

Press Release  
Stockholm, 20 December 2019

## **Ferronordic signs final agreements to become dealer for Volvo and Renault Trucks in Germany**

**Ferronordic and Volvo Group Trucks Germany have entered into agreements to appoint Ferronordic dealer for Volvo and Renault Trucks in an area representing approx. 20% of the German market for heavy trucks. In connection herewith, Ferronordic has also completed the acquisition of eleven sites in Germany. Ferronordic will start operations in Germany in January 2020. The establishment in Germany is financed with loans from Nordea Bank.**

Lars Corneliussen, Ferronordic's CEO, comments: *"The expansion to Germany is moving ahead as planned. Preparations are almost ready and we look forward to launching the new business. At the same time I am happy to welcome our new colleagues, joining Ferronordic from Volvo Group Trucks Germany and Auto-Haas. Together we will work to further strengthen Volvo and Renault Trucks' brand image in Germany, raise customer satisfaction, and increase market share and profitability"*.

The agreements largely correspond to previous letters of intent. Ferronordic becomes dealer for Volvo Trucks and Renault Trucks as of January 2020 in an area representing approx. 20% of the German market for heavy trucks. Further, Ferronordic acquires eleven sites within this area. Nine of these sites are operated by Volvo and are acquired through an asset deal. Two of the sites are operated by Auto-Haas GmbH, an existing dealer for Volvo and Renault Trucks. These sites are acquired through a share deal where Ferronordic acquires Auto-Haas. The transactions will increase Ferronordic's headcount by approx. 230 people, mainly mechanics and sales representatives.

The purchase price for the assets from Volvo and the shares in Auto-Haas amounts to approx. SEK 195m\*. This is approx. SEK 85m lower than previously estimated, mainly because inventories acquired from Volvo are lower than previously expected, and because Ferronordic does not take over accounts receivables from Volvo. The purchase price is subject to adjustments in 2020 when the book values of the acquired assets per 31 December 2019 have been established.

Ferronordic has also entered into an agreement with Nordea Bank for a EUR 30m loan facility. The facility is used to finance the said acquisitions and additional investments to build up the German business.

For further information, please refer to Ferronordic's press releases as 12 September and 7 October 2019, available at <https://ferronordic.com/investors/>.

*\*According to the EUR/SEK exchange rate per den 20 December 2019.*

### **About Ferronordic**

Ferronordic is the authorized dealer of Volvo Construction Equipment, Dressta, Mecalac and Rottne in Russia, and for Volvo Construction Equipment and Mecalac in Kazakhstan. In parts of Russia, Ferronordic has also been appointed aftermarket dealer for Volvo and Renault Trucks and dealer for Volvo Penta. The company began its operations in 2010. It is established in all federal districts of Russia with over 80 outlets and over 1,100 employees. Ferronordic's vision is to be regarded as the leading service and sales company on its markets. The shares in Ferronordic are listed on Nasdaq Stockholm.

[www.ferronordic.com](http://www.ferronordic.com)

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### **Forward-looking statements**

*This press release contains forward-looking statements which reflect Ferronordic's current view on future events and financial and operational development. Words such as "intend", "will", "expect", "anticipate", "may", "plan", "estimate" and other expressions than historical facts, which imply indications or predictions of future development or trends, constitute forward-looking statements. Forward-looking statements inherently involve both known and unknown risks and uncertainties as they depend on future events and circumstances. Forward-looking statements do not guarantee future results or development and the actual outcome could differ materially from the forward-looking statements. The information, opinions and forward-looking statements concluded in this announcement speak only as of its date and are subject to change without notice.*