



## **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) has, 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.

#### **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

#### **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/>.

Please note that this is not the full information about the Rights Issue. For more details, please read the press release: <https://investors.eurobatteryminerals.com/en/press-releases/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/>

### **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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### **Forward-looking statements**

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