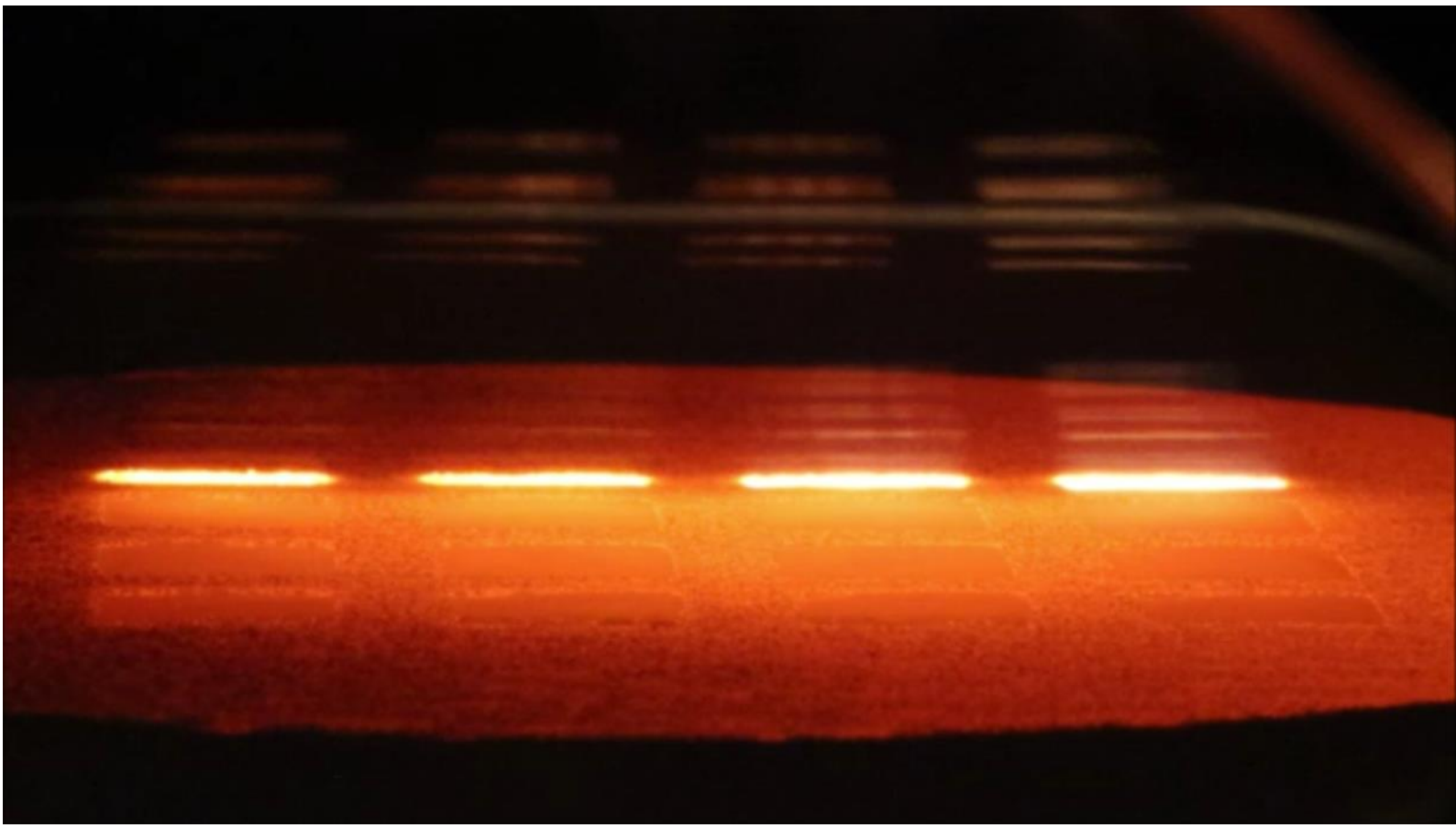
Freemelt Holding AB (publ)

Company Description

regarding application for
admission to trading of shares
on Nasdaq First North Growth Market

Electron Beam Printing in *Freemelt ONE*



Important information about Nasdaq First North Growth Market

Nasdaq First North Growth Market is a registered SME growth market, in accordance with the Directive on Markets in Financial Instruments (EU 2014/65) as implemented in the national legislation of Denmark, Finland and Sweden, operated by an exchange within the Nasdaq group. Issuers on Nasdaq First North Growth Market are not subject to all the same rules as issuers on a regulated main market, as defined in EU legislation (as implemented in national law). Instead they are subject to a less extensive set of rules and regulations adjusted to small growth companies. The risk in investing in an issuer on Nasdaq First North Growth Market may therefore be higher than investing in an issuer on the main market. All issuers with shares admitted to trading on Nasdaq First North Growth Market have a Certified Adviser who monitors that the rules are followed. The respective Nasdaq exchange approves the application for admission to trading.

IMPORTANT INFORMATION

This company description ("**Company Description**") has been prepared in connection with the application for admission to trading of shares in Freemelt Holding AB (publ), Reg. No. 559105-2922 ("**Freemelt**" or the "**Company**") on Nasdaq First North Growth Market ("**First North**"). See section "*Definitions and abbreviations*" for the definitions used in this Company Description.

This Company Description does not fulfil the requirements of being a prospectus in accordance with Regulation (EU) 2017/1129 of the European Parliament and of the Council and has not been reviewed or approved by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*). This Company Description does not constitute an offer to subscribe for, or otherwise acquire, shares or any other financial instrument in Freemelt in either Sweden or any other jurisdiction. Distribution of this Company Description is subject to restrictions in law and other regulations. The Company Description may not be distributed in or into United States, Australia, Singapore, New Zealand, Japan, South Korea, Canada, Switzerland, Hong Kong or any other jurisdiction where such distribution requires prospectus, registration or any other actions to be taken in addition to the requirements under Swedish law. Persons who receive copies of this Company Description, or who wish to invest in Freemelt, must inform themselves about and follow such restrictions. Swedish law is applicable in relation to this Company Description. Disputes regarding the Company Description and thereby applicable legal circumstances shall be handled under Swedish law exclusively.

Risks

An investment in shares is associated with certain risks (investors are therefore encouraged to particularly read the section "*Risk factors*"). When an investor makes an investment decision, he or she must rely on his or her own analysis of the Company, including present facts and risks. Prior to an investment, potential investors ought to consult their own professional advisors to diligently evaluate an investment consideration. No individual has been authorized to provide any information or make any other statements other than those included in the Company Description. If given or made, such information or representation may not be relied upon as having been authorized by the Company nor should the Company be held responsible for such information or statements.

Forward-looking statements

The Company Description contains certain forward-looking statements that reflect Freemelt's views with respect to future events and financial and operational performance. Such words as "intends," "assesses," "expects," "can," "plans," "estimates" and other expressions that relate to indications or predictions concerning future development or trends and that are not based on historical facts constitute forward-looking statements. Forward-looking statements are, by nature, associated with known as well as unknown risks and uncertainties, given their dependence on future events and circumstances. Forward-looking statements are no guarantee of future results or trends, and the actual results could differ materially from those contained in the forward-looking statements. Factors that could result in Freemelt's actual earnings and performance deviating from the content of the forward-looking statements include, but are not limited to, the descriptions in the section "*Risk factors*". Forward-looking statements in the Company Description apply only as of the date of publication of the Company Description. Freemelt does not undertake to disclose any updates or revisions of forward-looking statements due to new information, future events or other such matters above and beyond what is required according to applicable laws.

Information from third parties

The Company Description contains information that has been obtained from third parties. All such information has been reproduced correctly. Freemelt's Board of Directors is responsible for this Company Description and has taken all reasonable precautions to ensure that the information provided in the Company Description complies with the actual facts. Although the Board of Directors believes that these sources are reliable, no independent verification has been made, so the accuracy or completeness of the information cannot be guaranteed. As far as the Board of Directors knows and can assure by comparison with other information published by third parties from which the information was collected, no information has been omitted in such a way that could make the information incorrect or misleading. Some figures in this Company Description have been subject to rounding. This means that some tables do not seem to sum up correctly.

Table of Contents

Definitions and abbreviations 2
Risk factors 3
Background and motive 8
Message from the CEO 10
Market overview 11
Business description 16
Selected financial information 23
Comments on the financial development 27
Capitalization and indebtedness 30
Board of Directors, executive management and auditor 31
Corporate governance 34
Share capital and ownership structure 36
Articles of association 39
Legal considerations and supplementary information 42
Addresses 45

FINANCIAL CALENDAR

Q2 Report 2021	31 August 2021
Q3 Report 2021	30 November 2021
Q4 Report and Year-End Report 2021	28 February 2022
Annual General Meeting 2022	31 May 2022

INFORMATION ABOUT THE SHARE

Number of outstanding shares	36,600,000
ISIN code	SE0011167170
Short name (ticker)	FREEM

Definitions and abbreviations

In this Company Description, the following definitions are, inter alia, used:

Company Description	refers to this company description.
Euroclear	refers to Euroclear Sweden AB.
EUR, KEUR and MEUR	refers to euro, thousand euro, million euro.
First North	refers to Nasdaq First North Growth Market.
Freemelt or the Company	refers to, depending on the context, Freemelt AB, Freemelt Holding AB (publ) or the group in which Freemelt Holding AB (publ) is parent company.
Listing	refers to the listing of Freemelt's shares on First North.
SEK, KSEK and MSEK	refers to Swedish krona, thousand Swedish kronor, million Swedish kronor.
USD, KUSD and MUSD	refers to US dollars, thousand US dollars, million US dollars.
3D-printing	3D-printing is a manufacturing method where 3-dimensional solid parts are built up by addition of material, layer by layer.
AM	Additive Manufacturing. Another acronym for 3D-printing.
Electron Beam	Electrons accelerated and shaped by an electro-magnetic field to form a fine energy beam. In 3D-printing with electron beam, powder melts when the beam interacts with the powder.
E-PBF, Electron Beam Powder Bed Fusion	Sequential layer-based 3D-printing method where powder material is spread on a powder bed and subsequently selectively melted by an electron beam.
L-PBF, Laser Powder Bed Fusion	3D-printing method similar to E-PBF where the powder material is melted by a laser beam.

Risk factors

An investment in the Company's shares is associated with certain risks. There are several risk factors that either can or could affect the Company's business, both directly and indirectly. Described below are the risk factors and other factors deemed to be material to the Company's operations, financial development, and the future development. The risk factors described below are limited to such risks that are specific to the Company and/or its shares and that are deemed material in order to make a well-founded investment decision. The probability that the risks occur and the potential extent of negative impact have been assessed on a qualitative scale with the designations low, medium high and high. The risk factors that are considered to be most important as of the date of the Company Description are presented first in each category, with the rest of the risk factors presented without any ranking. The assessment of the probability and potential extent of negative impact is based on the Board's knowledge and perception as of the date of the Company Description. The probability and extent of risks that can be realized may deviate from the Board's assessment as of the date of the Company Description, partly because the risks are beyond the Company's control. If the risks were to be realized, the share price could fall, and investors could lose part or all of their investment.

An investment in the Company's shares is suitable only for investors who understand the risk factors associated with this type of investment and who can afford to lose a portion or all of the investment. Information on risk factors is presented as of the date hereof and is subject to change, completion, or amendment without notice.

Risks relating to the Company

Key employees

Freemelt has a relatively small organization and thus each employee is important for the operation and development of the Company. Most of the current staff work in product development, production, customer service and sales. The employees possess relevant and important skills in various technology areas. The success of the Company depends to a large extent on the individual achievements of individuals. Freemelt would therefore in the short term be negatively affected if one or more employees would choose to leave their employment in the Company. The Company is planning for an expansion, involving several key recruitments. Should such recruitments not be successful, it will be difficult for the Company to develop in the desired pace. Individuals with skills of importance to Freemelt are highly sought for in the employment market, constituting a challenge for recruitment as well as retention of staff. The Company is also dependent on external consultants, especially in software development. If any of these should terminate their contracts, the Company might suffer from delayed time schedules. Ulric Ljungblad (CEO) and Ulf Ackelid (Senior scientist) are considered as key employees.

Freemelt assesses that such scenarios have low probability to occur, and if they do, they will have a high impact on the Company's operations.

Competition

There is competition at the metal 3D-printing market. The competitive landscape where Freemelt operates and plans to operate is constantly changing. There are both large and small companies producing and delivering systems to customers for 3D-printing, such as GE Arcam Additive, Pro Beam, Jeol and Wayland Additive. Some have been on the market for decades while others are more recently started. 3D-printing comprises a variety of different technologies with their individual advantages and disadvantages. E-PBF, the technology used by Freemelt, is today offered by a few other companies only. Presently, E-PBF constitutes only a small share of the total AM-market. The Company aims to develop a new product platform for industrial manufacturing. The key to success for Freemelt going forward is the ability to offer AM systems

with superior performance and economy in operation. There is, however, a risk that competing companies develop products for the same markets faster than Freemelt and that the Company may have to launch expensive investments or make price adjustments to its products in order to outperform competitors in the future.

The Company assesses that there is a high probability of such a scenario, and that it would have a low adverse impact on the Company's operations and result.

Suppliers and subcontractors

The Company relies on a set of suppliers to produce its products. Such suppliers deliver standard "off the shelf" components as well as bespoke "one-off" components. Freemelt also hires subcontractors for assembly of components into subsystems. If a supplier or subcontractor fails in its commitments to the Company and if the Company is unable to replace the subcontractor or supplier in due time, then the Company will have difficulties in upholding agreed customer delivery times.

The Company assesses that there is a low probability of failing subcontractors and suppliers, and if it happens, it will have a low adverse impact on the Company's revenue and operations.

Product liability and insurance

Freemelt sells advanced technical products on several markets in many countries. This imposes a broad set of responsibilities, sometimes exposed to complex rules and legislation. There is an indirect commercial risk for the Company related to that customers may fail to fulfil manufacturing regulations. Claims on Freemelt from losses of income or other incidents cannot be ruled out. Any losses that are not covered by, or exceed, the limits of insurance coverage risk having a negative impact on the Company.

The Company assesses that there is a low probability of product liability issues, but if it occurs, it may have a medium high adverse impact on the Company's operations, financial position, profitability and reputation.

Disputes, claims, investigations, and proceedings

Freemelt is a commercial company that operates in a competitive international market where disputes could arise within the framework of normal business activities. The Company risks being subject to claims in legal processes regarding for example license agreements, patent infringements, and violation of regulatory requirements. In general, disputes, claims and investigations could be time-consuming, interrupt normal business activities, entail substantial damages, lead to considerable costs and/or require the executive management's attention. Moreover, potential disputes may be settled applying laws of foreign countries and thus it may be difficult to predict the outcome of such complex situations. Future disputes, claims and investigations could have a material adverse impact on the Company.

The Company assesses that there is a low probability that the situations described above occur, and if they occur, they will have a high adverse impact on the Company's operations financial position, result and/or reputation.

Credit risk

There is a risk that Freemelt's counterparties are not able to fulfil their financial obligations to the Company under agreements that are entered into by both parties. This can for instance be agreements for system sales or agreements regarding product development by external parties. As a large portion of the Company's current revenue is attributable to its system sale and the

Company, in the early stage the Company is in, sells relatively few systems and generally receives payment after delivery, the Company is currently particularly exposed to credit risks. Customers could, for example be late or fail to pay invoices. Thus, such agreements entail credit risks if the Company's counterparties come into financial problems.

The Company assesses that there is a low probability of counterparties not being able to pay, and if this would occur, it would have a medium high adverse impact on the Company's result.

Currency risk

Freemelt operates in several geographical markets with different currencies and is thereby exposed to currency risk. The Company has both purchases and sales in foreign currencies. Since currency exchange rates fluctuate and time of invoicing is separate from time of payments, this continuously imposes risk for losses. For example components to a machine could be purchased in SEK or EUR several months before the machine is finally invoiced from a customer in EUR or USD.

The Company assesses that there is a low probability of any substantial foreign exchange losses, and if they would occur, they would have a medium high adverse impact on the Company's result.

The Company's information and technology systems may be vulnerable to cyber security breaches

The Company's information and technology systems may be vulnerable to damage or interruptions from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors leading to breaches, power outages and catastrophic events. If the Company's information and technology systems are compromised causing them to become inoperable for extended periods of time or cease to function properly, the Company may have to make a significant investment to remedy the problems. Failure of these systems could cause significant interruptions in the Company's operations and may result in reduced security and confidentiality or loss of privacy of data, including personal data, intellectual property rights and trade secrets.

The Company assesses that there is a low probability that cybersecurity breaches occur, and if they would occur, they would have a medium high adverse impact on the Company's result and operations.

Covid-19

There is a risk that potential customers will delay placing orders for Freemelt's products due to the global market uncertainty caused by the covid-19 pandemic. Freemelt's growth is further dependent on new customers and there is thus a risk that the Company's growth potential will be limited due to covid-19. Furthermore, there is a risk that the Company's existing customers may have liquidity problems or become insolvent due to this situation and Freemelt may thus risk losing existing customers.

The Company assesses that such scenario has low probability to occur, and if they do, they will have a medium high impact on the Company's revenue and result.

Legal and regulatory risks

The Company may become liable to sanctions for improper processing of personal data

Personal data is being processed as a natural result of the Company's business and the Company must therefore comply with the General Data Protection Regulation (EU) 2016/679 ("**GDPR**"). Personal data is processed, amongst others, in relation to the Company's employees, job seekers and customers. There is a risk that Freemelt has not established complete routines for handling and documentation of the processing of personal data and thus, there is also a risk that the Company fails in its commitments towards employees, job seekers and customers. If the Company has shortcomings in its processing of personal data, or if the Company becomes subject to system hacking where sensitive data is distributed outside the Company, this may negatively affect the Company's brand and reputation and the Company would risk sanctions due to breaches of GDPR. Pursuant to GDPR, sanctions for breaches may amount to a maximum of MEUR 20 or 4 percent of the Company's global annual turnover.

The Company assesses that there is a low probability that GDPR issues occur, and if they would occur, they would have a high adverse impact on the Company's result and reputation.

Risks related to intellectual property

Freemelt invests significant amounts in technology research and development that generate intellectual property. To secure these investments, the Company protects its intellectual property through trademarks, patent applications and trade secrets. There is a risk that patent applications do not lead to granted patent protection or that the rights obtained cannot be adequately maintained. There is also a risk that granted patents do not provide the anticipated competitive advantage in the market and that competitors circumvent the Company's protected technology with their own intellectual property. If Freemelt chooses to defend its patent rights toward a competitor, for example due to an infringement of Freemelt's intellectual property rights, this can cause significant cost for Freemelt. Freemelt regularly monitors existing patents and patent applications in the Company's field of operation to avoid infringement of others proprietary rights. Still, Freemelt's products could be challenged by third parties with respect to intellectual property infringement which could affect the Company's scope of operation. Such events could also lead to costly licencing agreements or even termination of a product on the market.

The Company assesses that there is a medium high probability that the risk above occur, and if they would occur, they will have a medium high adverse impact on the Company's result and reputation.

Risks related to software

The control software for Freemelt's products is developed inhouse. A large part of the software is provided open source under specific licenses as part of the offering to the customers. Ownership of some core software is however retained and protected from reverse engineering by encoding or by using cloud solutions. No matter how well protected, there is still limited risk that protected valuable software developed by Freemelt becomes available to competitors.

The Company assesses that there is a low probability that the risk above occur, and if they would occur, they will have a medium high adverse impact on the Company's result and revenue.

Regulatory risk

The regulatory framework for medical devices varies between countries and regions although harmonization is growing slowly. Freemelt's products do not fall under medical regulations, but

parts such as medical implants produced in Freemelt systems may be controlled by such conditions. Regulations may change over time. In Europe, the Medical Devices Directive (MDD) will be replaced by the Medical Device Regulation (MDR) in May 2021. It requires more clinical evidence and more rigorous post-market oversight. In the US, medical devices fall under FDA's 510(k). FDA submitted technical guidelines for additively manufactured parts in 2017. China's regulatory rules, CFDA, are similar to MDR and were updated in 2018. The ever-changing regulatory framework for medical devices poses a market risk for Freemelt. Similar regulatory risks may also appear in other markets where Freemelt's users are operating.

The Company assesses that there is a low probability that the risk above occur, and if they would occur, they will have a low adverse impact on the Company's operations revenue.

Risks related to the securities

Majority shareholders with significant influence

At the time of this Company Description, approximately 66 percent of the shares and votes are controlled by the nine largest shareholders, which gives them a significant influence over the Company. The major shareholders' interests may differ from those of other shareholders. Thus, the major shareholders may exercise power over the Company in conflict with the interests of other shareholders.

Restrictions on sales of shares

Shareholders representing 69 percent of the shares and votes in the Company have undertaken not to sell shares owned at the time of admission to trading of the Company's shares for a period of twelve (12) months from the first day of trading. Such restrictions on share transfers may have an adverse effect on the liquidity of the outstanding shares. Further, at the lapse of the restricted period, the shareholders bound by the restrictions are free to sell shares. In case shareholders sell significant amounts, there is a risk that the value of the Company's shares will fall.

New issue of shares may affect the value of outstanding shares and lead to dilution

Future share issues may have a material adverse effect on the share price. Although existing shareholders have a certain preferential right in a share issue according to Swedish law, issues may be resolved with a deviation from the preferential rights, leading to dilution of the existing shareholders' proportional ownership and voting rights.

Background and motive

3D-Printing is layer-by-layer manufacturing of 3-dimensional parts by fusion of a feedstock material. Each layer is fused in a unique pattern extracted from a CAD drawing. The most common feedstock material is powder (metal or plastic) and the most common 3D-printing process is called Powder Bed Fusion (PBF). Freemelt employs Electron Beam Powder Bed Fusion (E-PBF) with high power and high temperature for fast processing and excellent material quality in manufactured parts.

The modern concept of 3D-printing was imagined in the 1970s, and the first practical tests took place in 1981, when Hideo Kodama from Nagoya Municipal Industrial Research Institute made public a functional rapid-prototyping system using photopolymers. Three years later, in 1984, Charles Hull invented stereolithography, a widely used 3D printing technology to selectively cure liquid resin into hardened plastic and thus forming plastic parts. In 1991, startup DTM produced the world's first selective laser sintering (SLS) machine building parts by directing a laser at a powder instead of a liquid. Today this technology, Powder Bed Fusion (PBF), is the most widely used for advanced applications.

3D-printing has developed from then with ever increasing areas of applications and gains in market share. Initially it was solely used for prototyping, but it has increasingly found its way into manufacturing of plastic and metal parts.

Still, almost all metal parts are today made with other, more traditional, manufacturing methods. Metal 3D-printing is still expensive and only a limited number of materials are currently available, hindering a widespread uptake of the technology.

3D-printing is today used to a limited extent for making prototypes and functional parts in several business areas. The highest market penetration is in aerospace and medical industries.

Sales of machines for advanced 3D-printing has been growing yearly by double digits in percentage for many years and is expected to grow at a similar pace for the foreseeable future[1].

Freemelt started in February 2017 with a team of founders having a solid background in metal 3D-printing. The Company has developed an advanced 3D-printer, Freemelt ONE, for material process development purposes. This product has been sold to several customers and is in use for materials development.

The next step for Freemelt is to develop an upscaled 3D-printing manufacturing system based on the high-power electron beam technology available in Freemelt ONE, to be launched on the market for use in selected business areas. Initially 3D printers for titanium implants, copper applications in electromobility and tungsten applications in Med-tech and energy production.

In conjunction with this next step, Freemelt's Board assesses that the Listing of Freemelt provides the prerequisite for future growth and accelerated creation of value for the shareholders by an increased interest in the Company from market analytics, investors, and the public, domestically as well as internationally.

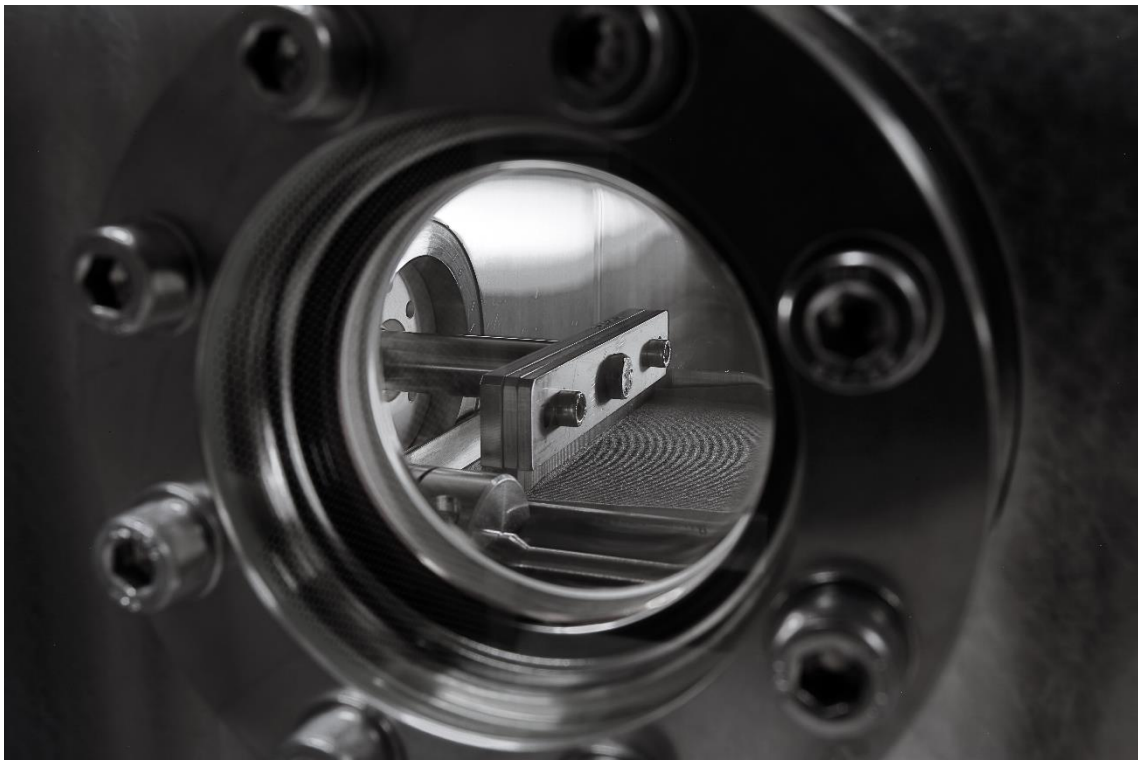
We declare that, to the best of our knowledge, the information provided in the Company Description is accurate and that, to the best of our knowledge, the Company Description is not subject to any omissions that may serve to distort the picture the Company Description is to provide, and that all relevant information in the minutes of Board meetings, auditors' records and other internal documents is included in the Company Description.

[1] https://wohlersassociates.com/2021report.htm

Mölndal, 5 July 2021

Freemelt Holding AB (publ)

The Board of Directors



View into *Freemelt ONE* – Powder recoater

Message from the CEO

Freemelt started as an idea to enable more open access to advanced metal 3D-printing for those who want to exploit the full potential of this wonderful new technology. In this spirit, four years ago, we set out to design our first system, the *Freemelt ONE*, which is now in daily use by prominent research groups in several countries. Freemelt is ready for the next step on our journey from a small startup to a worldwide supplier of machines for the most advanced and cost-efficient manufacturing cases in the rapidly expanding world of metal 3D-printing.

We have proven that we can create products that are highly relevant in the market. We will now do that again, this time to reach into mass manufacturing. We set out to develop the most industrially adapted 3D-printing systems ever together with stable manufacturing processes that we will offer as solutions for some of the most demanding applications in the history of 3D-printing.

But we will not do this alone. Our fundamentally open approach does not stop with our open-source systems with advanced processes that is in the DNA of our offering to the market. It does not even stop with how we work in a close and open way with our customers and suppliers. Our determination for openness spans all the way to our goal to enable a 3D-printing community of collaboration and alignment towards common goals, and to speed up the uptake of this technology in all areas of mass manufacturing.

Freemelt also provides sustainable solutions. All of the powder that is not used in a manufacturing round is collected and used again in the next one - nothing is wasted! The excellent material properties inherent to our high-temperature vacuum process will also enable light weight designs and many smart new applications, leading to less consumption of raw material. 3D-printing the Freemelt way will make a difference to one of the crucial questions of our time; How to reduce the carbon footprint of mass manufacturing.

Our strategic goal is to provide 3D-printing technology that is economically compatible and superior in material quality to traditional manufacturing methods like casting and forging, thus enabling the advanced manufacturing paradigm shift of the metal industry. We are looking forward to making this exciting journey into a future of sustainable, affordable and accessible manufacturing together with our shareholders.

Mölndal, 5 July 2021

Ulric Ljungblad

Founder and CEO

Market overview

In this section, an overview is presented of the markets that the Company is active in. The information regarding market growth, market size and the Company's market position is the Company's overall assessment based on internal and external sources. The third-party information has been accurately reproduced and – as far the Company is aware and can ascertain from information made public by the third party – no facts have been omitted in a manner that would make the reproduced information inaccurate or misleading. Statements in the Company Description are based on the Board's and the management's assessment unless any other basis is specified.

Freemelt's field of operation

Freemelt is active in metal 3D-printing. Freemelt currently produces, markets, and sells Freemelt ONE, an advanced electron beam-based 3D printer for research and development. Freemelt's current users are universities, research institutes and R&D departments in large enterprises. Freemelt ONE is used to develop process settings for new materials with potential for future production of parts with improved quality.

Freemelt ONE

Freemelt is now also developing a new 3D-printer, based on the technology in Freemelt ONE, to be used for industrial manufacturing in the areas of Orthopedic Implants, Electromobility, Industrial Equipment, MedTech, and Energy Production.

In 2019, the global metal Additive Manufacturing market size was valued at EUR 2 billion including system, material, and service sales. System suppliers have the largest share of the total Additive Manufacturing market size. The market is expected to grow to the range of EUR 5-6 billion in 2024.[2]

Freemelt's long term vision is to make 3D-printers functionally superior to casting and metal fabrication from forgings, yet competitive in cost of use even for low value applications. This will make 3D-printing a viable choice for practically all metal manufacturing applications.

The global market size of metal fabrication equipment was valued at USD 68.36 billion in 2017 and is anticipated to grow at considerable CAGR around 3.9 percent to reach USD 94.51 billion by 2026.[3] The global casting market was valued at USD 123.8 billion in 2018 and is expected to expand at a CAGR of 5.3 percent from 2019 to 2025.[4]

3D-printing technologies

3D-printing was first developed for polymer (plastic) materials in the late eighties. Metal printers emerged in the late nineties.

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[2] https://additive-manufacturing-report.com/additive-manufacturing-market/.

[3] https://www.grandviewresearch.com/industry-analysis/metal-fabrication-equipment-market#:~:text=The%20global%20metal%20fabrication%20equipment,expected%20to%20drive%20the%20market and https://www.acumenresearchandconsulting.com/metal-fabrication-equipment-market.

[4] https://www.grandviewresearch.com/industry-analysis/metal-casting-market#:~:text=The%20global%20metal%20casting%20market,growth%20over%20the%20forecast%20period.

The polymer printing market is much more mature and revenues from 3D-printed parts made of polymers are five times higher than metal parts. However, revenues from systems sales are similar for metal and polymer systems[5].

Metal printers can be divided into Powder Bed Fusion (PBF), Binder Jetting and Directed Energy Deposition (DED). Powder Bed Fusion, which is the dominant technology on the market, can be further divided by the energy source used for melting: laser or electron beam, each with their individual advantages.

No tools are needed in 3D-printing. This allows for fast turnaround from design to finished part and cost advantages for low volume production. These were the market drivers in the early phases of 3D-printing. Today, a strong driver is the ability to produce unique functional shapes, such as designed porous structures for orthopedic implants or complex internal cavities in turbine blades. Additionally, superior material properties are becoming an important qualifier for many end users.

Powder recoater

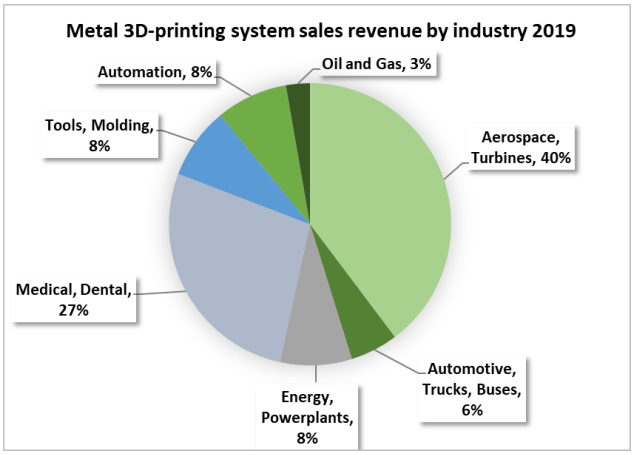
Powder Bed Fusion

Powder Bed Fusion is a layer-by-layer process where powder is first spread evenly onto a powder bed and then selectively melted according to a specific pattern. A new powder layer is applied, and the process is repeated until a finished part is produced.

Freemelt uses an electron beam to melt the powder, hence the acronym E-PBF which stands for Electron Beam Powder Bed Fusion. With a high energy output, combined with vacuum technology and high process temperatures, this technology offers advantages compared to laser-based systems such as increased productivity and materials of improved purity, density, and strength.

Significant markets

3D-printed metal parts can be found in spectacular applications generating big public interest such as the Mars Perseverance rover, super sports cars, and skull implants. Spectacular parts are, however, almost always synonymous with very small niche markets. Behind the buzz, there are large markets that can be addressed with highly productive 3D-printers. Freemelt aims to reach into markets for products where low cost, unique shape, and superior material properties are combined qualifiers using Freemelt's 3D-printers.



Source: Additive-manufacturing-report.com

Freemelt has identified significant market size applications with products made in titanium, copper, and tungsten. Titanium addresses the medical implant market; copper provides applications predominantly in electromobility and tungsten in energy production and medical equipment. The demand for the Company's products is global, however the initial marketing of products will

[5] https://am-power.de/reports/

be in Europe, Asia and North America. The Board's assessment is that the regions where initial marketing takes place correspond to 90% of the global market.

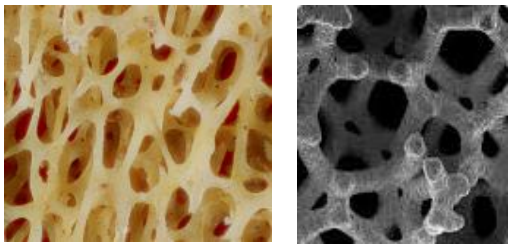
All three materials have properties very well suited for Freemelt's E-PBF technology as opposed to competing 3D-printing technologies.

Competitors

GE Arcam Additive is the main competitor to Freemelt. They sell E-PBF 3D printers globally, primarily for industrial production at the same market as Freemelt. Additional E-PBF suppliers with no, or only limited, sales are Pro Beam, Jeol and Wayland Additive. There are also laser-based 3D printer manufacturers for industrial production. The mayor suppliers are SLM Solutions, EOS and 3D Systems. They all have global reach. Aconity 3D sells systems for the research market. The laser-based suppliers are active partly in the same market as Freemelt.

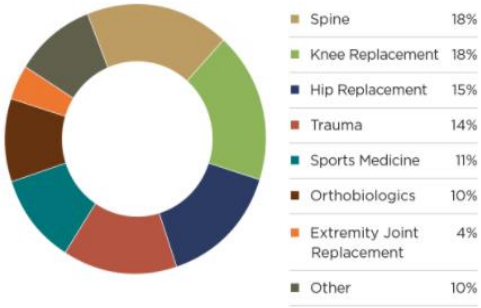
Titanium – Orthopedic implants

The main reason that 3D-printing is such a good fit for orthopedic implants is the ability to recreate the internal structure of trabecular bone. This allows native bone tissue adjacent to the implant to grow into the porous design of the implant and form a strong fixation. This significantly improves the lifetime of the implant[6].



Trabecular bone and 3D-printed structure

The orthopedic implants market has a turnover of more than USD 50 billion and grows more than 3 percent per year. It is dominated by hip, knee, and spine implants. Globally, more than five million large joint replacements are made every year. American companies are dominating in the field. DePuy Synthes, Zimmer Biomet and Stryker each have turnovers surpassing USD 7 billion. Seven companies control two thirds of worldwide sales.[7]



Data from Bone Zone: bone zone 51 B$ market

Globally, there is a large price difference with the United States having, by far, the highest prices for implants. In Europe, most operations are financed by the healthcare systems and, hence, there is stronger price pressure than in the US. China and India have similar systems to Europe, to enable a larger and increasing share of their population to benefit from implant surgery. Increase in expected lifetime is also a strong driver for implant market expansions, in particular for densely populated developing countries. Freemelt's technology combines high power and high resolution which makes it feasible to produce at a low price point - an important value proposition for the European, Chinese, and Indian markets.

[6] https://bmcmusculoskeletdisord.biomedcentral.com/articles/10.1186/s12891-015-0822-9

[7] https://www.bonezonepub.com/2298-orthopedic-industry-surpasses-51-billion-in-global-revenue.

3D-printed orthopedic implants

3D-printing for orthopedic implants has been around for about 15 years and still have moderate market shares, varying from 1 percent to 5 percent depending on product, with the largest market share for spine implants. SmarTech Analysis predicts that 3D-printed implants will have a yearly market growth of more than 20 percent for all types of Orthopedic implants between 2019 and 2028.[8]

Freemelt's implementation of E-PBF technology with its combined high resolution and high beam power is excellent for fast printing of designed fine porous structures as well as bulky parts, also compared with competing electron beam-based systems. In future product development Freemelt will initially focus on 3D printers for hip, ankle, and shoulder implants as these present the fastest route to market and have geometries well suited for Freemelt's technology.

Copper – electromobility and industrial equipment

According to the European Commission's 2050 Climate Strategy: "*The most important single driver for a decarbonized energy system is the growing role of electricity both in final energy demand and in the supply of alternative fuels, which will be mostly met by renewables, and in particular by wind and solar electricity*"[9]. The use of electric components such as motors and generators in electric cars, power plants and many industrial applications is key for the transition into an electrified decarbonized society. Copper is the main material used in electric motors and generators and also in various industrial equipment, due to its high electrical and thermal conductivity[10].

The conductivity of copper is high only for a material of high purity. Even tiny traces of for example oxygen deteriorates the material conductivity substantially. Freemelt's technology has an advantage here since it takes place in an ultra-pure high vacuum chamber. Furthermore, melting of copper powder works well with electron beams, contrary to laser beams that suffer from very high reflectivity from copper. This excludes laser-based 3D-printers from efficient use for copper-based applications.

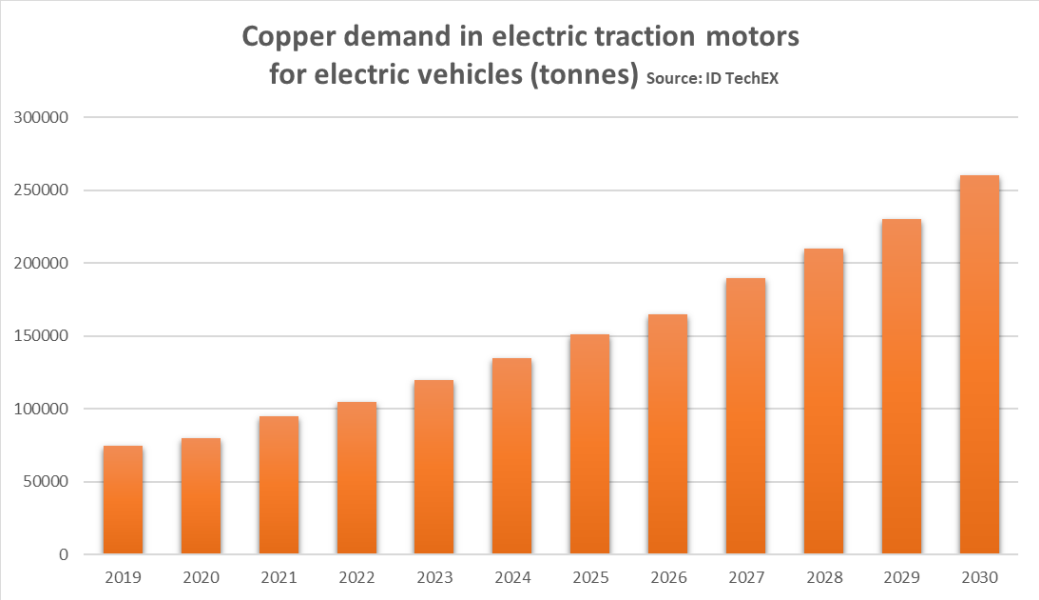
Electromobility

With the advent of electric cars, electric motors have become highly innovative at a fast pace. There are many complexly shaped parts inside electric motors. 3D-printing offers the ability to change the design of electric components to become smaller, more compact, and more efficient. The focus is on copper windings, one of the main components of every electric motor.

[8] https://www.smartechanalysis.com/market-studies

[9] https://ec.europa.eu/clima/sites/clima/files/docs/pages/com_2018_733_analysis_in_support_en.pdf.

[10] https://www.copper.org/publications/pub_list/pdf/A6191-ElectricVehicles-Factsheet.pdf



By manufacturing copper coils using 3D printing, it is possible to achieve higher performance and efficiency. A higher copper material purity in the electric motor reduces losses and improves the thermal coupling of the winding. An electric vehicle motor can contain over a kilometer of copper wire in its stator windings, and it can have more than 10 percent of its weight in its rotor if made from copper[11]. E-PBF can produce complex parts without oxygen contamination which improves conductivity and thereby efficiency, potentially leading to less energy consumption of the motors and longer range of electric vehicles.

Industrial equipment

As mentioned, Freemelt's technology for 3D-printing preserves the high conductivity of pure copper and opens up innovative designs of copper parts. It can further be used for:

- Inductor hardening. The precision and shape of the inductor coil is an important quality factor. With Freemelt's technology, such coils can be tailored for the work piece to optimize the induction process.
- Specialty tooling such as heat sinks and welding arms benefiting from short lead time and freedom in design.
- Heat exchangers of complex geometry. The material characteristics of copper make it ideal for manufacturing of heat exchangers.

Tungsten – MedTech, and Energy Production

Refractory metals are a group of special materials with unique properties that has its use in some high value applications such as ray knives for neurosurgery. Tungsten is the element in the periodic table with the highest melting temperature. It is also one of the heaviest elements with 2.5 times the density of steel and it has excellent corrosion resistance.

Tungsten is used in medical and industrial X-ray equipment to shield from harmful radiation more efficiently and environmentally friendly than lead. Another application for tungsten is as

[11] http://copperalliance.eu/uploads/2018/02/1-e-mobility.pdf.

ballast in airplanes, helicopters, and other vehicles. Yet another application is as inner wall material in fusion power plants thanks to the material's high temperature resistance.

Tungsten is brittle below 500 °C and cracks easily if processed at low temperatures. Laser-based 3D-printers operate at close to room temperature and, consequently, have severe limitations when it comes to printing of tungsten. The maximum thickness of crack-free parts is well below a millimeter for laser processing. A high-power electron beam process on the other hand, operating in vacuum and at temperatures close to 1000 °C, is capable of crack-free melting of tungsten, regardless of thickness. Therefore, Freemelt's technology is well suited for producing parts in tungsten with high productivity and superior material quality.

Business description

Freemelt is a socially responsible and environmentally conscious company that focuses on becoming a leading supplier of reliable technology, products, and solutions for metal 3D-printing. The Company is headquartered in Mölndal, Sweden.

The Company is today active in production, marketing, sales, and service of Freemelt ONE, a 3D-printer for material development at research scale.

Freemelt is actively marketing Freemelt ONE in Europe, Asia and North America and reaches its customers directly through proactive selling, marketing and networking in digital channels and at fairs and exhibitions as well as through newsletters and advertisements.

Background

Freemelt is located in Mölndal and was founded 2017. The core competence and IP are within metal additive manufacturing system development and material processes. The main business concept is to develop, manufacture and sell 3D-printing solutions to customers.

Products

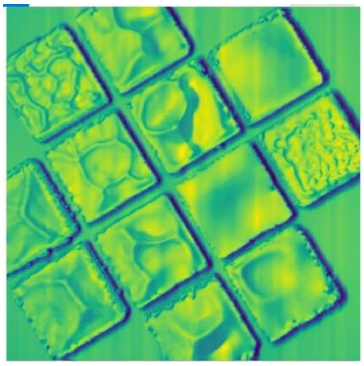
The Company has developed many new advanced solutions in all subsystems of its products. Electron beam technology goes back more than 100 years to the discovery of the electron in abeam setup at Cambridge. Since then, electron beams have become commonplace in many commercial applications from electron microscopy to microlithography and from electron beam welding to cathode ray tube television sets.

Freemelt has developed a special design of the electron beam unit optimized for 3D-printing, different from other E-PBF systems on the market. Most importantly, Freemelt's electron beam unit has high and consistent resolution of the electron beam through the full range of available beam powers, thanks to its innovative "diode" configuration. It is also a high-power design, up to 6 kW, which is the highest beam power available on the market today. The electron beam unit (patent pending) is essential for Freemelt to achieve reliable and more productive systems than all competitors within powder bed fusion.

Freemelt has also developed other features for its products:

- A backscatter electron detector for real-time quality inspection of each layer in production. Freemelt ONE is the first commercial E-PBF system in the world to offer this capability.

- A proprietary device, ProHeat (patent pending), for preventing electrical charge accumulation in the powder bed. ProHeat makes the E-PBF process even more robust and opens up for a whole range of new powder materials that were previously difficult or impossible to process.



Backscatter electron image from Freemelt ONE

Freemelt is the only supplier of advanced 3D-printers to provide open-source control software. This gives Freemelt users the opportunity to develop and validate their own material processes, to share with others or for creation of their own IP. It also enables customers in business areas with regulatory demands to fully validate their manufacturing system and process. The latter has posed a substantial barrier for the smooth uptake of 3D-printing in regulatory businesses such as orthopaedic implant manufacturing.

Freemelt presently holds eleven patent applications for technology used or intended for its products. For more information on the patent applications, please refer to the section "*Legal considerations and supplementary information*".

Business model

The majority of future market growth will require material processes not yet developed for 3D-printing. Freemelt has therefore chosen a two-step marketing and commercialization strategy:

1. Offer an open-source 3D-printer optimized for development of new materials, i.e. Freemelt ONE. Results from the material development activities create a demand for a manufacturing system. Core technologies developed for Freemelt ONE are directly transferrable to industrial systems.

2. Develop an industrial 3D-printer optimized for volume production and targeting opportunities identified in collaboration with clients.

This strategy is underpinned by building a network of partners in a new open-source 3D-printing ecosystem as well as by close partnership with industrial players.

Furthermore, by targeting the market for research and development, we enforce a business model that is adapted to the long qualification cycles associated with new materials and processes. Freemelt ONE will continue to be a product and a material development tool in its own right. When the industrial 3D-printer is ready for launch, Freemelt ONE will be a complementary tool in a broader ecosystem of 3D-printing. Customers that run serial production with the industrial system will continuously need process development for further improvement of their ongoing production, and for expanding production with new parts, potentially in new materials. Thus, Freemelt ONE will serve a vital function also in a production facility.

Many companies making 3D-printers market them as multi-purpose, universal machines and strive to develop processes for any application and any material. The team at Freemelt has seen many such efforts failing because of lack of focus. Making a generic advanced 3D-printer is extremely challenging and the approach prevents from reaching a good quality and reliability in most cases. Therefore, Freemelt develops the industrial system towards a few well-defined applications from the start. The selected business areas constitute a range of applications with materials that are compatible in a single system and less challenging than many other cases from the history of 3D-printing. They are also business areas where Freemelt's technology is particularly advantageous, as further described in the section "*Market overview*". Using this risk-minimizing approach, Freemelt has a firm intent to become a market leader in the selected business areas.

Freemelt intends to build a key-account structure to focus on customer needs in the respective business areas where Freemelt is operating. Close collaboration is indispensable to create large values for our customers from Freemelt's expertise, and this is an efficient way to ensure continued mutual growth of both parties.

Strategic targets

The main challenges at hand are to successfully develop and market the new industrial system in the selected business areas and to gain further market shares for Freemelt ONE in research and development. In order to succeed with these targets, the Company will expand the organization with highly qualified staff members and continue to refine internal processes to maintain efficiency in the Company's operation. The Company will also focus on gaining more visibility in the selected business areas by systematically spreading information about the solutions that Freemelt bring to the market.

Organization

Freemelt has been organized for the development and manufacturing of Freemelt ONE, our research system. We have a strong project organization, and all work is planned using agile project management tools.

The development of the industrial system now triggers an expansion of the organization. Freemelt will handle this expansion with an on-boarding scheme for new employees, maintaining our project organization for controlling and steering the Company's operations.

As we now start the development of an industrial system, we will reorganize our governance structure. Our management group will be expanded with three experienced individuals in the areas of finance, sales, and production. These persons bring in advanced knowledge in 3D-printing, accounting, manufacturing, and other areas of relevance for Freemelt.

Manufacturing

Freemelt ONE is today manufactured by Freemelt in our own facilities in Mölndal using components and materials from a large number of suppliers. Regarding the upcoming industrial system, manufacturing of most subsystems will be outsourced and only the final assembly will take place at Freemelt. However, parts and subsystems that are critical from an IP perspective will continue to be produced internally. In the long term, it will be possible to transfer system production closer to customers on other continents.

Facilities

As Freemelt grows in people and operations, it is necessary to expand the facilities. Freemelt will now open a new office in Linköping with focus on industrialization and production while the existing Mölndal office will maintain the duties of research, development, marketing, and sales. The new Linköping facility will provide floor space for production, lab space and offices, and its location in another Swedish high-tech region offers an expanded recruitment base.

Financing

The Company has historically been financed through issues of shares and, since 2019, through revenue from sales of Freemelt ONE and service contracts. Freemelt has also received grants from Vinnova by participation in a research project. Future financing is expected through revenue from sales of the Company's products and services.

Sales

Freemelt is working with direct sales of *Freemelt ONE* to our research-oriented customers. Service is by demand and individually invoiced for each occasion. This model is well suited for universities and research institutes and provides flexibility to a community that is highly diverse and advanced. We will continue to serve the R&D market this way.

As we now announce the development of an industrial 3D-printer, we expect a strengthened interest from industrial players also for *Freemelt ONE*. Process settings and powder formulas developed on Freemelt ONE will be possible to transfer onto the industrial machine platform which makes *Freemelt ONE* an interesting product for industrially oriented users.

When we start the roll-out of the industrial system as a product we will initially focus on key customers and work closely with them in developing their business. As described in the section "*Market overview*", we will offer our production customers a full range of services on our industrial platform covering advanced manufacturing process settings, versatile system maintenance solutions and an extensive training package.

Broader Impact

3D-printning is a transformational technology with a positive environmental and societal impact.

Environmental impact

3D-printing is a sustainable technology:

- Products can be produced close to the end users, reducing transportation.
- It will support and enhance the transition from fossil fuel to electromobility.
- It is a low scrap manufacturing technology.
- It provides more degrees of freedom as products can be made with optimized shape and material with less restrictions than today making them lighter and stronger, reducing life cycle cost and reducing raw material quantities.

Societal impact

- Freemelt's open-source collaboration lowers barriers for adoption of 3D-printing.
- Distributed production made possible with 3D-printing improves the possibility globally to establish small scale manufacturing in poor and rural areas.
- Since only metal powder is required for production with Freemelt's technology, it contributes to a simplified and more reliable logistic chain.
- Orthopedic implants can be optimized and personalized leading to health benefits.

History

2017

- Freemelt AB was founded by a team with long experience of Metal Additive Manufacturing (3D-printing). Several founders have a background from electron beam 3D-printing at Arcam.
- First investment round by the founders and four investors.
- The development of Freemelt ONE started. The electron beam unit was created in collaboration with The Welding Institute in Cambridge.

2018

- The first Freemelt ONE system was assembled and tested.
- The first order of a Freemelt ONE was received from a German university.
- Second investment round by the previous owners and three new investors.
- The first patent applications were filed.

2019

- New CEO, Ulric Ljungblad, was appointed.
- A share issue of MSEK 15, where the investment was led by Industrifonden.
- Five Freemelt ONE system orders were received from research and industrial customers in Europe.

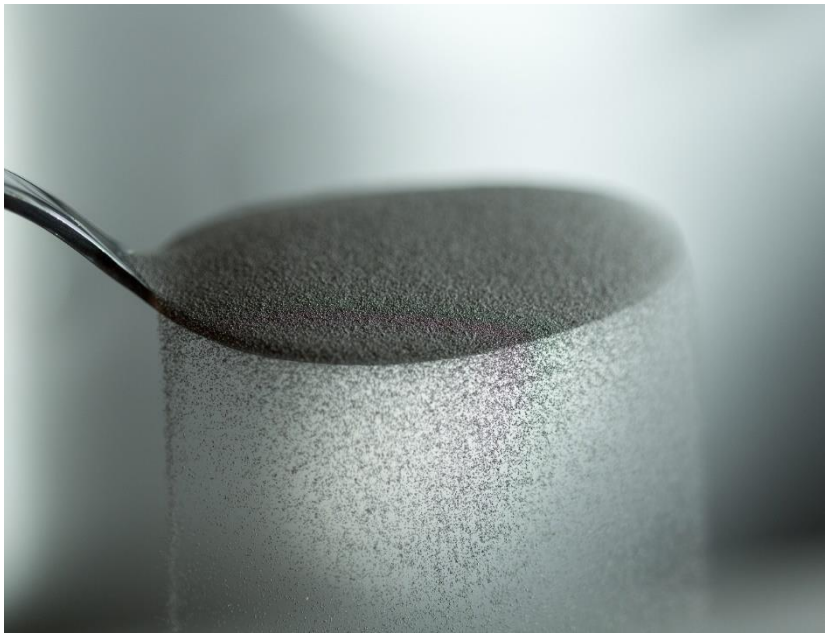
2020

- Covid-19 caused a massive downturn in the 3D-printing market.

- Freemelt took advantage of emergency covid-19 measures from the Swedish government for cash flow control.
- Freemelt was appointed for the prestigious “Ny Teknik 33-list” recognizing the most innovative and promising Swedish startups in 2020.
- ProHeat, Freemelt’s innovative patent-pending concept for powder preheating, was announced.

2021

- The downturn in the market continued to affect global business in Q1 and Q2.
- Two machine orders were received from the Royal Institute of Technology (KTH) in Stockholm.
- A pre-IPO investment round of MSEK 85 was closed successfully.
- Freemelt Holding AB (publ) is formed as parent company for Freemelt AB, after which Freemelt Holding AB (publ) applies for listing at First North.



Metal powder for 3D-printing

Selected financial information

This section presents selected financial information for Freemelt regarding the financial year 1 January – 31 December 2020 and 1 January – 31 December 2019. The following selected financial information for the financial year 1 January – 31 December 2020 and 1 January – 31 December 2019 has, unless otherwise stated, been taken from Freemelt's audited annual reports. Freemelt's financial information for the financial year 1 January – 31 December 2020 and 1 January – 31 December 2019 presented below has been prepared in accordance with Annual Reports Act (1995:1554) and BFNAR 2012:1 Annual report and Consolidated Financial Statements (K3). This section should be read in conjunction with "Comments on the financial development" and the financial reports incorporated by reference in the Company Description.

Income statement

	2020-01-01-2020-12-31	2019-01-01-2019-12-31
Net turnover	6,406,890	10,569,417
Activated work for own account	10,584,033	7,566,295
Other operating income	887,529	0
	17,878,452	**18,135,712**
Operating costs		
Goods for resale	-3,756,404	-3,889,238
Other external costs	-6,285,379	-4,161,055
Personnel costs	-10,859,518	-7,779,496
Depreciation/amortisation and impairment of property, plant and equipment and intangible assets	-2,405,980	-1 689 189
Other operating expenses	-155,842	-120,678
	-23,463,123	**-17,639,655**
Operating profit/loss	**-5,584,672**	**496,057**
Profit/loss from financial items		
Interest expense and similar profit/loss items	-20,332	-725
	-20,332	**-725**
Profit/loss after financial items	**-5,605,004**	**495,332**
Pre-tax profit/loss	**-5,605,004**	**495,332**
Tax on profit for the financial year	1,193,241	-137,601
Net profit/loss for the year	**-4,411,763**	**357,731**

Balance sheet

	2020-12-31	2019-12-31
ASSETS		
Fixed assets		
Intangible fixed assets		
Capitalised expenses for research and development and similar work	22,820,064	14,446,644
Franchise, patents, licences, trademarks and other similar rights	1,085,724	524,026
	23,905,788	**14,970,670**
Tangible fixed assets		
Equipment, tools and installations	60,448	76,576
	60,448	**76,576**
Financial assets		
Deferred tax assets	2,208,304	1,015,063
	2,208,304	**1,015,063**
Total fixed assets	**26,174,540**	**16,062,309**
Current assets		
Inventories, etc.		
Finished goods and goods for resale	1,924,088	1,689,549
	1,924,088	**1,689,549**
Current receivables		
Accounts receivable	456,706	1,186,909
Other receivables	491,202	598,045
Deferred expenses and accrued income	161,399	147,831
	1,109,307	**1,932,785**
Cash on hand and in bank	4,526,021	11,212,996
Total current assets	**7,559,416**	**14,835,330**
TOTAL ASSETS	**33,733,956**	**30,897,639**

EQUITY AND LIABILITIES		
Equity		
Restricted reserves		
Share capital	117,483	117 483
Revaluation reserve	22 820,064	14 446 644
	22 937 547	**14 564 127**
Non-restricted equity		
Premium Fund	31 552 500	31 182 842
Retained earnings or losses	-26 597 784	-18 582 095
Profit/loss for the year	-4 411 763	357 731
	542 953	**12 958 478**
Total equity	**23 480 500**	**27 522 605**
Long-term liabilities		
Other liabilities	6 000 000	0
Total long-term liabilities	**6 000 000**	0
Current liabilities		
Advance payments from customers	0	1 502 398
Accounts payable	745 724	233 604
Current tax liabilities	130 637	106 789
Other liabilities	1 452 135	277 193
Accrued expenses and deferred income	1 924 960	1 255 050
Total current liabilities	**4 253 456**	**3 375 034**
TOTAL EQUITY AND LIABILITIES	**33 733 956**	**30 897 639**

Key Figures

Amount in KSEK	2020	2019
Multi-year overview		
Net turnover	6,407	10,569
Profit/loss after financial items	-5,605	495
Balance sheet total	33,734	30,898
Equity/assets ratio (%)	70%	89%
Equity		
Share capital	117	117
Revaluation reserve	22,820	14,447
Premium reserve	31,553	31,183
Retained profit/loss	-26,598	-18,582
Profit/loss this year	-4,412	358
Total	**23,480**	**27,523**
Shares		
Number of Shares	117,483	117,483
Dividend per Share	0	0
Employees		
Average number of employees	16	10
Personnel costs	10,860	7,779

Definitions of Key Figures:

Net turnover	Main operating revenues, invoiced expenses, side income and revenue adjustments.
Profit/loss after financial items	Profits after financial items and costs but before appropriations and taxes.
Balance sheet total	Company's gathered assets.
Equity/assets ratio (%)	Adjusted equity (equity and untaxed reserves with deductions for deferred tax) as a percent of the balance sheet total.

Comments on the financial development

This section should be read in conjunction with "Selected financial information" and the financial reports incorporated by reference in the Company Description.

Income statement

The operating income amounted to KSEK 17,878 and consisted largely of activated work for own account with KSEK 10,584. The increase in activated work compared with 2019 is due to more engineers being employed to work with research and development.

During the last three quarters of 2020, covid-19 had a strong negative effect on the financials, far beyond the impact of a more normal economic downturn. We have seen that the willingness to invest has been very weak in the great uncertainty that has prevailed as many businesses have reduced their activities to a minimum. Thus, net sales have decreased from KSEK 10,569 in 2019 to KSEK 6,407 in 2020.

The Company has met this situation by using support measures from the authorities in the form of temporary and limited part-time layoffs and adjustment support, as well as cost reductions.

Balance sheet

Assets

At the end of 2020, the total assets amounted to KSEK 33,734 compared to KSEK 30,898 at the end of 2019. Intangible assets rose with KSEK 8,935 in 2020 of which the majority derives from capitalized expenses for research and development while tangible assets decreased with KSEK 16 due to depreciation of tangible assets.

Equity and liabilities

The total equity at the end of 2020 amounted to KSEK 23,480 compared to KSEK 27,523 in 2019. The decrease is due to lower sales due to covid-19.

Long-term liabilities in 2020 was KSEK 6,000 and consisted of a loan of convertibles.

Current liabilities rose from KSEK 3,375 in 2019 to KSEK 4,253 in 2020. This is mainly due to deferred amount for VAT, employer contributions and withholding tax, which has been an opportunity for a few months due to the pandemic.

Restrictions on the use of capital

The Company has no obligations or commitments that imply any restrictions on the use of capital.

Tangible assets

The Company's tangible fixed assets as of 31 December 2020 consists of inventory and tools with a value of KSEK 60.

Intangible assets

The Company's intangible fixed assets as of 31 December 2020 are reported below.

KSEK	2020-12-31
Development expenditure	26 636
Accumulated write-downs of capitalized expenditure	-3 816
Patents	1 345
Write-downs of patents	-259
Total intangible assets	23 906

Cash flow statement (SEK)

Overview - cash flow	**Jan-Dec 2020**	**Jan-Dec 2019**
Cash and cash equivalents at start of period	11,212,996	3,815,981
Changes in cash and cash equivalents	-6,686,974	7,397,014
Cash and cash equivalents at end of period	4,526,021	11,212,996
Specification - periods cash flow		
Current earnings		
Operating profit/loss	-5,584,672	496,057
Adjusting depreciation and provisions	2,405,980	1,689,189
Adjustment gain/loss on sale of fixed assets	0	0
Net interest income	-20,332	-725
Income tax paid	1,193,241	-137,601
Cash flow from operating results	-2,005,783	2,046,920
Changes in working capital		
Decrease (+)/increase (-) in inventories/work in progress	-234,539	-590,757
Decrease (+)/increase (-) in trade receivables	730,202	-1,186,909
Decrease (+)/increase (-) in Receivables	93,275	-292,130
Decrease (+)/increase (-) in trade Payables	-990,278	-235,719
Decrease (+)/increase (-) in current liabilities	1,868,702	518,587
Cash flow from changes in working capital	1,467,362	-1,786,928
Cash flow from operating activities	-538,421	259,992
Investing activities		
Changes from investment activities	-12,518,211	-8,113,303
Cash flow from investing activities	-12,518,211	-8,113,303

Financing activities		
Change in shareholders equity	369,657	15,250,326
Change of external capital	6,000,000	0
Cash flow from financing activities	6,369,657	15,250,326
Total change in cash and cash equivalents	-6,686,974	7,397,014
Unallocated amount	0	0

Significant changes after the balance date

Since 31 December 2020, the Company has received two orders from the Royal Institute of Technology (KTH, Stockholm) and has conducted a pre-IPO investment round of MSEK 85 by new issue of shares at subscription price 10 SEK/share, which was successfully closed in April 2021. Ola Rollén and Jan Alvén (former at Hexagon) can be found among the shareholders.

Capitalization and indebtedness

The table below describes the Group's capitalization and indebtedness as of 31 May 2021. Please see the section "Share capital and ownership structure" for further information on Freemelt Holding AB (publ.) share capital and shares.

Equity and liabilities (KSEK)	2021-05-31
Equity	
Restricted reserves	
Share capital	1830
Revaluation reserve	26,343
	26,463
Non-restricted equity	
Premium Fund	31,552
Retained earnings or losses	-30,121
Profit/loss for the year	-4,412
Result of the period	-2,705
	-5,686
Shareholder's equity	**20,777**

Net debt

Below, the Group's net debt as of 31 May 2021 is presented.

KSEK	2021-05-31
Cash and bank balances	-89,398
Long term loans	8,000
Net financial debt	**-81,398**

Working capital statement

The Company believes that the existing working capital is sufficient to meet the Company's working capital and capital expenditure needs for at least the next twelve months as of the date of the Company Description.

The Company's cash and cash equivalents as of 31 March 2021 were SEK 1,635,908.

For 2020 and the first quarter of 2021, the Company showed a negative result and financed its operations with cash and cash equivalents.

The Company is currently selling the product Freemelt ONE. Another industrial product will be developed and is planned to start selling in 2022. It is expected to generate revenue from its market introduction. When profitability can be achieved is mainly dependent on sales volume and the Company's cost base.

Board of Directors, executive management and auditor

According to the Company's articles of associations, the Board of Directors of the Company shall consist of at least three (3) and no more than eight (8) Board members and no deputy Board members. The Company's Board of Directors consists of five (5) Board members, including the Chairman of the Board, elected for the period until the end of the 2022 Annual General Meeting. Ola Rollén, Carl Palmstierna, Per Anell and Ulric Ljungblad has been appointed to the Nomination Committee for the Board. The Board members and the executive management of the Company are presented below.

Board of Directors

Name	Position	Independent in relation to	
		The Company and senior management	Major shareholders
Carl Palmstierna	Chairman of the Board	Yes	Yes
Erik Lindeblad	Board member	Yes	Yes
Martin Wildheim	Board member	No	Yes
Per Anell	Board member	Yes	No
Staffan Zackrisson	Board member	Yes	Yes

Carl Palmstierna

Chairman of the Board since 2017

Education/background: M.Sc. in Economics from Stockholm School of Economics.

Current assignments: Chairman of the Board in Flexion Mobile Ltd, Palmeister & Partners AB, Palmstierna Invest AB, Palmstierna Holding AB and Zimpler AB. Board member in Viametrics Group AB, Viametrics AB, Chinsay AB, Zip Clip Solutions AB, OrganoWood AB, B8 SVERIGE AB, Flaivy Nation AB, S.P. BECPEN Stockholm AB, EnviGas AB and Nenda AB.

Previous assignment (last five years): Chairman of the Board in WeMind AB, myFC Holding AB (publ), myFC AB, myFC Option och Kapital AB, SPWM Special Clients AB, SPWM Special Clients Services AB, ReformTech Heating Holding AB, ReformTech Heating Technologies AB and Accumulate AB. Board member in Ytrade Group AB, Magine Holding AB, Accumulate AB and Now Interact Nordic AB.

Holdings in the Company: 2,009,703 shares indirectly.

Erik Lindeblad

Board member since 2019

Education/background: Sea Captain degree from Chalmers University of Technology.

Current assignments: Board member in Aktiebolaget Micropol Fiberoptic, Lindeblad Technology AB, Infrea AB, Absortech International AB, SenseNode AB, Simplex Motion AB, ReVibe Energy AB, Ekkono Solutions AB, Absortech Group AB, Hyker Security AB, Pamica 2 AB, Micropol Fiberoptic Holding AB, Teamster Holding AB and Sappa Holding AB.

Previous assignment (last five years): Chairman of the Board in SuperClean Scandinavia Holding AB. Board member in Tapiren Survey System AB, Ocean Modules Sweden AB, Ocean Services Sweden AB, Lindeblad Venture AB, Lindeblad Technology AB and Lindeblad Technology Holding AB.

Holdings in the Company: 2,168,962 shares indirectly.

Martin Wildheim

Board member since 2017

Education/background: M.Sc. in Mechanical Engineering from Chalmers University of Technology. Martin has been working at Gesab engineering, CapGemini, AWApatent and Arcam and has a wide range of experience within the fields product design, physics, patents, system architecture and project management. Martin is employed at Freemelt as VP Innovation.
Current assignments: Owner and Board member in Motec Aktiebolag.
Previous assignment (last five years): -
Holdings in the Company: 1,853,239 shares indirectly and 124,811 warrants.

Per Anell

Board member since 2020

Education/background: M.Sc. in Mechanical Engineering from Lunds University. Per has been working at AWApatent, Mydata Automation (later Mycronic), Elekta AB, Proximion Fiber Optics AB, Mamea Imaging AB and Almi Invest AB. He is currently working as Senior Investment Director at Industrifonden.
Current assignments: Board member in ScandiNova Systems AB, FishBrain AB, Fast Travel Games AB and Crosser Technologies AB.
Previous assignment (last five years): Chairman of the Board in FishBrain AB. Board member in poLight ASA, Qapital Insight AB (publ), Fält Communications AB, Movimento Group AB, Sol Voltaics AB and Lexly AB.
Holdings in the Company: Representing 4,289,486 shares for Industrifonden.

Staffan Zackrisson

Board member since 2019

Education/background: M.Sc. in Mechanical Engineering from Chalmers University of Technology.
Current assignments: CEO and Board member in Redzac AB. Chairman of the Board in Tape Weaving Sweden AB and Oxeon AB.
Previous assignment (last five years): Board member in Svenskt Kvalitetsindex AB.
Holdings in the Company: 191,380 shares indirectly and 187,323 warrants.

Executive management

Presented below is the executive management of the Company.

Ulric Ljungblad

CEO of the Company since 2019

Education/background: Ph.D. in physics from University of Gothenburg. Ulric has been working at Micronic Laser Systems and Arcam.
Current assignments: -
Previous assignment (last five years): Board member in Freemelt AB.
Holdings in the Company: 1,911,498 shares indirectly and 124,811 warrants.

Fredrik Berne

CFO of the Company since 2021

Education/background: Master's degree in accounting from Gothenburg School of Economics. Fredrik has been working as CFO at aPak AB and accountant at KPMG AB.
Current assignments: Board member in Boxwell AB.
Previous assignment (last five years): Board member in S-Pack AB.
Holdings in the Company: 187,323 warrants.

Other information about the Board of Directors and executive management

There are no family ties between any member of the Board of Directors or the executive management. There are no conflicts of interest or potential conflicts of interest between the undertakings of the Board of Directors and the executive management in relation to the Company's and the respective private interests of the Board members and members of the executive management and/or other undertakings (however, several of the members of the Board of Directors and the executive management will have certain financial interests in the Company due to their direct or indirect shareholding in the Company). None of the Board members are entitled to any benefits in conjunction with the termination of an assignment as a Board member.

Per Anell was a Board member of Sol Voltaics AB when the company was declared bankrupt on 18 March 2019. On 8 January 2021, the bankruptcy ended, and the company was dissolved. Further, Carl Palmstierna was a Board member of ReformTech Heating Technologies AB and ReformTech Heating Holding AB when the companies were declared bankrupt on 5 December 2018, and Sunpocket AB when the company was declared bankrupt on 23 July 2020.

Apart from what has been stated above, no member of the Board of Directors or the executive management have over the last five years (i) been convicted of fraud or other financial crime related cases, (ii) represented a company that has been declared bankrupt or has applied for compulsory liquidation, (iii) been subject of sanctions or accused by authorities or bodies acting for particular professional groups under public law, or (iv) been subject to injunctions against carrying on business.

The Company has no allocated or accrued amounts for pensions and similar benefits following resignment from employment or other assignments.

The Company's Board of Directors and executive management can be contacted via the Company's postal address: Bergfotsgatan 5A, 431 35 Mölndal, Sweden.

Remuneration to the Board of Directors

The remuneration to the Board of Directors is resolved by the general meeting. At the Extraordinary General Meeting held in June 2021, it was resolved on a remuneration of SEK 150,000 to the Chairman of the Board, and a remuneration of SEK 75,000 to members of the Board that are not employees in the Company, for the period until the next Annual General Meeting.

Remuneration to the CEO

The renumeration to the CEO may consist of fixed salary, variable salary, pension benefits and other benefits. The CEO shall be entitled to a fixed salary of SEK 80,000 per month. The employment agreement can be terminated subject to a mutual notice period of six months.

CFO

The employment agreement for the CFO can be terminated subject to a mutual notice period of three months.

Auditor

The Company's auditor is Grant Thornton Sweden AB with Claes Jörstam as auditor in charge. Claes Jörstam is an Authorized Public Accountant and member of FAR (the Swedish trade organization for accounting consultants, auditors and advisors). Grant Thornton Sweden AB and Claes Jörstam can be contacted via Grant Thornton Sweden AB, Box 7623, 103 94 Stockholm, Sweden.

Corporate governance

Corporate law, corporate governance rules and codes

Freemelt Holding AB (publ) is a public limited liability company that is regulated by Swedish corporate law, foremost by the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*). The Company follows the rules and recommendations that applies to companies with shares listed on First North. In addition to legislation, rules and recommendations, the articles of association form the basis for the governance of the Company's operations. The articles of associations of the Company can be found in its entirety in the section "*Articles of association*".

Following the Listing on First North, the Company will not be required and does not intend to comply with the corporate governance rules of the Swedish Corporate Governance Code (Sw. *Svensk kod för bolagsstyrning*). This is due to the fact that First North is not considered to be a regulated market. First North is an alternative market, operated by the different exchanges within Nasdaq. It does not have the legal status as an EU-regulated market. Companies at First North are subject to the rules of First North and not the legal requirements for admission to trading on a regulated market.

General meetings

The general meetings of the shareholders are, in accordance with the Swedish Companies Act, the highest decision-making body of the Company, and at the general meetings the shareholders exercise their voting rights on key issues, including inter alia decisions regarding adoption of income statements and balance sheets, allocation of the Company's results, discharge from liability for the Board of Directors and the CEO, election of directors of the Board and auditor and remuneration to the Board of Directors and auditor. The Company must hold an Annual General Meeting within six months of its financial year end. Resolutions are passed by the appropriate majority at a properly convened meeting.

A general meeting shall be called by at least such minimum notice as is required or permitted by the Swedish Companies Act. All shareholders who are directly registered in the share register, maintained by Euroclear Sweden AB in accordance with the Swedish Companies Act, and have notified the Company of their intention to participate (including any assistants) at the general meeting, no later than on the date stated in the notice of the general meeting, have the right to attend the general meeting and vote for the number of shares they hold. Shareholders may attend the general meeting in person or by proxy. Shareholders can normally register for the general meetings in several different ways, as stated in the notice of the general meeting. The Company may give such notice by any means or combination of means permitted by the Swedish Companies Act.

Shareholders who wish to have a matter addressed at the general meeting must submit a written request to the Board of Directors. The Board of Directors must normally have received the request no later than seven weeks before the general meeting.

Board of Directors

The Board of Directors is the highest decision-making body following the general meeting and the Company's highest executive body. In accordance with the Swedish Companies Act, the Board is responsible for the management and organization of the Company, which means that the Board is responsible for, among other tasks, establishing goals and strategies, ensuring that procedures and systems are in place for the evaluation of decided goals, continuously evaluating the Company's financial position and result, and evaluating the executive management. The Board is also responsible for ensuring that the annual report, consolidated financial statements

of the Group and interim reports are prepared on time. The Board also appoints the CEO. The directors of the Board are elected every year at the Annual General Meeting for the period until the end of the next Annual General Meeting. According to the Company's articles of association, the Board of Directors, insofar as it is elected by the general meeting, shall consist of at least three (3) and no more than eight (8) board members.

The Chairman of the Board is elected by the general meeting and has a specific responsibility to lead the Board of Directors' work and shall ensure that the work is well organized and carried out efficiently. The Board of Directors follows written rules of procedure, which are revised annually and adopted by the inaugural meeting with the Board of Directors every year. Among other matters, the rules of procedure stipulate practices of the Board of Directors, functions and the division of work between the directors of the Board and the CEO and the established committees. In connection with the inaugural meeting with the Board of Directors, the Board of Directors also establishes instructions for the financial reporting and the CEO.

The Board of Directors holds meetings according to an annual schedule established in advance. In addition to these meetings, additional meetings can be convened to address issues which cannot be postponed until the next scheduled meeting. In addition to the Board meetings, the Chairman of the Board and the CEO continuously discuss the management of the Company. The Board of Directors of the Company consists of five (5) directors elected by the Annual General Meeting held in May 2021, who are presented in greater detail in the section "*Board of directors, executive management and auditor*".

Chief Executive Officer

The CEO is appointed by the Board and has the primary responsibility for the day-to-day management of the Company and the daily operations. The division of work between the Board and the CEO is set forth in the rules of procedure for the Board and the instructions for the CEO. The CEO is also responsible for preparing reports and compiling information from the executive management for the meetings with the Board of Directors and for presenting such materials at the meetings. According to the instructions for financial reporting, the CEO is responsible for the financial reporting of the Company and shall, accordingly, ensure that the Board of Directors receives adequate information to enable the Board of Directors to continuously assess the Company's financial position.

The CEO must continuously keep the Board of Directors informed of the development of the Company's operations, the amount of sales, the Company's financial position and result, the liquidity and credit situation, important business events and other circumstances that cannot be presumed to have an insignificant importance to the Company's shareholders for the Board of Directors to be aware of (such as material disputes, cancellation of agreements that are important to the Company and significant circumstances concerning the Company's facilities). The CEO and other senior executives are presented in greater detail in the section "*Board of directors, executive management and auditor*".

Share capital and ownership structure

General information

According to the Company's articles of association, the share capital may not be less than SEK 1,500,000 and not exceed SEK 6,000,000, and the number of shares may not be less than 30,000,000 and not exceed 120,000,000. As of the date of the Company Description, the Company's share capital amounts to 1,830,000, and there is a total of 36,600,000 shares outstanding in the Company. The shares are denominated in SEK and each share has a quotient value of approximately SEK 0.05. The shares in the Company have been issued in accordance with Swedish law. All issued shares are fully paid and freely transferable.

The shares will be traded under the ticker FREEM with ISIN code SE0011167170 on First North. Eminova Fondkommission AB, telephone number 08-684 211 00, is the Certified Adviser of the Company.

Share capital trend

The following table shows the share capital trend for Freemelt Holding AB (publ)'s share capital during the history of the Company.

	Date	Quotient value	Change in number of shares	Total number of shares	Share offer price	Change in share capital	Total share capital
Formation	2017-01	1	50,000	50,000	1	50,000	50,000
New share issue	2021-04	0.11	705,000	755,000	0.05	35,250	85,250
New share issue	2021-04	0,09	500,000	1,255,000	10	25,000	110,250
New share issue	2021-05	0.05	35,345,000	36,600,000	10	1,719,750	1,830,000

Ownership structure

The following table shows the ownership structure in Freemelt Holding AB (publ) as of the date of the Company Description.

Top 15 shareholders	Number of shares	% of shares	Number of votes	% of votes
Carlbergssjön AB	5,000,000	13.7 %	5,000,000	13.7 %
Industrifonden	4,289,486	11.7 %	4,289,486	11.7 %
Patrik Ohldin estate	3,555,727	9.7 %	3,555,727	9.7 %
Lindeblad Venture AB	2,168,962	5.9 %	2,168,962	5.9 %
Palmstierna Invest AB	2,009,703	5.5 %	2,009,703	5.5 %
Ulmavini Holding AB	1,911,498	5.2 %	1,911,498	5.2 %
Ackelid Förvaltning AB	1,911,286	5.2 %	1,911,286	5.2 %
Motec AB	1,853,239	5.1 %	1,853,239	5.1 %
Simon Dannatt	1,851,037	5.1 %	1,851,037	5.1 %
Kimstad Invest AB	1,348,774	3.7 %	1,348,774	3.7 %
Stephansen Invest AB	1,346,766	3.7%	1,346,766	3.7%
FCSEL Holding AB	1,268,308	3.5%	1,268,308	3.5%
OPESA Holding AB	1,086,590	3.0%	1,086,590	3.0%
BIG	852,500	2.3%	852,500	2.3%
Ola Rollén	700,000	1.9%	700,000	1.9%
Sum top 15	**31,085,623**	**85 %**	**31,085,623**	**85 %**
Other	5,514,377	15 %	5,514,377	15 %
Grand total	**36,600,000**	**100 %**	**36,600,000**	**100 %**

Certain rights associated with the shares

The rights associated with the shares issued by the Company, including those pursuant to the articles of association, may only be amended in accordance with the procedures stated in the Swedish Companies Act.

Voting rights

Each share in the Company entitles the holder to one vote at general meetings of shareholders.

Preferential rights to new shares

If the Company issues new shares, warrants or convertibles in a cash issue or a set-off issue, shareholders shall, as a general rule, have preferential rights to subscribe for such securities proportionally to the number of shares held prior to the issue.

Dividends and dividend policy

As of the date of the Company Description the Company's Board of Directors has not adopted a dividend policy. Resolutions regarding dividends are made by the general meeting of shareholders and dividends are paid through Euroclear Sweden. All shareholders who are registered in the share register maintained by Euroclear Sweden on the record date determined by the general meeting of shareholders are entitled to receive dividends. Dividends are normally paid as a cash amount per share, although they may also be paid in a form other than cash (in-kind dividend). Dividends may only be paid in an amount that ensures there is full coverage for the Company's restricted equity after the dividend is paid and provided that the dividend appears to be justifiable taking into account (i) the demands placed on the size of the Company's equity due to the type of business conducted, its scope and risks, and (ii) the Company and the Group's consolidation needs, liquidity and position in general. As a general rule, the shareholders are not permitted to decide on dividends in an amount larger than that proposed or approved by the Board of Directors. The right to dividends applies to shareholders who are registered as shareholders in the share register maintained by Euroclear Sweden on the record date for dividends decided by the general meeting of shareholders. Should a shareholder not be reached through Euroclear Sweden, the shareholder will continue to have a claim against the Company concerning the dividend amount and this is only limited by rules concerning a ten-year statute of limitation. After the period of limitation, the dividend amount accrues to the Company. Neither the Swedish Companies Act nor the Company's articles of association contain any restrictions regarding the right to dividends for shareholders outside Sweden. Apart from the restrictions pursuant to banking and clearing systems, payments to such shareholders are made in the same manner as those made to shareholders domiciled in Sweden. Shareholders who are not subject to taxation in Sweden are normally subject to Swedish withholding tax.

During 2020, the Company was granted reorientation support from the Swedish Tax Agency as the sales in the Company was adversely affected by the covid-19 pandemic. As a result of the reorientation support, the Company is prevented from executing or resolving upon value transfers, including dividends, until October 2021.

Central securities depository

The Company's shares are issued in dematerialized form through the services of Euroclear Sweden (P.O. Box 191, SE-101 23 Stockholm, Sweden). In accordance with the Swedish Central Securities Depositories and Financial

Instruments (Accounts) Act (Sw. *lag (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument*), Euroclear is the central securities depository and clearing organization for the shares. Accordingly, no share certificates have been issued and any share transfers are made electronically. All shares are fully paid and denominated in the currency SEK. The ISIN code for the Company's shares is SE0011167170.

Convertibles, warrants, authorization to issue securities, etc.

The Company has entered into stock option agreements, whereunder employees and an advisor of the Company have been granted an option ("the **Option**") to, subject to the shareholders' approval, subscribe for shares in the Company during July 2024 according to a first stock option agreement, at a subscription price per share of SEK 3.09 and during 24 June 2025 to 27 July 2025 according to a second stock option agreement, at a subscription price per share of approximately SEK 5.09. If the shareholders' approval is not obtained, or no authorization to issue shares can be exercised, the Option shall be repurchased by the Company at a price corresponding to 120 percent of its market value, according to an established valuation model for stock options. The total number of shares that may be issued pursuant to the stock option agreements are 2,187,274. The Option is otherwise subject to customary provisions, pursuant to the stock option agreements. If all options are subscribed, it corresponds to a dilution of 6%.

Other than above, Freemelt Holding AB (publ) and Freemelt AB has no outstanding warrants, convertibles or other financial instruments.

Commitment regarding lock-up

Board members, senior executives and major shareholders in the Company have entered into lock-up agreements, comprising approximately 68 percent of the total number of shares in Freemelt Holding AB (publ) for a period of twelve (12) months from the first day of trading on First North.

Shareholder's agreements

The Board of Directors is not aware of any shareholders' agreements or similar agreements that could lead to a change in control of the Company.

Articles of association

Freemelt Holding AB (publ)

Reg. No. 559105-2922

BOLAGSORDNING

Antagen vid extra bolagsstämma den 17 juni 2021

Adopted at the Extraordinary General Meeting on 17 June 2021

§ 1 Företagsnamn, Company name

Bolagets företagsnamn är Freemelt Holding AB (publ).

The company's company name is Freemelt Holding AB (publ).

§ 2 Styrelsens säte, Registered office

Styrelsen ska ha sitt säte i Mölndals kommun.

The board shall have its seat in Mölndals kommun.

§ 3 Verksamhet, Operation

Bolaget ska, direkt eller genom dotterbolag, utveckla, tillverka och marknadsföra utrustning för forskning och utveckling inom avancerade metalliska material medelst additiv tillverkning och därmed förenlig verksamhet.

The company shall, directly or through subsidiaries, develop, manufacture and market equipment for research and development in advanced metallic materials by means of additive manufacturing and operations compatible therewith.

§ 4 Aktiekapital, Share capital

Aktiekapitalet ska vara lägst 1 500 000 kronor och högst 6 000 000 kronor.

The share capital must be a minimum of SEK 1.500.000 and a maximum of SEK 6.000.000.

§ 5 Antal aktier, Number of shares

Antalet aktier ska vara lägst 30 000 000 och högst 120 000 000.

The number of shares shall be a minimum of 30.000.000 and a maximum of 120.000.000.

§ 6 Styrelse, Board of directors

Styrelsen ska bestå av lägst tre (3) och högst åtta (8) ledamöter utan suppleanter.

The board shall consist of a minimum of three (3) and a maximum of eight (8) members without deputies.

§ 7 Revisorer, Auditors

Bolaget ska ha en eller två revisorer med eller utan revisorssuppleant(er) eller ett registrerat revisionsbolag.

The company must have one or two auditors with or without deputy auditor(s) or a registered auditing company.

§ 8 Kallelse till bolagsstämma, Notice of the Annual General Meeting

Kallelse till årsstämma samt till extra bolagsstämma där fråga om ändring av bolagsordningen kommer att behandlas ska utfärdas tidigast sex (6) och senast fyra (4) veckor före stämman.

Kallelse till annan extra bolagsstämma ska utfärdas tidigast sex (6) och senast två (2) veckor före stämman.

Kallelse till bolagsstämma ska ske genom annonsering i Post- och Inrikes Tidningar samt på bolagets webbplats. Att kallelse har skett ska annonseras i Svenska Dagbladet.

Aktieägare som vill delta i bolagsstämman ska dels vara upptagna i utskrift eller annan framställning av hela aktieboken på avstämningsdagen för bolagsstämman, som bestäms i enlighet med aktiebolagslagen, dels göra en anmälan till bolaget senast den dag som anges i kallelsen till bolagsstämman. Sistnämnda dag får inte vara söndag, annan allmän helgdag, lördag, midsommarafton, julafton eller nyårsafton och får inte infalla tidigare än femte vardagen före bolagsstämman.

Aktieägare får vid bolagsstämma medföra ett eller två biträden, dock endast om aktieägaren gjort anmälan härom enligt föregående stycke.

Notice of the Annual General Meeting and the Extraordinary General Meeting where the issue of amendments to the Articles of Association will be considered shall be issued no earlier than six (6) and no later than four (4) weeks before the meeting.

Notice of another Extraordinary General Meeting shall be issued no earlier than six (6) and no later than two (2) weeks before the meeting.

Notice of a general meeting shall be given by advertising in Post- och Inrikes Tidningar and on the company's website. That a notice shall be announced in Svenska Dagbladet.

Shareholders who wish to participate in the Annual General Meeting must be included in a printout or other presentation of the entire share register on the record date for the Annual General Meeting, which is determined in accordance with the Swedish Companies Act, and make a notification to the company no later than the date stated in the notice. The latter day may not be Sunday, another public holiday, Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve and may not fall earlier than the fifth weekday before the Annual General Meeting.

Shareholders may bring one or two assistants to a general meeting, but only if the shareholder has made a notification in accordance with the preceding paragraph.

§ 9 Ärenden på årsstämma, Matters at the Annual General Meeting

På årsstämma ska följande ärenden behandlas.

1. Val av ordförande på stämman
2. Upprättande och godkännande av röstlängd
3. Godkännande av dagordning

4. Val av en eller två justeringsmän
5. Prövning av om stämman blivit behörigen sammankallad
6. Framläggande av årsredovisningen och revisionsberättelsen samt, i förekommande fall, koncernredovisningen och koncernrevisionsberättelsen
7. Beslut

a) om fastställelse av resultaträkningen och balansräkningen samt, i förekommande fall, koncernresultaträkningen och koncernbalansräkningen,

b) om dispositioner beträffande bolagets vinst eller förlust enligt den fastställda balansräkningen,

c) om ansvarsfrihet åt styrelseledamöterna och verkställande direktören

8. Fastställande av arvoden åt styrelse och revisor
9. Val av styrelse och revisor samt eventuella revisorssuppleanter
10. Annat ärende, som ankommer på stämman enligt aktiebolagslagen eller bolagsordningen.

At the Annual General Meeting, the following matters shall be considered.

1. Election of Chairman of the meeting
2. Establishment and approval of the voting list
3. Approval of agenda

4. Selection of one (1) or two (2) adjusters
5. Examination of whether the meeting has been duly convened
6. Presentation of the annual report and the auditor's report and, where applicable, the consolidated accounts and the consolidated auditor's report
7. Decision

   a) on the adoption of the income statement and balance sheet and, where applicable, the consolidated income statement and the consolidated balance sheet;

   b) on dispositions regarding the company's profit or loss according to the approved balance sheet;

   c) on discharge from liability of the members of the Board of Directors and the CEO
8. Determination of fees to the Board and the auditor
9. Election of Board and auditor as well as any deputy auditors
10. Other matters, which are to be discussed at the Annual General Meeting in accordance with the Swedish Companies Act or the Articles of Association.

§ 10

Kalenderåret skall vara bolagets räkenskapsår.

The calendar year shall be the company's financial year .

§ 11

Bolagets aktier ska vara registrerade i ett avstämningsregister enligt lagen (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument.

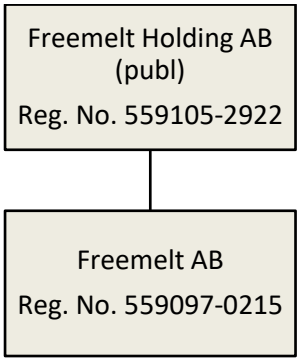
The company's shares must be registered in a record register in accordance with the Act (1998: 1479) on central securities depositories and accounting for financial instruments.

Legal considerations and supplementary information

Legal group structure

Freemelt Holding AB (publ), Reg. No. 559105-2922, is a public limited liability company founded in January 2017 and registered with the Swedish Companies Registration Office (Sw. *Bolagsverket*) on 12 January 2017. The Company operates in accordance with the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*) and the Board has its registered office in Mölndal, Sweden.

The Company has one direct wholly-owned subsidiary in accordance with the Group structure below.



Material agreements

Below is a summary of the material agreements that Freemelt has entered into and other agreements that has been entered into and that contains any right or obligation that is material for the Company, except for such agreements that have been entered into as part of the day-to-day business.

On 14 April 2021, prior to the issue in kind whereunder the Company became a parent company to Freemelt AB, the Company and Freemelt AB entered into a loan agreement whereunder Freemelt AB borrows MSEK 5 from the Company. The loan has an annual interest rate of eight (8) percent from 31 August 2021. The loan matures on demand, however no earlier than 1 September 2021.

Intellectual properties

Patents

The Company actively examines the IPR landscape and has so far submitted eleven patent applications. The applications are further nationalized to patent families. Different patent applications are nationalized in different countries. The following patent applications are the Company's public patent applications:

- International patent application WO2019180242A1 - Cathode assembly for electron gun. Also published as European patent application EP3794626(A1);
- International patent application WO2019185647A1 - Electrochemical cleaning of an additively manufactured part. Also published as European patent application EP3775327(A1);
- International patent application WO2020007891A1 - Powder compartment with self-sealing design;

- International patent application WO2019185642A1 - Radiation method for additive manufacturing;
- International patent application WO2019215281A1 - Hybrid amplifier for inductive load;
- International patent application WO2019185651A1 - Freezing method for cleaning an additive manufacturing part;
- International patent application WO2019207049A1 - Build compartment with self-sealing design;
- International patent application WO2020157137A1 - Additive manufacturing with beam dump;
- International patent application WO2020157133A1 - Spot preheating; and
- International patent application PCT/EP2020/076485 - Electron gun cathode technology.

In addition, the Company has a not yet public patent application regarding ProHeat. ProHeat is a new method to make the sintering process faster and more robust.

Domains

The Company holds a number of domains, including www.freemelt.se and www.freemelt.com.

Trademark

The Company owns the registered trademark ProHeat in Sweden.

Disputes

During the covid-19 pandemic, Freemelt has been granted short-time work allowances from Tillväxtverket. However, the Company has only been granted 70 percent of the subsidies expected. During 2020, the Company appealed Tillväxtverket's ruling. If the appeal is successful, the Company may be granted an addition of approximately KSEK 430 in subsidies.

Apart from what has been stated above, the Company has not been party to any legal proceedings or arbitration proceedings (including any unsettled cases or any cases that the Company knows may arise) during the past twelve months that have had, or could have, a material impact on the Company's financial position or profitability. The dispute entails no risks or costs other than legal costs attributable to the process.

Transactions with related parties

Loan agreement

On 14 April 2021, the Company and Freemelt AB entered into a loan agreement. For more information on the loan agreement, please refer to the heading "*Material agreements*".

Certified Adviser and advisers

Eminova Fondkommission AB acts as the Company's Certified Adviser. Eminova Fondkommission AB does not own any shares in the Company. Törngren Magnell & Partners Advokatfirma KB are legal advisers to the Company in connection with the Listing.

Törngren Magnell & Partners Advokatfirma KB receives compensation on approved invoices for services rendered in connection with the Listing. Apart from what has been described above, Eminova Fondkommission AB and Törngren Magnell & Partners Advokatfirma KB have no financial or other interests in connection with the Listing.

As all information in the Company Description derives from the Company, Törngren Magnell & Partners Advokatfirma KB disclaim all responsibility in relation to the existing and future shareholders in the Company and regarding any other direct or indirect financial consequences as a result of an investment or other decisions that are wholly or partly based on information in the Company Description. Törngren Magnell & Partners Advokatfirma KB has performed a due diligence of the Company in connection with the Listing.

Documents incorporated by reference

The documents below are incorporated by reference and constitutes a part of the Company Description and shall be read as a part thereof.

- The Company's annual report 2020: Page 3 (income statement), page 4 (balance sheet), pages 6-10 (notes) and the auditor's report[12].
- The Company's annual report 2019: Page 3 (income statement), page 4 (balance sheet), pages 6-10 (notes) and the auditor's report[13].

The incorporated documents above and the Company's articles of association are available at the Company's website, [www.freemelt.com]. The certificate of registration can be obtained from the Swedish Companies Registration Office (Sw. *Bolagsverket*).

[12] https://freemelt.com/investors/financial-reports/
[13] https://freemelt.com/investors/financial-reports/

Addresses

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