



Eurobattery Minerals decides on a directed issue of convertibles of SEK 18 million

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The Board of Eurobattery Minerals AB ("Eurobattery" or "the Company"), a growth company in the mining and exploration industry with the vision to help Europe become self-sufficient in ethical battery minerals, has today, based on the authorization from the annual general meeting on 1 June 2021, decided to carry out a directed issue of convertibles to Formue Nord Fokus A/S ("the Convertible issue"). The Company will receive a nominal amount of SEK 18.0 million before issue and borrowing costs to finance the acquisition of additional shares in FinnCobalt Oyj ("FinnCobalt"), in line with existing agreements, and finance additional value-created investments and create flexibility in acquiring other projects or parts thereof.

Background and motive

Today, Eurobattery has seven exploration permits for rare metals in Sweden, the Corcel project located in La Coruña, the Bibi project in Ourense, Galicia, northwestern Spain, and the Hautalampi project in eastern Finland through the step-by-step opportunity to acquire 100 percent of FinnCobalt (formerly Vulcan Hautalampi Oy).

During 2021 and 2022, Eurobattery has carried out drilling campaigns in the Hautalampi project, which now enable the Company to acquire 40 percent of FinnCobalt. The Convertible issue enables further escalation of the Hautalampi project by additional value-creating investments. These investments enable a larger share of FinnCobalt to be acquired in the future. In 2023, Eurobattery intends to have invested in the Hautalampi project to the extent that 100 percent ownership of FinnCobalt can be achieved.

The proceeds from the Convertible issue will also give the Company greater flexibility and bargaining power in the acquisition of further projects that are a part of the Company's future growth. The net proceeds are intended to be used for the following purposes:

- Acquisition of 40 percent of FinnCobalt.
- Finance additional value-created investments in the Hautalampi project to continue to enable the acquisition of FinnCobalt.
- Expand the exploration in Corcel to Monte Mayor and Monte Castello based on the positive results so far.
- Acquire other projects, or parts thereof, that the Company has in its pipeline.

The Convertible issue

The Board of the Company has, based on the authorization from the annual general meeting on 1 June 2021, decided to carry out a directed issue of convertibles to Formue Nord Fokus A/S. The reason for the deviation from the shareholders' preferential rights is the possibility of a time- and cost-effective raising of capital to enable investments for continued growth. The convertible terms, including the conversion price, have been determined through negotiations with Formue Nord Fokus A/S and are deemed by the Board to be market-based. The Convertible issue amounts to SEK 18.0 million before issue and borrowing costs in accordance with the terms below:

- 1,200,000 convertibles, which entails the right to convert 1,200,000 new shares until 11 April 2023.
- Conversion price of SEK 15.0 per new share until 11 April 2023.
- Nominal borrowing amount of SEK 18.0 million.
- The convertible holder is entitled during the period from the date of payment until 11 April 2023 to convert the loan into shares.
- Minimum conversion of SEK 4.5 million each time.
- If the entire loan has not been converted, repayment of the loan must take place no later than 11 April 2023.
- The convertibles have a yearly interest of twelve (12) percent, due for payment quarterly and on the final due date.
- Full conversion of the convertibles entails an increase of the share capital of SEK 1,200,000.00 and dilution of approximately seven (7) percent.
- If the Company carries out a directed issue of shares, the convertible holder has the right to convert the convertible over a 10-day period to a conversion price corresponding to the issue price in the directed issue, however, to a minimum of SEK 6.0.

Advisers

Augment Partners AB is acting as the financial advisor and Bird & Bird Advokat KB is acting as the legal advisor in the Convertible issue.

For more information, please contact:

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This information is of the kind that the Company is required to disclose in accordance with the EU's Market Abuse Regulation. The information was issued for publication through the agency of the contact person set out above on April 7 2022 at 07:30 CET.

About Eurobattery Minerals

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.

Visit www.eurobatteryminerals.com for more information.

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

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