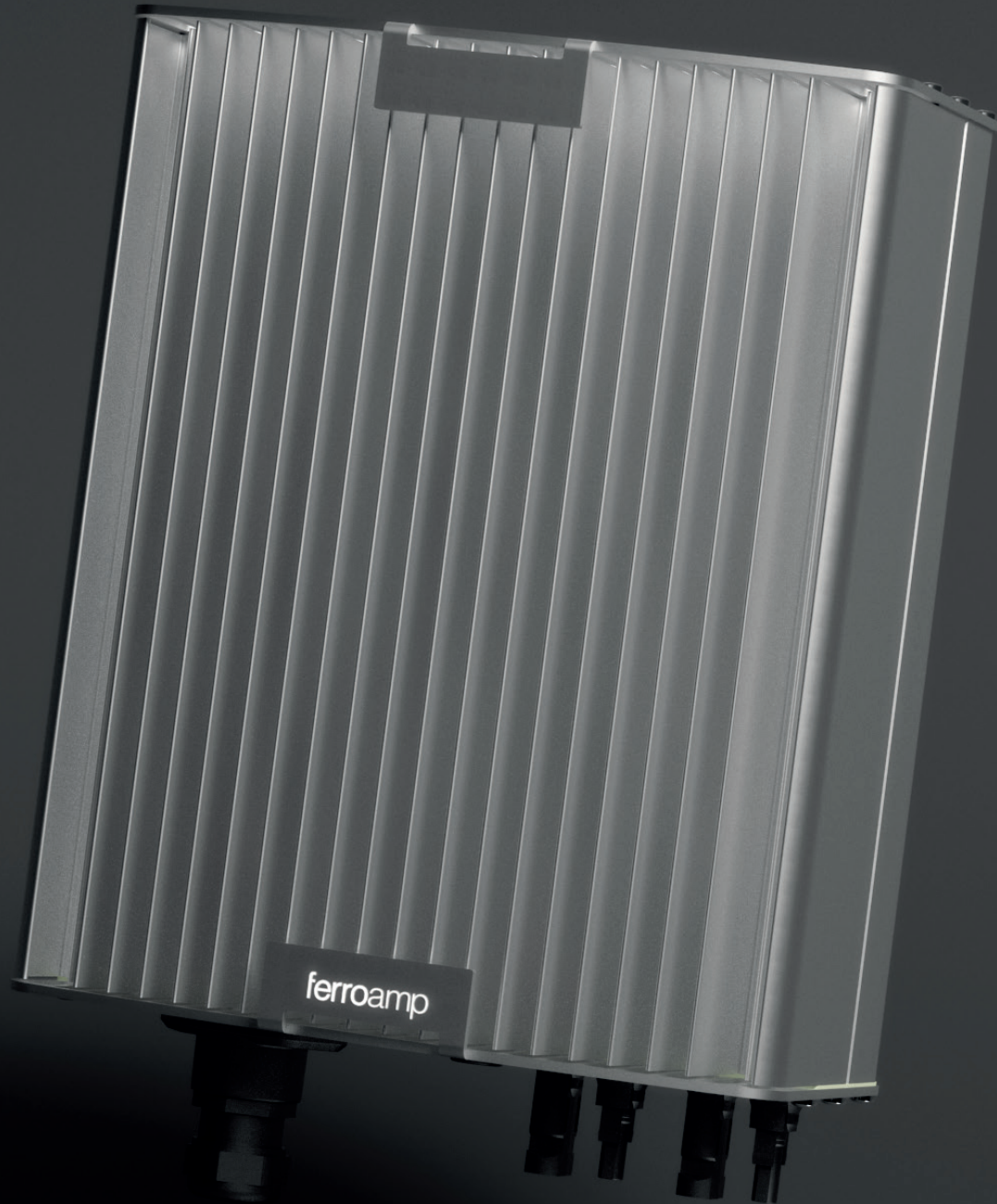


ferroamp



# Interim Report Q1

January-March 2021

Ferroamp Elektronik AB

556805-7029

# Summary of the period

Continued growth of +29% regardless of Covid-effects

## First Quarter 2021

**Net Sales** amounted to 21.372 (16.619) KSEK

**Profit/loss after financial items** amounted to -9.932 (-8.163) KSEK

**Earnings per share** amounted to SEK -0,81 (-0,85) SEK

### Significant events during the quarter:

- ▶ Ferroamp and Senergia makes large deal in level with last year's volume.
- ▶ Ferroamp strengthens the customer service through collaboration with H1 Communication.
- ▶ Ferroamp is one of the fastest growing companies in Europe on Financial Times' list.
- ▶ Ferroamp develops V2X together with Polestar and CTEK.
- ▶ Ferroamp builds a stronger development organisation through recruitment of Carl Heyman as Chief Development Officer.

### Significant events after the end of the period:

- ▶ Ferroamp and Svea Solar strengthens collaboration.
- ▶ Ferroamp's founder divests a smaller part of his shareholding.
- ▶ Ferroamp and Elkedjan strengthens collaboration within Smart Energy.

## Financial summary

kSEK	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
Net Sales	21 372	16 619	76 772
Profit after financial items	-9 932	-8 163	-33 138
Balance sheet total	145 818	65 997	144 778
Equity ratio (%)	72	75	80
Earnings per share, SEK	-0,81	-0,85	-3,10
Cash flow from operating activities	-9 169	-8 956	-25 790

# Statement of the CEO

## Continued growth journey during challenging times

We continue our growth journey and start the first quarter of 2021 with an order intake that is up more than double compared with the same period last year. After a slow start, the sales took off at the end, which resulted in a growth of about 30%. In conclusion, we are leaving this quarter with a good order book and we see a positive development of the market, even though it has faced many challenges lately and is hard to predict.

There is a major demand and request on Ferroamp's systems and solutions. The question regarding capacity demands is in focus as the electrification keeps moving forward, and during the first quarter we did business in all segments, including industrial complexes and villas. We continue to deepen and extend our collaboration with plenty of important partners, where we receive a lot of positive signals in the increased demand of our products.

The strong trends and driving forces in society will result in the demand on Ferroamp's solutions to increase in order to handle the capacity challenges surrounding our real estate, smaller industries, and agriculture. We have observed both nationally and to the greater EU a large will to change the society to greater electrification, as we are moving toward carbon dioxide neutrality.

The electrification of the vehicle fleet moves quickly and the capacity to charge increases. Together with locally produced renewable energy, this puts a demand on any real estate owners. However, this is when Ferroamp's solutions plays a crucial role for real estate owners, since through our Energy-Hub-system, it is easier to be in control over one's electrification and capacity.

We have been investing a lot to shorten the lead times in order to meet the demand, and have the capacity to deliver the increased volumes. We have continued working on our ability and capacity to deliver during the first quarter, including outsourcing of products and developed logistics flow. This results in possibilities of marginal improvements moving forward.

We have now been living under the impact of the pandemic for over a year and the consequences from it can be seen in various forms. Issues with delivery capacity from Asia disrupts our customers and their expansion projects, which then affects Ferroamp and our growth. We observed an increase in transportation costs last fall, that has impacted our possibilities of marginal improvements. These costs have continued to grow during the first quarter, and we assess

that it will maintain like this during the year. The situation of component shortage, that is regularly brought up in newspapers, also affects us. We have so far been able to secure components, however with increased costs as a result of it, which delays the improvement of our marginal.

Despite the challenges from the pandemic, we have done very well and have a positive outlook on our growth journey moving forward. We are currently in a major energy readjustment, and we notice that Ferroamp's products are right on time and that the demand for them increases. The energy industry, the automotive industry, the steel industry, the cement industry, the aerospace industry, and more, are currently going through extensive changes with far-reaching consequences – with the common denominator being electrification. The electrical revolution has just begun and we have a pole position on this journey of change.

It is with great confidence I look forward to a year of development and growth.



*Spånga, May 2021*

**Krister Werner**



# About Ferroamp

## Introduction of Ferroamp

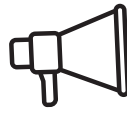
- ▶ Fast growing Clean tech company that offers a unique energy – and effect optimizing solution for real estate
- ▶ Future proof system that offers a solution to capacity problems in the energy transformation in society.
- ▶ Smart system which, through EnergyHub, integrates renewable energy, electric vehicles, energy storage and connections to the grid of the property.
- ▶ Scalable product portfolio which enables expansion and solutions for different types of properties, from villas to large commercial properties.





**2010**

Ferroamp  
was founded



**2016**

Commercial  
introduction

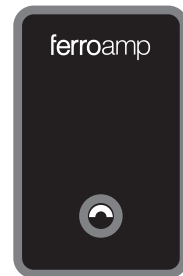


**2019**<sup>March</sup>

Initial Public  
Offering



Office and Production  
in Spånga



**>2000**  
Installed  
systems

**52**

Employees



**400MSEK**

Net Sales

**40%**

Gross Margin



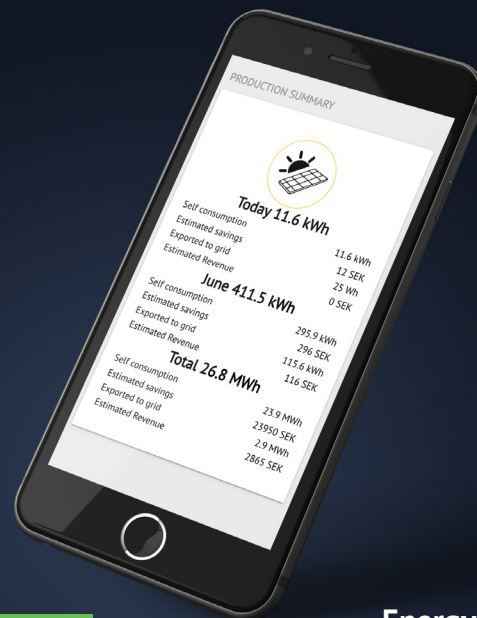
Long term  
objectives  
*(run-rate Q4 2022)*



Internationally  
established on  
several leading  
European markets



Energy Storage

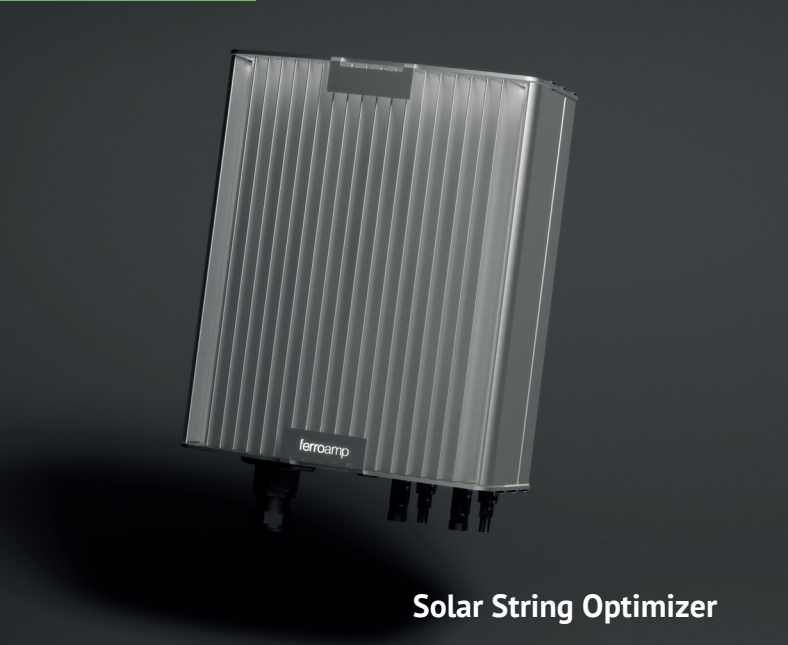


EnergyCloud

## Main Products



EnergyHub



Solar String Optimizer

## Feroamp's Offering

A new way of thinking – Ferroamp has created the EnergyHub system, bringing a new future-proof way of integrating solar power, energy storage and DC loads in one system. The philosophy is just as simple as it is ingenious. The central node, the EnergyHub, connects the distributed solar string optimizers, DC loads and energy storages through a local DC grid.

The conversion between the AC grid and the DC grid takes place in the EnergyHub, which enables the energy to be transferred in an effective way with minimal losses compared to a traditional system.

The system is scalable and can easily be adapted to all effect needs, from villas to large commercial properties. Together with a DC Nanogrid the system gives flexibility and is easy to expand with more solar panels, increased storage capacity or in a near future, add a DC charger for electric vehicles.



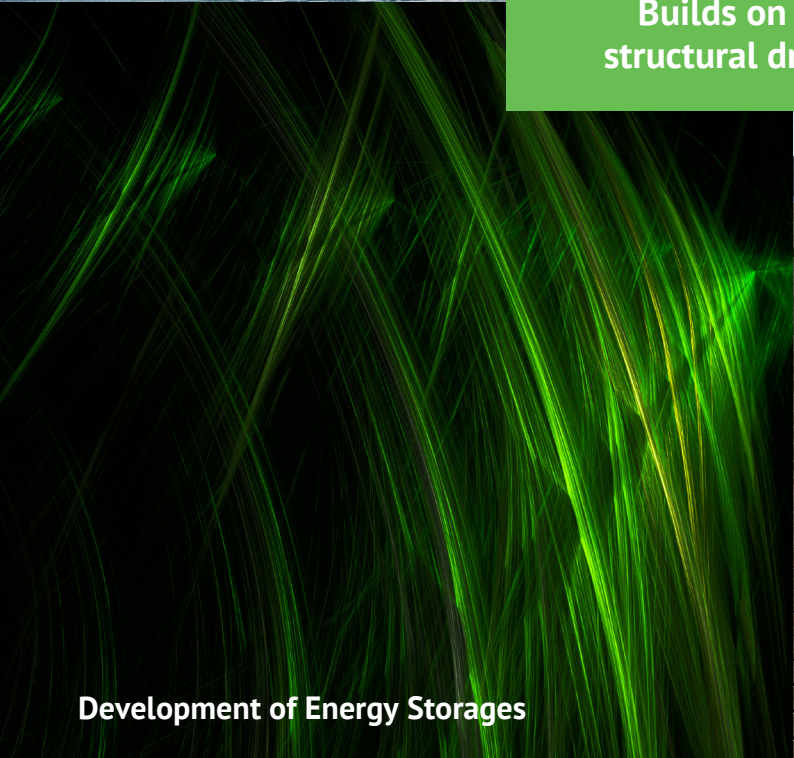
Solar power



Electrical and hybrid vehicles

## The Business

Builds on four main structural driving forces



Development of Energy Storages



Scarcity of effect in society



### Consumer Segments

The Company's end customers are found in segments for apartment buildings, public housing, commercial properties, agriculture properties and villas.



### Distribution Channels

Ferroamp works closely with integrators, energy advisors and energy companies to create a smooth solution for the end customer.

# Our Awards

Ferroamp's business and products have received a lot of attention in media, from environmental organisations and in innovation competitions.



Affärsvärldens  
Utmärkt notering 2020



Intersolar Award  
2020



Global Cleantech 100  
one to watch 2019



Global Cleantech 100  
one to watch 2018



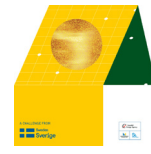
Energipriset E-Prize  
Veckans Affärer 2018



PV Magazine Array Changing  
Technology Award 2018



The Smarter E Award  
Intersolar 2018



Intelligent Energy  
Management Challenge 2016



EES Award Winner  
2016



Global Cleantech 100  
one to watch 2016



Hedersnämmande  
Årets Prestation 2016



Naturskyddsföreningens  
innovationstävling 2015



Skanska Deep  
Green Challenge 2015



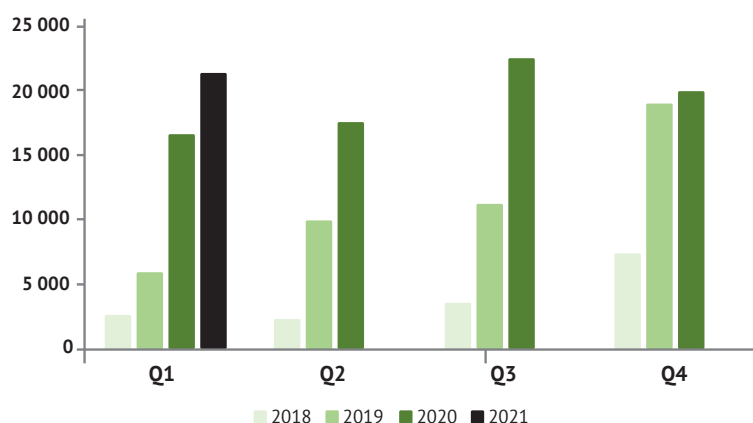
# Financial overview

## Operating income

The total income for the first quarter amounted to 27.801 (18.614) KSEK, where the net sales amounted to 21.372 (16.619) KSEK.

The quarter began with a weak January, as a consequence of the low order intake from the solar energy industry, to then generate 11 MSEK in net sales during March.

## Net Sales



## Operating costs

Operating costs amounted to 37.596 (26.717) KSEK for the first quarter. Raw material & consumables increased to 18.814 (13.060) KSEK. Other external costs amounted to 6.862 (5.951) KSEK. Costs of personnel amounted to 10.851 (6.834) KSEK.

Raw materials & consumables as a share of net sales increased to 88% (79%) as a consequence of the significant increase of freight costs for incoming goods. During the quarter, raw materials & consumables excluding incoming freight was 72% (77%) of net sales, the cost reduction mainly comes from an improved cost of SSO 2.0. The assessment is that the cost increase for incoming freight has peaked on a high level and the increase for spot buying of components will affect the coming quarter further negatively.

## EBIT

Earnings before interest and taxes amounted to -9.795 (-8.103) KSEK for the quarter.

A loss is according to plan but has been affected more negatively than planned due to cost increases due to Covid-19. The costs increase consists mainly of increase freight costs of 3,0 MSEK and increased material costs of 1,0 MSEK.

## Financial position, liquidity

The company's cash and cash equivalents amounted to 79.384 KSEK, at the closing of the period, compared to 5.432 KSEK 2020.

Equity amounted to 105.209 KSEK, compared to 49.448 KSEK in 2020. The equity ratio was 72%.

Per the closing of the period, the total assets were 145.818 KSEK, which is an increase compared to the same period 2020 when total assets amounted to 65.997 SEK. The increase is mainly attributable to the contribution of capital from the share issues in September 2020.

Fixed assets amounted to 24.721 (13.653) KSEK, where 23.105 (12.482) KSEK refers to intangible fixed assets (mainly capitalized work).

Inventories amounted to 22.978 (11.914) KSEK at the closing of the period. The increase is consciously made and consists of two parts, first complete products, to be able to meet the expected increase in demand from the solar power industry with delivery of products in the second and third quarter, and second, procurement of semiconductors and other critical components to ward off a future shortage.

## Cash flow

Cash flow for the quarter amounted to -15.840 (-10.979) KSEK, which mainly comes from the investments in intangible assets -6.332 (-1.897) KSEK. The investment in intangible assets is mainly done in eHub/XL 1.5 and the SSO.2.0. During the quarter, amortizations of loans amounted to -75 (-75) KSEK.

## Employees

The number of employees at the Company was at the end of the period 52 (35). Compared to 2020, there has been an increase within all functions.

## The Ferroamp Share

Ferroamp Elektronik AB is since the 22nd of March 2019 listed on Nasdaq First North Growth Market under the short name (FERRO).

The number of outstanding shares is per the end of the year 12.254.092. All shares hold equal voting rights.

Closing price for the quarter was 97,00 SEK/share. Highest price during the period was 103,80 SEK/share, the 8th of January, and lowest price was 73,60 SEK/share, the 26th of February.

## Share price development



## Shareholders

### Ownership distribution, 31-03-2021

Owner Q1	Number of shares	Share of votes and capital, %
Björn Jernström	1 425 700	11,63%
Första AP-Fonden	1 157 670	9,45%
Nordea Fonder	1 145 397	9,35%
Nordic Cross	680 769	5,56%
KIC InnoEnergy SE	582 900	4,76%
Åke Rehnman	497 325	4,06%
Mats Karlström	405 375	3,31%
Almi Invest Stockholm AB	400 000	3,26%
Försäkringsaktiebolaget, Avanza Pension	382 285	3,12%
Andra AP-Fonden	300 000	2,45%
<b>Sum 10 largest owners</b>	<b>6 977 421</b>	<b>56,94%</b>
Other shareholders (approx. 8400 st)	5 276 671	43,06%
<b>Sum</b>	<b>12 254 092</b>	<b>100,00%</b>

## Stock warrant programs

During the quarter, the stock warrant program Series 2021/2024 was launched. The decision of the program was made during the Annual General Meeting 2020 and it targeted employees who started at the company after the last stock warrant program, Series 2020/2023. The price per warrant was 15,60 SEK and the exercise price in 2024 will be 114,27 SEK. In total, 36 500 warrants was bought.

	Decision made	Number of warrants	Number of shares	Exercise period	Exercise price, SEK	Target group
Series 2018/2021	2018	62 500	62 500	010721-301021	16,00	CEO
Series 2019/2022	2019	185 000	185 000	010322-310522	52,10	Employees
Series 2020/2023	2020	69 000	69 000	010623-300623	69,56	Employees
Series 2021/2024	2020	36 500	36 500	150324-150424	114,27	Employees
<b>Sum</b>		<b>353 000</b>	<b>353 000</b>			

# Definitions and key figures

## **Profit/loss after financial items**

Result after financial revenues and costs, but before appropriations and taxes.

## **Net sales**

Operating incomes, invoiced expenses, side revenues and revenue adjustments.

## **Balance sheet total**

The Company's total assets.

## **Equity ratio (%)**

Equity as a percentage of total assets.

## **Earnings per share, SEK**

Net Income divided by the weighted average number of shares during the period.

## **Diluted earnings per share, SEK**

Net Income divided by the weighted average amount of shares and all convertible securities.

## **Cash flow from operating activities**

Cash flow from operating activities including changes in working capital.

# Risks and uncertain factors in the operations

The executive management makes assumptions, assessments and estimates that effects the content of the financial reports. Actual outcomes may differ from these assessments and estimates, which is also implied by the accounting principles. The objective of the company's risk management is to identify, mitigate, control and limit the risks in the business. The risks can be divided into financial, operational, and external risks. Ferroamp's operational and external risks consist of, among other things, operational risks (access to competent personnel, quality in production and design, implementation of R&D projects according to plan), market risks (competition, political decisions, demand), intangible risks (patent risks), and financial risks (access to financing for expansion and increased costs).

For a detailed description of risk exposure and risk management, see the annual report for 2020, which was published the 29th of April 2021. The report is available on Ferroamp's website: <http://www.ferroamp.se>

## **External risks**

The spread of the Corona virus is a worrying factor, from a global economic perspective. We are closely following the development and potential implications for Ferroamp and the Company's customers and suppliers.

# Accounting principles

The Interim Report has been prepared in with chapter 9 in the Swedish Annual Accounts Act and the same accounting principles have been applied as in the latest annual report.

# Assurance from The Board of Directors

The Board of Directors and the Chief Executive Officer offer their assurance that the content of this Interim report constitutes a true and fair view of the company's operations, financial position, profit/loss and liquidity for the current period.

Stockholm, May 19, 2021  
The Board of Directors

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## Auditing by auditors

This report has not been audited by the company's auditor.

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## Certified Advisor

G&W Fondkommission +46(0)8-503 00 050, ca@gwkapital.se  
is the Company's Certified Advisor.

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## Contact information

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krister.werner@ferroamp.se

**Kerstin Wähl** CFO/IR  
kerstin.wahl@ferroamp.se

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SE-163 53 SPÅNGA  
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## Financial calendar

<b>Annual General Meeting</b>	20-05-2021
<b>Interim Report Q2 2021</b>	18-08-2021
<b>Interim Report Q3 2021</b>	10-11-2021
<b>Year End Report 2021</b>	16-02-2022

# Financial summary



# Income Statement

kSEK	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
<b>OPERATING INCOME</b>			
Net Sales	21 372	16 619	76 772
Capitalized work for own account	6 319	1 995	10 619
Other operating income	110	0	814
	<b>27 801</b>	<b>18 614</b>	<b>88 205</b>
<b>OPERATING COSTS</b>			
Raw material and consumables	-18 814	-13 060	-61 828
Other external costs	-6 862	-5 951	-23 154
Personnel costs	-10 851	-6 834	-30 866
Depreciation of tangible and intangible fixed assets	-1 047	-874	-4 860
Other operation income	-23	1	-134
	<b>-37 596</b>	<b>-26 717</b>	<b>-120 841</b>
<b>EBIT</b>	<b>-9 795</b>	<b>-8 103</b>	<b>-32 636</b>
Financial items	-138	-59	-502
<b>PROFIT/LOSS AFTER FINANCIAL ITEMS</b>	<b>-9 932</b>	<b>-8 163</b>	<b>-33 138</b>
<b>NET INCOME</b>	<b>-9 932</b>	<b>-8 163</b>	<b>-33 138</b>

Data per share	Jan-Mar 2021	Jan-Mar 2020	Jan-dec 2020
Earnings per share, before and after dilution, SEK	-0,81	-0,85	-3,10
Number of outstanding shares, closing of the period	12 254 092	10 211 743	12 254 092
Number of outstanding shares, after dilution	12 570 092	10 459 243	12 570 592
Weighted average of outstanding shares during the period	12 254 092	9 659 308	10 680 483

# Balance sheet

kSEK	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
<b>ASSETS</b>			
<b>SUBSCRIBED UNPAID CAPITAL</b>			
	0	23 202	0
<b>FIXED ASSETS</b>			
Intangible fixed assets	23 105	12 482	17 717
Tangible fixed assets	1 566	1 158	1 405
Financial assets	50	12	50
	<b>24 721</b>	<b>13 653</b>	<b>19 172</b>
<b>CURRENT ASSETS</b>			
Inventory	22 978	11 914	16 302
Current receivables	18 734	11 795	14 080
Cash and cash equivalents	79 384	5 432	95 224
	<b>121 097</b>	<b>29 142</b>	<b>125 606</b>
<b>TOTAL ASSETS</b>	<b>145 818</b>	<b>65 997</b>	<b>144 778</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Restricted equity	24 104	13 458	18 730
Unrestricted equity	81 105	35 989	96 412
	<b>105 209</b>	<b>49 448</b>	<b>115 141</b>
<b>PROVISIONS</b>			
Provisions for warranty costs	1 622	0	1 622
	<b>1 622</b>	<b>0</b>	<b>1 622</b>
<b>LONG-TERM LIABILITIES</b>			
Long-term liabilities, interest-bearing	2 369	700	2 444
	<b>2 369</b>	<b>700</b>	<b>2 444</b>
<b>SHORT-TERM LIABILITIES</b>			
Current liabilities, interest-bearing	2 603	300	2 603
Current liabilities, non-interest-bearing	34 016	15 549	22 969
	<b>36 618</b>	<b>15 849</b>	<b>25 571</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>145 818</b>	<b>65 997</b>	<b>144 778</b>

# Cash Flow Statement

kSEK	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
<b>CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL</b>			
Cash flow from operating activities before financial items	-9 795	-8 103	-32 636
Financial items	-138	-59	-502
Cash flow from operating activities after financial items	0	-8 163	-33 138
Adjustments for non-cash items	1 047	874	6 428
Paid taxes	-290	-159	137
	<b>-9 175</b>	<b>-7 448</b>	<b>-26 573</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Changes in inventory	-6 677	-736	-5 123
Changes in accounts receivables	-3 549	1 290	-3 902
Changes in current receivables	-847	-324	2 415
Changes in accounts payables	8 325	-2 495	4 821
Changes in current payables	2 754	757	2 572
	<b>-9 169</b>	<b>-8 956</b>	<b>-25 790</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Investments in intangible fixed assets	-6 332	-1 897	-10 792
Investments in tangible fixed assets	-264	-50	-569
Investments in financial assets	0	0	-38
	<b>-6 596</b>	<b>-1 947</b>	<b>-11 399</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
New share issue, net	0	0	117 677
Amoritzation	-75	-75	-1 675
	<b>-75</b>	<b>-75</b>	<b>116 002</b>
<b>CASH FLOW</b>	<b>-15 840</b>	<b>-10 979</b>	<b>78 813</b>
Liquidity opening day of period	95 224	16 411	16 411
<b>LIQUIDITY CLOSING DAY OF PERIOD</b>	<b>79 384</b>	<b>5 432</b>	<b>95 224</b>

# Statement of Changes in Equity

## Q1 2021

kSEK	Share capital	Development fund	Unrestricted equity	Total equity
<b>Equity 01-01-2021</b>	<b>1225</b>	<b>17 504</b>	<b>96 412</b>	<b>115 141</b>
Provisions for funds		5 375	-5 375	0
Net income of the period			-9 932	-9 932
<b>Closing equity Mar 31, 2021</b>	<b>1 225</b>	<b>22 879</b>	<b>81 105</b>	<b>105 209</b>

## Q1 2020

kSEK	Share capital	Development fund	Unrestricted equity	Total equity
<b>Equity 01-01-2020</b>	<b>911</b>	<b>11 338</b>	<b>23 063</b>	<b>35 311</b>
New share issue, TO1	110		23 092	23 202
Cost of issue			-903	-903
Provisions for funds		1 099	-1 099	0
Net income of the period			-8 163	-8 163
<b>Closing equity Mar 31, 2020</b>	<b>1 021</b>	<b>12 437</b>	<b>35 989</b>	<b>49 448</b>

## Full year 2020

kSEK	Share capital	Development fund	Unrestricted equity	Total equity
<b>Equity 01-01-2020</b>	<b>911</b>	<b>11 338</b>	<b>18 354</b>	<b>30 603</b>
New share issue	315		125 005	125 320
Cost of issue			-7 643	-7 643
Provisions for funds		6 166	-6 166	0
Net income of the period			-33 138	-33 138
<b>Closing equity Dec 31, 2020</b>	<b>1 225</b>	<b>17 504</b>	<b>96 412</b>	<b>115 141</b>

# Electricity. Reinvented.

ferroamp

[ferroamp.se](https://ferroamp.se)

*Ferroamp Elektronik AB Org.nr 556805-7029*