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The board of directors in Freemelt has resolved on a rights issue of units of approximately SEK 105 million

The board of directors of Freemelt Holding AB (publ) ("Freemelt" or the "Company") has today, based on the authorisation from the extraordinary general meeting held on 24 January 2025, resolved on a rights issue of units consisting of new shares and warrants (the "Warrants"), amounting to approximately SEK 104.5 million before deduction for transaction costs (the "Rights Issue"). The subscription price in the Rights Issue has been determined to SEK 4.56 per unit, corresponding to SEK 0.76 per share (the Warrants are issued free of charge). Shareholders in Freemelt on the record date, 4 February 2025, have for each three (3) existing shares preferential right to subscribe for one (1) unit, consisting of six (6) newly issued shares and two (2) Warrants. The Company has received subscription commitments from existing shareholders, including members of the board of directors and management, amounting to approximately SEK 30.2 million, corresponding to approximately 28.9 per cent of the Rights Issue. The Company has furthermore received guarantee undertakings from its existing shareholder Stiftelsen Industrifonden and new investors which, in aggregate, amount to SEK 60.0 million, corresponding to approximately 57.4 per cent of the Rights Issue. Consequently, the Rights Issue is covered by subscription commitments and guarantee undertakings amounting to approximately SEK 90.2 million, corresponding to approximately 86.3 per cent of the Rights Issue.

Summary

- The board of directors of Freemelt has today resolved on the Rights Issue.
- The net proceeds from the Rights Issue are intended to be used for the following purposes, listed in order of priority; (i) repayment of bridge loan, (ii) industrialisation of the Company's industrial product and service portfolio, (iii) commercialisation of the Company on the European and North American markets, and (iv) general corporate purposes.
- The subscription price is set to SEK 4.56 per unit, corresponding to SEK 0.76 per share.
- All existing shareholders receives one (1) unit right for each share held on the record date of 4 February 2025. Three (3) unit rights entitle the holder to subscribe for one (1) unit. One (1) unit consists of six (6) new shares and two (2) Warrants.
- The subscription commitments from existing shareholders, including Stiftelsen Industrifonden, Bengt Julander and Coeli Circulus, as well as members of the board of directors and management, amount to approximately SEK 30.2 million, corresponding to approximately 28.9 per cent of the Rights Issue.

- The Company has also received guarantee undertakings from the existing shareholder Stiftelsen Industrifonden and new investors which, in aggregate, amount to SEK 60.0 million, corresponding to approximately 57.4 per cent of the Rights Issue.
- Consequently, the Rights Issue is covered by subscription commitments and guarantee undertakings in a total amount of approximately SEK 90.2 million, corresponding to approximately 86.3 per cent of the Rights Issue.
- The Company will receive approximately SEK 104.5 million upon full subscription in the Rights Issue, before deduction for transaction costs. Upon full exercise of all Warrants, the Company is expected to receive additional proceeds of up to approximately SEK 61.0 million before deduction for transaction costs.
- The subscription period in the Rights Issue will run from and including 6 February 2025, up to and including 20 February 2025 (with deviation for any FDI units as stated below).
- The Warrants can be exercised for subscription of shares during the period from and including 2 June 2026 up to and including 16 June 2026. The subscription price for new shares upon exercise of the Warrants will correspond to 70 per cent of the volume-weighted average price in the Company's share during the period from and including 18 May 2026 up to and including 29 May 2026, however not lower than the quotient value per share or higher than SEK 1.33.
- The Company intends to publish a prospectus regarding the Rights Issue on 4 February 2025.

Background and rationale

Freemelt develops advanced 3D printers for metal components, aiming to become the leading supplier in additive manufacturing (AM) by leveraging E-PBF technology, with the goal of reaching SEK 1 billion in revenues by 2030. The solutions primarily support companies in the defense, energy, and medical technology sectors in Europe and the U.S., enabling them to innovate and enhance production efficiency.

Founded in 2017, Freemelt has grown the product portfolio to include three printer models. Two of these models are specifically designed for industrial production, while the first R&D model has already been sold to 24 research institutes and universities. The modular industrial printers use E-PBF technology, which, according to the Company's assessment, delivers significantly higher efficiency compared to other machines on the market, while being independent of the type of metal used.

Freemelt generates revenue primarily through the sale of advanced 3D printers at a fixed price, complemented by support and maintenance services that provide recurring income and are expected to contribute 25 per cent of total revenues by 2030.

The Company is now positioned to further industrialise its product and service portfolio and advance commercialisation in the European and North American markets.

Use of proceeds

The Company will receive approximately SEK 104.5 million upon full subscription in the Rights Issue before deduction for transaction costs, which are estimated to approximately SEK 11.4 million. Given the Company's current business plan and considering the abovementioned background, the Company will use the net proceeds for the following purposes, listed in order of priority (regardless of the amount of proceeds received in the Rights Issue):

1. Repayment of bridge loan of SEK 5 million from Stiftelsen Industrifonden, including interest (approximately 5 per cent).

2. Industrialisation of the Company's industrial product and service portfolio (approximately 60 per cent).
3. Commercialisation of the Company on the European and North American markets (approximately 25 per cent).
4. General corporate purposes (approximately 10 per cent).

In the event that all Warrants are exercised for subscription of shares, the Company will, based on the maximum subscription price of SEK 1.33, receive additional proceeds of up to approximately SEK 61.0 million before transaction costs, which are estimated to approximately SEK 4.3 million. The additional net proceeds are intended to be used for primarily the same purposes as the initial net proceeds, with the exception that the bridge loan according to the first item will be fully repaid. The net proceeds are therefore intended to be distributed between items 2 – 4 according to the following distribution: approximately 60 per cent (item 2), approximately 30 per cent (item 3), approximately 10 per cent (item 4).

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

The Rights Issue

Persons who, on the record date on 4 February 2025, are registered as shareholders in Freemelt's share register, will receive one (1) unit right for each share held in the Company. Three (3) unit rights entitle the holder to subscribe for one (1) unit. One (1) unit consists of six (6) newly issued shares and two (2) Warrants. The subscription price is SEK 4.56 per unit, corresponding to SEK 0.76 per share (the Warrants are issued free of charge), which means that Freemelt will receive gross proceeds of approximately SEK 104.5 million before deduction of transaction costs, provided that the Rights Issue is fully subscribed.

Subscription will also be possible without unit rights. In the event that not all units are subscribed for with unit rights, the board of directors shall, up to the maximum amount of the issue, resolve on the allocation of units to those who have subscribed without unit rights as follows:

- a. Firstly, allotment of units subscribed for without unit rights shall be made to those who have also subscribed for units with unit rights, irrespective of whether the subscriber was a shareholder on the record date or not, and, in the event of oversubscription, allotment shall be made pro rata in relation to the number of unit rights exercised for subscription, and, insofar as this is not possible, by drawing of lots.
- b. Secondly, allotment of units subscribed for without unit rights shall be made to others who have subscribed for units without unit rights and, in the event of oversubscription, allotment shall be made pro rata in relation to the number of new units for which each person has applied for subscription, and, insofar as this is not possible, by drawing of lots.
- c. Thirdly, allotment of units, that do not constitute FDI units (as defined below), shall, as applicable, be made to the party who guarantees part of the Rights Issue with allotment before other guarantors in accordance with the provided guarantee undertakings ("**Primary Guarantee Undertaking**").

- d. Fourthly, allotment of units, that do not constitute FDI units, shall, as applicable, be made to the parties who, subordinated to the Primary Guarantee Undertaking, guarantee part of the Rights Issue, pro rata in relation to such guarantee undertakings and, insofar as this is not possible, by drawing of lots ("**Secondary Guarantee Undertakings**").
- e. Ultimately, as applicable, units constituting FDI units shall be allotted to the relevant party who guarantees part of the Rights Issue if and when that guarantor has received a Positive FDI Decision (as defined below) and, to the extent that this cannot be done, by drawing of lots.

Each Warrant will entitle the holder to subscribe for one (1) new share in the Company during the period from and including 2 June 2026 up to and including 16 June 2026. The subscription price for new shares upon exercise of the Warrants will correspond to 70 per cent of the volume-weighted average price in the Company's share during the period from and including 18 May 2026 up to and including 29 May 2026, however not lower than the quotient value per share or higher than SEK 1.33. The Warrants are intended to be admitted to trading on Nasdaq First North Growth Market. Provided that the Warrants are fully exercised, the Company will, based on the maximum subscription price of SEK 1.33, be provided with additional proceeds of up to approximately SEK 61.0 million before transaction costs, which are estimated to amount to approximately SEK 4.3 million.

Provided that the Rights Issue is fully subscribed, the number of shares in Freemelt will increase by 137,511,108, from 68,755,555 to 206,266,663 and the share capital will increase by a maximum of SEK 6,875,555.40, from SEK 3,437,777.75 to SEK 10,313,333.15.

Shareholders who choose not to participate in the Rights Issue will, if the Rights Issue is fully subscribed, have their ownership diluted by up to approximately 66.7 per cent (calculated on the total number of outstanding shares in the Company after completion of the Rights Issue, not including the Guarantee Commission Issue, as defined below). These shareholders have the opportunity to compensate themselves financially for this dilution effect by selling their received unit rights.

Upon full exercise of the Warrants, the number of shares will further increase by 45,837,036 and the share capital will increase by SEK 2,291,851.80 provided that the Rights Issue is fully subscribed, corresponding to a dilution effect of approximately 18.2 per cent of the total number of shares and votes in the Company (calculated on the total number of shares outstanding in the Company after completion of the Rights Issue and after full exercise of all Warrants, not including the Guarantee Commission Issue).

The last day of trading in Freemelt's shares including the right to receive unit rights in the Rights Issue is 31 January 2025. The shares are traded excluding the right to receive unit rights in the Rights Issue from and including 3 February 2025. The subscription period, with or without the support of unit rights, runs from and including 6 February 2025 up to and including 20 February 2025, with the exception of subscription of any FDI units, for which the subscription period runs between 21 February 2025 and the earlier of (i) the banking day that falls one (1) banking day from the receipt of the Positive FDI Decision and (ii) 25 July 2025. Trading in unit rights will take place on Nasdaq First North Growth Market during the period from and including 6 February 2025 up to and including 17 February 2025 and trading in BTUs (paid subscribed unit) will take place on Nasdaq First North Growth Market during the period from and including 5 February 2025 until the Rights Issue has been registered with the Swedish Companies Registration Office.

Subscription commitments and guarantee undertakings

The Company has received subscription commitments from existing shareholders, including Stiftelsen Industrifonden, Bengt Julander and Coeli Circulus, as well as members of the board of directors and management, in the total amount of approximately SEK 30.2 million, corresponding to approximately 28.9 per cent of the Rights Issue.

The Company has furthermore entered into guarantee undertakings with the existing shareholder Stiftelsen Industrifonden, in an amount of SEK 10 million, and new investors, in the total amount of SEK 50 million. The guarantee undertakings thus amount to SEK 60.0 million in total, corresponding to approximately 57.4 per cent of the Rights Issue. The guarantee undertakings consist of the Primary Guarantee Undertaking of SEK 10 million, and the Secondary Guarantee Undertaking, provided by a number of external investors, totaling SEK 50 million. The Rights Issue is thus covered by subscription commitments and guarantee undertakings of approximately SEK 90.2 million, corresponding to approximately 86.3 per cent of the Rights Issue.

If the Rights Issue is subscribed and paid for in an amount between SEK 80 million and SEK 90 million, the Primary Guarantee Undertaking covers subscription and payment of units in the Rights Issue up to SEK 90 million and if the Rights Issue is subscribed and paid for in an amount below SEK 80 million, the Secondary Guarantee Undertaking cover subscription and payment of units in the Rights Issue up to SEK 80 million. No guarantee undertakings cover subscription and payment of units in the Rights Issue exceeding SEK 90 million.

A guarantee commission will be paid for the guarantee undertakings, determined based on current market conditions. For the Primary Guarantee Undertaking, a guarantee commission of twelve (12) per cent of the guaranteed amount is to be paid in the form of units, intended to be issued by use of the Issue Authorisation (the "**Guarantee Commission Issue**"). For the Secondary Guarantee Undertaking, a guarantee commission of twelve (12) per cent of the guaranteed amount is paid in cash.

No fee is paid for the subscription commitments. Neither the subscription commitments nor the guarantee undertakings are secured through bank guarantees, restricted funds, pledged assets or similar arrangements. Further information regarding the parties who have entered into subscription commitments and guarantee undertakings will be presented in the prospectus that will be published before the commencement of the subscription period.

As Freemelt is deemed to carry out protection-worthy activities under the Screening of Foreign Direct Investments Act (Sw. *lagen (2023:560) om granskning av utländska direktinvesteringar*), certain investments in the Rights Issue (other than by exercise of preferential rights) may need to be notified to the Inspectorate for Strategic Products (ISP), in which case investors must obtain a decision from the ISP approving the notification or leaving the notification without action before the investment can be carried out ("**Positive FDI Decision**"). To the extent any guarantor's fulfillment of its guarantee undertaking entails that the investment must be approved by the ISP, such part of the guarantee undertaking is conditional upon notification that the application of the transaction is left without action or that approval has been obtained from the ISP. Any units in the Rights Issue that, if allocated to a guarantor in the Rights Issue, would entail a requirement to obtain a Positive FDI Decision, and such decision has not been obtained at the time of allocation, are referred to as "**FDI Units**".

Lock-up undertakings

Prior to the execution of the Rights Issue, all shareholding members of the board of directors and senior management of the Company, as well as the Company's existing shareholder Stiftelsen Industrifonden, have entered into lock-up undertakings, which, inter alia, and with customary exceptions, mean that they have undertaken not to sell shares or other financial instruments in the Company. The lock-up undertakings expire on the day that falls 180 days after the settlement date in the Rights Issue.

Furthermore, the Company has undertaken towards Pareto Securities AB, subject to customary exceptions, not to issue additional shares or other share-related instruments for a period of 12 months after the end of the subscription period.

Timetable

Last day of trading in shares including right to receive unit rights	31 January 2025
First day of trading in shares excluding right to receive unit rights	3 February 2025
Estimated publication of the prospectus	4 February 2025
Record date in the Rights Issue	4 February 2025
Trading in unit rights	6 February – 17 February 2025
Subscription period	6 February – 20 February 2025 (however, for any FDI units, the subscription period runs between 21 February 2025 and the earlier of (i) the banking day that falls one (1) banking day from the receipt of the Positive FDI Decision and (ii) 25 July 2025.
Trading in paid subscribed unit (BTU)	6 February – 5 March 2025

Expected
announcement of
the preliminary 20 February 2025
outcome in the
Rights Issue

Prospectus and application forms

A prospectus and subscription forms will be made available on Freemelt's website, www.freemelt.com, and on Pareto Securities AB's website, www.paretosec.com, before the commencement of the subscription period.

Advisers

Pareto Securities is Sole Manager and Bookrunner, Setterwalls Advokatbyrå is legal adviser to the Company and Advokatfirman Schjødt is legal adviser to Pareto Securities in connection with the Rights Issue.

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, Belarus, Canada, Hong Kong, Japan, New Zealand, Russia 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 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 4 February 2025. 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 units offered under the Rights Issue. 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 develops advanced 3D printers for metal components and aims to become the leading supplier in additive manufacturing (AM) using E-PBF technology, targeting SEK 1 billion in revenue by 2030. The solutions primarily support companies in the defense, energy, and medical technology sectors in Europe and the USA, enabling them to drive innovation and improve production efficiency. Founded in 2017, Freemelt has expanded its product portfolio to include three printer models, with two designed for industrial production and one (Freemelt ONE) targeting research institutes and universities. The modular industrial printers (eMELT) leverage E-PBF technology, delivering significantly higher efficiency compared to other machines on the market while maintaining flexibility in metal selection.

Freemelt generates revenue primarily through the sale of advanced 3D printers at fixed prices, complemented by support and maintenance services, which are expected to account for 25% of total revenue by 2030.

The company is now focused on further industrializing its product and service portfolio and driving commercialization in the European and North American markets.. 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 2025-01-27 19:00 CET.

Attachments

The board of directors in Freemelt has resolved on a rights issue of units of approximately SEK 105 million