



## **NOTICE OF ANNUAL GENERAL MEETING IN FREEMELT HOLDING AB (PUBL)**

*This English version is a translation of the Swedish original. The Swedish text is the binding version and shall prevail in the event of any discrepancies.*

The shareholders of Freemelt Holding AB (publ), org.nr 559105-2922 (the "**Company**"), are hereby summoned to the Annual General Meeting (AGM) on Thursday May 23rd 2024 at 17.00 which will be held at Södra Porten Konferens, Flöjelbergsgatan 1, Mölndal. Entry to the AGM takes place from 16:50.

### **THE RIGHT TO PARTICIPATE IN THE ANNUAL GENERAL MEETING AND REGISTRATION**

Shareholders wishing to attend must register their participation no later than May 20th, 2024. Registration is made by mail to Freemelt Holding AB (publ), Bergfotsgatan 5A, 431 37 Mölndal, Sweden, or by e-mail to [admin@freemelt.com](mailto:admin@freemelt.com). The notification must contain information about the shareholder's name, social security number or organisation number, as well as address and telephone number, and if applicable, information about any assistants.

In order to be entitled to participate in the meeting, shareholders must be registered as shareholders in the share register kept by Euroclear Sweden AB on May 15th, 2024 and be registered at the meeting as described above.

Shareholders who have had their shares registered with a nominee must, in order to be entitled to participate in the meeting, have the shares registered in the shareholder's own name with Euroclear Sweden AB, so that the person in question is registered as a shareholder in the share register on May 15th, 2024. Such registration may be temporary.

### **PROXY**

If shareholders are to be represented by a proxy, the proxy holder must have an original power of attorney which is dated and signed by the shareholder. The power of attorney may not be older than one year unless a longer period of validity is explicitly stated, but no longer than five years. If the power of attorney has been issued by a legal entity, the representative must also have the relevant registration certificate or equivalent authorisation document for the legal entity. Copies of all documents must be sent in advance of the AGM to Freemelt Holding AB (publ), Bergfotsgatan 5A, 431 37, Mölndal, or by e-mail to [admin@freemelt.com](mailto:admin@freemelt.com). The original power of attorney must be shown at the AGM.

## PROPOSED AGENDA

1. Opening of the meeting and election of chairman and secretary at the meeting;
2. Establishment and approval of the ballot paper;
3. Approval of the agenda;
4. Selection of one or two adjusters;
5. Examination of whether the Annual General Meeting has been duly convened;
6. Presentation of submitted annual report and auditor's report as well as consolidated accounts and consolidated auditor's report;
7. Decisions
  - a. on the adoption of the income statement and balance sheet as well as the consolidated income statement and consolidated balance sheet;
  - b. on dispositions regarding profit or loss according to the approved balance sheet;
  - c. on discharge from liability of Board members and the CEO;
8. Determination of board and auditor fees;
9. Election of the board and any deputy board members as well as auditors and any deputy auditors;
10. Proposed principles for composition of the Nomination Committee and the Nomination Committees instruction ahead of the Annual General Meeting 2025;
11. Resolution authorizing the Board of Directors to decide on a new issue of shares, warrants and / or convertibles;
12. Proposal to establish an incentive scheme for Swedish employees and the consequent issuing of warrants;
13. Proposal to establish an incentive scheme for US employees;
14. Closing of the meeting.

## PROPOSED DECISIONS

The proposed resolutions to items 8, 9 and 10 have been proposed by the Nomination Committee of Freemelt Holding AB (publ). The proposed resolutions to item 11 have been proposed by shareholder Industrifonden.

### **Item 1. Election of chairman of the meeting**

The Nomination Committee proposes that Carl Palmstierna be elected Chairman of the meeting. The Board of Directors propose that Martin Granlund be elected secretary of the meeting.

### **Item 7 b). Proposed resolution on the adoption of the income statement and balance sheet as well as the consolidated income statement and consolidated balance sheet**

The Board of Directors proposes that the funds available to the Annual General Meeting be SEK 405 746 thousand in a new account and that no profit be distributed for the financial year 2023.

### **Item 8. Determination of board- and auditor fees**

The Nomination Committee proposes that the Board of Directors be compensated with a maximum amount of SEK 675 000; where the Chairman is remunerated with SEK 175 000 and each of the other Board members, who are not employees of the Group, is remunerated

with SEK 100 000. Fees to the auditor are proposed to be paid according to an approved invoice.

**Item 9. Election of the Board of Directors and any deputy Board members as well as auditors and any deputy auditors**

The Nomination committee propose the Board consist of six ordinary Board members and no deputy Board members. It is further proposed to re-elect all current Board members; Carl Palmstierna, Cecilia Jinert Johansson, Johannes Henrich Schleifenbaum, Mikael Wahlsten, Lottie Saks and Per Anell.

The Nomination Committee proposes to:

- Elect Carl Palmstierna as Chairman
- Re-elect Grant Thornton as Company auditor with Victor Cukierman as the principal auditor

**Item 10. Proposed principles for composition of the Nomination Committee and the Nomination Committees instruction ahead of the Annual General Meeting 2025**

The Nomination Committee proposes that the AGM instructs the Chairman of the Board of Directors to contact the three largest shareholders, as set out in the shareholders register of Euroclear Sweden AB per September 30th 2024, who each shall nominate a person to the Nomination Committee. If any of the three largest shareholders do not wish to nominate a person, the fourth largest shareholder shall be contacted. This procedure shall continue until the Nomination Committee consists of three members. The Chairman of the Board of Directors can be called to participate in committee meetings.

The term of Nomination Committee members last until a new Nomination Committee has been elected as per mandate from the next AGM. If a member leaves the Nomination Committee before its work has been finalized and if the Nomination Committee considers it necessary to replace the member, a new member shall be nominated in accordance with the principles above on the basis of an extract from Euroclear Sweden AB's shareholders register as soon as possible after the member has left.

The Nomination Committee shall put forward a proposal to the 2025 AGM in the following matters:

- Election of Chairman at the meeting
- Determination of the number of Board members and deputy Board members
- Determination of Board fees and the distribution between Chairman of the Board and other Board members
- Determination of auditor fees
- Election of Board members, deputy Board members and Chairman of the Board
- Election of auditor
- Proposed principles for composition of the Nomination Committee and the Nomination Committees instruction ahead of the Annual General Meeting 2025

The Nomination Committee shall appoint a Chairman among its members. The Chairman of the Board shall not be eligible as Chairman of the Nomination Committee.

The Nomination Committee shall convene as often as required for the group to fulfil their

duties, once a year as a minimum. The Chairman of the Nomination Committee shall convene meetings. If a member requests that the Nomination Committee convene, such request shall be heard.

The Nomination Committee shall have decision authority if a minimum of two members are present. The Nomination Committee shall decide by majority vote, or in case of equal number of votes, the decision shall be in favour of the Chairmans vote.

Nomination Committee meetings shall be minuted.

Work in the Nomination Committee shall not be remunerated. The company shall reimburse reasonable costs that the Nomination Committee considers necessary to complete their assignment.

**Item 11. Resolution authorizing the Board of Directors to decide on a new issue of shares, warrants and / or convertibles**

Shareholder Industrifonden propose the AGM to mandate the Board of Directors, until the next AGM, at one or several occasions, with or without preferential rights for the company's shareholders, to decide on the issue of shares, warrants or convertibles. Payment shall be in cash, non-cash or by offset, with or without terms. Share capital and number of shares shall not increase by more than twenty (20) percent compared to the number of shares of the company at the date of the 2024 AGM. A resolution must be within the limits of the company's articles of association.

The purpose of such a mandate and the reason for deviating from shareholders' preferential rights is that the issue shall add capital to the company and/or add strategic shareholders. Any issue of shares, warrants or convertibles which deviates from shareholders' preferential rights shall reflect market conditions, including any market-based discount.

The Chairman of the Board, or whoever the Board of Directors elect, shall have the right to make any formal adjustments necessary when registering the issue.

**MAJORITY REQUIREMENTS**

Resolutions in accordance with item 11 is valid only where supported by shareholders holding not less than two-thirds (2/3) of both the shares voted and of the shares represented at the general meeting.

**Item 12 - Resolution regarding implementing an incentive program for employees in Sweden and issuing warrants in connection therewith.**

A. Implementing an incentive program

The board of directors propose that the general meeting resolve to establish a long-term incentive program for certain key employees in the Company and its subsidiaries (the "**Group**") through the issuance of so-called qualified employee stock options in accordance with Ch. 11a. of the Swedish Income Tax Act (1999:1229) ("**Incentive Program 2024/2028**"). The proposal aims to create the conditions to strengthen the motivation of employees which the Group has identified as important and trusted in the short and long term. The proposal furthermore aims to strengthen the Company's possibility to recruit key employees. The board considers that an incentive program according to the present proposal is beneficial for the Group and the Company's shareholders.

#### B. Participants and allotment of stock options

The board proposes that the general meeting resolves on the following terms and conditions for the allocation of qualified employee stock options ("**Qualified Employee Stock Options**") within the framework of the Incentive Program 2024/2028.

- (1) The Qualified Employee Stock Options shall be allocated to key employees and senior executives within the Group (each a "**Participant**"). Not more than 900,000 Qualified Employee Stock Options will be issued, 400,000 being the maximum allotment to a Participant. The board shall resolve on allocation based on experience, ability, and performance.
- (2) Allotment of the Qualified Employee Stock Options shall take place no later than 31 December 2024. The Qualified Employee Stock Options shall be granted free of charge. Only employees who are part of the aforementioned categories shall be offered the right to be awarded Stock Options, provided that they have entered into a separate agreement regarding Qualified Employee Stock Options with the Company.
- (3) Each Qualified Employee Stock Option entitles the holder to acquire one (1) warrant in the Company that has been issued in accordance with section C below and which shall be transferred from the Company's subsidiary to the Participant in accordance with section D.
- (4) Participants will be able to use allocated and vested Qualified Employee Stock Options from and including 1 March 2028 to and including 31 August 2028. Allocated Qualified Employee Stock Options may only be used to acquire warrants if the Participant is still employed and the conditions for qualified employee stock options according to the Swedish Income Tax Act are met.
- (5) The board shall be responsible for managing the Incentive Program 2024/2028 within the framework of the main terms and conditions stated above.

#### C. Issuance of warrants

In order to enable the board's proposal according to A above, the board proposes that the general meeting resolves to issue no more than 900,000 warrants, entailing an increase of the Company's share capital when fully exercised by not more than SEK 45,000 (calculated on a quota value of SEK 0.05). The following terms and conditions shall apply to the resolution.

- (1) The right to subscribe for the warrants shall, with deviation from the shareholders' preferential right, vest in the company's subsidiary, Freemelt AB (the "**Subsidiary**"), with the right and obligation to transfer the warrants to the Participants according to section B above.

- (2) The reason for the deviation from the shareholders' preferential right is that the warrants shall be able to be used for the implementation of the Incentive Program 2024/2028.
- (3) The warrants shall be issued at no consideration.
- (4) Subscription of the warrants shall take place on a separate subscription list within ten days of the general meeting's resolution.
- (5) The board has the right to extend the subscription period.
- (6) Each warrant entitles to subscription of one share in the Company. The warrants may be exercised to subscribe for new shares during the period from and including 1 March 2028 to and including 31 August 2028.
- (7) The subscription price for the shares upon exercise of the warrants shall amount to SEK 8 per share. The subscription price may not be lower than the quota value of the shares. Any share premium shall be transferred to the unrestricted premium reserve.
- (8) Shares which are newly issued following subscription shall entitle the holder to a dividend at the first record date for the dividend following the date which occurs after the new shares have been registered with the Swedish Companies Registration Office and entered into the share register maintained by Euroclear Sweden AB.
- (9) Warrants that are held by the Subsidiary and that have not been transferred in accordance with section B above may be cancelled by the Company following a decision by the Company's board of directors. Cancellation shall be reported to the Swedish Companies Registration Office for registration.

The warrants shall in addition to the above be subject to the terms and conditions set out in "Villkor för teckningsoptioner Serie 2024/2028 i Freemelt Holding AB (publ)". The terms and conditions will *inter alia* show that the subscription price as well as the number of shares that each warrant entitles to subscription can be recalculated in case of, *inter alia*, new issues of shares and bonus issues.

D. Approval of transfer of warrants

- (1) The right to acquire warrants from the Subsidiary shall accrue to the Participants, provided that the Participant is still employed and the prerequisites for qualified employee stock options according to the Sweden Income Tax Act are met.
- (2) One (1) Qualified Employee Stock Option gives the right to acquire one (1) warrant. Notification of the acquisition of warrants must take place during the period from and including 1 March 2028 to and including 31 August 2028. The warrants are acquired free of charge by the Participants.

- (3) In connection with the notification of the acquisition of warrants, the Participant shall submit an irrevocable power of attorney to a representative of the Company authorizing the representative to, in the Participant's name and on his/her behalf, immediately after the Subsidiary transfers the warrant to the Participant, use the received warrants to subscribe for shares in the Company.

E. Further information regarding the incentive program

(1) *Dilution*

Provided that the total number of issued warrants are used to subscribe for shares, a maximum of 900,000 new shares will be issued corresponding to a dilution of approximately 1.3 percent based on the number of outstanding shares in the Company post completion of the pending Rights issue 2024, subject, however, to the recalculation of the number of shares that each warrant entitles to subscription of.

(2) *Costs for the Company*

It is the board's assessment that the tax regulations for qualified employee stock options according to Ch. 11a of the Sweden Income Tax Act is applicable to the Group. Taking this into account, the Company's costs for the Incentive Program 2023/2027 are calculated to only consist of costs for the preparation, implementation and administration of the program as well as reconciliation of the tax situation.

(3) *Preparation of the proposal*

The principles for the incentive program have been worked out by the Company's board. The proposal has been prepared with the support of external advisers. The board has subsequently decided to present this proposal to the general meeting.

(4) *Other incentive programs*

The Company has current incentive programs that includes a total of 6,210,999 options according to which each option gives the right to subscribe for one share in the Company. The total dilution according to these programs amounts to 9.0 percent of outstanding shares in the Company post completion of the pending Rights issue 2024, subject, however, to recalculation of the number of shares that each outstanding warrant entitles to subscription of as a result of the pending Rights issue 2024.

(5) *Majority requirement*

The board, or such person appointed by the board, shall be authorized to make the minor changes in the resolution that may be required for registration with the Swedish Companies Registration Office and Euroclear Sweden AB.

The proposals according to A-D shall be treated and seen as one and the same resolution.

The general meeting's resolutions regarding this item are valid only if they are supported by shareholders with at least nine tenths (9/10) of both the votes cast and the shares represented at the meeting.

**Item 13 - Resolution regarding implementing an incentive program for employees in the US.**

A. Implementing an incentive program

The board of directors propose that the general meeting resolve to implement a long-term incentive program for certain key employees in the Company and its subsidiaries (the "**Group**") that are employed in the United States and who are domiciled for tax purposes in the United States by issuing so-called incentive stock options in accordance with Section 422 of the U.S. Internal Revenue Code of 1986 (as amended) ("**Incentive Program USA 2024/2028**"). As for the proposal according to item 12, the aim is to create the conditions to strengthen the motivation of employees that the Group has identified as important and trusted in the short and long term. The proposal furthermore aims to strengthen the Company's possibility to recruit key employees. The board considers that an incentive program according to the present proposal is beneficial for the Group and the Company's shareholders.

B. Participants and allotment of stock options

The board proposes that the general meeting resolves on the following terms and conditions for the incentive stock options ("**Stock Options**") within the framework of the Incentive Program USA 2024/2028.

- (1) The Stock Options shall be allocated to one or more key employee who are residing in the United States and who are domiciled for tax purposes in the United States (a "**Participant**"), with a total of not more than 300,000 Stock Options which shall be allotted with respect to not more than 300,000 shares. The board shall resolve on allocation based on experience, ability and performance.
- (2) Allotment of the Stock Options shall take place no later than 31 December 2024. The Stock Options shall be granted free of charge. Only an employee who is part of the aforementioned category shall be offered the right to be awarded Stock Options and that on the condition that they have entered into a separate agreement regarding incentive stock options with the Company.
- (3) Each Stock Option entitles the holder to acquire one (1) share in the Company.
- (4) The allocated Stock Options are vested during 48 months from the date of allotment and may only be used to acquire shares if the Participant is still employed by a company within the Group. To ensure that the Stock Options



will be taxed as incentive stock options, and that only up to USD 100,000 worth of Stock Options may become exercisable in any one calendar year, the subscription period for shares may be spread out over several years.

- (5) The subscription price for each share will correspond to the fair market value of the shares in the Company at the grant date of the Stock Option.
- (6) Upon the Participant's notice of subscription of shares based on the Stock Option, the board shall convene a general meeting and propose that the general meeting of the shareholders in the Company resolve to issue the subscribed shares. In the event that the shareholders' approval is not obtained, the Company shall be entitled to compensate the Participant with an amount corresponding to 100 percent of the fair market value of the shares that the Participant was entitled to subscribe for according to the stock option agreement, less the aggregate subscription price for such shares. The fair market value for purposes of the preceding sentence shall be the weighted average share price for the shares in the Company the 30-day period preceding the valuation date.
- (7) The board shall be responsible for managing the Incentive Program USA 2024/2028 within the framework of the main terms and conditions stated above.

C. Further information regarding the incentive program

(1) *Dilution*

Provided that the general meeting resolves to issue shares according to the Incentive program USA 2024/2028, a maximum number of 300,000 shares will be issued which corresponds to a dilution of approximately 0.4 percent based on the number of outstanding shares in the Company post completion of the pending Rights issue 2024, subject, however, to the recalculation of the number of shares that each warrant entitles to subscription of.

(2) *Costs for the Company*

The Company's costs for the Incentive Program USA 2024/2028 are calculated to only consist of costs for the development, implementation and administration of the program as well as reconciliation of the tax situation.

(3) *Preparation of the proposal*

The principles for the incentive program have been prepared by the board. The proposal has been prepared with the support of external advisers. The board has subsequently decided to present this proposal to the general meeting.

(4) *Other incentive programs*

The Company has one current incentive program that includes a total of 6,210,999 options according to which each option gives the right to subscribe for one share in the Company. The total dilution according to these programs amounts to 9.0 percent of outstanding shares in the Company post completion of the pending Rights issue 2024, subject, however, to recalculation of the number of shares that each outstanding warrant entitles to subscription of as a result of the pending Rights issue 2024.

(5) *Majority requirement*

The proposal according to A-B above shall be regarded as one resolution.

The general meeting's resolution regarding this item is valid only if supported by nine tenth (9/10) of both the votes cast and the shares represented at the meeting.

## **AVAILABLE DOCUMENTS AND INFORMATION**

Annual accounts, the auditor's statement and other documents that according to the Swedish Companies Act must be available at the AGM, are also available at the company's main office Bergfotsgatan 5A, 431 37, Mölndal and on the company website [www.freemelt.com](http://www.freemelt.com) latest Friday May 3rd, 2024. The documentation will be sent to shareholders who request it and provide their e-mail or postal address.

The shareholders are hereby notified regarding their right to, at the extra general meeting, request information from the board of directors and managing director according to Ch. 7 § 32 of the Swedish Companies Act.

### **Number of shares and votes**

The total number of shares and votes in the Company as of the date of the notice amounts to 47,600,000. The Company does not own any of its own shares. The pending Rights issue will result in a maximum increase of the total number of shares by 21 155 555.

### **Processing of personal data**

For information on how personal data is processed in relation the meeting, see the Privacy notice available on Euroclear Sweden AB's website: [https://www.euroclear.com/dam/ESw/Legal/Privacy-notice\\_bolagsstammengelska.pdf](https://www.euroclear.com/dam/ESw/Legal/Privacy-notice_bolagsstammengelska.pdf).

Mölndal April 2024

**Freemelt Holding AB (publ)**

The Board of Directors

For more information, please contact:

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