



ferroamp

Interim Report Q2

1 January – 30 June 2023

Ferroamp AB

ferroamp



This is a translated version of the original interim report published in Swedish. In case of deviations, the Swedish report should be considered.

April–June 2023

Net sales	143,210 kSEK (52,402)
EBITDA	-3,841 kSEK (-5,464)
EBITDA, %	-2.7 (-10.4)
Profit/loss after financial items	-7,854 kSEK (-7,860)
Balance sheet total	446,505 kSEK (253,090)
Equity ratio, %	72 (80)
Earnings per share, before and after dilution	-0.34 (-0.56)
Cash flow from operating activities	-2,351 (-7,545)

“The net sales of 143 MSEK in the quarter is a record for the company. The gross margin improved significantly compared to the previous quarter. The EBITDA result was positive in the second quarter excluding spot costs.”

Kent Jonsson, CEO Ferroamp

Financial position*

kSEK	Apr–Jun 2023*	Apr–Jun 2022	Jan–Jun 2023	Jan–Jun 2022	Full year 2022	Full year 2021	Full year 2020
Net sales	143,210	52,402	238,261	93,943	205,112	110,218	76,772
EBITDA	-3,841	-5,464	-30,938	-10,545	-46,238	-35,729	-27,776
EBITDA, %	-3	-10	-13	-11	-23	-32	-36
Profit/loss after financial items	-7,854	-7,860	-38,545	-14,720	-54,262	-41,102	-33 138
Balance sheet total	446,505	253,090	446,505	253,090	236,952	188,913	144,778
Equity ratio (%)	72	80	72	80	68	80	80
Earnings per share, before and after dilution	-0.34	-0.56	-1.69	-1.04	-3.84	-3.19	-3.10
Cash flow from operating activities	-2,351	-7,545	-58,212	-16,212	-61,658	-42,065	-25,790

* Items affecting comparability impacted earnings positively by 677 kSEK during the quarter.

Improved margin and record sales

Profitability improved significantly in the second quarter. We have made great efforts to reduce production costs and now have a more normalised product mix.

Net sales during the quarter were 143 MSEK, which is a record for the company and an increase of 173 percent compared to the same period in the previous year. We gained market share and strengthened our position in the first two quarters of the year as a result of increased production capacity.

At the beginning of the third quarter, we have seen a slowdown in the market. This can be explained to some extent by seasonal variations but is also due to the general economic situation and lower electricity prices during the summer. This will affect demand in the autumn, but in the medium and long term we see positive developments.

Focus on profitability

After five months in the role of CEO, I am pleased with the significant improvements in our earnings and that we have had a record quarter in terms of sales. We are continuing to work in all areas to also achieve satisfactory profitability. The gross margin has improved and was 27 percent in the quarter, compared to 15 percent in the first quarter.

We have strengthened the purchasing organisation and created a clear focus on continuously reducing our production costs for all products. This has allowed us to reduce our expenditure on, for example, component purchases, manufacturing and logistics.

Having dual suppliers for critical components has also made us more resilient to supply chain disruptions. Together with an improved situation in the component market, this has significantly reduced the need to make expensive spot purchases.

Fully subscribed rights issue

During the period, Ferroamp carried out a fully guaranteed rights issue. The issue was oversubscribed and provided the company with 220 MSEK gross. The proceeds from the issue will be used to complete the industrialisation of the current product portfolio and develop second generation products. They will also be used to develop a range of frequency support and energy optimisation services, and to provide working capital in the form of increased inventories, to cost-effectively secure hardware for increasing sales volumes.

In connection with the rights issue, we presented new financial targets; these are net sales of at least SEK 1.7 billion and an EBITDA margin of at least 15 percent by the end of the 2026 financial year.



“The need for our smart and controllable system, via which electric vehicle charging and battery storage can be used to reduce the load on the grid, is increasing.”

Innovation and new services

The demand for electricity could double in Sweden by 2035, while congestion in the electricity grid is increasing. The need for our smart and controllable systems, via which the charging of electric vehicles and storage in batteries can be used to reduce the load on the electricity grid, will therefore also increase. The frequency support services we are now developing together with Varberg Energi and Ntricity support the electricity grid and also give customers the opportunity to make money on the electricity market while also utilising the other functionality of their batteries.

Our growth journey goes hand in hand with continued innovation. Ferroamp’s technical platform enables it to constantly meet the new needs that arise on the electricity market. This is how we are creating the right conditions for electrification and the development of a fossil-free energy system.

Kent Jonsson, CEO Ferroamp

Important events

Events in the second quarter



Distribution agreement with Elektroskandia

In early May, Ferroamp signed a distribution agreement with Sweden's leading electrical and technology wholesaler Elektroskandia. The partnership gives Ferroamp access to Elektroskandia's entire sales organisation and 49 stores across the country. Elektroskandia is part of the Sonepar Group, one of the largest electrical wholesale companies in the world.

Rights issue fully guaranteed

In June, Ferroamp carried out a rights issue. The issue was fully subscribed and raised approximately 220 MSEK gross for the company. The proceeds will be used to complete the industrialisation and develop second generation products, launch B2B offerings in frequency support services and energy optimisation, and secure hardware for increased sales volumes.



New training course for installers

Ferroamp has launched the Ferroamp Academy online training course for installers and electricians. This training allows anyone working with the Ferroamp system to learn more about the installation and operation of DC technology in buildings, and the possibilities this offers. By the end of June, over 300 installers had already started the training course.

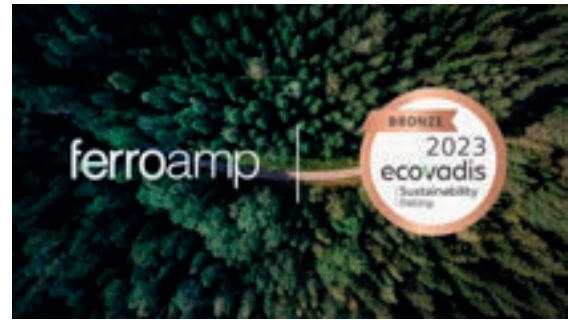
Additions to the management

Ferroamp has recruited Bodil Prising as Chief Commercial Officer and Malin Silander as Chief People & Culture Officer. Bodil Prising has a background from various management positions in the telecom industry, including at Tele2, Telia, Dialect and Halebop, and Malin Silander comes most recently from the Svensk Fastighetsförmedlings group and was previously HR manager at Upplands Motor and Bisnode.

Ferroamp in Almedalen

During Almedalen Week, Ferroamp organised a seminar entitled "Congestion charge in the electricity grid – are local energy communities the solution?". This provided a discussion on how controllable interconnected production and storage resources can be used to support and balance the electricity grid. Ferroamp also participated in a dialogue with Varberg Energi that focused on the companies' joint project relating to the FCR-D balancing service.

Important events after the end of the period



Bronze medal from EcoVadis

In the initial evaluation of Ferroamp by the international sustainability assessment company EcoVadis, the company was awarded a bronze medal. The evaluation is based on 21 criteria in the areas of environment, HR including employee rights, ethics and sustainable purchasing. A bronze medal means having a better result in the evaluation than 50 percent of the companies in the same industry sector.

Latest news about FCR-D

Ferroamp, in collaboration with the software company Ntricity and within the framework of a pilot project with Varberg Energi, has developed a technical solution for battery owners who want to sell capacity to the FCR-D support service to contribute to achieving balance in the electricity grid. An application for pre-qualification has now been sent to Svenska kraftnät.

Increased rate of production at Kitron

The production of the EnergyHub Wall 14 system for houses has achieved and exceeded the defined target. When the agreement with the supplier Kitron was signed in September last year, the aim was to triple the rate of production. Less than a year later, the average weekly production is seven times higher than in 2022.

All press releases are available at www.ferroamp.se

Ferroamp in brief

Our vision

Our vision is a world powered by 100 percent renewable and reliable electricity.

What we do

Ferroamp offers property owners sustainable solutions for the future of energy supply through a unique, patented technology for energy and power optimisation. The Ferroamp system integrates solar power, energy storage and electric vehicle charging in a DC nanogrid with intelligent control and real-time monitoring. With PowerShare technology, several buildings can also be connected and share the solar power that is generated.

Our customers

Our end customers are property owners in the segments for private homes and other small residential properties, tenant-owner associations, public housing, private and commercial property owners, industry and agriculture.

In cooperation with

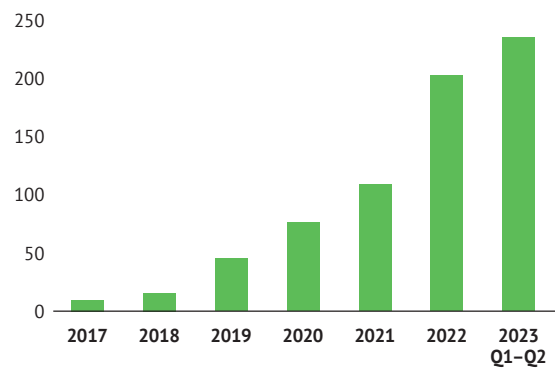
Ferroamp works closely with integrators, wholesalers, installers, energy advisors and energy companies to create a seamless solution for the end customer.

How we make a difference

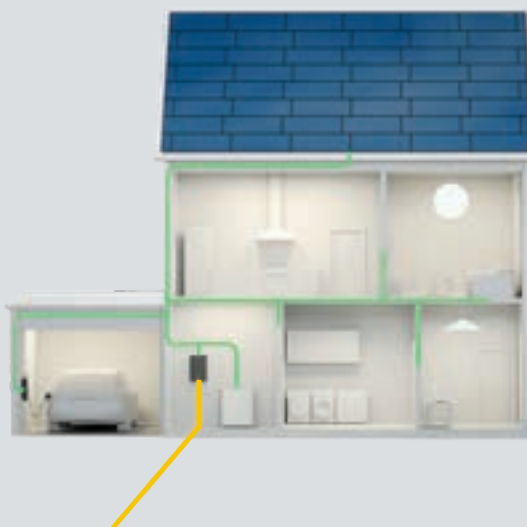
The Ferroamp system gives property owners control in a changing electricity market. The flexible, modular system can be expanded and adapted to the needs and opportunities created in the energy system. At the same time, the system contributes to solving the capacity problems in the electricity grid, thus contributing to the energy transition in society.

Net sales

(MSEK)



The Ferroamp system



HARDWARE

- EnergyHub
- SSO (Solar String Optimizer)
- Energy storage

SOFTWARE

- EnergyCloud

FUNCTIONS

- Charging control with OCPP compatible electric vehicle chargers
- Phase balancing (ACE)
- PowerShare

TECHNOLOGY

- DC nanogrid

The Ferroamp system

– future-proof and flexible

The brain in a property's power system

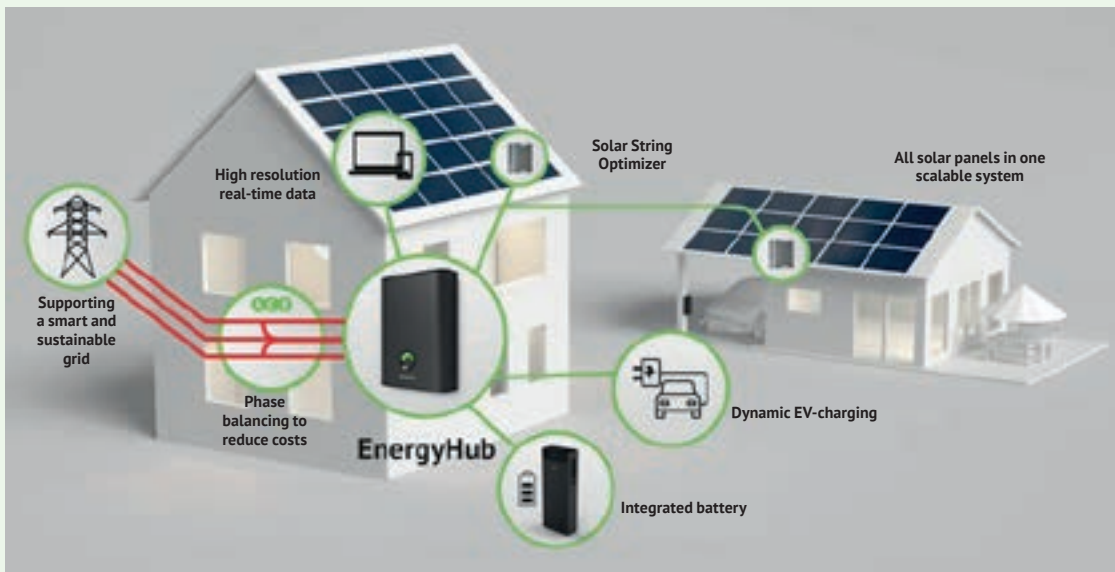
EnergyHub is a smart inverter and the brain in intelligent power systems in which solar panels, electric vehicle charging and battery energy storage can easily be connected via a DC nanogrid with intelligent control and real-time monitoring. The system optimises electricity use and solar power production in and between buildings. The system's scalability and the possibility to update it online provide unique flexibility that enables property owners to meet both current and future needs.

A new way of thinking

Installing solar panels is just the first step in taking control of electricity usage. By thinking about the whole property's electrical system right from the very start, it is possible to balance consumption and protect the main fuse while also avoiding costly power peaks. As both energy storage and electric vehicle charging use direct current, conversion losses are avoided and maximum controllability is achieved.

FERROAMP SYSTEM DESCRIPTION

Integrating solar panels, storage and charging solutions



Five reasons to choose Ferroamp

1 Take control

Real-time monitoring and control of production and electricity consumption with minimal energy losses.

2 Easy, efficient electric vehicle charging

Protect the main fuse and avoid power peaks by using phase balancing and load control.

3 Get more out of solar panels

Maximise your own use and shorten the payback period. Expand as needed.

4 Smart control of batteries

Use energy storage to harness solar power or to charge at night when electricity is cheap and discharge when it is most expensive, or to flatten power peaks.

5 Adapt to future needs

The system is future-proof and is updated when new opportunities and challenges emerge in power systems. It is also easy to scale up if such needs arise.

Value creation model

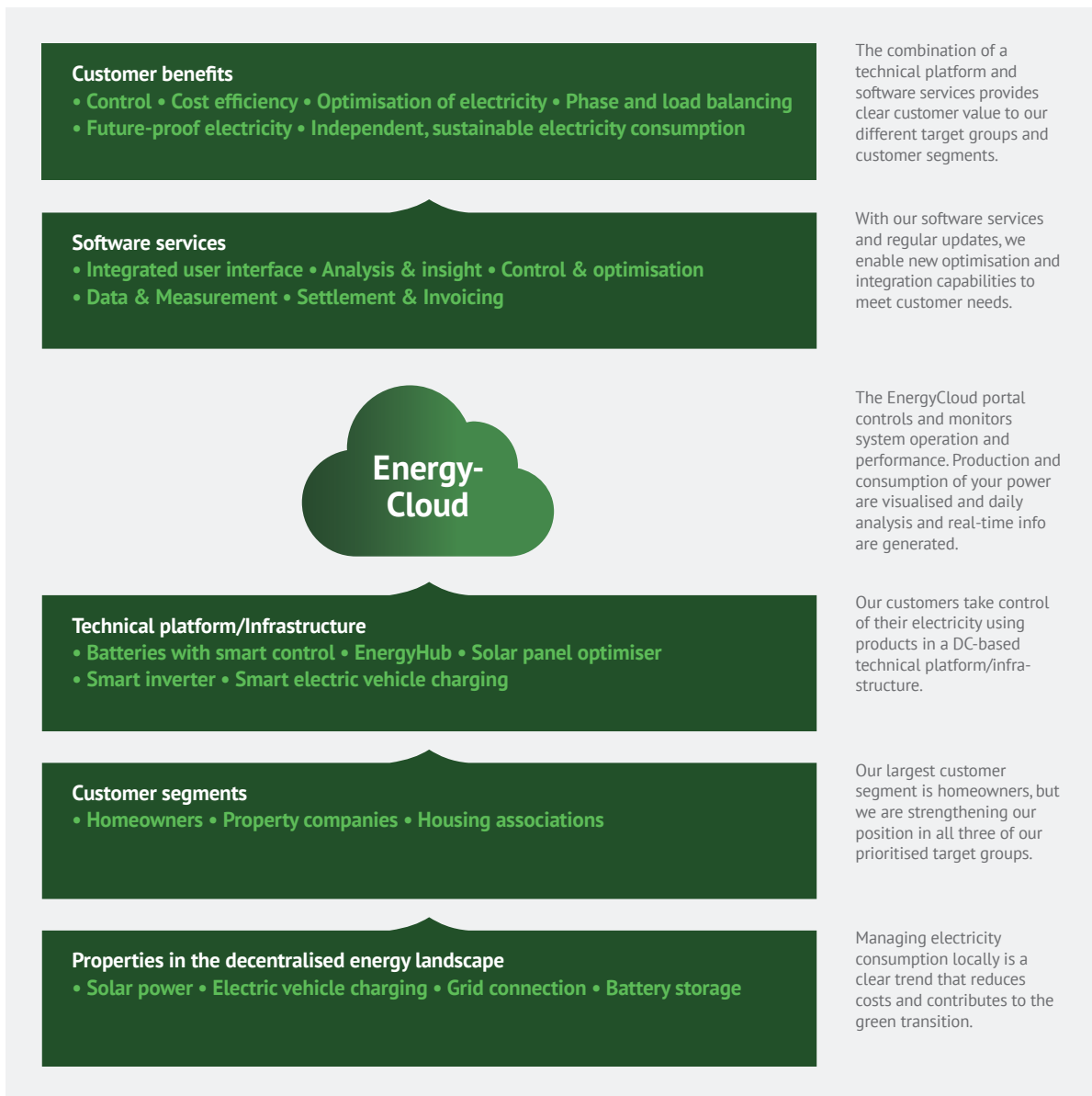
Ferroamp's DC-based platform provides properties with an infrastructure that allows property owners to take control of their electricity consumption and production in the new decentralised energy landscape.

Our smart EnergyHub and the cloudbased user interface, EnergyCloud, connect solar power generation, energy storage and electric vehicle charging with smart information technology in a unified system. The system is modular and can be expanded as needed and also connected to Ferroamp systems in other buildings in an energy-sharing network using PowerShare. All these options enable property owners to

optimise electricity use and make efficient use of their own electricity production.

The controllability, phase balancing, flexibility and modular design contribute to a future-proof solution that also reduces dependence on imported electricity. It also relieves pressure on the grid and thus provides the conditions for sustainable electrification of society.

Ferroamp creates value by enabling our customers to be part of the green transition with integrated, future-proof infrastructure for optimised green electricity in and between buildings.



Five trends affecting Ferroamp

The market for Ferroamp’s smart systems is no longer just in the future. It is here and now. Demand is growing in line with a global wave of electrification, and the transformation in society is now proceeding very quickly. Global megatrends and customer needs shape five strategic areas that underpin our view of the future and our strategy:

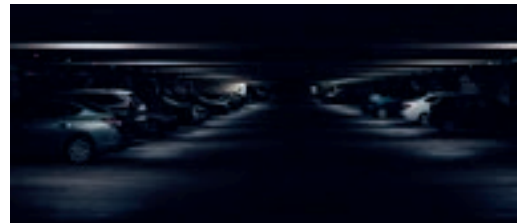
1. Solar panel boom

In recent years, we have become accustomed to installation volumes for solar panels breaking new records every year. The International Energy Agency, IEA, now forecasts that global solar panel capacity will triple between 2022 and 2027, thereby overtaking coal as the main source of electricity generation.



2. The power challenge in the electricity grid

The Swedish electricity grid is running close to capacity and expanding it will take time. To deal with capacity shortages, as a society we therefore need to become better at managing loads and limiting power peaks. The increasing introduction of power tariffs by electricity grid companies also creates financial incentives for property owners to actively work on cutting their peak consumption by using batteries and smart control.



3. Electrification of transport

Electric car sales are also setting new records. 56 percent of the new vehicles sold in 2022 were chargeable. This poses a challenge for the electrical systems in properties, as a lot of vehicles need to be charged at the same time. Ferroamp’s solution for integrating electric vehicle chargers into the Ferroamp system protects fuses in the property and flattens consumption peaks.



4. The increasing strength of electricity consumers

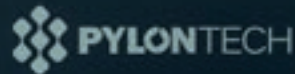
The high prices last winter have contributed to increased public awareness of energy consumption. The realisation that people have the power to control their consumption, by adjusting it and investing in their electricity system, is spreading. New business models are also being developed, in which Ferroamp’s products make it possible to become active prosumers in the new electricity market.



5. Grid stability requirements

A flexible electricity grid with a higher proportion of renewables requires resources that can ensure the balance and frequency of the grid. The market for these balance and frequency regulation services is now being opened up to smaller electricity customers, so it is possible for both tenant-owner associations and owners of private homes to sell capacity from, for example, their own energy storage facilities to the grid owners. This can have a significant impact on the financial viability of buying your own home battery.

CASE



Help the electricity grid and earn money

FCR-D is the latest abbreviation that needs learning by anyone who owns a battery. This is one of the support services that property owners can now offer to Svenska kraftnät in return for payment. Ferroamp is collaborating with Varberg Energi and Ntricity to create an approach that can be profitable for customers.

The electricity grid must be in balance at all times, which means that the same amount of electricity has to be used and produced each second. The heavy turbines in hydro-power plants and thermal power generation (e.g. gas, coal, nuclear) have an inherent inertia that helps stabilise the grid during disturbances. As the number of turbines has decreased, the need for support services (also called balancing or frequency regulation services) in the electricity grid has increased.

Svenska kraftnät purchases these services, which means that operators offer to regulate their production or consumption in return for payment, to help maintain the balance in the electricity grid.

New opportunities

This opens up opportunities for electricity customers who have access to flexible resources, such as controllable solar generation, electric vehicle charging or batteries that can be switched on and off. Previously, only large electricity consumers could participate in the trading of frequency services, but owners of private homes and tenant-owner associations can now also take part in the market.

The balancing market provides attractive opportunities for our customers to monetise their systems.

“The inherent flexibility of the Ferroamp system makes it an effective tool that can be adapted to the needs that arise. Property owners can thereby relieve the load on and contribute to the stability of the grid in a way that is also cost-effective for the grid owner,” says Carl Heyman, Product Manager at Ferroamp.

FCR-D

There are different types of support services with various functions in the system. The service that currently provides the highest payments is called FCR-D (Frequency Containment Reserve – Disturbance). This involves being able to quickly respond to disturbances in the electricity system. For example, in the event of a sudden loss of production, a large number of batteries can be discharged during the seconds or minutes it takes to increase production from other facilities. Battery owners are paid for the availability of their batteries regardless of whether they are actually used or not.

Ferroamp is currently developing this possibility for battery owners together with Varberg Energi and Ntricity, an energy technology software company. In the pilot project, Varberg Energi is gathering together customers who have Ferroamp systems with batteries, and can

remotely control these to be available for FCR-D during certain hours. At other times, the customers can use their batteries as usual.

Adding to the range of services for customers

“Both Ferroamp and Varberg Energi have similar views on how our electricity system can be used in the best possible way. “Being able to add to the services we offer customers with the inclusion of Ferroamp’s energy storage creates great value for our customers who want to participate in the balancing markets,” says Mats Balkö, Business Area Manager for Development and Sustainability at Varberg Energi.

How much a customer is paid to participate varies over time, but during the past year the payment has been a few thousand Swedish kronor, which has greatly improved the economic viability of investments made in batteries.

The market for support services is an example of how distributed controllable resources become valuable to the whole energy system and thus contribute to the green electrification of society. The Ferroamp system provides the flexibility needed for property owners to generate income by offering new services to support the system.

Financial overview

Financial comments and key figures refer to the parent company Ferroamp AB (publ), where the business operations take place. The group also includes Ferroamp Incentive AB, which manages the company's stock warrant programs.

Operating income

The total income for the second quarter amounted to 161,379 kSEK (64,904), of which net sales amounted to 143,210 kSEK (52,402). The net sales for the second quarter are the best in the company's history, up 173 percent compared to the same quarter in the previous year. The second quarter had an increase of 51 percent compared to the previous quarter, which at the time had been the company's best quarter ever.

The majority of the increase compared to the previous year comes from sales to both smaller and larger properties of Ehub 14 kW as well as Ehub 21-28 kW, and from sales of batteries.

In the second quarter of 2023, the company delivered four times as many Ehub 14 kW and Ehub 21-28 kW as in the same quarter in the previous year. The number of SSOs increased by 12 percent compared to the same quarter in the previous year. The number of batteries increased by 152 percent compared to the same quarter in the previous year.

Total income for the first half of 2023 amounted to 269,519 kSEK (115,784), with net sales amounting to 238,261 kSEK (93,943). The net sales for the first half of the year have exceeded the net sales for the entire 2022. The increase in net sales during the first half of the year was 154 percent compared to the same period in the previous year.

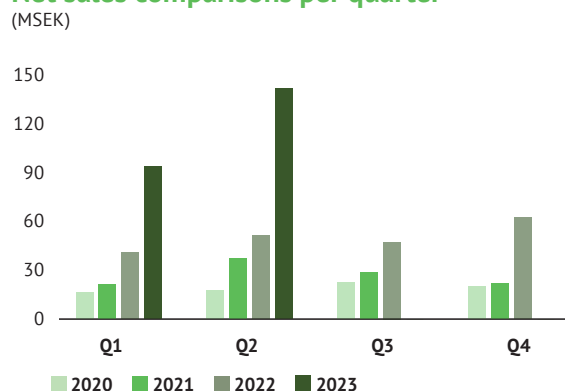
The increase in the half-year sales compared to the previous year is also due to the same products as was the case for the second quarter, i.e. Ehub 14 kW and Ehub 21-28 kW, as well as SSOs and batteries.

During the second quarter, the company reported other income affecting comparability of approximately 2.9 MSEK, relating to an external settlement.

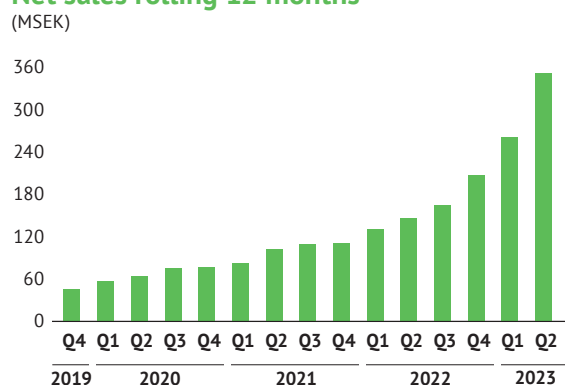
Development work

The company continues to invest in and develop products to support our future income in the best possible way. During the second quarter of 2023, the company recorded development work for 15,292 kSEK (11,827), an increase of 3.5 MSEK (29 percent) compared to the same quarter in the previous year. During the first half of the year, the company recorded development work for 28,381 kSEK (20,821), an increase of 7.6 MSEK (36 percent) compared to the same period in the previous year. The development work is mainly linked to the development of 2nd generation products.

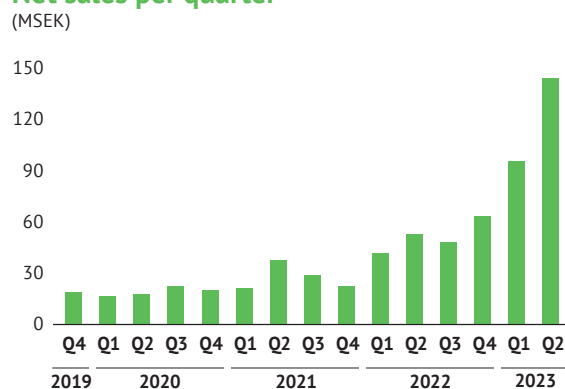
Net sales comparisons per quarter



Net sales rolling 12 months



Net sales per quarter



Financial overview cont.

Operating costs

Operating costs for the second quarter amounted to 169,059 kSEK (72,723). Raw materials and consumables increased to 110,084 kSEK (39,812). Other external costs amounted to 30,748 kSEK (14,728).

Personnel costs amounted to 24,317 kSEK (15,813). During the quarter, spot purchases of components impacted raw materials and consumables by 4.7 MSEK (3.9). The share of spot costs in relation to net sales was approximately 3 percent, which is the lowest share for spot costs since Q3 2021.

The gross margin excluding spot purchases was 26 percent (31) compared to the previous year.

During the second quarter, a provision of 1.2 MSEK was made for discontinued materials. The large improvement in the gross margin in the second quarter compared to the first quarter of 2023 was mainly due to a positive change in the product mix and implemented cost savings.

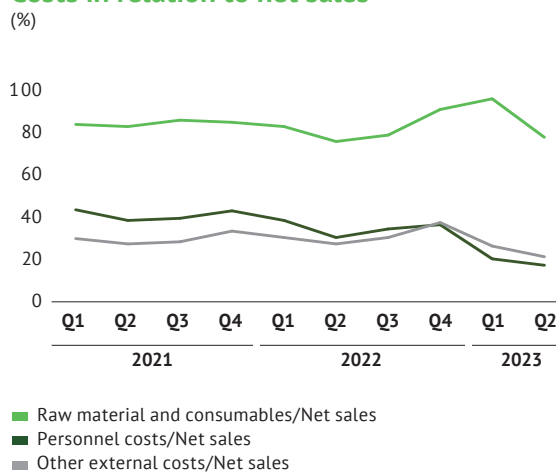
During the second quarter, the company made a provision of 1.1 MSEK for personnel costs for senior executives who have left the company, which, together with the increase in permanent staff in the development department and the support department in particular, explains the increase in the cost of personnel. Other external costs increased compared to the previous year, mainly due to increased consultant costs to support the development of 2nd generation products.

Operating costs for the half year amounted to 307,870 kSEK (130,484). Raw materials and consumables increased to 200,441 kSEK (72,485). Other external costs amounted to 55,303 kSEK (24,782). Personnel costs amounted to 43,733 kSEK (29,031). During the half year, spot purchases of components, in particular for the EnergyHub, impacted raw material and consumables by 13.8 MSEK (7.3). The share of net sales accounted for by raw material and consumables was 84 percent (77), and 78 percent (69) excluding spot purchases.

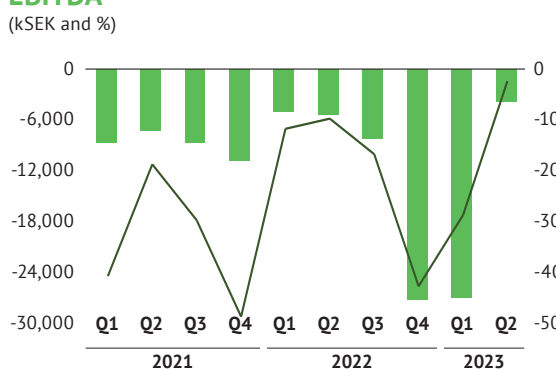
The company works proactively on achieving cost efficiencies for our products and is constantly redesigning and replacing electronic components to reduce costs and avoid costs for spot purchases.

The spot costs in the second quarter, which almost halved compared to the first quarter of the year, were vital with regard to securing components to cover the increased net sales. The company's assessment remains that the outlook for securing components is improving all the time.

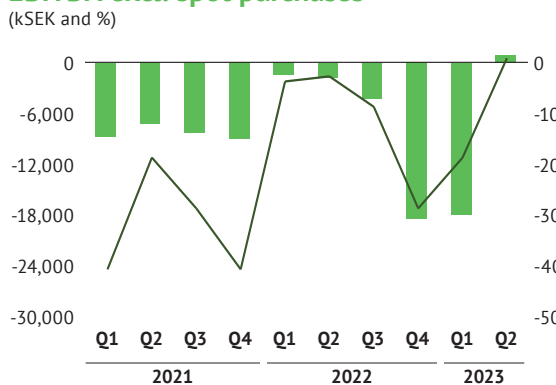
Costs in relation to net sales



EBITDA



EBITDA excl. spot purchases



Financial overview cont.

Net income for the period

Earnings before interest and tax (EBIT) for Q2 2023 amounted to -7,680 kSEK (-7,819) and the EBIT margin was -6 percent (-15). EBIT for the quarter was negatively affected by spot purchases of components, which had an impact on earnings of 4.7 MSEK (3.9), and by personnel costs for senior executives who had left the company, which were 1.1 MSEK (0.0). In addition, income affecting comparability of 2.9 MSEK was recorded in the second quarter of the year, as was a cost of 1.2 MSEK for an inventory reserve for discontinued components. Overall, non-recurring items affecting comparability had a positive impact of 0.7 MSEK (0.0) on earnings during the second quarter of the year.

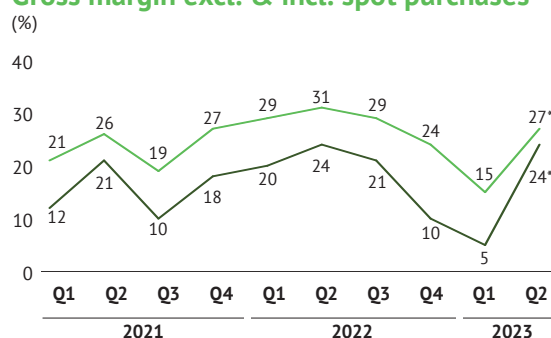
Earnings before interest and tax (EBIT) for the first half of 2023 amounted to -38,351 kSEK (-14,700) and the EBIT margin was unchanged from the previous year at -16 percentage points. EBIT for the half year was negatively affected by spot purchases of components, which had an impact on earnings of 13.8 MSEK (7.3), and by personnel costs for senior executives who had left the company, which were 1.1 MSEK (0.0). Overall, non-recurring items affecting comparability had a positive impact of 0.7 MSEK (0.0) on earnings during the first half of the year.

Financial position, liquidity

Fixed assets amounted to 101,559 kSEK (59,529), of which 94,889 kSEK (57,222) were intangible fixed assets (mainly capitalised work). Current receivables decreased to 38,942 kSEK (53,350), with this fall mainly being due to a decrease in account receivables. Inventories at the end of the quarter amounted to 48,531 kSEK (15,627), which is attributable to increased demand and sales of our products. Current interest-bearing liabilities increased by just over 24 MSEK from the beginning of the year, which is attributable to tax deferrals granted.

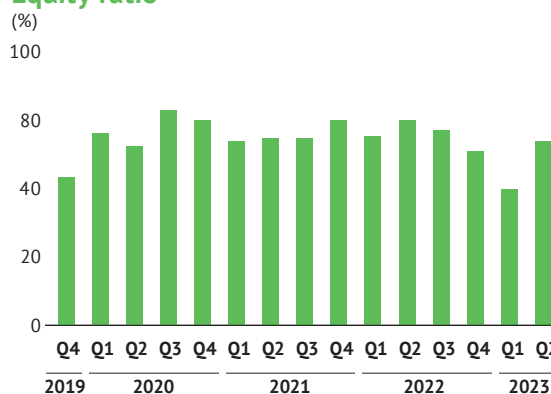
The company's cash and cash equivalents totalled 257,473 kSEK (124,584) at the end of the period. Equity amounted to 321,025 kSEK (201,503). The equity ratio was 72 percent (80). On 30 June 2023, total assets amounted to 446,505 kSEK (253,090). The company carried out a rights issue during the second quarter of 2023. This provided the company with approximately 198 MSEK net in cash, which increased equity and the balance sheet total.

Gross margin excl. & incl. spot purchases



■ Gross margin excl. spot purchases
 ■ Gross margin incl. spot purchases
 * Q2-2023 excl. items affecting comparability of 1.2 MSEK

Equity ratio



The share

The Ferroamp share and owner distribution

Ferroamp AB (publ) has been listed on the Nasdaq First North Growth Market, under the ticker FERRO, since 22 March 2019. The number of outstanding shares at the end of the quarter was 30,871,997, following a rights issue of 16,171,046 shares carried out in Q2 2023. All shares hold equal voting rights. The quarter's and the half year's closing price was 13.62 SEK/share. The highest price during the quarter was 65.00 SEK/share, on 4 April, and the lowest price during the quarter was 13.40 SEK/share, on 30 June. The highest price so far in 2023 has been 71.40 SEK/share, on 15 February, and the lowest price has been 13.40 SEK/share, on 30 June.

Ownership distribution 30-06-2023

Owner	Number of shares	Share of votes and capital, %
Nordea Fonder	2,914,298	9.44
Första AP-fonden	2,864,757	9.28
Wallenstam Aktier AB	2,257,500	7.31
Swedbank Robur Ny Teknik BTI	1,892,100	6.13
Avanza Pension	1,676,947	5.43
Björn Jernström	1,453,060	4.71
Andra AP-fonden	1,428,000	4.63
Nordnet Pensionsförsäkring	1,378,855	4.47
Mediuminvest AS	768,740	2.49
Mellgren, Claes	610,841	1.98
Jonsson, Kent	493,147	1.60
Cicero Hållbar Mix	450,309	1.46
ABN Amro Sweden Client Non-Treaty	412,836	1.34
Pension, Futur (Knutsson Holding)	353,871	1.15
Rehnman, Åke	333,363	1.08
Sum 15 largest shareholders	18,955,261	61.40
Other shareholders (approx. 9,700)	11,916,736	38.60
Sum	30,871,997	100.00

Stock warrant programs

	Year decided	No. of warrants	Number of shares	Subscription period	Subscription price, SEK	Target group
Stock warrant program 2021/2024-1	2020	36,500	36,500	150324-150424	93.64	Employees
Stock warrant program 2021/2024-2	2021	101,900	101,900	151124-151224	77.69	Employees
Stock warrant program 2023/2026	2023	214,000	214,000	010623-310823	31.93	Employees
Sum		352,400	352,400			

Share price development, SEK



Other information

Risks and uncertain factors in the operations

The executive management makes assumptions, assessments and estimates that affect the content of the financial reports.

For a detailed description of risk exposure and risk management, see the 2022 Annual Report, which was published on 19 April 2023. It is available on Ferroamp's website: ferroamp.se

Accounting principles

The company's interim report has been prepared in accordance with Chapter 9 of the Swedish Annual Accounts Act and the same accounting principles have been applied as in the latest Annual Report. From 2023, the company is a larger group according to the Swedish Annual Accounts Act and thus also reports in group format with consolidation of the subsidiary Ferroamp Incentive AB (559229-0430). Ferroamp Incentive AB has no operations and only manages warrants.

The information was submitted for publication on 24 August 2023.

The Board of Directors and the CEO provide assurance that this interim report constitutes a fair overview of the company's business operations, financial position and earnings for the relevant period.

Auditing by auditors

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

Certified advisor

G&W Fondkommission +46 8 503 000 50
ca@gwkapital.se

Contact information

Kent Jonsson, CEO
kent.jonsson@ferroamp.se

Fredrik Breitung, CFO/Investor Relations
fredrik.breitung@ferroamp.se
+46 70 340 76 79

Ferroamp AB (publ)
Corp. ID no. 556805-7029
Odlingsgatan 7B
SE-174 53 Sundbyberg
ferroamp.se
+46 8 684 33390

Transactions with related parties

Ferroamp currently leases additional office space from Convendum, which is partly owned by Wallenstam, in Umami Park in Sundbyberg. This has a monthly cost of approximately 70 kSEK. During the second quarter of 2023, the company has had costs of 318 kSEK (0) to Convendum. From the third quarter of 2023, Ferroamp has signed an agreement with Wallenstam to move into brand new premises in the same area. The transaction has been agreed based on market rates.

Financial calendar

Interim Report Q3 2023 9 November 2023
Year-End Report Q4 2023 16 February 2024

Financial Reports



16

Income statement

The Group

kSEK	Apr–Jun 2023	Apr–Jun 2022	Jan–Jun 2023	Jan–Jun 2022	Full year 2022
OPERATING INCOME					
Net sales	143,210	52,402	238,261	93,943	205,112
Capitalised work for own account	15,292	11,827	28,381	20,821	43,235
Other operating income	2,877	675	2,877	1,020	314
SUM	161,379	64,904	269,519	115,784	248,661
OPERATING COSTS					
Raw material and consumables	-110,084	-39,438	-200,441	-72,485	-167,120
Other external costs	-30,748	-15,149	-55,303	-24,782	-61,471
Cost of personnel	-24,317	-15,814	-43,733	-29,031	-66,081
Depreciation of tangible and intangible fixed assets	-3,839	-2,355	-7,413	-4,155	-7,868
Other operating costs	-71	33	-980	-31	-227
	-169,059	-72,723	-307,870	-130,484	-302,767
EBIT	-7,680	-7,819	-38,351	-14,700	-54,106
Financial income	156	-5	160	20	14
Financial costs	-330	-36	-355	-42	-178
PROFIT/LOSS AFTER FINANCIAL ITEMS	-7,854	-7,859	-38,546	-14,721	-54,270
NET INCOME	-7,854	-7,859	-38,546	-14,721	-54,270
Data per share					
Earnings per share, before and after dilution, SEK	-0.34	-0.56	-1.69	-1.04	-3.84
Number of outstanding shares, closing of the period	30,871,997	14,700,951	30,871,997	14,700,951	14,700,951
Number of outstanding shares, after full dilution	31,224,397	14,437,976	31,224,397	14,437,976	14,908,351
Weighted average of outstanding shares during the period	22,786,474	14,121,476	22,786,474	14,121,476	14,121,476

Balance sheet

The Group

kSEK	30 Jun 2023	30 Jun 2022	31 Dec 2022
ASSETS			
FIXED ASSETS			
Intangible fixed assets	94,889	57,222	74,978
Tangible fixed assets	6,620	2,258	2,869
	101,509	59,480	77,847
CURRENT ASSETS			
Inventory	48,531	15,627	41,973
Current receivables	38,942	51,629	62,126
Cash and cash equivalents	257,504	126,344	54,988
	344,977	193,600	159,087
SUM ASSETS	446,486	253,080	236,934
EQUITY AND LIABILITIES			
EQUITY			
Share capital	3,087	1,470	1,470
Other contributed capital	601,318	405,327	405,282
Accumulated profit including profit for the year	-283,399	-205,304	-244,853
	321,006	201,493	161,899
PROVISIONS			
Provisions for warranty costs	4,605	2,476	4,605
	4,605	2,476	4,605
LONG-TERM LIABILITIES			
Long-term liabilities, interest-bearing	0	75	0
Long-term liabilities, non-interest-bearing	592	56	116
	592	131	116
CURRENT LIABILITIES			
Current liabilities, interest-bearing	24,230	2,218	175
Current liabilities, non-interest-bearing	96,053	46,762	70,139
	120,283	48,980	70,314
TOTAL EQUITY AND LIABILITIES	446,486	253,080	236,934

Consolidated cash flow statement

The Group

kSEK	Apr–Jun 2023	Apr–Jun 2022	Jan–Jun 2023	Jan–Jun 2022	Full year 2022
OPERATING ACTIVITIES					
Profit/loss after financial items	-7,854	-7,859	-38,546	-14,721	-54,270
Adjustments for non-cash items	3,838	2,355	7,413	4,038	7,750
Paid taxes	-244	-122	-66	-483	-727
	-4,261	-5,628	-31,200	-11,168	-47,247
CASH FLOW FROM CHANGES IN WORKING CAPITAL					
Changes in inventory	5,737	806	-6,558	3,195	-23,151
Changes in account receivables	-10,184	-3,457	-40,675	-23,483	-21,381
Changes in current receivables	-4,365	-28	-6,181	-475	-11,105
Changes in account payables	13,315	-9,885	6,614	-1,742	14,596
Changes in current payables	-2,594	10,645	19,787	17,458	24,900
	-2,352	-7,547	-58,213	-16,214	-63,388
CASH FLOW FROM INVESTING ACTIVITIES					
Investments in intangible fixed assets	-13,670	-11,998	-26,827	-20,571	-41,642
Investments in tangible fixed assets	-3,197	-308	-4,325	-629	-1,639
	-16,867	-12,306	-31,152	-21,200	-43,281
CASH FLOW FROM FINANCING ACTIVITIES					
New share issue	219,926	68,281	219,926	68,281	68,281
Costs of issue	-22,273	-4,122	-22,273	-4,122	-4,165
Borrowings	0	14	94,376	14	74
Amortisations	-75	-75	-150	-150	-2,268
	197,578	64,099	291,879	64,024	61,922
CASH FLOW	178,359	44,246	202,514	26,610	-44,747
Liquidity opening day of period	79,144	82,098	54,988	99,733	99,733
LIQUIDITY CLOSING DAY OF PERIOD	257,504	126,344	257,504	126,344	54,988

Statement of changes in equity

The Group

Q2 2023

kSEK	Share capital	Other contrib- uted capital	Accumulated profit incl. profit for the year	Total equity
Equity 01-01-2023	1,470	405,282	-244,853	161,899
New share issues	1,617	218,309	–	219,926
Costs of issue	–	-22,273	–	-22,273
Net income for the period	–	–	-38,546	-38,546
CLOSING BALANCE 30 JUNE 2023	3,087	601,318	-283,399	321,006

Q2 2022

kSEK	Share capital	Other contrib- uted capital	Accumulated profit incl. profit for the year	Total equity
Equity 01-01-2022	1,354	341,284	-190,583	152,055
New share issues	116	68,165	–	68,281
Costs of issue	–	-4,122	–	-4,122
Net income for the period	–	–	-14,721	-14,721
CLOSING BALANCE 30 JUNE 2022	1,470	405,327	-205,304	201,493

FULL YEAR 2022

kSEK	Share capital	Other contrib- uted capital	Accumulated profit incl. profit for the year	Total equity
Equity 01-01-2022	1,354	341,284	-190,583	152,055
New share issues	116	68,165	–	68,281
Costs of issue	–	-4,166	–	-4,166
Net income for the period	–	–	-54,270	-54,270
CLOSING BALANCE 31 DECEMBER 2022	1,470	405,282	-244,853	161,899

Income statement

The parent company

kSEK	Apr–Jun 2023	Apr–Jun 2022	Jan–Jun 2023	Jan–Jun 2022	Full year 2022
OPERATING INCOME					
Net sales	143,210	52,402	238,261	93,943	205,112
Capitalised work for own account	15,292	11,827	28,381	20,821	43,235
Other operating income	2,877	675	2,877	1,020	314
	161,379	64,904	269,519	115,784	248,661
OPERATING COSTS					
Raw material and consumables	-110,084	-39,812	-200,441	-72,485	-167,120
Other external costs	-30,748	-14,728	-55,303	-24,782	-61,471
Cost of personnel	-24,317	-15,813	-43,733	-29,031	-66,081
Depreciation of tangible and intangible fixed assets	-3,839	-2,355	-7,413	-4,155	-7,868
Other operating costs	-71	-15	-980	-31	-227
	-169,059	-72,723	-307,870	-130,484	-302,767
EBIT	-7,680	-7,819	-38,351	-14,700	-54,106
Financial income	156	0	160	20	14
Financial costs	-330	-41	-354	-41	-170
PROFIT/LOSS AFTER FINANCIAL ITEMS	-7,854	-7,860	-38,545	-14,720	-54,262
NET INCOME	-7,854	-7,860	-38,545	-14,720	-54,262

Balance sheet

The parent company

kSEK	30 Jun 2023	30 Jun 2022	31 Dec 2022
ASSETS			
FIXED ASSETS			
Intangible fixed assets	94,889	57,222	74,978
Tangible fixed assets	6,620	2,258	2,869
Financial assets	50	50	50
	101,559	59,529	77,897
CURRENT ASSETS			
Inventory	48,531	15,627	41,973
Current receivables	38,942	53,350	62,126
Cash and cash equivalents	257,473	124,584	54,956
	344,946	193,561	159,055
SUM ASSETS	446,505	253,090	236,952
EQUITY AND LIABILITIES			
EQUITY			
Restricted equity	97,437	58,317	75,972
Unrestricted equity	223,588	143,186	85,945
	321,025	201,503	161,917
PROVISIONS			
Provisions for warranty costs	4,605	2,476	4,605
	4,605	2,476	4,605
LONG-TERM LIABILITIES			
Long-term liabilities, interest-bearing	0	75	0
Long-term liabilities, non-interest-bearing	592	56	116
	592	131	116
CURRENT LIABILITIES			
Current liabilities, interest-bearing	24,230	2,218	175
Current liabilities, non-interest-bearing	96,053	46,762	70,139
	120,283	48,980	70,314
TOTAL EQUITY AND LIABILITIES	446,505	253,090	236,952

Consolidated cash flow statement

The parent company

KSEK	Apr–Jun 2023	Apr–Jun 2022	Jan–Jun 2023	Jan–Jun 2022	Full year 2022
OPERATING ACTIVITIES					
Profit/loss after financial items	-7,854	-7,860	-38,545	-14,720	-54,262
Adjustments for non-cash items	3,838	2,355	7,413	4,038	7,750
Paid taxes	-244	-122	-66	-483	-727
	-4,260	-5,627	-31,199	-11,166	-47,239
CASH FLOW FROM CHANGES IN WORKING CAPITAL					
Changes in inventory	5,737	806	-6,558	3,195	-23 151
Changes in account receivables	-10,184	-3,457	-40,675	-23,483	-21,381
Changes in current receivables	-4,365	-28	-6,181	-475	-11,105
Changes in account payables	13,315	-9,885	6,614	-1,742	14,596
Changes in current payables	-2,594	10,645	19,787	17,458	26,621
	-2,351	-7,545	-58,212	-16,212	-61,658
CASH FLOW FROM INVESTING ACTIVITIES					
Investments in intangible fixed assets	-13,670	-11,998	-26,827	-20,571	-41,642
Investments in tangible fixed assets	-3,197	-308	-4,325	-629	-1,639
	-16,867	-12,306	-31,152	-21,200	-43,281
CASH FLOW FROM FINANCING ACTIVITIES					
New share issue	219,926	68,281	219,926	68,281	68,281
Costs of issue	-22,273	-4,122	-22,273	-4,122	-4,165
Borrowings	–	14	94,376	14	74
Amortisations	-75	-75	-150	-150	-2,268
	197,578	64,099	291,879	64,024	61,922
CASH FLOW	178,360	44,248	202,515	26,611	-43,018
Liquidity opening day of period	79,112	80,337	54,956	97,972	97,972
LIQUIDITY CLOSING DAY OF PERIOD	257,473	124,584	257,473	124,584	54,956

Statement of changes in equity

The parent company

Q2 2023

kSEK	Share capital	Development expenditure fund	Unrestricted equity	Total equity
Equity 01-01-2023	1,470	74,502	85,945	161,917
New share issues	1,617	–	218,309	219,926
Costs of issue	–	–	-22,273	-22,273
Provisions for funds	–	19,847	-19,847	0
Net income for the period	–	–	-38,545	-38,545
CLOSING BALANCE 30 JUNE 2023	3,087	94,349	223,589	321,025

Q2 2022

kSEK	Share capital	Development expenditure fund	Unrestricted equity	Total equity
Equity 01-01-2022	1,354	40,132	110,577	152,064
New share issues	116	–	68,165	68,281
Costs of issue	–	–	-4,122	-4,122
Provisions for funds	–	16,715	-16,715	0
Net income for the period	–	–	-14,720	-14,720
CLOSING BALANCE 30 JUNE 2022	1,470	56,847	143,186	201,503

FULL YEAR 2022

kSEK	Share capital	Development expenditure fund	Unrestricted equity	Total equity
Equity 01-01-2022	1,354	40,132	110,577	152,064
New share issues	116	–	68,165	68,281
Costs of issue	–	–	-4,165	-4,165
Provisions for funds	–	34,370	-34,370	0
Net income for the period	–	–	-54,262	-54,262
CLOSING BALANCE 31 DECEMBER 2022	1,470	74,502	85,945	161,917

Definitions

Balance sheet total

The company's total assets.

Cash flow from operating activities after changes in working capital

Cash flow from operating activities including changes in working capital and before cash flow from investing and financing activities.

Diluted earnings per share, SEK

Net income divided by the weighted average number of shares and stock warrants during the period.

EBIT

EBIT (Earnings Before Interest and Tax) = measures the company's operating profit before interest and tax.

EBIT margin

EBIT in relation to the company's net sales.

EBITDA

EBITDA stands for earnings before interest, taxes, depreciation and amortisation, in other words earnings before interest income and expenses, taxes, depreciation of tangible assets and amortisation of intangible assets (goodwill).

EBITDA margin

EBITDA in relation to the company's net sales.

Earnings per share, SEK

Net income divided by the average number of shares during the period.

Equity ratio (%)

Equity as a percentage of the balance sheet total.

Gross margin

Gross margin is a measure of how much profit a company can make from its revenues. It is calculated by subtracting the cost of all goods sold from the total revenue and then dividing this by the total revenue. This gives a percentage that shows how much of the revenue the company can keep as profit.

Net sales

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

Profit/loss after financial items

Profit/loss after financial revenues and costs, but before appropriations and taxes.

Smart Electricity Control.

ferroamp

ferroamp.se

Ferroamp AB Corp. ID no. 556805-7029