



EBM decides on a rights issue of approx. SEK 49.6M and proposes an authorisation for an over-allotment issue of an additional approx. SEK 15M and decides on the issue of a convertible loan of SEK 10M

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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 30 November 2022, decided to carry out a rights issue of a maximum of 16,522,237 units (the "Rights issue"). One (1) unit consists of one (1) share and one (1) warrant. The subscription price for a unit is SEK 3.00, whereby Eurobattery upon full subscription in the Rights issue would obtain approximately SEK 49.6 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 7 December and ends on 21 December 2022. The Board of Directors has also decided to propose that the Extraordinary General Meeting authorises the Board of Directors to decide on an over-allotment issue of units of approximately SEK 15.0 million (the "Over-allotment issue") on the same terms as in the Rights issue. In connection with the Rights issue, the Company has undertaken to partially repay the outstanding convertible loan to Formue Nord Fokus A/S, which has committed to set off the rest of the convertible loan against a newly issued convertible loan of SEK 10.0 million (the "Convertible issue"). As part of the agreement regarding the repayment of the outstanding convertible loan, Formue Nord Fokus A/S will receive 3,333,333 warrants of the same series as the warrants issued through the Rights Issue free of charge. Upon full subscription in the Rights Issue, the number of shares in the Company will increase by 16,522,237 shares, and upon full utilisation of the Over-allotment issue, the number of shares will increase by an additional 5,000,000 shares before any exercise of warrants. In addition, the number of shares can increase by a maximum of 24,855,570 shares upon full utilisation of all warrants, assuming full subscription in the Rights issue and the Over-allotment issue. The proceeds from the Rights issue and the warrants will be used for partial repayment of the current convertible loan to Formue Nord Fokus A/S, completion of the acquisition of FinnCobalt Oy

("FinnCobalt"), as well as to finance the development of the mining operations in Hautalampi and Corcel. The Rights issue is secured to approximately SEK 24.8 million, corresponding to 50.0 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 SEK 49.6 million, before issue costs, and an additional SEK 15.0 million upon full utilisation of the Over-allotment issue. In the event of full utilisation of the warrants, including the warrants issued to Formue Nord Fokus A/S, the Company can obtain a minimum of approximately SEK 24.9 million and a maximum of approximately SEK 96.9 million, assuming full subscription in the Rights issue and the Over-allotment issue.
- The subscription price in the Rights issue is SEK 3.00 per unit, corresponding to SEK 3.00 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 one (1) share and one (1) warrant.
- The record date is 5 December 2022, which means that the last day of trading in the Company's share including the right to participate in the Rights issue is 1 December 2022, and the first day of trading in the Company's shares excluding the right to participate in the Rights issue is 2 December 2022.
- The subscription period in the Rights issue commences on 7 December and ends on 21 December 2022.
- The Rights issue is secured to approximately 3.4 per cent by subscription commitments (approximately SEK 1.7 million) and to 46.6 per cent by underwriting commitments (approximately SEK 23.1 million). Thus, the Rights issue is secured to approximately 50.0 per cent.
- The subscription price for the subscription of shares by exercise of warrants will be determined based on the volume-weighted average price of the Company's shares on NGM Nordic SME from 6 March to 17 March 2023 with a discount of 30 per cent, however, not less than the nominal share price (SEK 1.00) and no more than SEK 3.90.
- Each (1) warrant will entitle the holder to subscribe for one (1) new share during the period ranging from 20 March to 31 March 2023.
- The Company has undertaken to partially repay the outstanding convertible loan to Formue Nord Fokus A/S, which has committed to set off the rest of the convertible loan against a newly issued convertible loan with a nominal value of SEK 10.0 million, which will entitle to the subscription of a maximum of 2,500,000 new shares until 21 December 2023. Formue Nord Fokus A/S will also receive 3,333,333 warrants of the same series as the warrants issued through the Rights Issue.
- The net proceeds from the Rights issue and the warrants will be used to partially repay the current convertible loan to Formue Nord Fokus A/S (SEK 8.0 million), complete the acquisition of FinnCobalt (SEK 6.0 million) and to finance and develop the mining operations in Hautalampi (SEK 20.0 million) and Corcel (SEK 20.0 million). Additional net proceeds will be used to strengthen the Company's capital structure as well as to generate financial flexibility for future potential 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 (for example nickel, copper and cobalt). The Company currently has two flagship projects focusing on nickel, cobalt and copper in northwestern Spain and eastern Finland.

Since 1 July 2022, Eurobattery holds 40 per cent of FinnCobalt Oy and the Hautalampi project due to the investment agreement that was signed in May 2020. The Company intends to complete the acquisition of 100 per cent of the shares in FinnCobalt during the first half of

2023. The development in Hautalampi has been favourable and in June 2021 the Company was able to increase the project's measured, indicated and inferred resource tonnage by approximately 100 per cent and the metal content by approximately 50 per cent. In October 2022 the Company was able to confirm a further increase in the metal content of approximately 40 per cent. In addition to the completion of the acquisition of Hautalampi, the Company expects to publish an updated preliminary economic assessment (PEA) and a preliminary feasibility study (PFS) for Hautalampi during Q1 2023.

The Spanish Corcel project has also shown good progress since the Company's acquisition of Corcel Minerals S.L. in February 2019. During June 2022, based on previous studies and established NI 43-101 report, the Company was able to estimate the deposit at approximately 60 million tonnes with a significant nickel content. With only 10 per cent of the deposit, the Company could supply nickel for the production of at least 500,000 car batteries. In August 2022, Corcel was taken one step closer to its mining phase when the necessary information for completion of the environmental impact statement and the operating permit was submitted to local authorities. The Company is expected to publish new metallurgical results in Q4 2022 and to start a third drilling campaign in Q1 2023, with the aim of accelerating Corcel to the same project stage as Hautalampi.

With respect to Eurobattery's 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 the approval of the Extraordinary General Meeting on 30 November 2022, to carry out the Rights issue of units of approximately SEK 49.6 million. The net proceeds from the Rights Issue and any exercise of the associated warrants are intended to be used for the following purposes, arranged in order of priority:

- Convertible loan – SEK 8.0 million for partial repayment of the current convertible loan to Formue Nord Fokus A/S.
- Acquisition – SEK 6.0 million to complete the acquisition of all shares in FinnCobalt.
- Hautalampi – SEK 20.0 million for base work and construction of the Hautalampi mining facility.
- Corcel – SEK 20.0 million to be used for financing of a new drilling campaign in Corcel.
- Additional net proceeds will be used to strengthen the Company's capital structure as well as to generate financial flexibility for potential future M&A deals, which are continuously being evaluated by the Company's Board of Directors.

In order to take advantage of an over-subscription in the Rights issue, the Company has undertaken to offer additional units, corresponding to a maximum of SEK 15.0 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, the Over-allotment issue and the Convertible issue

The Board of Directors of Eurobattery has today, on 31 October 2022, subject to the approval of the Extraordinary General Meeting on 30 November 2022, decided to carry out a Rights issue of a maximum of 16,522,237 units with preferential rights for existing shareholders. The Board of Directors has also proposed the Extraordinary General Meeting to authorise the Board of Directors to decide on an Over-allotment issue of SEK 15.0 million (5,000,000 units) in order to take advantage of any 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, 5 December 2022, 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 one (1)

share and one (1) warrant.

- The last day of trading in the Company's share including the right to participate in the Rights issue is 1 December 2022, and the first day of trading in the Company's share excluding the right to participate in the Rights issue is 2 December 2022.
- The unit rights are expected to trade on NGM Nordic SME from 7 December to 16 December 2022.
- The subscription price is SEK 3.00 per unit, corresponding to SEK 3.00 per share (the warrants are obtained free of charge). The subscription price corresponds to a discount of approximately 67.4 per cent compared to the volume-weighted average price of the Company's share on NGM Nordic SME during the ten trading days between 17 December and 28 October 2022, and a discount of approximately 50.8 per cent to the corresponding theoretical ex-rights price ("TERP") assuming full subscription in the Rights issue.
- The subscription period commences on 7 December and ends on 21 December 2022.
- The Rights issue consists of an issue of a maximum of 16,522,237 shares and 16,522,237 warrants, implying gross proceeds of approximately SEK 49.6 million upon full subscription before any exercise of warrants. In the event of full utilisation of the Over-allotment issue, an additional maximum of 5,000,000 shares and 5,000,000 warrants may be issued, resulting in additional gross proceeds of SEK 15.0 million before any exercise of warrants.
- Each (1) warrant issued will give the right to subscribe for one (1) new share in the Company during the period from 20 March to 31 March 2023.
- The subscription price for subscription of shares by exercise of warrants will be determined based on the volume-weighted average price of the Company's share on NGM Nordic SME from 6 March to 17 March 2023 with a discount of 30 per cent. However, the subscription price will not be less than the nominal share price, SEK 1.00, and no more than SEK 3.90. Upon full subscription in the Rights issue and the Over-allotment issue, full utilisation of the warrants, including the warrants issued to Formue Nord Fokus A/S, will generate additional gross proceeds to the Company of at least approximately SEK 24.9 million and at most approximately SEK 96.9 million.
- For existing shareholders who do not participate in the Rights issue the dilution will be 50.0 per cent in the case of full subscription in the Rights issue and an additional 13.1 per cent in the case of full utilisation of the Over-allotment issue, assuming full subscription of the Rights Issue. Under the condition of full subscription in the Rights issue and the Over-allotment issue, as well as full utilisation of all the corresponding warrants and the warrants issued to Formue Nord Fokus A/S, the maximum dilution amounts to 73.7 per cent.

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

Since 7 April 2022, Eurobattery has an outstanding convertible loan with a nominal value of SEK 18.0 million to Formue Nord Fokus A/S, which entitles the holder to conversion of up to 1,200,000 new shares in the Company at a conversion price of SEK 15.0 per share. In connection with the Rights issue, the Company has undertaken to repay SEK 8.0 million of the current convertible loan to Formue Nord Fokus A/S, who has committed to offset the remaining convertible loan against a newly issued convertible loan with a nominal value of SEK 10.0 million. As part of the agreement regarding the repayment of the outstanding convertible loan, Formue Nord Fokus A/S will obtain 3,333,333 warrants free of charge, of the same series as those issued free of charge as part of the Rights issue. The terms of the convertible, including the conversion price, have been established through negotiations 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 10.0 million, which carries the right to convert to 2,500,000 new shares until 21 December 2023 at a conversion price of SEK 4.00.

- Minimum conversion amount of SEK 2.5 million per occasion.
- In the event that the entire convertible loan is not converted, the loan must be repaid in full on 21 December 2023 at the latest.
- The convertible loan has an annual interest of 12 per cent, to be paid on a quarterly basis and on the final due date.
- Upon full conversion of the convertible, the share capital will increase by SEK 2,500,000 and the number of shares by 2,500,000 shares, implying a maximum dilution of approximately 3.8 per cent under the assumption of full subscription of the Rights issue, the Over-allotment issue and full utilisation of the corresponding warrants and the warrants issued to Formue Nord Fokus A/S.
- The commitment fee amounts to 5 per cent of the loan amount.
- 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.

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 fully owned company), and CFO Mattias Modén (through fully owned company) have entered into subscription commitments corresponding to their respective pro-rata shares amounting to a total of approximately SEK 1.3 million, or 2.6 per cent, of the Rights issue. In addition, current shareholders have entered into subscription commitments amounting to a total of approximately SEK 0.4 million, or 0.8 per cent. Furthermore, Roberto García Martínez, as well as a consortium of existing and external investors have entered into underwriting commitments amounting to a total of approximately SEK 23.1 million, or 46.6 per cent, of the Rights Issue.

The subscription commitments do not entitle to any compensation. The underwriting commitments entitle to an underwriting fee amounting to twelve (12) per cent in cash, implying a maximum cash cost of approximately SEK 2.8 million for the Company, or alternatively, fourteen (14) per cent in the form of units. The subscription price for the units referred to in the underwriting compensation will be based on the volume-weighted average price for the Company's shares during the subscription period for the Rights issue, but not less than SEK 3.00.

Overall, the Rights issue is secured by subscription and underwriting commitments amounting to a total of approximately SEK 24.8 million, corresponding to 50.0 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

31 October 2022	Decision on the Rights issue
1 December 2022	Last day of trading including unit rights
2 December 2022	First day of trading excluding unit rights
2 December 2022	Estimated date for publication of the prospectus
5 December 2022	Record date for the Rights issue
7 December – 16 December 2022	Trading in unit rights at NGM Nordic SME
7 December – 21 December 2022	Subscription period
7 December 2022 – registration at the Swedish Companies Registration Office	Trading in interim units (BTU)
22 December 2022	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 30 November 2022. The Extraordinary General Meeting on 30 November 2022 is also proposed to decide on the Convertible issue and to authorise the Board of Directors to decide on the Over-allotment 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 and the Over-allotment issue will be included in the Company's EU growth prospectus, which is expected to be published on 2 December 2022. The prospectus and subscription form will be available on the Company's website, www.eurobatteryminerals.com/ir/.

Disclaimer

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 Roberto García Martínez, CEO of Eurobattery Minerals AB, on 31st of October 2022 at 07:30 CET.

Advisers

[Augment Partners AB](#) is acting as the financial advisor and Bird & Bird Advokat KB is acting as the legal advisor in the transaction.

For more information, please contact

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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 [Twitter](#) as well.

Mentor

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