freemelt

Q2 Interim report
April-June 2024

Content

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 on August 6, 2024.

THE PERIOD IN SUMMARY

Interim report Q2 2024

THE GROUP'S KEY FIGURES

KSEK	April-June 2024	April-June 2023	Full year 2023
Net Sales	2 410	5 540	22 310
Operating result	-26 739	-22 890	-84 024
Result after financial items	-26 635	-22 901	-82 854
Balance Sheet total	266 485	287 888	254 686
Solidity	91%	96%	94%
Cash flow for the period	29 739	-16 212	23 052

SIGNIFICANT EVENTS, Q2

- Freemelt has received the first e-MELT®-iD order in North America from a prestigious university
- Freemelt has received an order for Freemelt® ONE from the University of North Texas
- Freemelt has received a follow-up order from UKAEA (United Kingdom Atomic Energy Authority)
- Freemelt has entered into a strategic collaboration with Sandvik and Mid Sweden University
- A rights issue of approximately 66 MSEK was completed

SIGNIFICANT EVENTS AFTER END OF PERIOD

- Freemelt has entered a strategic partnership with 3DMZ, Netherlands
- Freemelt has received an order from a new North American customer targeting fusion energy application
- Freemelt has become a member of the Georgia Tech Manufacturing 4.0 Consortium
- Freemelt has received an order from a North American Defense company

CEO COMMENTS

Strong momentum from the first quarter

We continue to build on the foundation from 2023 and robust momentum from Q1. Our focus is to accelerate the commercialization of our industrial machine e-MELT® and related service offerings by intensifying our efforts in Europe and North America.

During the quarter we have demonstrated continued progress in the research and industrial segments specifically Defense, Energy, and MedTech with a focus on high-demanding components in tungsten, copper, and titanium. Our focus on innovation, strategic partnerships, and expansion into critical applications bring us closer to our long-term ambition of establishing Freemelt as a leading productivity partner, providing value throughout the entire product lifecycle by generating increased productivity, reduced operating costs, and maximizing long-term customer value that will result in customer loyalty and an increased share of wallet for Freemelt.

As a result of the additional commercial resources and the intensified commercialization efforts in Europe and North America to educate the market about Freemelt and the E-PBF (Electron Beam Powder Bed Fusion) technology, we are gaining substantial interest from the manufacturing industry in our technology for industrial serial production. The orders we receive for material process and application development are related to the demand for future industrial applications.

Half-way through 2024, we are ahead of our 2030 plan thanks to the accelerated customer demand of feasibility studies and application development. This high demand has outpaced the capacity of our global application center in Gothenburg, why we have ramped up capabilities through strategic collaborations with leading universities and research institutes to address this increasingly urgent demand from industrial manufacturing companies.

When an industrial company transitions from traditional manufacturing to Additive Manufacturing (AM) the process typically starts with a 3-6 month feasibility study focusing on material process development and with a potential extension for application development. If successful, it has a good chance to result in the purchase of an e-MELT®-iD machine for the customer to advance to in-house product development, followed by transitioning to serial production with an e-MELT®-iM machine. By enhancing our ability to support industrial companies with material process and application development, we will enable demand for new machine orders over time.

"I'm excited and thrilled about the increased interest we experience in our E-PBF technology and the growing demand and requests for support in material process and application development from our industrial clients. The new strategic collaborations we have entered with leading E-PBF centers will strengthen our capability to support industrial customers with material process and application development. Additionally, I'm very excited to start a knowledge exchange with these experienced E-PBF users"
Lidija Peric - Application Engineer Freemelt

EMEA - Growing demand and strategic positioning

During the quarter we achieved significant milestones in EMEA, where the second order from UKAEA (The United Kingdom Atomic Energy Authority) and the 3-party agreement with Sandvik and Mid Sweden University are the most important.

UKAEA – Extended commitment

Following the successful results from the initial phase of the feasibility project, UKAEA ordered a second project in April. UKAEA is the UK's national organization responsible for the development of sustainable Fusion Energy. Supported and funded by the UK government, UKAEA leads Fusion research and is driving the commercialization of Fusion Energy. Within this follow-up project, we will develop material processes to increase productivity and manufacture test components of the tungsten tiles covering the plasma-facing wall of the Fusion reactor. Together with UKAEA, we will contribute to further developing solutions for Fusion Energy as a sustainable fossil-free energy source.

The Energy industry is undergoing substantial development, driven by geopolitical factors, technological advancements, and a growing focus on sustainable, fossil-free energy sources. Among these advancements, Fusion Energy has evolved as a promising solution, attracting considerable interest and 6.21 BUSD in private and governmental funding by the end of 2023[1].

We see a global trend of increasing government interest in Fusion Energy, with the U.S., Japan, and Germany announcing new programs to support commercialization, complementing the already robust support from the UK. Predictions suggest that the first Fusion plant will deliver electricity to the grid before 2035[1], a timeline that has been bolstered by significant progress the recent years because of intensified efforts in Fusion Energy development. These positive developments have increased the attention on Fusion Energy, bringing the possibility of energy production through Fusion closer to reality.

The continued trust and commitment from UKAEA confirm the important role that our technology and competence play in the manufacturing of components for extreme applications such as Fusion Energy. As Fusion test reactors continue to develop globally, our innovative technology is crucial in enabling the commercialization of Fusion Energy.

Freemelt, Sandvik, and Mid Sweden University - Accelerate industrialization of AM

During the quarter, we entered into a three-party collaboration between Freemelt, Sandvik, and Mid Sweden University. This collaboration is crucial for us as it will enhance our capability to meet the growing demand and requests for feasibility studies and application development from our industrial customers targeting applications with a high demand for innovative and efficient manufacturing.

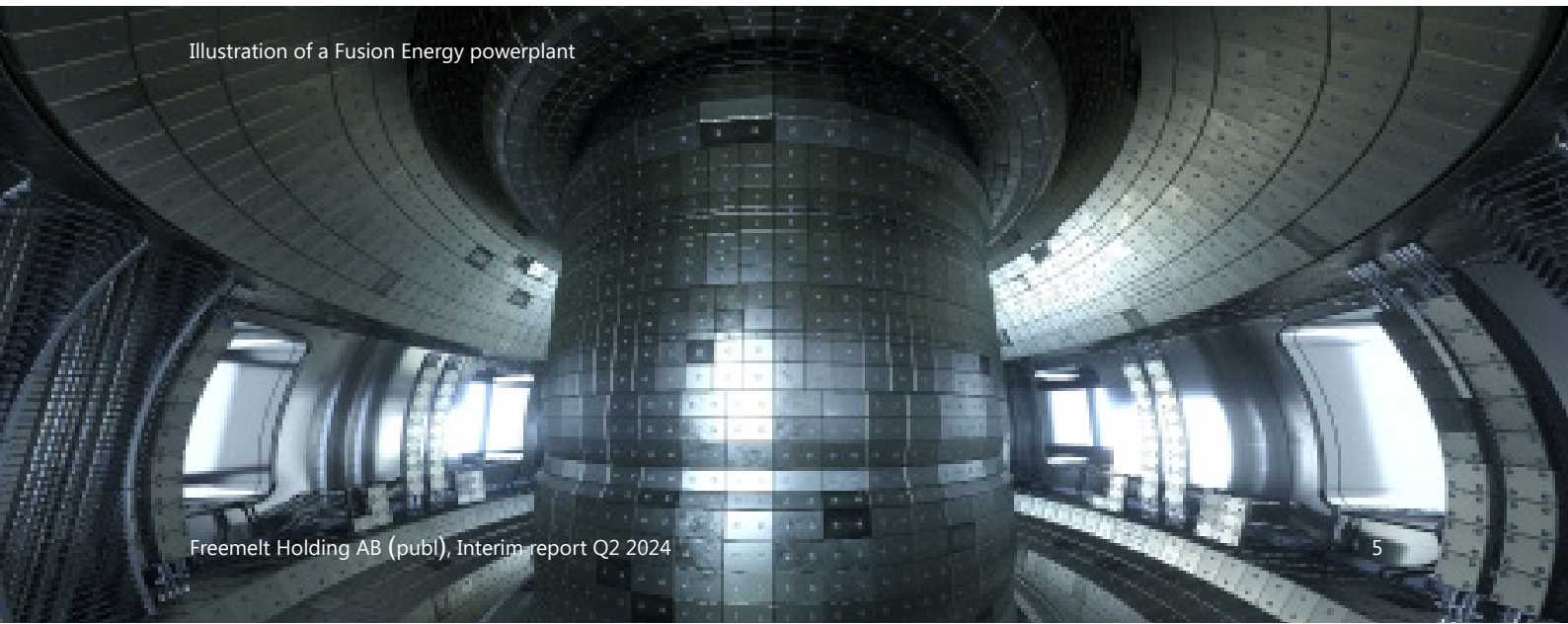


Illustration of a Fusion Energy powerplant

As part of this collaboration, Mid Sweden University will invest in a Freemelt® ONE machine, and the three parties will collaborate to qualify Sandvik's high-quality tungsten powder for use in our machines, and thereby accelerate the industrialization of AM and the E-PBF technology. On top of that, the collaboration with Sandvik is also critical as it will strengthen our sourcing capabilities of European tungsten powder.

North America - Landmark orders and accelerated demand from U.S. industries

We see a rapidly growing demand for Freemelt's solutions and products from North American industrial companies, specifically within Defense and Energy.

Currently, the Defense industry is facing a higher demand than it can supply, resulting in rapidly increasing investments and an urgent need to develop innovative local manufacturing capabilities. This effort aims to secure the availability of critical components and foster the development of advanced new products, a trend expected to last for several years. The Biden Administration has allocated 850 BUSD to the Defense industry in 2025[2], with more than 400 MUSD designated for advanced material research[3]. Selected universities and research institutes across the U.S. have been appointed to develop manufacturing processes and innovative manufacturing capabilities for critical Defense applications.

To harvest on this growing business potential for Freemelt in North America, we are building a strong presence through a team with extensive commercial experience and success in Additive Manufacturing, business development, and from various industries such as Defense. The focus is to establish strategic collaborations with leading research institutes and advanced manufacturing centers to meet the growing demand for support in material process and application development from industrial companies transitioning from traditional manufacturing to Additive Manufacturing.

With increased commercial resources, extensive knowledge, experience, and solutions for manufacturing of complex and challenging materials through E-PBF technology, we are well-positioned to meet the rapidly increasing demand from both academic and industrial customers.

University of North Texas – Accelerate AM adoption in Defense

During the quarter we received an order for a Freemelt® ONE machine from the University of North Texas for material research on tungsten, specifically for Defense and Fusion Energy applications. The University of North Texas is one of the selected universities that has been appointed to develop manufacturing processes and innovative manufacturing capabilities for critical applications to the Defense and Energy industries.

First industrial machine in North America
One of the most significant events during the second quarter was the order from a prestigious North American university for an e-MELT®-iD machine, the first order for our industrial machine from North America. The university will use e-MELT®-iD to accelerate AM as manufacturing technology for serial production of applications with a high demand for innovative and efficient manufacturing.

This order represents a significant breakthrough and a critical milestone in our commercial journey, as our university and research customers in the U.S. are the foundation of our industrial expansion in North America. Together with our customers, we are taking another important step in establishing e-MELT® and E-PBF as a competitive technology for innovative and efficient serial production of industrial applications.

Fully guaranteed rights issue to fuel expansion
During the quarter, we announced the successful outcome of a fully guaranteed rights issue, raising approximately 66 MSEK. This capital injection will accelerate our expansion and commercialization efforts in Europe and North America, particularly in industries such as Defense, Energy, and MedTech. Our focus remains on the industrialization of the industrial machine, e-MELT® and to educate the market about the benefits of AM and E-PBF, aiming to establish Freemelt as a leading productivity partner for industrial customers.

Financial comment
Net sales in the quarter totalled 2 410 KSEK, an increase compared to the previous quarter but a decrease compared to the same quarter last year. The limited net sales, despite healthy order intake in the second quarter, is due to some machine deliveries not yet having taken place.

The operating result came in at -26 739 KSEK which is lower compared to the previous quarter and the same quarter last year. The lower operating result is explained by income being delayed as explained above and higher costs. Higher costs are due to intense activity within product development combined with a commercial push aimed at increasing sales of the company's products.

Cash flow was positive in the quarter. This is due to finalization of the rights issue announced in March 2024 which provided the company with 51 651 KSEK after fees. At quarter end, the group cash position was 47 179 KSEK.

e-MELT®-iD
For product- and application development

Significant events after the end of the period

As a result of the accelerated and urgent demand for material process and application development from the North American industry, we actively search for partnership to manage this increased demand. Therefore, the membership of the Georgia Tech Manufacturing 4.0 consortium is critical for Freemelt to join, as it aims to accelerate the adoption of Additive Manufacturing in North America. This will increase our exposure to the American industry and strenthen our capacity to support the industry with material process and application development targeting industrial serial production via E-PBF technology.

Breakthrough order in the U.S. Defense industry

After the end of the period, we secured a breakthrough in the U.S. Defense industry when we received the first order from an innovative U.S. Defense company. The customer has ordered a tungsten feasibility study targeting to accelerate the adoption of AM in the Defense industry.

As a result of the current geopolitical situation, the Defense industry experiences a higher demand than it can supply, creating a heightened sense of urgency and increased investments in establishing local, innovative, and efficient manufacturingtechnologies to secure supply chains - A trend that is expected to remain for several years.

As I have highlighted before, the global Defense industry is under substantial growth with an expected CAGR (Compound Annual Growth Rate) of approximately 5% from 2023-2028[4] where Defense companies are predicted to hire tens of thousands of people during 2024 to address the increased demand[5].

As the U.S. Defense sector continues to prioritize technological advancement and operational readiness, our customer remains at the forefront, delivering systems that ensure superior performance and strategic advantage.

3DMZ – Accelerate industrialization of AM

In July we entered a strategic collaboration with 3DMZ (3D Makers Zone), a technology hub with extensive knowledge and experience in industrial AM, located in the Amsterdam Metropolitan Area. 3DMZ will start a new metal field lab in Amsterdam and as part of the partnership, 3DMZ will integrate an e-MELT®-iD machine into their facilities during Q4 2024. Through this collaboration, we will be exposed to new business opportunities and together drive the industrialization of AM to increase the competitiveness of Dutch and European industries.

Order from North American customer - Accelerate the commercialization of Fusion Energy

In July we received a first order from an additional North American customer. The university has experience and expertise in AM and various demanding refractory metals including tungsten. To accelerate the development and commercialization of Fusion Energy the university has ordered a project from Freemelt. Within the project, we will deliver a tungsten feasibility study targeting material process and application development of high-demanding tungsten components for use in Fusion Energy applications. Feasibility studies like this are important for our commercialization as they are generated by high-demanding industrial applications suitable for E-PBF technology and will over time result in orders for the industrial machine, e-MELT®.

Summary

When I'm summarizing the second quarter of 2024, I'm proud of what we have achieved as a company. We have received several orders and entered strategic agreements, advancing our position in our focus areas, Academic, Defense, Energy, and MedTech. Our dedicated and persistent efforts in educating the market regarding our technology are starting to materialize in increasing demand in material process and application development requests for potential industrial serial production applications, especially for tungsten applications.

Additionally, I'm very pleased and proud of the fact that we have continued support and trust from our existing and new shareholders by successfully raising capital through a rights issue, demonstrating belief in our robust strategy and execution.

As we move forward, we remain committed to accelerating our commercialization efforts, being innovative and customer-focused to become a leading productivity partner in Additive Manufacturing technology.

I want to express my appreciation to all our shareholders for your trust and support and to all the employees at Freemelt for your hard work and dedication to achieving our 2030 strategic ambitions.

Daniel Gidlund
CEO Freemelt Holding AB

Mölndal, August 6, 2024

Sources:

1.Fusion Industry Association, under Fusion Industry Investment Passes $6bn - Fusion Industry Association www.fusionindustryassociation.org

2.U.S. Department of Defense, Under Department of Defense Releases the President's Fiscal Year 2025 Defense Budget > U.S. Department of Defense > Release

3. US Department of Defense, Under Secretary of Defense for Research and Engineering, Business Sweden Analysis www.defense.gov

4. The Business Research Company, Under Defense Global Market Report 2024

5. Financial Times, Survey: survey of 20 large and medium-sized US and European companies in the sector

FREEMELT'S HISTORY

2017

- Freemelt AB was founded by a team with long experience in metal additive manufacturing
- First investment round with the founders and four investors

2018

- One order received for Freemelt® ONE from a German university
- Second investment round with the previous owners and three new investors
- The first patent applications were submitted

2019

- Ulric Ljungblad appointed as CEO
- Issue of shares, 15 MSEK led by Industrifonden
- Four orders received for Freemelt® ONE from research and industrial customers in Europe
- First Freemelt® ONE machine delivered

2020

- Three orders received for Freemelt®ONE
- Freemelt on Ny Teknik 33 list of innovative and promising Swedish startup companies
- ProHeat®, Freemelt's innovative patent pending concept for preheating of powder, was announced

2021

- Four orders received for Freemelt® ONE, one was the first order from the U.S.
- An investment round before the IPO of 85 MSEK
- Freemelt listed on Nasdaq First North Growth Market
- Freemelt received the first patent
- The company opened production facilities in Linköping and a local office in Germany
- Development of the industrial machine e-MELT® started

2022

- Eight orders received for Freemelt® ONE
- Freemelt launched Pixelmelt®, a new software for faster materials development and more productive additive manufacturing
- Daniel Gidlund appointed as CEO

2023

- Three orders received for Freemelt® ONE
- Freemelt was granted a patent in the U.S, Japan and China for pioneering solutions in additive manfacturing
- Issue of shares, 66 MSEK
- Established an U.S subsidiary
- Signed a breakthrough agreement with a global leading Fortune 500 technology company for the industrial product, e-MELT®
- Launched e-MELT®-iD, a brand new e-MELT® model

2024

- Two orders received for Freemelt® ONE
- Entered into a strategic partnership with WEAREAM
- Rights Issue, 66 MSEK
- Received the first e-MELT®-iD order in U.S.

Freemelt Holding AB (publ)

BACKGROUND

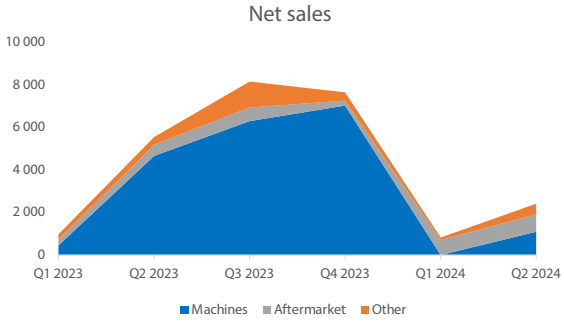
The Freemelt group originates from 2021-06-17 when Freemelt Holding AB (publ) acquired Freemelt AB. Freemelt AB in turn has two subsidiaries; Freemelt-Americas, Inc in the US and Freemelt Deutschland GmbH in Germany.

In the following financial commentary, figures within parethesis represent the same period previous year.

THE GROUP

Income

Net sales in the second quarter totalled 2 410 KSEK (5 540 KSEK). Two machines were delivered during the quarter. A second hand Freemelt® ONE to the University of Sheffield and a Freemelt® ONE to Mid Sweden University as part of a three-party collaboration aiming to accelerate the industrialization of E-PBF technology. This explains why income is at a lower level compared to machine sales seen in the past.



In the second quarter, other operating income totalled 811 KSEK (187 KSEK). Out of these, 460 KSEK refers to external soft funding for a post-doctor assignment where Freemelt performs research within "Materials Science for sustainability". The assignment is expected to continue for up to two years. Additional other operating income of 351 KSEK refers to currency gains (currency losses are booked as other operating expenses).

Freemelt has delivered a total of 25 machines to customers in Europe and North America. The orderbook at quarter end amounted to 9 473 KSEK (5 638 KSEK). This represents customer orders not yet invoiced.

Operating expenses

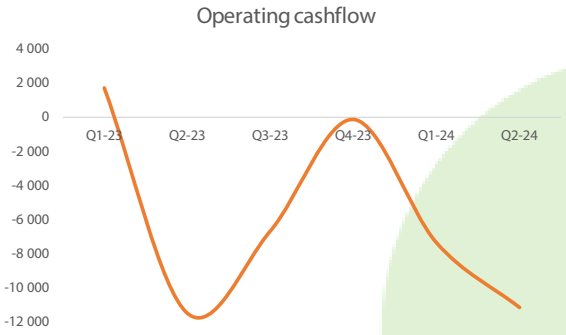
Operating expenses increased to 39 218 KSEK (32 093 KSEK). The largest contributor was depreciation (mostly goodwill) which amounted to 13 349 KSEK (13 875 KSEK). Other external costs totalling 13 116 KSEK (6 750 KSEK) mainly relates to the e-MELT® development project. It also includes recurring items such as office lease, IT services, insurances and other company related expenses. Trade goods of 555 KSEK (2 181 KSEK) represent purchases for goods sold or consumed during the period.

Personnel costs during the second quarter totalled 11 800 KSEK (8 891 KSEK). The increase is a result of hiring additional commercial resources. The company had 40 employees at quarter end.

Currency effects
During the second quarter, the group recorded currency gains of 351 KSEK (68 KSEK) and currency losses of 397 KSEK (396 KSEK). These are booked as other operating income and other operating expenses respectively.

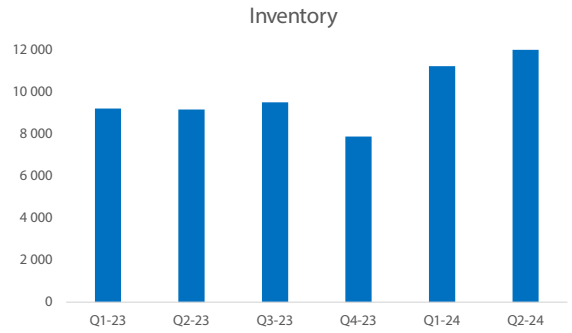
Operating result
The operating result came in at -26 739 KSEK (-22 890 KSEK). The result after financial items was -26 635 KSEK (-22 901 KSEK). Financial items gave a positive contribution of 104 KSEK (-11 KSEK), representing accrued interest earned on bank balances. The negative result is explained by the current growth and commercialization phase the company is undergoing where costs are higher than income.

Cash flow
Cash flow in the second quarter was 29 739 KSEK (-16 212 KSEK). The increase is due to a rights issue completed in the quarter which provided net funding of 51 651 KSEK post related expenses. Excluding investments and financing, the operating cash flow was -11 149 KSEK (-11 484 KSEK).



Financial position
As of June 30th 2024, group equity totalled 241 428 KSEK (275 360 KSEK). Current liabilities are related to regular business activities and amount to 25 057 KSEK (12 528 KSEK). The group does not carry any external long term debt.

Group assets consist mostly of goodwill totalling 105 805 KSEK (153 328 KSEK) which arose when Freemelt Holding AB (publ) acquired the operating entity Freemelt AB. Other intangible assets consist of balanced development work and patents totalling 80 951 KSEK (47 285 KSEK).



Inventory of trade goods was 13 758 KSEK (9 159 KSEK). Inventory build-up relates to upcoming machine deliveries of Freemelt® ONE and e-MELT®.

Cash at bank end of period was 47 179 KSEK (60 040 KSEK).

Investments
Investments in intangible assets was mainly balanced development work related to development of the industrial machine e-MELT®. Freemelt also balances costs related to patents.

Solidity
Solidity at quarter end was 91% (96%).

PARENT COMPANY
Net sales in the quarter totalled 197 KSEK (0 KSEK). The income refer to a Management fee for services rendered during the period which Freemelt Holding AB (publ) invoiced the subsidiary Freemelt AB.

The parent company's other external costs of 733 KSEK (1 388 KSEK) are mainly related to the stock exchange listing. Costs include advisors, investor relations, exchange fees and common group related expenses. Personnel costs of 193 KSEK (207 KSEK) represent wages to the Board of Directors.

KEY FIGURES AND THE SHARE

CONSOLIDATED KEY FIGURES

KSEK	April-June 2024	April-June 2023	Full year 2023
Net sales	2 410	5 540	22 310
Operating result	-26 739	-22 890	-84 024
Result after financial items	-26 635	-22 901	-82 854
Total assets	266 485	287 888	254 686
Equity ratio*	91%	96%	94%
Cash flow for the period	29 739	-16 212	23 052
Number of shares on the balance sheet date	68 755 555	47 600 000	47 600 000
Average number of shares before dilution	62 013 675	47 479 286	45 831 342
Average number of shares after dilution	68 386 973	49 603 625	48 428 868
Earnings per share before dilution (SEK)	-0,43	-0,48	-1,81
Earnings per share after dilution (SEK)	-0,39	-0,46	-1,71

* Equity ratio indicates what proportion of the assets are financed with equity capital, adjusted equity as a percentage of balance sheet total.

THE SHARE

SEK	Date	Quota	Change in number of shares	Totalt number of shares	Subscription price	Change in share capital	Total share capital
Company founded	2017-03	0,05	1 000 000	1 000 000	0,05	50 000	50 000
Share issue	2021-04	0,05	705 000	1 705 000	0,05	35 250	85 250
Share issue	2021-04	0,05	500 000	2 205 000	10	25 000	110 250
Share issue	2021-06	0,05	8 000 000	10 205 000	10	400 000	510 250
Share issue	2021-06	0,05	26 395 000	36 600 000	10	1 319 750	1 830 000
Share issue	2023-02	0,05	10 155 000	46 755 000	6	507 750	2 337 750
Share issue	2023-04	0,05	845 000	47 600 000	6	42 250	2 380 000
Share issule	2024-04	0,05	21 155 555	67 755 555	3,1	1 057 778	3 437 778

Freemelt Holding AB (publ), 559105-2922, is listed on the Nasdaq First North Growth Market since July 7th, 2021.
The company is traded under the short name "FREEM" with ISIN code SE0011167170.
The company's operations mainly take place through the subsidiary Freemelt AB, which was acquired by Freemelt Holding AB (publ) on June 7th, 2021.

CONSOLIDATED INCOME STATEMENT SUMMARY

KSEK	April-June 2024	April-June 2023	Full year 2023
Income			
Net sales	2 410	5 540	22 310
Activated work for own account	9 258	3 476	20 912
Other operating income	811	187	864
Sum income	**12 479**	**9 203**	**44 086**
Operating expenses			
Trade goods	-555	-2 181	-8 181
Other external costs	-13 116	-6 750	-30 595
Personnel costs	-11 800	- 8 891	-34 627
Depreciation tangible and intangible fixed assets	-13 349	-13 875	-52 708
Other operating expenses	-398	-396	-1 999
Sum operating expenses	**-39 218**	**-32 093**	**-128 110**
Operating result	**-26 739**	**-22 890**	**-84 024**
Results from financial items			
Interest income and similar items	113	0	1 194
Interest expense and similar items	-9	-11	-24
	104	**-11**	**1 170**
Result after financial items	**-26 635**	**-22 901**	**-82 854**
Tax on the period's results	0	0	-9
Result for the period	**-26 635**	**-22 901**	**-82 863**

CONSOLIDATED BALANCE SHEET SUMMARY

KSEK	2024-06-30	2023-06-30	2023-12-31
ASSETS			
Non-current assets			
Intangible assets			
Goodwill *	105 805	153 328	129 566
Balanced development work	78 255	46 464	61 902
Patents	2 696	821	2 525
Total non-current assets	**186 756**	**200 613**	**193 993**
Tangible assets			
Machinery and other technical facilities	4 698	2 902	3 907
Equipment, tools and installations	1 006	1 182	1 026
Total tangible assets	**5 704**	**4 084**	**4 933**
Financial assets			
Deferred tax claim **	5 230	5 230	5 230
Total non-current assets	**197 690**	**209 927**	**204 156**
Current assets			
Inventory, etc			
Raw materials, consumables, trade goods	13 758	9 159	7 969
	13 758	**9 159**	**7 969**
Receivables			
Accounts receivable	4 110	5 897	3 986
Other receivables	1 513	1 833	2 935
Prepaid expenses and accrued income	2 235	1 032	1 570
	7 858	**8 762**	**8 491**
Cash and bank balances	47 179	60 040	34 070
Total current assets	**68 795**	**77 961**	**50 530**
TOTAL ASSETS	**266 485**	**287 888**	**254 686**
EQUITY AND LIABILITIES			
Equity			
Share capital	3 438	2 380	2 380
Other capital contributed	461 966	411 373	411 373
Other equity including this year's result	-223 976	-138 393	-174 235
Total equity	**241 428**	**275 360**	**239 518**
Non-current liabilities			
Other liabilities	-	-	-
Current liabilities			
Accounts payables	6 884	4 185	6 071
Tax liabilities	125	383	574
Other liabilities	2 134	1 505	1 044
Accrued costs and prepaid income	15 914	6 455	7 479
Total current liabilities	**25 057**	**12 528**	**15 168**
TOTAL EQUITY AND LIABILITIES	**266 485**	**287 888**	**254 686**

* The Group's Goodwill arose when Freemelt Holding AB acquired Freemelt AB on 2021-06-17. The value of the acquired company then exceeded the acquired equity by approximately MSEK 238. The group depreciates goodwill over 5 years.

** Considering the uncertainty about future profitability, the group has not recognized deferred tax claims after year 2021.

CONSOLIDATED STATEMENT OF CASH FLOWS SUMMARY

KSEK	April-June 2024	April-June 2023	Full year 2023
Cash flows from operating activities			
Result after financial items	-26 635	-22 901	-82 854
Adjustments for items not affecting cash flow	13 349	13 875	52 708
Cash flow from operating activities before changes in working capital	**-13 286**	**-9 026**	**-30 146**
Increase (-)/Decrease (+) inventory	-2 530	47	724
Increase(-)/Decrease (+) receivables	-3 585	-5 764	8 769
Increase (+)/Decrease (-) payables	8 252	3 259	4 100
Net cash from operating activities	**-11 149**	**-11 484**	**-16 553**
Cash flows from investing activities			
Investment in intangible fixed assets	-9 543	-3 477	-22 438
Investment in tangible fixed assets	-1 484	-1 251	-2 696
Net cash from investing activities	**-11 027**	**-4 728**	**-25 134**
Cash flows from financing activities			
Share issue	51 651	0	64 718
Employee stock options	264	0	22
Net cash from financing activities	**51 915**	**0**	**64 740**
Cash flow for the period	29 739	-16 212	23 052
Cash and cash equivalents at the beginning of the period	17 460	76 261	10 923
Exchange rate difference in cash and cash equivalents	-20	-9	94
Cash and cash equivalents at the end of the period	**47 179**	**60 040**	**34 070**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY SUMMARY

KSEK	Share capital	Other capital contributed	Retained earnings incl. this period's results	Total equity
Opening balance 2024-01-01	2 380	411 373	- 174 235	239 518
Share issue	1 058	50 593		51 651
Employee stock options			287	287
Conversion difference			42	42
Result for the period			-50 070	-50 070
Closing balance 2024-06-30	3 438	461 966	-223 976	241 428
Opening balance 2023-01-01	1 830	347 205	-91 479	257 556
Share issue	550	64 168		64 718
Employee stock options			22	22
Conversion difference			85	85
Result for the period			-82 863	-82 863
Closing balance 2023-12-31	2 330	411 373	-174 235	239 518

INCOME STATEMENT
PARENT COMPANY FREEMELT HOLDING AB (PUBL)
SUMMARY

KSEK	April-June 2024	April-June 2023	Full year 2023
Income			
Net sales	197	0	808
Sum income	**197**	**0**	**808**
Operating expenses			
Other external costs	-733	-1 388	-3 076
Personnel costs	-193	-207	-761
Sum operating expenses	**-926**	**-1 595**	**-3 837**
Operating result	**-729**	**-1 595**	**-3 029**
Results from financial items			
Interest income and similar items	767	483	2 604
Result after financial items	**38**	**-1 112**	**-425**
Tax on the period's results	0	0	0
Result for the period	**38**	**-1 112**	**-425**

BALANCE SHEET
PARENT COMPANY FREEMELT HOLDING AB (PUBL)
SUMMARY

KSEK	2024-06-30	2023-06-30	2023-12-31
ASSETS			
Non-current assets			
Financial fixed assets			
Shares in subsidiaries	354 019	328 950	328 971
Receivables from group companies*	78 122	0	51 325
Total non-current assets	**432 141**	**328 950**	**380 296**
Current assets			
Current receivables			
Receivables from group companies*	244	50 594	297
Other receivables	353	253	156
Prepayments and accrued income	394	234	324
	991	**51 081**	**777**
Cash and bank balances	27 865	28 160	27 777
Total current assets	**28 856**	**79 241**	**28 554**
TOTAL ASSETS	**460 997**	**408 191**	**408 850**
EQUITY AND LIABILITIES			
Equity			
Share capital	3 438	2 380	2 380
Other capital contributed	461 966	411 373	411 373
Balanced profit or loss	-5 670	-5 224	-5 224
Employee stock options	309	0	22
Result for the period	38	-1 208	-425
Total equity	**460 081**	**407 321**	**408 126**
Current liabilities			
Account payables	338	191	83
Other liabilities	316	208	0
Accrued costs and prepaid income	262	471	641
Total current liabilities	**916**	**870**	**724**
TOTAL EQUITY AND LIABILITIES	**460 997**	**408 191**	**408 850**

* As of December 31st, 2023 receivables from group companies representing loans are classified as long-term as maturity extends to more than 12 months.

STATEMENT OF CHANGES IN EQUITY
PARENT COMPANY FREEMELT HOLDING AB (PUBL)

KSEK	Share capital	Other capital contributed	Retained earnings incl. this period´s results	Total equity
Opening balance 2024-01-01	2 380	411 373	-5 627	408 126
Share issue	1 058	50 593		51 651
Employee stock options			287	287
Result for the period			17	17
Closing balance 2024-06-30	3 438	461 966	-5 323	460 081
Opening balance 2023-01-01	1 830	347 205	-5 224	343 811
Share issue	550	64 168		64 718
Employee stock options			22	22
Result for the period			-425	-425
Closing balance 2023-12-31	2 380	411 373	-5 627	408 126

Additional information

RISKS AND UNCERTAINTIES

Freemelt is in a growth and development phase where costs exceed net sales. This is the main reason for the company's negative result and cash flow.

Risks and uncertainties are described in more detail in the group's annual report 2023.

ACCOUNTING PRINCIPLES

The group and parent company apply the Annual Accounts Act and BFNAR 2012:1 Annual Accounts and Group accounting rules (K3).

OPTIONS

The group has outstanding warrants and employee stock options. Maximum dilution from all programs amount to approximately 8.5% based on the number of shares after full subscription.

THE SHARE

Freemelt Holding AB (publ) has been listed on the Nasdaq First North Growth Market since July 7, 2021. The company is traded under the short name "FREEM" with ISIN code SE0011167170. Eminova Fondkommission is Freemelt Holding's Certified Adviser.

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FINANCIAL REPORTS

Financial reports are available on the company's website, www.freemelt.com, on the same day as they are published.

AUDIT

The present report has not been subject to review by the company's auditor.

The Board’s assurance

The Board and the Managing director hereby certify that the quarterly report provides a fair overview of the parent company and the group's operations, financial position and results.

Mölndal on 6 August 2024
Freemelt Holding AB (publ).

Carl Palmstierna
Chairman of the Board

Mikael Wahlsten
Board member

Lottie Saks
Board member

Cecilia Jinert Johansson
Board member

Per Anell
Board member

Johannes Henrich Schleifenbaum
Board member

Daniel Gidlund
Managing director & CEO

Other information

FINANCIAL CALENDAR

Q3 Interim report 2024 on November 5th, 2024
Q4 Interim report 2024 on Februari 20th, 2025

CONTACT INFORMATION

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