ISSUE OF UNITS TO UNDERWRITERS IN CONNECTION WITH THE COMPLETED RIGHTS ISSUE AND A DIRECTED ISSUE OF CONVERTIBLES 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, with support from the authorisation from the Extraordinary General Meeting on 27 December 2023, decided on a directed issue of 4,980,152 units to underwriters who have entered into underwriting commitments in the rights issue of units which was decided on by the Board of Directors on 22 November 2023 (the "Rights issue") and who have chosen to receive underwriting remuneration in the form of new units in Eurobattery (the "Compensation issue"). The subscription price in the Compensation issue corresponds to the subscription price in the Rights issue, SEK 0.80 per unit (corresponding to SEK 0.40 per share, the warrants are obtained free of charge). One (1) unit consists of two (2) new shares, one (1) warrant of series TO4 and one (1) warrant of series TO5. Payment is made by offsetting claims. The Board of Directors of Eurobattery has also, with support from the authorisation from the Extraordinary General Meeting on 27 December 2023, decided to carry out a directed issue to Formue Nord Fokus A/S (the "Convertible issue") of convertible notes with a total nominal amount of SEK 5.0 million (the "Convertible notes"), in accordance with the intention communicated through a press release on 22 November 2023. The consideration for the Convertible issue will be paid by offsetting Formue Nord Fokus A/S's claim under the Company's previous convertible of series 2022/2023.

## **Terms for the Compensation issue**

In connection with the Rights issue, it was communicated that the Rights issue was covered by underwriting commitments amounting to a total of approximately SEK 20.4 million. In accordance with the underwriting agreements, underwriting commitments entitled to underwriting remuneration corresponding to fifteen (15) per cent of the underwritten amount in cash or twenty (20) per cent of the underwritten amount in units. Several underwriters have chosen to receive their remuneration in the form of units in the Company, and due to this, Eurobattery's Board of Directors has today decided on a directed Compensation issue of a total of 4,980,152 units, corresponding to approximately SEK 4.0 million, to said underwriters.

The subscription price in the Compensation issue corresponds to the subscription price in the Rights issue and was determined through negotiations between the underwriters and the Company, in consultation with advisors and through analysis of several market factors. The Board of Directors' assessment is therefore that the subscription price is at market, with consideration of current market conditions.

The reason for the deviation from the shareholders' pre-emptive right is to fulfil the Company's commitments to the underwriters as a cause of the entered underwriting agreements. Payment in the Compensation issue shall be made by offsetting the underwriters' claim for underwriting remuneration.

Through the Compensation issue, the number of shares in Eurobattery will increase by 9,960,304, from 93,171,534 to 103,131,838. The share capital will thereby increase by SEK 3,984,121.60, from SEK 37,268,613.60 to SEK 41,252,735.20. The Compensation issue thus entails a dilution effect on the Company's share of approximately 9.7 per cent.

Through the Compensation issue, 4,980,152 warrants of series TO4 and 4,980,152 warrants of series TO5 are issued. If all outstanding warrants of series TO4 and TO5, including the warrants issued through the Rights Issue, are exercised for subscription of new shares in the Company, the number of shares will increase by an additional 66,537,780 shares, entailing an increased dilution of approximately 39.2 per cent, of which a maximum of approximately 5.9 per cent is attributable to the warrants issued through the Compensation issue.

All units in the Compensation issue have been subscribed for and allotted to underwriters who have chosen to receive underwriting compensation in the form of units.

### **Terms for the Convertible issue**

The Company has an outstanding debt as a result of a convertible debenture with a nominal value of SEK 10.0 million which was issued to Formue Nord Fokus A/S as a result of a resolution by the Extraordinary General Meeting on 30 November 2022 and which entitled the holder to conversion of up to 2,500,000 new shares in the Company at a conversion price of SEK 4.00 per share. In connection with the Rights issue, the Company has undertaken to repay the whole outstanding debt including interest, of which approximately SEK 6.6 million is paid in cash and the remaining amount is offset against Convertible notes in the Convertible issue.

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:

- 5,000,000 Convertible notes with a total 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 notes carry 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 notes, the number of shares will increase by 10,416,666 shares, implying a maximum dilution of approximately 10.1 for the existing shareholders.
- The total subscription price for the Convertible notes amounts to 95 per cent of the total nominal amount. Payment shall be made by offsetting Formue Nord Fokus A/S's claim under the previous 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 loan amount at a conversion price corresponding to the issue price in the directed issue.

Formue Nord Fokus A/S has subscribed for and been allotted all Convertible notes in the Convertible issue.

The reason for the deviation from the shareholders' pre-emptive right is an agreement with Formue Nord Fokus A/S regarding a liquidity-efficient repayment of the outstanding debt as a result of the previous convertible debenture. The Board of Directors has considered the possibility of financing the repayment of the outstanding debt by carrying out a larger rights issue of shares than the Rights issue, or through a rights issue of convertible notes, but has made the assessment that such a rights issue would probably not be fully subscribed. Obtaining underwriting for such a rights issue would be costly for the Company. The Board of Directors' overall assessment is thus that the Convertible issue constitutes the most efficient financing of the repayment of the outstanding debt to Formue Nord Fokus A/S and is beneficial for the Company and its shareholders.

The subscription price for the Convertible notes has been determined through negotiations with Formue Nord Fokus A/S at arm's length, in consultation with advisors and through analysis of several market factors and is deemed by the Board of Directors – in light of the agreement – to be at market.

#### **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](http://www.eurobatteryminerals.com) for more information. Feel free to follow us on [LinkedIn](#) and [X](#) as well.

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**Attachments**

[Eurobattery Minerals decides on a directed issue of units to underwriters in connection with the completed rights issue and a directed issue of convertibles of SEK 5.0 million](#)