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Freemelt announces intention to carry out a directed share issue

Freemelt Holding AB (publ) ("Freemelt" or the "Company") hereby announces its intention to carry out a directed issue new ordinary shares through an accelerated book-building procedure, in an amount of approximately SEK 60 million, to Swedish and international institutional investors (the "Directed Share Issue"). The Company has obtained interest from major shareholders and external investors, including Stiftelsen Industrifonden, Coeli Circulus, Bengt Julander, and Carlbergssjön AB to subscribe for shares in the Directed Share Issue. Furthermore, the Company's board members Carl Palmstierna, Staffan Zackrisson, Cecilia Jinert Johansson and Johannes Heinrich Schleifenbaum as well as the Company's CEO Daniel Gidlund, have expressed interest of participating in the Directed Share Issue, which is subject to a resolution by the extraordinary general meeting. In total, the indication of interests amounts to approximately SEK 50 million. Freemelt has appointed ABG Sundal Collier to act as Sole Bookrunner to explore the conditions to carry out the Directed Share Issue.

The Directed Share Issue

The Board of Directors of Freemelt intends to resolve on the Directed Share Issue, without preferential rights of the Company's shareholders, based on the authorisation granted by the annual general meeting held on 24 May 2022 ("**Tranche 1**"). In accordance with the proposal by the Company's shareholder Carlbergssjön AB, the Board of Directors intends to summon the Company's shareholders for an extra general meeting to be held to resolve on a directed share issue, without preferential rights of the shareholders, directed to the Company's CEO and those of the Company's board members that indicated their interest to participate in the Directed Share Issue ("**Tranche 2**"). If the board of directors resolves on the Directed Share Issue the Company will publish a separate notice to an extraordinary general meeting to resolve on Tranche 2, which is expected to be held on 13 March 2023.

The Company has obtained indications of interest from major shareholders and external investors, including Stiftelsen Industrifonden ("**Industrifonden**"), Coeli Circulus, Bengt Julander and Carlbergssjön AB, to subscribe for shares corresponding to approximately SEK 50 million in the Directed Share Issue. The indications of interest from Industrifonden, Coeli Circulus, Bengt Julander are conditional on the election of Per Anell as a new board member in the Company at the annual general meeting of the Company, which is expected to be held 25 May 2023. The Board of Directors of Freemelt is positive to Per Anell being elected as a new board member by the Company's shareholders, as well as to proposals to, ahead of the next annual general meeting, to prepare principles for the nomination committee to be established and resolved on at the annual general meeting in 2023. Indications of interest to participate in the Directed Share Issue have also been

provided by the Company's board members Carl Palmstierna, Staffan Zackrisson, Cecilia Jinert Johansson and Johannes Heinrich Schleifenbaum as well as the Company's CEO Daniel Gidlund, whose participation is comprised in Tranche 2 and thus subject to a resolution by the extraordinary general meeting.

The offer price per share and the total number of new ordinary shares in the Directed Share Issue will be determined through an accelerated book-building procedure, which will commence immediately following publication of this press release. Pricing and allocation of the new shares is expected to take place prior to the commencement of trading on Nasdaq First North Growth Market at 09.00 CET on 22 February 2023.

The timing of closing, pricing and allocation in the book-building procedure is at the discretion of the Company and the book-building procedure may close earlier or later and may be cancelled at any point in time. The Company will announce the outcome of the Directed Share Issue in a subsequent press release after the book-building procedure has been completed.

Background and reasons

The net proceeds from the Directed Share Issue will be used to accelerate the industrial machine eMELT, strengthening the sales and service organisation, working capital and investments to promote continued organic growth, including, inter alia, development resources and supply capacity.

The Company's Board of Directors has made an overall assessment and carefully considered the possibility to raise capital through a preferential rights issue, but considers that it, for example, would entail a risk that the Company cannot provide for its capital needs and at the same time maintain an optimal capital structure. The Board of Directors has concluded that a rights issue, compared to the Directed Share Issue, (i) would take significantly longer time to execute and thereby entail increased market risk exposure, (ii) would require significant underwriting commitments from an underwriting syndicate given the current market volatility, which would entail additional costs and/or additional dilution depending on the type of consideration paid for such underwriting commitments, (iii) likely would have had to be made at a lower subscription price given the discount levels in rights issues completed on the market in recent time, and (iv) unlike a rights issue, the Directed Share Issue is to some extent expected to broaden the shareholder base and provide the Company with new reputable institutional owners and strategic investors. Considering the above, the Board of Directors has made the assessment that a directed share issue with deviation from the shareholders' preferential right is the most favourable alternative for Freemelt and in the best interest of the Company's shareholders and thus considers that the reasons outweigh the main rule that new issues must be carried out with preferential rights for the shareholders.

As the subscription price in the Directed Share Issue will be determined through a book-building procedure, the Board of Directors assesses that the subscription price will reflect current market conditions and demand.

The Directed Share Issue is conditional on, among other things, that the Board of Directors of Freemelt, following completion of the accelerated book-building procedure, resolves on the Directed Share Issue and, for Tranche 2, that the extraordinary general meeting expected to be held 13 March 2023 resolves on Tranche 2. Notice to the extraordinary general meeting is expected to be published in connection with the publication of the outcome of the accelerated book-building procedure. The execution of Tranche 1 is not conditional upon Tranche 2 being carried out.

Advisers

ABG Sundal Collier is acting as Sole Bookrunner in connection with the Directed Share Issue and Baker McKenzie is acting as legal advisor to Freemelt.

For more information, please contact:

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This information is such that Freemelt Holding AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation 596/2014. The information was submitted for publication, through the agency of the contact person set out above, on 21 February 2023 at 17:32 CET.

About Freemelt

Freemelt is a high-tech company whose ground-breaking solution creates new opportunities for rapid growth in 3D printing, also known as additive manufacturing. The Company's protected technology enables cost-effective printing to a consistent and high quality. By choosing an open-source solution, the conditions are created for strong growth and expansion towards manufacturing markets.

Freemelt was founded in 2017, is listed on Nasdaq First North Growth Market, has 34 employees, head office in Gothenburg and a manufacturing unit in Linköping. Read more at www.freemelt.com.

Important information

The release, announcement or distribution of this press release may, in certain jurisdictions, be subject to restrictions. The recipients of this press release in jurisdictions where this press release has been published or distributed shall inform themselves of and follow such restrictions. The recipient of this press release is responsible for using this press release, and the information contained herein, in accordance with applicable rules in each jurisdiction. This press release does not constitute an offer, or a solicitation of any offer, to buy or subscribe for any securities in the Company in any jurisdiction, neither from the Company nor from someone else.

This announcement does not identify or suggest, or purport to identify or suggest, the risks (direct or indirect) that may be associated with an investment in the new shares. Any investment decision in connection with the Directed Share Issue must be made on the basis of all publicly available information relating to the Company and the Company's shares. Such information has not been independently verified by ABG Sundal Collier. The information contained in this announcement is for background purposes only and does not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this announcement or its accuracy or completeness. ABG Sundal Collier is acting for the Company in connection with the transaction and no one else and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for giving advice in relation to the transaction or any other matter referred to herein.

This announcement does not constitute a recommendation concerning any investor's option with respect to the Directed Share Issue. Each investor or prospective investor should conduct his, her or its own investigation, analysis and evaluation of the business and data described in this announcement and publicly available information. The price and value of securities can go down as well as up. Past performance is not a guide to future performance.

This press release does not constitute or form part of an offer or solicitation to purchase or subscribe for securities in the United States. The securities referred to herein may not be sold in the United States absent registration or an exemption from registration under the US Securities Act of 1933, as amended (the “**Securities Act**”), and may not be offered or sold within the United States absent registration or an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. There is no intention to register any securities referred to herein in the United States or to make a public offering of the securities in the United States. The information in this press release may not be announced, published, copied, reproduced or distributed, directly or indirectly, in whole or in part, within or into Australia, Hong Kong, Japan, Canada, New Zealand, Singapore, South Africa, the United States or in any other jurisdiction where such announcement, publication or distribution of the information would not comply with applicable laws and regulations or where such actions are subject to legal restrictions or would require additional registration or other measures than what is required under Swedish law. Actions taken in violation of this instruction may constitute a crime against applicable securities laws and regulations.

This press release is not a prospectus for the purposes of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the “**Prospectus Regulation**”) and has not been approved by any regulatory authority in any jurisdiction. The Company has not authorized any offer to the public of shares or rights in any member state of the EEA and no prospectus has been or will be prepared in connection with the Directed Share Issue. In any EEA Member State, this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of the Prospectus Regulation.

In the United Kingdom, this document and any other materials in relation to the securities described herein is only being distributed to, and is only directed at, and any investment or investment activity to which this document relates is available only to, and will be engaged in only with, “qualified investors” (within the meaning of the United Kingdom version of the EU Prospectus Regulation (2017/1129/ EU) which is part of United Kingdom law by virtue of the European Union (Withdrawal) Act 2018) who are (i) persons having professional experience in matters relating to investments who fall within the definition of “investment professionals” in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Order**”); or (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as “relevant persons”). In the United Kingdom, any investment or investment activity to which this communication relates is available only to, and will be engaged in only with, relevant persons. Persons who are not relevant persons should not take any action on the basis of this press release and should not act or rely on it.

Forward-looking statements

This press release contains forward-looking statements that reflect the Company’s intentions, beliefs, or current expectations about and targets for the Company’s future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Company operates. Forward-looking statements are statements that are not historical facts and may be identified by words such as “believe”, “expect”, “anticipate”, “intend”, “may”, “plan”, “estimate”, “will”, “should”, “could”, “aim” or “might”, or, in each case, their negative, or similar expressions. The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurances that they will materialize or prove to be correct. Because these statements are

based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of many factors. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The Company does not guarantee that the assumptions underlying the forward-looking statements in this press release are free from errors and readers of this press release should not place undue reliance on the forward-looking statements in this press release. The information, opinions and forward-looking statements that are expressly or implicitly contained herein speak only as of its date and are subject to change without notice. Neither the Company nor anyone else undertake to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this press release, unless it is not required by law or Spotlight Stock Market's rules.

Information to distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the shares in The Company have been subject to a product approval process, which has determined that such shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**EU Target Market Assessment**"). Solely for the purposes of each manufacturer's product approval process in the United Kingdom, the target market assessment in respect of the shares in the Company has led to the conclusion that: (i) the target market for such shares is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of such shares to eligible counterparties and professional clients are appropriate (the "**UK Target Market Assessment**" and, together with the EU Target Market Assessment, the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, Distributors should note that: the price of the shares in the Company may decline and investors could lose all or part of their investment; the shares in the Company offer no guaranteed income and no capital protection; and an investment in the shares in the Company is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Directed Share Issue. Furthermore, it is noted that, notwithstanding the Target Market Assessment, ABG Sundal Collier will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II or UK MiFIR; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the shares in the Company.

Each distributor is responsible for undertaking its own target market assessment in respect of the shares in the Company and determining appropriate distribution channels.

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About Us

Freemelt is a high-tech company whose ground-breaking solution creates new opportunities for rapid growth in 3D printing, also known as additive manufacturing. The company's protected technology enables cost-effective printing to a consistent and high quality. By choosing an open-source solution, the conditions are created for strong growth and expansion towards manufacturing markets.

Freemelt was founded in 2017, is listed on Nasdaq First North Growth Markets, has 34 employees, head office in Gothenburg and a manufacturing unit in Linköping. Read more at www.freemelt.com.

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Attachments

[Freemelt announces intention to carry out a directed share issue](#)