The text in English is a translation from Swedish. In the event of any discrepancy between the two, the Swedish text shall prevail.

Resolution proposed by the board of directors of Ferronordic AB (the "Company") regarding issue of Warrants to the management in the Company.

Proposal concerning issue of Warrants to be distributed to the management in the Company

The board of directors proposes that the AGM on 12 May 2021 adopts a resolution to issue Warrants as part of a long-term incentive program (the "**Incentive Program**") directed to employees forming the management of the Company or its subsidiaries (together the "**Participants**", individually a "**Participant**"). Together with external advisors, the board of directors has prepared this proposal and is convinced that the Incentive Program as described here will be beneficial for the Company's shareholders by further aligning the interests of the Company's management with those of the Company and by facilitating the recruitment and retention of competent employees. For the incentive program and the issue of Warrants, the following main conditions and guidelines are proposed to apply.

Main terms and conditions

1. The Company will issue a maximum of 392 768 warrants (the "**Warrants**"), each granting a right to subscription of one (1) ordinary share in the Company against payment of an exercise price determined as 135% of the average volume-weighted share price during the 10 trading days immediately preceding the day for pricing of the warrants 28 May 2021, however not less than the quota value (*Sw: Kvotvärde*) of the shares.

   The subscription price cannot be set lower than the quota value of the shares.

   The Company's share capital would increase by SEK 35 067.55 upon full subscription for shares.

2. With deviation from the shareholders' preferential rights, the Warrants may only be subscribed for by Ferronordic Germany Holding AB (reg. No. 559211-4275) (the "**Subsidiary**"), with the right and obligation for the Subsidiary to assign the Warrants to the Participants, or where applicable, to a company fully owned by Participants, as stated in Appendix 2. The Subsidiary shall not have the right to dispose over the Warrants in any other way than stated in the Appendix 2.

   The reason for the deviation from the shareholders' preferential right is to implement the Incentive Program.

3. The majority of the Participants are current employees of the Company or its subsidiaries, but the Incentive Program may also include a small number of management personnel yet to be recruited. A decision on final allocation will then be made by the Board.

The number of Warrants allotted to each category of Participants is set forth in Appendix 1.

4. Subscription of the Warrants shall be made at the latest on 28 May 2021. The board of directors is allowed to extend the subscription period. The purchase price for the Warrants shall be paid within 60 days from the date of subscription.

5. Both the Subsidiary's subscription of the Warrants and the Participants' acquisition of the Warrants according to the distribution shall be made at market value at the time of subscription and acquisition of the Warrants. The market value is determined according to a valuation performed by the Company's independent financial advisors using the Black and Scholes model for pricing options.

   According to a preliminary valuation based on a market value of the underlying share of SEK 204.41, the market value of the Warrants amounts to SEK 11.64 per Warrant, assuming a subscription price of SEK 279.95 per share, a volatility of 30 percent and a risk-free interest rate of – 0.2 percent during the term of the Warrants. The total value of the Warrants under the Incentive Program according to this preliminary valuation is SEK 4 571 820.

6. Each participant is given the opportunity to acquire the number of Warrants he or she has been awarded for a price corresponding to the determined market value at the time of the acquisition. To diminish the risk of a situation where the total financial result would be negative for the Participants, each Participant will receive cash compensation from the Group-company where the Participant is employed, which after tax deduction covers the cost of acquiring 80% of the Warrants from the Subsidiary. The remaining part of the cost for acquiring the Warrants will be borne by each Participant.

7. The exercise price per share or the number of shares for which each Warrant entitles the holder to subscribe shall be recalculated in accordance with customary conversion terms in the event of a split, new issue, bonus issue or similar measures. However, if such a conversion causes the exercise price to fall below the quota value for a share in the Company, the exercise price must still correspond to the share's quota value.

8. Notification of subscription for shares may take place during the period from 28 May 2024 through 28 June 2024. In case a Warrant is not exercised during this period of time, all rights under such Warrant lapse.

   Subscription may only take place in respect of the whole number of shares for which the total number of Warrants entitles the Participant to subscribe and which a single Participant desires to exercise. On such Subscription, any excess fractions of Warrants which cannot be exercised shall be disregarded.

   Upon such notification of subscription, for registration measures, a written and completed registration form in accordance with the prescribed form shall be submitted to the Company or anyone the Company appoints. Notification of subscription is binding and cannot be withdrawn by the subscriber.

Upon notification of subscription, payment shall be made immediately in cash for the number of shares to which the subscription notification relates. Payment shall be made to an account designated by the Company.

9. A share that has been issued after subscription entitles the holder to dividend as of and including the record date for dividend that falls after the new shares have been included in the share register.

10. For the grant of Warrants and continued participation in the Incentive Program, a Participant must be employed by the Company or its subsidiaries and enter into a separate option agreement with the Company under which the Participant undertakes, under certain conditions and with certain exceptions, to sell back some or all of the acquired Warrants to the Company if the Participant's employment in the Company or its subsidiaries is terminated before three years have lapsed from the date of transfer of the Warrants to the Participant or until subscription has taken place.

    The Board shall be entitled to cancel Warrants that have not been transferred to Participants or Warrants repurchased from Participants.

11. Participation in the Incentive program presupposes that such participation can legally take place and, in the Board's opinion, such participation can be done with reasonable administrative and financial costs for the Company.

Full terms and conditions for the Warrants are set out in Appendix 3.

Costs
The major costs for the Company including its subsidiaries consists of the tax and social fees connected to paying compensation to the Participants covering 80% of the purchase price to be paid by the Participants for the warrants. This compensation is to be paid by the employing entity of each Participant and will subsequently be paid to the Company when the warrants are purchased. The total cost for the Group for paying this compensation is estimated to MSEK 2.7. In addition, transaction costs for external advisors are estimated at SEK 100 000.

Since the Warrants are transferred at market value at the time of the transfer, the actual transfer of the Warrants is not considered to entail any costs to the Company in the form of social security contributions or the like.

Dilution
In total, the issuance under the Incentive program would mean that the Company would issue Warrants allowing for subscription of a maximum of 392 768 shares in the Company, which corresponds to a maximum EPS/DPS dilution of 2.6% assuming that all Warrants under this Incentive Program are exercised.

Impact on key figures
The Incentive Program is expected to have only a marginal impact on the Company's key performance ratios.

Preparation of the proposal for the Incentive Program

The proposal has been prepared by the Board in consultation with external advisers. The proposal was unanimously approved by the Board.

Outstanding share-related incentive programs

The Company has one issue of warrants outstanding (Series 2020/2023). The Company has previously paid a cash bonus to senior executives annually with a commitment from the participants to use the funds exclusively to acquire shares in the Company and to undertake not to sell these shares for a period of three years. No such program will be implemented for 2021, should the Incentive Program be implemented.

It is the Board's intention to repeat the proposed warrant program during 2022.

Majority requirements and authorisation

Resolution according to this proposal must be supported by shareholders with at least nine tenths of the votes cast as well the shares represented at the annual general meeting.

Dan Eliasson is proposed to be authorised to make such minor adjustments that may be required in order to register the resolution with the Swedish Companies Registration Office.

Stockholm, April 2021
Ferronordic AB (publ)
The Board of Directors

Appendices:

1. Distribution between categories of Participants

2. Terms for transfer of Warrants to Participants

3. Full terms and conditions of the Warrants