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The Board of Directors of Freemelt resolves on a fully guaranteed rights issue of approximately SEK 66 million

The Board of Directors of Freemelt Holding AB (publ) ("Freemelt" or the "Company") has today resolved to carry out a share issue of new shares with preferential rights for existing shareholders of approximately SEK 66 million before deduction of issue costs (the "Rights Issue"). The Rights Issue is subject to approval by an Extraordinary General Meeting, which is planned to be held on 28 March 2024. The Company has received subscription commitments and guarantee undertakings totalling approximately SEK 66 million, which represents 100 percent of the Rights Issue. The main purpose of the Rights Issue is to enable commercialisation on the European and North American market as well industrialisation of the Company's industrial product and service portfolio.

Summary of the Rights Issue

- The Board of Directors of Freemelt has resolved to carry out a Rights Issue of approximately SEK 66 million before deduction of issue costs. The Rights Issue is subject to approval by an Extraordinary General Meeting, which is planned to be held on 28 March 2024.
- Existing shareholders corresponding to approximately 30.5 percent of the total number of shares and votes in the Company have committed to vote for the approval of the Rights Issue at the Extraordinary General Meeting.
- The Company's existing shareholders have preferential rights to subscribe for shares in the Rights Issue where one (1) existing share in the Company entitles to one (1) subscription right and nine (9) subscription rights entitle to the subscription of four (4) new shares.
- The subscription price has been set to SEK 3.10 per share.
- The proceeds are mainly intended to be used to enable commercialisation on the European and North American market as well industrialisation of the Company's industrial product and service portfolio.
- A number of the Company's existing shareholders, including Stiftelsen Industrifonden, Coeli Asset Management AB and Bengt Julander, as well as persons in the Company's Board of Directors and management team (including Carl Palmstierna, Daniel Gidlund Bergström, Cecilia Jinert Johansson, Johannes Schleifenbaum, Lottie Saks and Mikael Wahlsten), have committed to subscribe for shares corresponding to approximately 31.3 percent of the Rights Issue. In addition, a number of existing shareholders and external investors have entered guarantee undertakings corresponding to approximately 68.7 percent of the Rights Issue. The Rights Issue is thus covered by subscription commitments and guarantee undertakings, which together correspond to 100 percent of the Rights Issue.

Background and reasons

Freemelt is active in the market for 3D printing of metal components, so-called additive manufacturing. The Company develops and markets the 3D printers Freemelt® ONE, e-MELT® iD and e-MELT® iM. In addition, Freemelt provides support and services for the 3D printers as well as an in-house developed software – Pixelmelt – which optimizes the use of the machines. Freemelt was founded in 2017 by a team with extensive experience from working with 3D printing in metal. The Company's 3D printers have, as of 31 December 2023, been sold and/or leased in a total of 23 machines. The sales have been to a number of well-established universities, research institutes and companies, including Carnegie Mellon University (USA), Georgia Institute of Technology (USA), Royal Institute of Technology (KTH) (Sweden), Friedrich-Alexander Universität Erlangen Nürnberg (Germany), polytechnic the University of Turin (Italy) and IHI Europe Ltd (England). The Company has also entered two strategic, commercial cooperation agreements regarding eMELT with prominent industrial players. The Company now intends to commercialize its operations on the European and North American markets and industrialize the company's product and service portfolio.

The net proceeds of the Rights Issue are mainly intended to be used for the following (regardless the amount of proceeds received from the Rights Issue):

- Commercialization of the Company on the European and North American market (approximately 30 percent)
- Industrialization of the Company's industrial product and service portfolio (approximately 60 percent)
- Administration and other expenses (approximately 10 percent)

The Company assesses that the working capital, if the Rights Issue is subscribed for to the amount covered by the subscription commitments and guarantee undertakings, will be sufficient for the coming twelve-month period after the completion of the Rights Issue.

Terms in the Rights Issue

The Board of Directors in Freemelt has today resolved on the Rights issue, which is subject to approval at an Extraordinary General Meeting, which is planned to be held on 28 March 2024.

For each existing share held on the record date of 4 April 2024, according to the proposed terms, one (1) subscription right is obtained. Nine (9) subscription rights entitle to subscription of four (4) new shares. In addition, investors are offered the opportunity to apply for subscription of shares without the support of subscription rights. The subscription price has been set to SEK 3.10 per share. In total, a maximum of 21,155,555 new shares will be issued through the Rights Issue, corresponding to an amount of approximately SEK 66 million before deduction of issue costs, which is expected to amount to approximately SEK 14 million.

Subject to the approval of an Extraordinary General Meeting, the record date for participation in the Rights Issue will be 4 April 2024 and the subscription period for the Rights Issue is expected to run during the period 8 – 22 April 2024. Last day for trading in Freemelt's shares with the right to participate in the Rights Issue will be on 2 April 2024.

Subscription may also take place without subscription rights. In the event that all shares in the Rights Issue are not subscribed for with subscription rights, the Board of Directors will resolve on allotment of new shares subscribed for without subscription rights as follows:

- firstly, to those who have subscribed for new shares through exercise of subscription rights, irrespective of whether the subscriber was a shareholder on the record date or not, and, in the event of oversubscription, in relation to the number of subscription rights exercised for subscription and, to the extent that this cannot be done, by drawing lots;
- secondly, to others who have subscribed for shares without subscription rights and, in the event of oversubscription, in relation to the number of new shares for which each person has applied for subscription and, to the extent this cannot be done, by drawing lots; and
- thirdly, allotment of the remaining shares shall be made to the investors who have provided guarantee undertakings in relation to each guarantor's guarantee amount.

Trading in paid subscribed shares (*Sw. betalda tecknade aktier*, "BTAs") is expected to take place on Nasdaq First North Growth Market from and including 8 April 2024 until the Rights Issue has been registered with the Swedish Companies Registration Office, which is expected to take place during week 18 2024.

The rights issue will, if fully subscribed, result in the number of shares in the Company increasing from 47,600,000 to 68,755,555 through a new issue of a maximum of 21,155,555 shares.

Shareholders who choose not to participate in the Rights Issue will, upon full subscription in the Rights Issue, have their share diluted by approximately 30.8 percent, but will have the opportunity to be financially compensated for the dilution effect by selling their subscription rights.

Extraordinary General Meeting

The Board of Directors resolution regarding the Rights Issue is subject to approval at the Extraordinary General Meeting, which is planned to be held on 28 March 2024. Notice of the Extraordinary General Meeting will be published through a separate press release.

Subscription commitments, guarantee undertakings and voting commitments

A number of the Company's existing shareholders, including Stiftelsen Industrifonden, Coeli Asset Management AB and Bengt Julander, as well as persons in the Company's Board of Directors and management team (including Carl Palmstierna, Daniel Gidlund Bergström, Cecilia Jinert Johansson, Johannes Schleifenbaum, Lottie Saks and Mikael Wahlsten), have committed to subscribe for shares corresponding to approximately 31.3 percent of the Rights Issue. In addition, a number of existing shareholders and external investors have entered guarantee undertakings corresponding to approximately 68.7 percent of the Rights Issue. The Rights Issue is thus covered by subscription commitments and guarantee undertakings which together correspond to 100 percent of the Rights Issue. Existing shareholders corresponding approximately 30.5 percent of the total number of shares and votes in the Company have committed to vote for the approval of the Rights Issue at the Extraordinary General meeting planned to be held on 28 March 2024.

A cash guarantee compensation will be paid to the parties who entered into guarantee undertakings, based on current market conditions, of 14 percent of the guaranteed amount. No compensation will be paid for subscription commitments from existing shareholders. Neither subscription commitments nor guarantee undertakings are secured by bank guarantee, blocking funds, pledged assets or the like.

Prospectus

Full information about the Rights Issue and information about the Company will be provided in a prospectus which is expected to be published on the Company's website around 5 April 2024.

Preliminary timetable for the Rights Issue

Extraordinary General Meeting **28 March 2024**

Record date **4 April 2024**

Publication of prospectus **5 April 2024**

Subscription period **8 – 22 April 2024**

Announcement of the outcome in the Rights Issue **23 April 2024**

Advisors

Freemelt has engaged ABG Sundal Collier AB as Sole Global Coordinator and Setterwalls Advokatbyrå as legal advisor.

Important information

This announcement is not an offer to sell or a solicitation of any offer to buy any securities issued the Company in any jurisdiction where such offer or sale would be unlawful.

Copies of this announcement are not being made and may not be distributed or sent into the United States, Australia, Japan, Canada, Hong Kong, New Zealand, Singapore, South Africa or any other jurisdiction in which such distribution would be unlawful or would require registration or other measures. The securities referred to in this announcement have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and accordingly may not be offered or sold in the United States absent registration or an exemption from the registration requirements of the Securities Act and in accordance with applicable U.S. state securities laws. The Company does not intend to register any offering in the United States or to conduct a public offering of securities in the United States.

This announcement is not a prospectus for the purposes of Regulation (EU) 2017/1129 (together with any applicable implementing measures in any Member State, the "**Prospectus Regulation**"). A prospectus regarding the Rights Issue described in this press release will be published by the Company on or about 5 April 2024. The prospectus will be approved and registered by the Swedish Financial Supervisory Authority (Sw: Finansinspektionen) and be published on www.freemelt.com. The upcoming approval of the prospectus by the Swedish Financial Supervisory Authority shall not be regarded as an approval of the shares. Investors should not invest in any securities referred to in this announcement except on the basis of information contained in the aforementioned prospectus. In accordance with article 2 k of the Prospectus Regulation this press release constitutes an advertisement.

In any EEA Member State other than Sweden (each, a “**Relevant Member State**”), this communication is only addressed to and is only directed at qualified investors in that Relevant Member State within the meaning of article 2(e) of the Prospectus Regulation, that is, only to investors who can receive the offer without an approved prospectus in such Relevant Member State.

This communication is only being distributed to and is only directed at (a) persons who are located outside the United Kingdom, or (b) persons who are located in the United Kingdom that either (i) have professional experience in matters relating to investments falling within Article 19(1) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “**Order**”), or (ii) are high net worth entities or other persons to whom this announcement may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as “**Relevant Persons**”). This communication must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which this communication relates is available only to Relevant Persons and will be engaged in only with Relevant Persons. Persons distributing this communication must satisfy themselves that it is lawful to do so.

Forward-looking statements

Matters discussed in this announcement may constitute forward-looking statements. Forward-looking statements are statements that are not historical facts and may be identified by words such as “believe”, “expect”, “anticipate”, “intends”, “estimate”, “will”, “may”, “continue”, “should” and similar expressions. The forward-looking statements in this release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and are beyond its control. 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 information, opinions and forward-looking statements contained in this announcement speak only as at its date, and are subject to change without notice.

Information to distributors

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) national 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 offered shares have been subject to a product approval process, who have established that these shares are: (i) suitable for a target market consisting of non-professional investors and investors who fulfil the criteria for professional clients and eligible counterparties, each as defined in MiFID II, and (ii) suitable for distribution through all distribution channels that has been approved in MiFID II (“**Target Market Assessment**”).

Irrespective of the Target Market Assessment, distributors should note that: the price of the securities in the Company may decline and investors could lose all or part of their investment; the Company's securities offer no guaranteed income and no capital protection; and an investment in the Company's securities 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 any offering.

The target market assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, purchase, or take any other action whatsoever with respect to the securities of the Company.

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

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About Us

Freemelt is a deep-tech, green-tech company whose groundbreaking solution creates new opportunities for rapid growth in 3D printing, also known as additive manufacturing (AM). AM is a technology under substantial growth, revolutionizing the traditional manufacturing industry by offering a sustainable production process with optimized product design, shorter lead times, minimal material waste, and reduced environmental impact. Freemelt's protected technology enables more cost-effective 3D printing with consistent and high quality. A open-source approach will provide conditions for significant growth and expansion into new manufacturing markets. Freemelt was founded in 2017, is listed on Nasdaq First North Growth Market, headquarters in Mölndal, has a manufacturing unit in Linköping, and sales offices in the Netherlands and the USA. Read more at www.freemelt.com

This information is information that Freemelt Holding AB 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 2024-03-12 08:00 CET.

Attachments

The Board of Directors of Freemelt resolves on a fully guaranteed rights issue of approximately SEK 66 million