

ferroamp



Interim Report Q2

January-June 2021

Ferroamp Elektronik AB

556805-7029

Summary of the period

Second Quarter 2021

Net Sales amounted to 37.703 (17.583) kSEK

Profit/loss after financial items amounted to -8.656 (-8.869) kSEK

Earnings per share amounted to -0,71 (-0,87) SEK

January–June 2021

Net Sales amounted to 59.075 (34.202) kSEK

Profit/loss after financial items amounted to -18.588 (-17.032) kSEK

Earnings per share amounted to SEK -1,52 (-1,76)

Significant events during the quarter

- ▶ Ferroamp and Elkedjan strengthens collaboration within Smart Energy
- ▶ Ferroamp and Svea Solar strengthens collaboration
- ▶ Ferroamp was chosen as a finalist in the Techarena Challenge

Significant events after the end of the period

- ▶ Ferroamp strengthens the organisation through hiring Lisa Larsson Lerner as Chief Purchasing Officer

Finansiell sammanställning

kSEK	Apr-Jun 2021	Apr-Jun 2020	Jan-Jun 2021	Jan-Jun 2020	Jan-Dec 2020
Net Sales	37 703	17 583	59 075	34 202	76 772
Profit/loss after financial items	-8 656	-8 869	-18 588	-17 032	-33 138
Balance sheet total	132 809	57 968	132 809	57 968	144 778
Equity ratio (%)	73	70	73	70	80
Earnings per share, SEK	-0,71	-0,87	-1,52	-1,76	-3,10
Cash flow from operating activities	-22 343	-5 627	-31 513	-14 583	-25 790



Statement of the CEO

Our best quarter ever

Our revenue is growing quickly during the second quarter and we present by far the best quarter ever. The total revenue was 37,7 MSEK, which is more than double compared to the same quarter previous year and we beat our previous quarter record with 68%.

In addition to strong revenue growth, the gross margin also continues to develop well and was at the highest level ever in the quarter, despite cost increases due to component shortages and increased shipping costs. The increase is a combination of the volume development in sales and ongoing operational initiatives and we have a clear plan to continue to raise the gross margin to reach our financial target.

We are seeing that the photovoltaic market is growing quickly. Svensk Solenergi wrote in the newspaper Dagens Industri that the growth during the start of the year was 30%, despite challenges with access to solar panels from Asia. They are not seeing a decrease in the future. Ferroamp offers photovoltaic systems for villa and larger real estate owners, agriculture and industries, with a future-proof steering system that gives the owner the control over their energy and power. The EnergyHub system creates opportunity and ability to easily integrate further components, such as energy storages and electric car charging, at the same time as it gives possibilities to manage the capacity challenges.

The challenges in the electricity grid are great and will only become greater. The capacity requirements are increasing in the footsteps of electrification. During the quarter, energy communities have been discussed more frequently in media as a solution to the challenges. To through smaller energy communities, like microgrids that share and use solar energy optimally, being able to handle the capacity challenges is now in focus. Changes in legislation is required and according to Sweden's Minister of Energy, this is a change that will occur next year. Ferroamp's patented solution PowerShare is an enabler for energy communities. Our EnergyHub-system, together with PowerShare, will be more future-proof and Ferroamp is an important actor when it comes to getting over the capacity challenges.

During the period, we have done a number of business deals where Ferroamp's EnergyHub system solves customer problems in a unique way. One example is Biskopsgården in Gothenburg, where eight houses will get solar cells on the roofs through one of our partners and Ferroamp's system will help balancing the energy, even out the power peaks and make it easier for the properties to keep and use their self-produced energy, rather than selling it.

During this period we have also, together with our partners, performed multiple successful marketing campaigns for the EnergyHub-system, with solar

energy, battery storage and electric car charging. A lot of customers see the potential in investing in a future-proof and expansionable system that creates opportunities to handle the capacity question moving forward. We are seeing that our focused collaboration with multiple important partners and actors in the market is giving results.

We are continuing our industrialization to increase our level of service, ability to deliver and volume growth. We have today outsourced most of our production of volume products to production partners. After the first six months, we are only producing EnergyHub XL with the belonging rack. This production will also be outsourced during the fall to production partners. With this, we have created the ability to increase the delivery capacity and the level of service. We have reduced our total production costs, which is an important step on the way towards better profitability. We are seeing that we are reaching our goals and improving our financial results. Unfortunately, the increased costs associated with component deficiencies and transport, leads to that further margin improvements are awaiting. The component shortage will most likely remain throughout the remainder of the year. We have, to reduce the impact of component shortage, put work into finding and qualifying alternative components and solutions. We have also developed our logistics and today ship products with different types of transporters.

We have, during the first half year once again shown what Ferroamp's organization has capacity to accomplish. We have, despite a number of challenges in our surroundings, worked hard and goal oriented. This has paid off, especially in the second quarter. I am proud to leave this half year behind us with very good results in multiple areas and with a good foundation for the future.

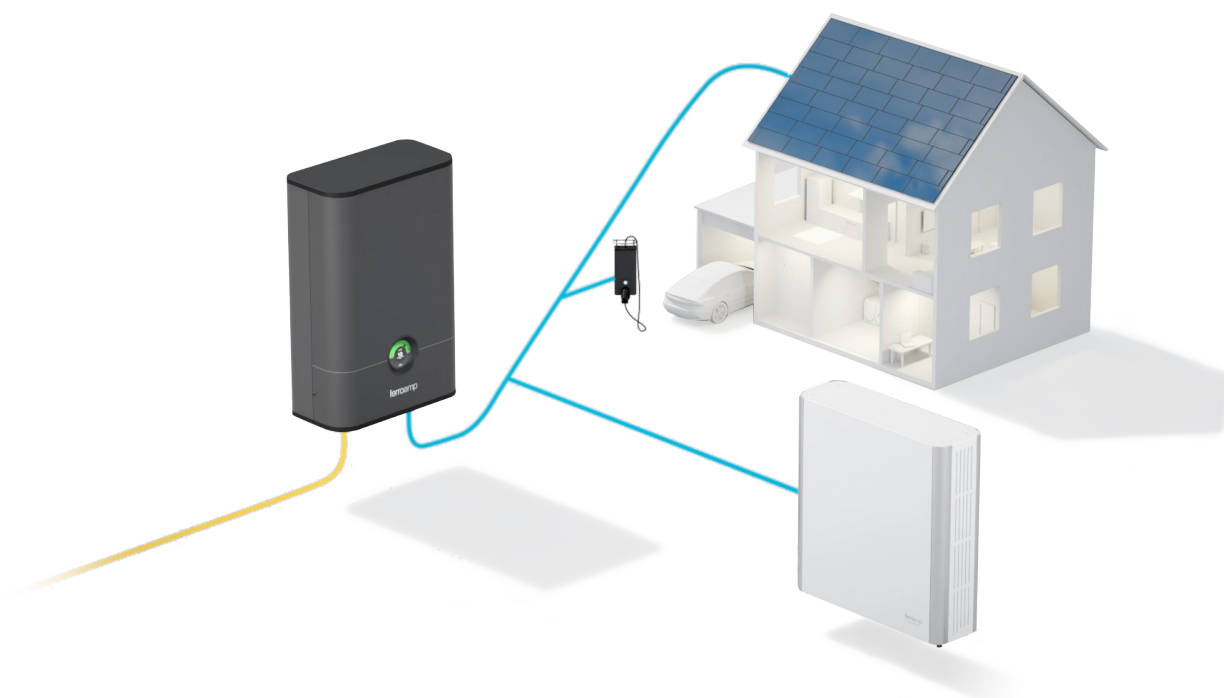


Spånga, augusti 2021

Krister Werner

Om Ferroamp

Ferroamp is a rapidly growing green tech company that offers property owners sustainable solutions for future energy supply. To fight climate changes and meet the increased electrification in society all of us in society needs to thing again and think in a new way. Our contribution is a future proof technology that enables for more people to contribute to a more sustainable society.

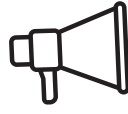


This is Ferroamp

- ▶ Fast growing green 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 in buildings.
- ▶ Scalable product portfolio which enables expansion and solutions for different types of properties, from villas to large commercial properties.



2010
Ferroamp
was founded



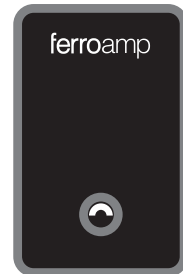
2016
Commercial
introduction



2019^{March}
Initial Public
Offering



Headquarters
in Spånga



55
Employees



>2500
Installed
systems



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

400MSEK
Net Sales

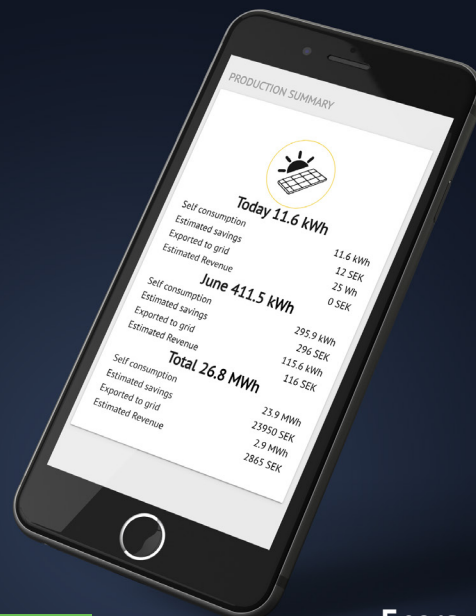
40%
Gross Margin



Internationally
established on
several leading
European markets



Energy Storage

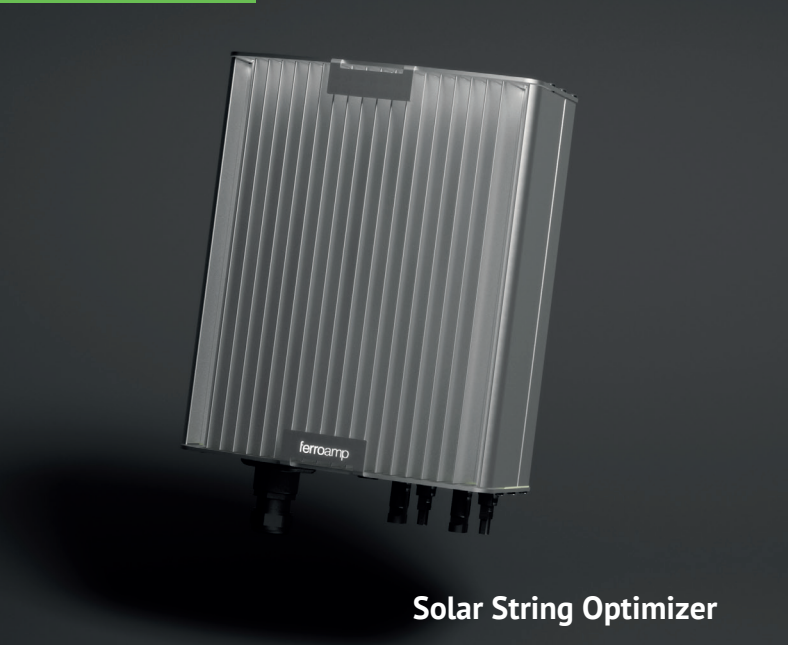


EnergyCloud

Main Products



EnergyHub



Solar String Optimizer

Ferroamp's offering

Ferroamp's innovative EnergyHub system gives property owners the possibility to take control over energy and effect through integrating, controlling and optimizing solar power, energy storages and charging of electric vehicles in a local DC grid. With PowerShare, more people can get use of optimized energy when the scalable system is connected in a local energy community between several buildings. Property owners will, with our technology, be a part of the solution for the energy supply of the future.



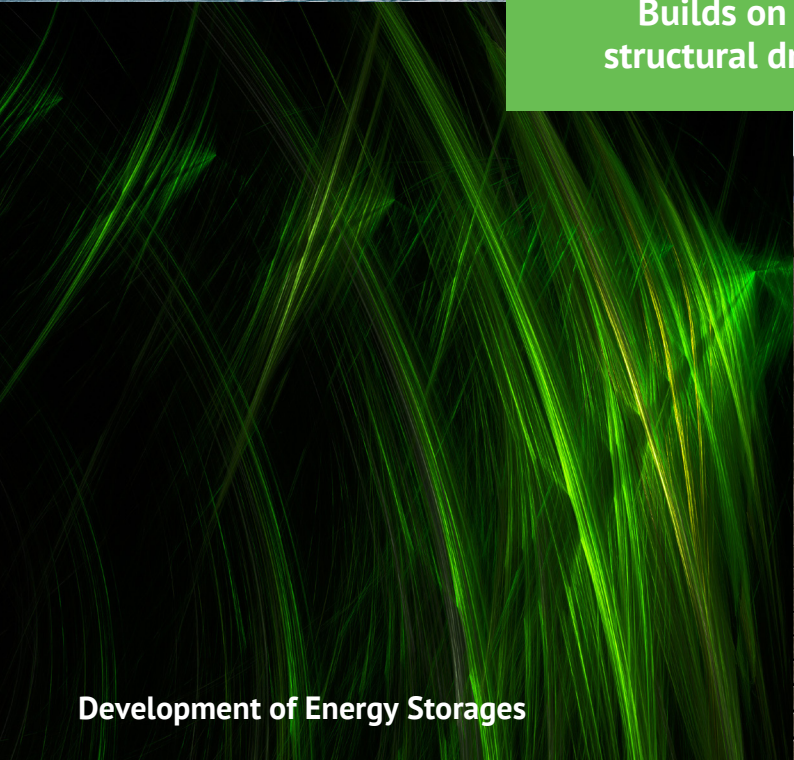
Solar power



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
Top 100 2019



Global Cleantech
Top 100 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

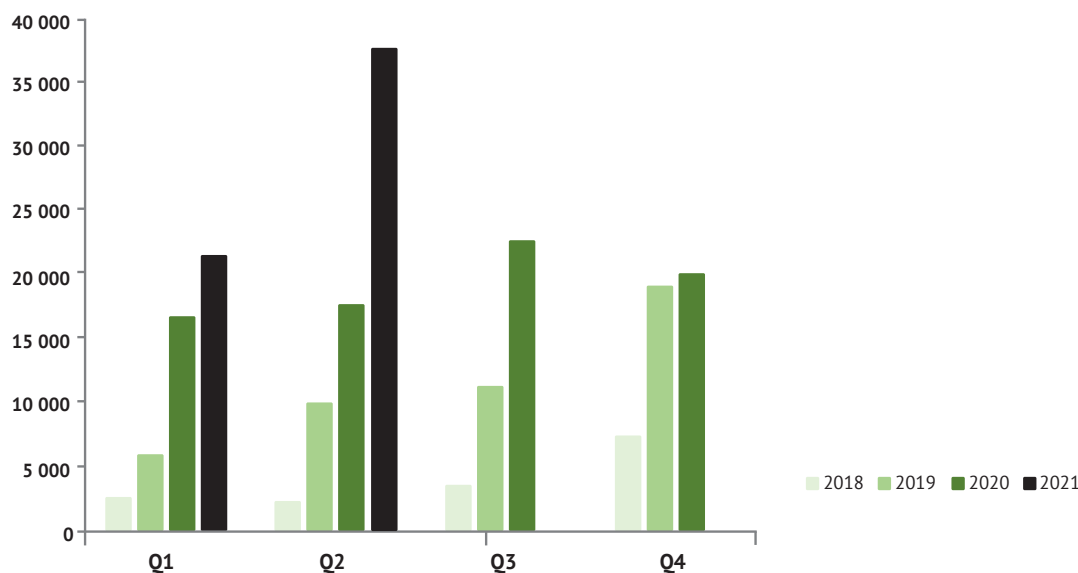
The total income for the second quarter amounted to 45.107 (21.553) kSEK, where the net sales amounted to 37.703 (17.583) kSEK.

For the first six months, the total income amounted to 72.908 (40.166) kSEK, where the net sales amounted to 59.075 (34.202) kSEK.

This means that the increase of net sales for the second quarter of 2021 was 20 MSEK compared to the same period in 2020, which is an increase of 114%.

4 MSEK of the net sales in the second quarter is of exceptional and extraordinary character in relation to the outsourcing of EnergyHub.

Net Sales



Operating costs

Operating costs for the second quarter amounted to 53.599 (30.384) kSEK. Raw materials and consumables increased to 29.832 (14.281) kSEK. Other external costs amounted to 10.227 (6.645) kSEK. Costs of personell amounted to 12.342 (8.491) kSEK.

Operating costs for the first six months amounted to 91.196 (57.101) kSEK.

Raw materials and consumables increased to 48.646 (27.341) kSEK. Raw materials and consumables as a share of net sales increased to 82% (80%) as a consequence of the significant increase of costs for spot buying of components as well as higher costs of incoming freight. Raw materials and consumables excluding these covid-related cost increases amounted to 73% (78%) of net sales. The improvement mainly comes from the work to industrialize the products and the outsourcing of volume production to production partners. The higher costs to secure components and hence secure availability of products has been vital for the significant increase in net sales. The assessment for coming periods is that the cost of incoming freight and spot buying will continue to increase. We are continuously working to qualify alternative components and find new logistical solutions to prevent this.

Other external costs has during the first six months increased to 17.089 (12.595) kSEK. Costs of personell amounted to 23.193 (15.325) kSEK. The increase of other external costs and costs of personell can mainly be attributed to the increase in volume as well as the focus on certifying of the EnergyHub and EnergyHub XL for Sweden and Europe. Additional costs for the qualification of alternative components and handling of the scarcity of components are also partly affecting this.

EBIT

Earnings before interest and taxes for the second quarter amounted to -8.493 (-8.831) kSEK.

Earning before interest and taxes during the first six months amounted to -18.287 (-16.935) kSEK. The loss is according to plan but has been affected more negatively than planned due to the cost increases following Covid-19. The cost increases for the first six months of 2021, 5,4 MSEK, consist of higher transportation costs and components bought on the spot market.

Financial position, liquidity

Fixed assets amounted to 31.123 (16.937) kSEK, where 29.294 (15.518) kSEK is intangible fixed assets (mainly capitalized work).

Current receivables has increased to 31.521 (10.604) kSEK following the significant increase of net sales during the second quarter.

Inventories at the end of the period amounted to 20.813 (12.647) kSEK. The increase is consciously built to meet the demand during the third quarter.

The company's cash and cash equivalents amounted to 49.351 kSEK at the end of the period, compared to 17.780 kSEK after Q2 2020.

Equity amounted to 96.553 kSEK, compared to 40.578 kSEK in Q2 2020. The equity ratio was 73 percent.

Per June 30, 2021, the total assets amounted to 132.809 kSEK, which is an increase since the corresponding period last year when the assets amounted to 57.968 kSEK.

Cash flow

The cash flow for the quarter was -30.033 (12.347) kSEK. The cash flow was significantly affected by the increased net sales and the increase of accounts receivables is contributable to -11.989 kSEK in the quarter. Accounts paybles decreased before the summer vacations and contributes with -7.733 kSEK.

For the first six months the cash flow amounted to -45.874 (1.369) kSEK.

During the first six months, amortizations of loans amounted to -150 (-150) kSEK.

During the first six months of 2021, investments has been made in intangible fixed assets worth 13.617 (5.819) kSEK, the investment is mainly made in EnergyHub 1.5, SSO 2.0 and adaptaions in the software for testing to support the current outsourcing to production partners.

Employees

The number of employees at the Company was at the end of the period 55 (38). Compared to 2020, there has been an increase within all functions.

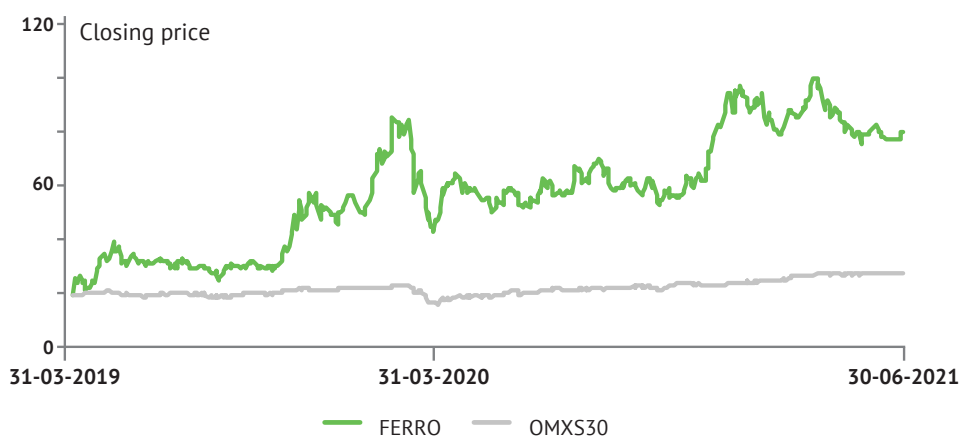
The Ferroamp Share and owner distribution

The Ferroamp Elektronik AB share 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 79,50 SEK/share. Highest price during the period was 100,80 SEK/share, the 6th of April, and lowest price was 72,00 SEK/share, the 20th of May. The highest price during 2021 has been 103,80 SEK/share the 8th of January and the lowest price 72,00 SEK/share the 20th of May.

Share price development



Shareholders

Ownership distribution, 30-06-2021

Owner	Number of shares	Share of votes and capital %
Björn Jernström	1 372 440	11,20%
Första AP-Fonden	1 157 670	9,45%
Nordea Fonder	1 144 916	9,34%
Nordic Cross	787 286	6,42%
KIC InnoEnergy SE	584 100	4,77%
Åke Rehnman	497 325	4,06%
Mats Karlström	404 775	3,30%
Försäkringsaktiebolaget, Avanza Pension	365 230	2,98%
Almi Invest Stockholm AB	358 240	2,92%
Andra AP-Fonden	350 000	2,86%
Sum 10 largest owners	7 021 982	57,30%
Other shareholders (approx. 8 200 st)	5 232 110	42,70%
Sum	12 254 092	100,00%

Stock warrant programs

Below listed stock warrant programs constitute all warrants currently outstanding for the Company.

	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
Sum		353 000	353 000			

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, August 18, 2021
The Board of Directors

Auditing by auditors

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

Certified Advisor

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

Contact information

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Financial calendar

Interim Report Q3 2021	10-11-2021
Year End Report 2021	16-02-2022

Consolidated Financial information

Income Statement

kSEK	Apr-Jun 2021	Apr-Jun 2020	Jan-Jun 2021	Jan-Jun 2020
OPERATING INCOME				
Net Sales	37 703	17 583	59 075	34 202
Capitalized work for own account	7 256	3 922	13 575	5 917
Other operating income	148	47	258	47
	45 107	21 553	72 908	40 166
OPERATING COSTS				
Raw material and consumables	-29 832	-14 281	-48 646	-27 341
Other external costs	-10 227	-6 645	-17 089	-12 595
Personnel costs	-12 342	-8 491	-23 193	-15 325
Depreciation of tangible and intangible fixed assets	-1 213	-965	-2 260	-1 839
Other operation income	14	-1	-8	-
	-53 599	-30 384	-91 196	-57 101
EBIT	-8 493	-8 831	-18 287	-16 935
Financial items	-163	-38	-300	-97
PROFIT/LOSS AFTER FINANCIAL ITEMS	-8 656	-8 869	-18 588	-17 032
NET INCOME	-8 656	-8 869	-18 588	-17 032

Data per share	Apr-Jun 2021	Apr-Jun 2020	Jan-Jun 2021	Jan-Jun 2020
Earnings per share, before and after dilution, SEK	-0,71	-0,87	-1,52	-1,76
Number of outstanding shares, closing of the period	12 254 092	10 211 743	12 254 092	10 211 743
Number of outstanding shares, after dilution	12 570 592	10 459 243	12 570 592	10 459 243
Weighted average of outstanding shares during the period	12 254 092	10 211 743	12 254 092	9 659 308

Balance sheet

kSEK

30 Jun 2021 30 Jun 2020 31 Dec 2020

ASSETS

FIXED ASSETS

Intangible fixed assets	29 294	15 518	17 717
Tangible fixed assets	1 779	1 369	1 405
Financial assets	50	50	50
	31 123	16 937	19 172

CURRENT ASSETS

Inventory	20 813	12 647	16 302
Current receivables	31 521	10 604	14 080
Cash and cash equivalents	49 351	17 780	95 224
	101 685	41 031	125 606

TOTAL ASSETS	132 809	57 968	144 778
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EQUITY AND LIABILITIES

EQUITY

Restricted equity	30 266	16 494	18 730
Unrestricted equity	66 287	24 084	96 412
	96 553	40 578	115 141

PROVISIONS

Provisions for warranty costs	1 622	-	1 622
	1 622	-	1 622

LONG-TERM LIABILITIES

Long-term liabilities, interest-bearing	2 294	625	2 444
	2 294	625	2 444

SHORT-TERM LIABILITIES

Current liabilities, interest-bearing	2 603	300	2 603
Current liabilities, non-interest-bearing	29 738	16 465	22 969
	32 340	16 765	25 571

TOTAL EQUITY AND LIABILITIES	132 809	57 968	144 778
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Cash Flow Statement

kSEK

Apr-Jun 2021 Apr-Jun 2020 Jan-Jun 2021 Jan-Jun 2020

CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL

Cash flow from operating activities before financial items	-8 493	-8 831	-18 287	-16 935
Financial items	-163	-38	-300	-97
Adjustments for non-cash items	1 213	965	2 260	1 839
Paid taxes	-95	-49	-385	-208
	-7 538	-7 953	-16 714	-15 401

CASH FLOW FROM OPERATING ACTIVITIES AFTER CHANGES IN WORKING CAPITAL

Changes in inventory	2 166	747	-4 511	11
Changes in accounts receivables	-11 989	-2 106	-15 538	-816
Changes in current receivables	-703	1 112	-1 550	788
Changes in accounts payables	-7 733	-1 415	592	-3 910
Changes in current payables	3 455	3 987	6 209	4 744
	-22 343	-5 627	-31 513	-14 583

CASH FLOW FROM INVESTING ACTIVITIES

Investments in intangible fixed assets	-7 285	-3 922	-13 617	-5 819
Investments in tangible fixed assets	-330	-289	-594	-339
Investments in financial assets	-	-38	-	-38
	-7 615	-4 249	-14 211	-6 196

CASH FLOW FROM FINANCING ACTIVITIES

New share issue, net	-	22 299	-	22 299
Amoritization	-75	-75	-150	-150
	-75	22 224	-150	22 149

CASH FLOW

	-30 033	12 347	-45 874	1 369
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Liquidity opening day of period	79 384	5 432	95 224	16 411
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LIQUIDITY CLOSING DAY OF PERIOD	49 351	17 780	49 351	17 780
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Statement of Changes in Equity

Q2 2021

kSEK	Share capital	Development fund	Unrestricted equity	Total equity
Equity 01-01-2021	1 225	17 504	96 412	115 141
Provisions for funds		11 537	-11 537	-
Net income of the period			-18 588	-18 588
Closing equity Jun 30, 2021	1 225	29 041	66 287	96 553

Q2 2020

kSEK	Share capital	Development fund	Unrestricted equity	Total equity
Equity 01-01-2020	911	11 338	23 063	35 311
New share issue	110		23 092	23 202
Cost of issue			-903	-903
Provisions for funds		4 135	-4 135	-
Net income of the period			-17 032	-17 032
Closing equity Jun 30, 2020	1 021	15 473	24 084	40 578

Full year 2020

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

Definitions and key figures

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.

Diluted earnings per share, SEK

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

Earnings per share, SEK

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

Equity ratio (%)

Equity as a percentage of total assets.

Net sales

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

Profit/loss after financial items

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

Electricity. Reinvented.

ferroamp

ferroamp.se

Ferroamp Elektronik AB Org.nr 556805-7029