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EUROBATTERY MINERALS DECIDES ON A RIGHTS ISSUE OF UNITS OF APPROXIMATELY SEK 35.5 MILLION AND HAS UNDERTAKEN TO CARRY OUT A CONVERTIBLE ISSUE OF SEK 4.0 MILLION

The Board of Directors of the mining company 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 16 October 2024, decided to carry out a rights issue of a maximum of 50,744,017 units (the "Rights issue"). One (1) unit consists of seven (7) shares and four (4) warrants of series TO6 (the "Warrants"). The subscription price is SEK 0.70 per unit, whereby Eurobattery upon full subscription in the Rights issue would obtain a maximum of approximately SEK 35.5 million before issue costs. For each (1) existing share in the Company, one (1) unit right is obtained. Three (3) unit rights entitle the holder to subscribe for one (1) unit. The subscription period commences on 30 October and ends on 13 November 2024. The Board of Directors has also decided to propose that the Extraordinary General Meeting decides on an over-allotment issue of units of approximately SEK 10.0 million at most (the "Over-allotment issue") on the same terms as in the Rights issue. In connection with the Rights issue, the Company has undertaken to repay the outstanding convertible loan of SEK 5.0 million and issue a new convertible loan of SEK 4.0 million to Fenja Capital II A/S (the "Convertible issue"). Additionally, the Company has secured bridge financing of SEK 5.0 million, to be repaid in full in connection with the Company receiving the proceeds from the Rights issue. Upon full subscription in the Rights Issue, the number of shares in the Company will increase by a maximum of 355,208,119 shares, and upon full utilisation of the Over-allotment issue, the number of shares will increase by an additional 99,999,998 shares, before any exercise of the associated Warrants. In addition, the number of shares can increase by a maximum of 260,118,924 shares upon full utilisation of the Warrants, assuming full subscription in the Rights issue and the Over-allotment issue. The net proceeds from the Rights issue, the Warrants, and the Convertible issue are intended to be used for the preparation

of a bankable feasibility study for the Finnish battery mineral project Hautalampi, repayment of interest-bearing debt, working capital and financial flexibility. The Rights issue is covered by subscription commitments and underwriting commitments totalling approximately SEK 21.3 million, corresponding to approximately 60.0 per cent of the Rights issue.

The transaction in brief

- Upon full subscription in the Rights issue, Eurobattery will obtain gross proceeds of approximately SEK 35.5 million before issue costs, and an additional approximately SEK 10.0 million upon full utilisation of the Over-allotment issue. In the event of full utilisation of the Warrants, the Company can obtain an additional maximum of approximately SEK 31.2 million, assuming full subscription in the Rights issue and the Over-allotment issue.
- The subscription price in the Rights issue is SEK 0.70 per unit, corresponding to SEK 0.10 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. Three (3) unit rights entitle the holder to subscribe for one (1) unit. One (1) unit consists of seven (7) new shares and four (4) Warrants.
- The record date for the right to participate in the Rights issue is 28 October 2024, which means that the last day of trading in the Company's share including the right to participate in the Rights issue is 24 October 2024, and the first day of trading in the Company's share excluding the right to participate in the Rights issue is 25 October 2024.
- The subscription period in the Rights issue will commence on 30 October and end on 13 November 2024.
- The Rights issue is covered by subscription commitments and underwriting commitments totalling approximately 60.0 per cent (approximately SEK 21.3 million), of which approximately 8.7 per cent through subscription commitments (approximately SEK 3.1 million) and approximately 51.3 per cent through underwriting commitments (approximately SEK 18.2 million).
- One (1) Warrant will entitle the holder to subscribe for one (1) new share during the exercise period commencing on 12 May and ending on 23 May 2025, at a price corresponding to 70 per cent of the volume-weighted average price of the Company's share during the period commencing on 24 April and ending on 8 May 2025, but not less than the nominal share price and no more than SEK 0.12 per share.
- The Company has undertaken to repay the whole outstanding convertible loan of SEK 5.0 million to Fenja Capital II A/S and to issue a new convertible loan with a nominal value of SEK 4.0 million to Fenja Capital II A/S.
- The net proceeds from the Rights issue, the Warrants, and the Convertible issue are intended to be used for the preparation of a bankable feasibility study for the Hautalampi project (SEK 5.7 million), repayment of interest-bearing debt (SEK 11.1 million), working capital until at least the exercise period of the Warrants in May 2025 (SEK 3.4 million) as well as financial flexibility for further operations and potential future M&A transactions.

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 eastern Finland and northwestern Spain.

In July 2024, Eurobattery executed the third and final stake acquisition of shares in FinnCobalt Oy and thereby gained full ownership in the Finnish battery mineral project Hautalampi where the Company has carried out significant work efforts since 2020, and where several important milestones have been achieved during 2024. In January, the process design for the project's concentration plant was initiated, and in April, an environmental permit application was submitted to the Finnish Regional State Administrative Agency. The following month, a memorandum of understanding was signed for the development of local photovoltaic production at the project site, and shortly thereafter the acquisition of the project was completed. Later, in August, the Company applied for the Hautalampi project to be classified as a Strategic Project under the Critical Raw Materials Act ("CRMA"), and in the same month, a non-binding offtake agreement was signed with Boliden AB for the full copper concentrate production in the Hautalampi project.

The Company continues to engage in contacts with potential offtakers for the nickel–cobalt concentrate production with the aim to sign additional offtake agreement(s) in 2024. At the same time, the Company awaits a potential recognition of Hautalampi as a Strategic Project under CRMA, which is expected to lead to more streamlined permitting procedures and provide access to the EU's financing facilities, indicatively in December 2024. In parallel, the Company intends to continue its cooperation with Finnish authorities with the goal of obtaining an approved environmental permit by May 2025, as well as completing a bankable feasibility study for the Hautalampi project in 2025. With these milestones in place, Eurobattery is expected to be ready to initiate the construction phase of the Hautalampi project, and later commence commercial production of nickel–cobalt and copper concentrate.

In light of Eurobattery's development plans established above, the assessment is made that the existing working capital is not sufficient to finance the operations going forward. The Board of Directors has thus, subject to the approval of the Extraordinary General Meeting on 16 October 2024, decided to carry out the Rights issue of approximately SEK 35.5 million and has undertaken to carry out the Convertible issue of SEK 4.0 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:

- Feasibility study – SEK 5.7 million to prepare a bankable feasibility for the Hautalampi project in 2025.
- Debt – SEK 11.1 million for repayment of all outstanding interest-bearing debt.
- Working capital – SEK 3.4 million to secure working capital at least until the exercise period of the Warrants in May 2025.

- Additional proceeds are intended to be used to generate financial flexibility for further operations and potential future M&A transactions.

In order to cover a potential over-subscription in the Rights issue, the Board of Directors of the Company has resolved to propose the Extraordinary General Meeting to resolve on a directed issue to be able to offer additional units, corresponding to a maximum of SEK 10.0 million, through the Over-allotment issue. The net proceeds from the Over-allotment issue and the Warrants are intended to contribute to increased financial flexibility with respect to what has been described above.

Terms of the Rights issue and the Over-allotment issue

The Board of Directors of Eurobattery has today, on 16 September 2024, subject to the approval of the Extraordinary General Meeting on 16 October 2024, decided to carry out a Rights issue of a maximum of 50,744,017 units with preferential rights for existing shareholders. The Board of Directors has also proposed that the Extraordinary General Meeting decides on an Over-allotment issue of approximately SEK 10.0 million (14,285,714 units) in order to cover a potential over-subscription in the Rights issue.

The main terms of the Rights issue are presented below:

- Anyone who is registered as a shareholder in Eurobattery on the record date, 28 October 2024, will receive one (1) unit right for every (1) existing share. Three (3) unit rights entitle the holder to subscribe for one (1) unit. One (1) unit consists of seven (7) shares and four (4) Warrants.
- The last day of trading in the Company's share including the right to participate in the Rights issue is 24 October 2024, and the first day of trading in the Company's share excluding the right to participate in the Rights issue is 25 October 2024.
- The unit rights are expected to trade on NGM Nordic SME between 30 October and 8 November 2024.
- The subscription price is SEK 0.70 per unit, corresponding to SEK 0.10 per share (the Warrants are obtained free of charge).
- The subscription period commences on 30 October and ends on 13 November 2024.
- The Rights issue comprises an issue of a maximum of 355,208,119 shares and 202,976,068 Warrants, implying gross proceeds of approximately SEK 35.5 million at most upon full subscription before any exercise of Warrants and issue costs which are estimated to amount to a maximum of approximately SEK 5.3 million (including underwriting fee). In the event of full utilisation of the Over-allotment issue, an additional maximum of 99,999,998 shares and 57,142,856 Warrants may be issued, resulting in additional gross proceeds of approximately SEK 10.0 million before any exercise of Warrants and issue costs which are estimated to amount to a maximum of approximately SEK 0.5 million.

- One (1) Warrant will entitle the holder to subscribe for one (1) new share during the exercise period commencing on 12 May and ending on 23 May 2025, at a price corresponding to 70 per cent of the volume-weighted average price of the Company's share during the period commencing on 24 April and ending on 8 May 2025, but not less than the nominal share price and no more than SEK 0.12 per share.
- Upon full subscription in the Rights issue and the Over-allotment issue, full utilisation of the issued Warrants will generate additional gross proceeds for the Company of up to approximately SEK 31.2 million, before issue costs which are estimated to amount to a maximum approximately SEK 1.1 million.
- For existing shareholders who do not participate in the Rights issue the dilution will be 70.0 per cent in the case of full subscription in the Rights issue and an additional approximately 16.5 per cent in the case of full utilisation of the Over-allotment issue. Under the condition of full subscription in the Rights issue and the Over-allotment issue, as well as full utilisation of all the associated Warrants, the maximum total dilution amounts to approximately 82.5 per cent.
- The new shares and Warrants are intended to be taken up for trading on NGM Nordic SME.

The subscription price and the other terms of the Over-allotment issue are the same as those of the Rights issue.

Terms for the Convertible issue

Since 1 February 2024, the Company has an outstanding convertible loan with a nominal value of SEK 5.0 million to Fenja Capital II A/S, which entitles the holder to conversion of up to 10,416,666 new shares in the Company at a conversion price of SEK 0.48 per share. In connection with the Rights issue, the Company has undertaken to repay the whole outstanding convertible loan, of which SEK 1.2 million is to be paid in cash and the remaining amount is intended to be offset against new convertibles in the Convertible issue. The Convertible issue is intended to be decided with support of the authorisation from the Extraordinary General Meeting on 16 October 2024. The terms of the Convertible issue, including the conversion price, have been established through negotiations at arm's length with Fenja Capital II 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 4.0 million, which carries the right to convert to 33,333,333 new shares until 20 June 2026 at a conversion price of SEK 0.12 per share.
- 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 20 June 2026 at the latest.
- The convertible loan carries an annual interest of twelve (12) per cent plus STIBOR 3M, but not less than fifteen (15) per cent, 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 33,333,333 shares, implying a maximum dilution of approximately 3.7 per cent under the assumption of full subscription of the Rights issue, Over-allotment issue, and full utilisation of the thereby issued Warrants.

- The total subscription price amounts to 95 per cent of the total nominal amount. Payment shall be made through offset against Fenja Capital II 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 5.0 million from parties who have entered into underwriting commitments in the Rights issue, to be repaid in full in connection with the Company receiving the proceeds from 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 5.0 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 in connection with the Company receiving the proceeds from 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 Jan Olof Arnbom, Board member Eckhard Cordes, Board member and CEO Roberto García Martínez (through company), and CFO Mattias Modén (through company) have entered into subscription commitments corresponding at least to their respective pro-rata shares amounting to a total of approximately SEK 2.9 million, or approximately 8.3 per cent, in the Rights issue. The Company has also received a subscription commitment from past Board member Henrik Johannesson of approximately SEK 0.2 million, or approximately 0.5 per cent, in the Rights issue, meaning that the Rights issue is covered by subscription commitments totalling approximately SEK 3.1 million, or approximately 8.7 per cent, of which approximately SEK 3.1 million will be paid by means of set-off. Furthermore, Fenja Capital II A /S and a consortium around Buntel AB have entered into underwriting commitments amounting to a total of approximately SEK 18.2 million, or 51.3 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 2.7 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 21.3 million, corresponding to approximately 60.0 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

16 October 2024	Extraordinary General Meeting
24 October 2024	Last day of trading including unit rights
25 October 2024	First day of trading excluding unit rights
28 October 2024	Record date for the Rights issue
28 October 2024	Estimated date for publication of the prospectus
30 October 2024 – 8 November 2024	Trading in unit rights at NGM Nordic SME
30 October 2024 – 13 November 2024	Subscription period
30 October 2024 – registration at the Swedish Companies Registration Office	Trading in interim units (BTU)
15 November 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 16 October 2024. The Extraordinary General Meeting is also proposed to decide on the Over-allotment issue as well as to authorise 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 as well as that the Company's share capital is reduced 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 full terms and conditions of the Rights issue and the Over-allotment issue will be included in the Company's EU growth prospectus, which is expected to be published around 28 October 2024. The prospectus and subscription form will be available on the Company's website, <https://investors.eurobatteryminerals.com/>.

Warrants of series T05

The Company has 33,268,890 outstanding warrants of series T05 which will entitle to subscription for as many shares 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.

In light of the current share price in relation to the subscription price interval for the warrants of series T05, the Company makes the assessment that no warrants of series T05 are expected to be exercised. In the event that the warrants of series T05 are exercised, an additional maximum of 11,089,630 units may be issued through the Rights issue, whereby the Company would obtain additional proceeds of approximately SEK 7.8 million at most before issue costs, assuming full utilisation of the warrants of series T05 as well as full subscription in the Rights issue.

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.

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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 2024-09-16 07:30 CEST.

Attachments

[Eurobattery Minerals decides on a rights issue of units of approximately SEK 35.5 million and has undertaken to carry out a convertible issue of SEK 4.0 million](#)