

## The Board of Directors' proposal for resolution on a directed issue of warrants, Series 2024/2028

The Board of Directors proposes that the Extraordinary General Meeting to be held on 27 March 2024 in Freemelt Holding AB (publ), reg. no. no. 559105-2922, resolves on a directed issue of warrants with the right to subscribe for new shares in the company. The issue shall be made with deviation from the shareholders' preferential rights on the following terms and conditions:

1. The Company shall issue a maximum of 2,000,000 warrants entitling the holder to subscribe for 2,000,000 new shares. Oversubscription is not possible.
2. The right to subscribe for the warrants shall, with deviation from the shareholders' preferential rights, be granted to employees of the company or the group, who shall be offered to subscribe for warrants on a separate subscription list.
3. The warrants shall be issued at a price corresponding to a calculated market value for the warrants (warrant premium) using the Black-Scholes model adjusted for barrier. The valuation of the options shall be carried out by an independent appraiser or auditing firm. A preliminary calculation based on a subscription price of SEK 6.65 per share at the time of exercise of the warrants gives the value of the option to SEK 1.46. The following values of the parameters included in the calculation model have been used:

Risk-free interest rate:	2,527 %
Volatility:	43,8 %
Liquidity discount due to unlisted option:	15,0 %
Dividend payout ratio of future profit:	0,0 %
Market value of the share:	SEK6.65

4. The warrants shall be subscribed for during the period commencing on 3 June 2024 up to and including 17 June 2024 on a separate subscription list. The board of directors shall have the right to extend the subscription period, however, not beyond 1 August 2024.
5. Payment of the warrant premium for the warrants shall be made within two weeks from the date of subscription. The Board of Directors shall have the right to extend the time for payment.
6. The increase of the company's share capital may, upon full exercise of the warrants, amount to a maximum of SEK 100,000, subject to the increase that may be caused by recalculation that may be made as a result of issues etc.
7. Payment for shares upon exercise of warrants shall be made in cash at a subscription price corresponding to 100 per cent of the average of the volume-weighted price paid for each trading day according to First North Stockholm's official price list for shares in the Company during the period of 10 trading days up to and including 31 May 2024. The subscription price thus determined shall be rounded to the nearest full ten öre, whereby 5 öre shall be rounded down.

8. Each warrant shall entitle the holder to, during the period 1 March 2028 up to and including 1 June 2028, subscribe for one new share against cash payment. However, the warrants may be exercised at any earlier point in time as a result of a merger, compulsory redemption of shares, liquidation, etc.
9. Each warrant is subject to a barrier. The barrier for the warrants is SEK 15. The barrier condition is only fulfilled when the average volume-weighted price paid according to the official price list for shares in the Company measured during the period of 10 trading days immediately preceding the day that occurs at any time during the share subscription period is equal to or higher than the barrier.
10. Shares issued after exercise of warrants entitle to dividends for the first time on the record date for dividends that occurs after the new shares have been registered with the Swedish Companies Registration Office and entered in the share register kept by Euroclear.
11. In connection with subscription of warrants, the Company shall reserve the right to repurchase warrants if the participant's employment is terminated or if the participant wishes to transfer the warrants.
12. The share premium upon subscription of shares through the exercise of warrants shall be added to the unrestricted share premium reserve.
13. The complete terms and conditions of the program are set out in *Appendix A*.

#### Allocation of warrants

The offer to purchase options shall be made in lots of not more than SEK 100,000. The Offer is distributed among the employees based on a resolution by the Board of Directors of the Company in accordance with the following structure:

- CEO offered a maximum of 15 positions
- The CFO is offered a maximum of 5 positions

#### Reasons for deviation from the shareholders' preferential rights

The reason for deviating from the shareholders' preferential rights is a wish to have an option program introduced suitable for allotment to key employees in the company, whereby they can be offered the opportunity to take part in an increase in the value of the Company's share. This is expected to lead to a strengthening of interest in the company's development – as well as the company's share price development – and to a stimulus for continued company loyalty in the coming years.

#### Dilution

In the event that all warrants are exercised, the number of shares will increase by 2,000,000, which corresponds to a dilution of a maximum of approximately 4.0 percent of the shares and votes based on the Company's current number of shares and 2.8 percent under the assumption that the ongoing rights issue is fully subscribed.

#### Other outstanding share-based incentive programs

There are currently five outstanding incentive programs in the company that together entitle the holders up to 4,210,999 shares. The incentive programs consist of two outstanding warrant programs in Freemelt AB of a total of 6,687 warrants, each entitling the holder to subscribe for one (1) ordinary share in Freemelt AB at a subscription price of SEK 1,191.66 per share. 5,806 of the warrants may be exercised for subscription of shares between 24 June 2025 and 22 July 2025 and the remaining 881 warrants may be exercised for subscription between 14 October 2025 and 8 November 2025.

According to a later agreement entered into between Freemelt Holding AB (publ) and the respective holders of the warrants, Freemelt Holding AB (publ) has a right (call option) to acquire any shares in Freemelt AB that the warrant holder receives through exercise of the warrants. The exercise price shall be 212.625 newly issued shares in Freemelt Holding AB (publ) for each share in Freemelt AB. Furthermore, there is an incentive program from 2021 consisting of qualified employee stock options that entitle the holders to subscribe for up to 153,515 shares in Freemelt Holding AB (publ) at a subscription price of SEK 3.09 per share during the period between 1 July 2024 and 1 August 2024. At the Annual General Meeting on 25 May 2023, it was further resolved to implement two additional incentive programs. One consists of 300,000 allotted and outstanding employee stock options with the right to subscribe for up to 150,000 shares in Freemelt Holding AB (publ) between 21 December 2027 and 21 June 2028, and an additional 150,000 shares between 21 December 2028 and 21 June 2029, all at a subscription price of SEK 5.42 per share. The second incentive program resolved at the Annual General Meeting 2023 consisted of a maximum of 2,335,661 qualified employee stock options and, for the purpose of enabling the implementation of the incentive program, a directed issue of a maximum of 2,335,661 warrants to Freemelt AB. Of these, 2,335,660 qualified employee stock options have been allotted. Each employee stock option entitles the holder to subscribe for one (1) share in Freemelt Holding AB (publ) at a subscription price of SEK 11 per share during the period between 1 March 2027 and 31 August 2027.

The expected dilution, taking into account all previous outstanding option programs, including the above proposed option programs, is 11.5 percent and 8.3 percent, assuming that the ongoing rights issue is fully subscribed.

#### Costs

As the warrants are issued at market value, it is the company's assessment that no salary costs or social security contributions will arise for the company as a result of the warrant program. The total costs, including other costs in the form of fees to external advisors and costs for administration of the program, are estimated to amount to approximately SEK 100,000 over the term of the program.

#### Preparation of the proposal

The proposal for an incentive program has been prepared by the Board of Directors in cooperation with external expertise.

#### Special authorization

The board of directors, or a person appointed by the board of directors, shall have the right to make such minor adjustments to the above-mentioned proposal that may be required in connection with the registration of the above resolution with the Swedish Companies Registration Office and, where applicable, Euroclear Sweden's affiliation of the warrants.

Majority Requirement

The resolution is covered by Chapter 16 of the Swedish Companies Act and requires the support of shareholders representing at least nine-tenths of both the votes cast and the shares represented at the meeting.