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2022-05-24

Ferroamp intends to carry out a directed new share issue

INSIDE INFORMATION: Ferroamp AB (publ) ("Ferroamp" or the "Company") hereby announces its intention to, based on the authorization granted by the annual general meeting held on 12 May 2022, carry out a new share issue with deviation from existing shareholders preferential rights of about one million shares directed towards Swedish and international institutional investors (the "Directed Share Issue"). The Company has mandated Carnegie Investment Bank AB (publ) ("Carnegie") to evaluate the conditions for carrying out the Directed Share Issue. The subscription price and the total number of new shares in the Directed Share Issue will be determined through an accelerated bookbuilding procedure, which will begin immediately following this announcement. Should the Board of Directors resolve to carry out the Directed Share Issue, pricing and allocation of shares is expected to take place before the commencing of trading on Nasdaq First North Growth Market on 25 May 2022.

Ferroamp intends to use the proceeds from the Directed Share Issue to accelerate the Company's growth and business development through the following initiatives:

- (i) Investments in the continued development of the product portfolio in order to effectively meet increased demand
- (ii) Continue to develop the digital service offering, which will strengthen the Company's overall offering
- (iii) Further develop existing concepts within microgrids based on the Company's PowerShare technology
- (iv) The company's ongoing development work

The Board of Directors is of the opinion that the proceeds would contribute to a good balance of different financing sources and that the Directed Share Issue would be positive for the Company's general risk level. The Company has also considered the possibility to raise the required equity through a rights issue. In connection with this, the Board of Directors has assessed that a rights issue would be significantly more time-consuming and entail significantly higher costs and increased exposure to potential market volatility compared to the Directed Share Issue. Unlike a rights issue, the Directed Share Issue is expected to broaden the shareholder base and provide the Company with new reputable institutional owners, which the Board of Directors considers to be of benefit to Ferroamp and the general liquidity in the share. In the light of the above, the Board of Directors has made the assessment that a Directed Share Issue with deviation from the shareholders' preferential rights is the most favourable alternative for Ferroamp and in the best interest of the Company's shareholders. As the subscription price in the Directed Share Issue will be determined through a bookbuilding procedure, the Board of Directors assesses that the subscription price will reflect current market conditions and demand.

The subscription price and the total number of new shares in the Directed Share Issue will be determined through an accelerated bookbuilding procedure, which will begin immediately following this announcement. Should the Board of Directors resolve to carry out the Directed Share Issue, pricing and allocation of shares is expected to take place before the commencing of trading on Nasdaq First North Growth Market on 25 May 2022.

The exact timing of the closing of the bookbuilding, pricing and allocation are at the discretion of Ferroamp in consultation with Carnegie. The bookbuilding procedure may close earlier or later and may be cancelled at any point in time. Ferroamp will announce the outcome by way of a press release after the closing of the bookbuilding procedure.

In connection with the Directed Share Issue, a number of employees, that all have subscribed for shares through the Company's ongoing options program series 2019/2022, may also sell an additional 73,800 shares.

Furthermore, in connection with the Directed Share Issue, the Company has undertaken, subject to customary exceptions, not to issue additional shares during a period of 180 calendar days following the completion of the Directed Share Issue. Members of the Board of Directors and the Company's management owning shares and/or subscription rights have agreed not to sell any shares¹ in the Company during a period of 90 calendar days following the completion of the Directed Share Issue, subject to customary exceptions.

Advisors

Carnegie is acting as Sole Global Coordinator and Sole Bookrunner in connection with the Directed Share Issue. Baker McKenzie Advokatbyrå KB is acting as legal advisor to Ferroamp.

This press release constitutes inside information that Ferroamp AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation 596/2014. The information was sent for publication, through the agency of the contact persons set out above, at the time stated by the Company's news distributor, beQuoted, at the publication of this press release.

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For more information, please visit: www.ferroamp.com

About Ferroamp

Ferroamp is a technology company within greentech providing a combined hardware and software platform for power and energy optimization in properties. Ferroamp's EnergyHub system integrates renewable energy, energy storage and charging of electric vehicles in a local DC network, with a connection to the electricity grid. The technology is used today mostly in properties, from detached houses to apartment buildings and larger commercial properties, but also has applications outside property installations, such as, for example, depot charging of electric cars. With the PowerShare technology, several buildings can be connected and share local energy.

Ferroamp's share is traded under the short name FERRO with ISIN-code SE0012229920. Ferroamp's Certified Adviser on Nasdaq First North Growth Market is G&W Fondkommission, +46 (0)8-503 00 050, ca@gwkapital.se. More information is available on the Company's website: www.ferroamp.com.

Important information

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This press release does not constitute or form part of an offer or solicitation to purchase or subscribe for securities in the United States. The securities referred to herein may not be sold in the United States absent registration or an exemption from registration under the US Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold within the United States absent registration or an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. There is no intention to register any securities referred to herein in the United States or to make a public offering of the securities in the United States. The information in this press release may not be announced, published, copied, reproduced or distributed, directly or indirectly, in whole or in part, within or into Australia, Hong Kong, Japan, Canada, New Zealand, Singapore, South Africa, the United States or in any other jurisdiction where such announcement, publication or distribution of the information would not comply with applicable laws and regulations or where such actions are subject to legal restrictions or would require additional registration or other measures than what is required under Swedish law. Actions taken in violation of this instruction may constitute a crime against applicable securities laws and regulations.

This press release is not a prospectus for the purposes of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the "**Prospectus Regulation**") and has not been approved by any regulatory authority in any jurisdiction. The Company has not authorized any offer to the public of shares or rights in any member state of the EEA and no prospectus has been or will be prepared in connection with

¹ Not subject to shares acquired through the participation in the stock warrant program series 2019/2022 with last subscription date 31 May 2022.

the Directed Share Issue. In any EEA Member State, this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of the Prospectus Regulation.

In the United Kingdom, this document and any other materials in relation to the securities described herein is only being distributed to, and is only directed at, and any investment or investment activity to which this document relates is available only to, and will be engaged in only with, "qualified investors" (within the meaning of the United Kingdom version of the EU Prospectus Regulation (2017/1129/ EU) which is part of United Kingdom law by virtue of the European Union (Withdrawal) Act 2018) who are (i) persons having professional experience in matters relating to investments who fall within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**"); or (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). In the United Kingdom, any investment or investment activity to which this communication relates is available only to, and will be engaged in only with, relevant persons. Persons who are not relevant persons should not take any action on the basis of this press release and should not act or rely on it.

This announcement does not identify or suggest, or purport to identify or suggest, the risks (direct or indirect) that may be associated with an investment in the new shares. Any investment decision in connection with the Directed Share Issue must be made on the basis of all publicly available information relating to the Company and the Company's shares. Such information has not been independently verified by Carnegie. The information contained in this announcement is for background purposes only and does not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this announcement or its accuracy or completeness. Carnegie is acting for the Company in connection with the transaction and no one else and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for giving advice in relation to the transaction or any other matter referred to herein.

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This press release does not constitute an invitation to warrant, subscribe, or otherwise acquire or transfer any securities in any jurisdiction. This press release does not constitute a recommendation for any investors' decisions regarding the Directed Share Issue. Each investor or potential investor should conduct a self-examination, analysis and evaluation of the business and information described in this press release and any publicly available information. The price and value of the securities can decrease as well as increase. Achieved results do not provide guidance for future results. Neither the contents of the Company's website nor any other website accessible through hyperlinks on the Company's website are incorporated into or form part of this press release.

Forward-looking statements

This press release contains forward-looking statements that reflect the Company's intentions, beliefs, or current expectations about and targets for the Company's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Company operates. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe", "expect", "anticipate", "intend", "may", "plan", "estimate", "will", "should", "could", "aim" or "might", or, in each case, their negative, or similar expressions. The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurances that they will materialize or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of many factors. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The Company does not guarantee that the assumptions underlying the forward-looking statements in this press release are free from errors and readers of this press release should not place undue reliance on the forward-looking statements in this press release. The information, opinions and forward-looking statements that are expressly or implicitly contained herein speak only as of its date and are subject to change without notice. Neither the Company nor anyone else undertake to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this press release, unless it is not required by law or Nasdaq First North Growth Market's rule book for issuers.

Information to distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the shares in the Company have been subject to a product approval process, which has determined that such shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**EU Target Market Assessment**"). Solely for the purposes of each manufacturer's product approval process in the United Kingdom, the target market assessment in respect of the shares in the Company has led to the conclusion that: (i) the target market for such shares is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of such shares to eligible counterparties and professional clients are appropriate (the "**UK Target Market Assessment**" and, together with the EU Target Market Assessment, the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, Distributors should note that: the price of the shares in the Company may decline and investors could lose all or part of their investment; the shares in the Company offer no guaranteed income and no capital protection; and an investment in the shares in the Company is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Directed Share Issue. Furthermore, it is noted that, notwithstanding the Target Market Assessment, Carnegie will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II or UK MiFIR; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the shares in the Company.

Each distributor is responsible for undertaking its own target market assessment in respect of the shares in the Company and determining appropriate distribution channels.