22 February 2018

Ferronordic Machines AB (publ)
Year-end Report January - December 2017

CONTINUED GROWTH BUT AT SLOWER PACE

FOURTH QUARTER 2017

- Revenue increased by 13% (13% in rubles) to SEK 606m (SEK 537m)
- Operating profit increased to SEK 38m (SEK 21m; adjusted SEK 39m*)
- Operating margin was 6.2% (3.9%; adjusted 7.3%*)
- EBITDA amounted to SEK 46m (SEK 45m)
- The result for the period amounted to SEK 28m (SEK 16m; adjusted SEK 31m*)
- Earnings per ordinary share increased to SEK 0.52 (SEK 0.22)
- Cash flows from operating activities amounted to SEK -141m (SEK 121m)

JANUARY - DECEMBER 2017

- Revenue increased by 55% (37% in rubles) to SEK 2,567m (SEK 1,658m)
- Operating profit increased to SEK 187m (SEK 104m; adjusted SEK 132m*)
- Operating margin was 7.3% (6.3%; adjusted 7.9%*)
- EBITDA amounted to SEK 214m (SEK 154m)
- The result for the period amounted to SEK 151m (SEK 84m; adjusted SEK 106m*)
- Earnings per ordinary share increased to SEK 8.06 (SEK 3.03)
- Cash flows from operating activities amounted to SEK 148m (SEK 141m)

SEK M	2017 Q4	2016 Q4	2017 12M	2016 12M
Revenue	606	537	2 567	1 658
EBITDA	46	45	214	154
Operating profit	38	21	187	104
Result for the period	28	16	151	84
Adjusted EBIT*	38	39	187	132
Adjusted result*	28	31	151	106
Net Debt/(Cash)	(312)	(173)	(312)	(173)

* Adjusted amounts exclude amortization of transaction-related intangible assets until May 2016 and write-downs of non-current assets during the fourth quarter 2016.

COMMENTS BY LARS CORNELIUSSON, CEO AND PRESIDENT:

- The market for new machines continued to recover during the quarter. Compared to the fourth quarter and the full year 2016, the market for our Volvo CE product range grew by 51% and 72%, respectively.
- Our own revenue during the quarter amounted to SEK 606m, which was an increase of 13% compared to the fourth quarter 2016. Revenue was negatively affected by certain lost and postponed deals.
- Operating profit for the quarter amounted to SEK 38m, which was higher than the reported operating profit for the fourth quarter 2016 but slightly less than the adjusted EBIT for the same period 2016. This was primarily due to the lost and postponed deals, a lower gross margin and certain one-off write-offs and expenses.
- Despite a somewhat weaker ending of the year, I can conclude that 2017 was a good year for Ferronordic. With regard to both revenue and result we delivered our highest figures ever. Revenue amounted to SEK 2.6 billion, which was an increase of 55% compared to the previous year. The operating profit amounted to SEK 187m, which was an increase of 42% compared to the adjusted EBIT for the previous year.

- Otherwise the fourth quarter was busy. In October the company's ordinary shares were listed on Nasdaq Stockholm. At the same time we carried out a capital raising of approx. SEK 200m and a conversion of most of the company's preference shares to ordinary shares. In November, a cash redemption of additional preference shares was made. At the same time we continued to develop the company and to realize our strategy. During the quarter we started the sale of backhoe loaders from Mecalac.
- As regards dividends on the company's ordinary shares, the Board will propose that the AGM resolve on a dividend in the amount of SEK 1.73 per ordinary share. In addition, immediately upon the conclusion of the AGM, the Board intends to decide upon a mandatory cash redemption of all remaining preference shares.
- As regards the future market development we are continuously optimistic. The need to upgrade the infrastructure in Russia, and to increase and renew the machine population in the country, is still great. As regards the coming 12 months, most forecasts predict that Russia's economy will continue to recover and it is reasonable to assume that the construction equipment market will do the same. However, even if the market is still at a low level, we do not expect that the market will grow as much during 2018 as it did during 2017.

Volvo CE's new 100-ton rigid dump truck – to be launched in 2018

Comments on the year-end report

The Russian economy continued to recover moderately during the quarter. The pending football World Cup in June/July 2018 contributed to overall investments, as well as the Moscow city renovation program. Average inflation for the year was 3.7%, closing at 2.5% in December, which is historically low for Russia and contributed to real wage increases. As a result of this and a general stabilization over the past quarters, consumption has improved. Construction output is slowly turning to positive and mining remains active. On the other hand, production output decreased in both November and December.

Considering the continuously low inflation, the Russian central bank reduced its key interest rate further from 8.50% at the end of the third quarter to 7.75% by year-end. A further cut of 25 basis points to 7.50% was made on 9 February 2018.

The oil price increased from USD 58 per barrel to USD 67 during the quarter and currently trades around USD 65. The SEK to RUB exchange rate started the quarter at 7.07 and ended up at the end of December at 6.99, with a high of 7.19 and a low of 6.89 during the quarter. It is currently trading at 6.98.

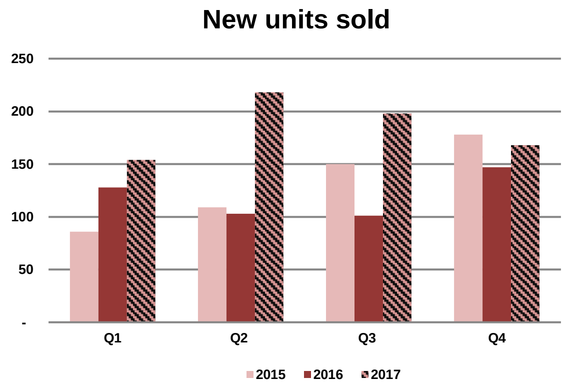
As stated above, the market for new construction equipment continued to recover during the quarter. Compared to the same periods 2016, the market for our VCE product range grew by 51% in the quarter and by 72% in 2017 as a whole. While the recovery was certainly strong during the year, it should be noted that the total market is still less than half of what it was in 2012-2013.

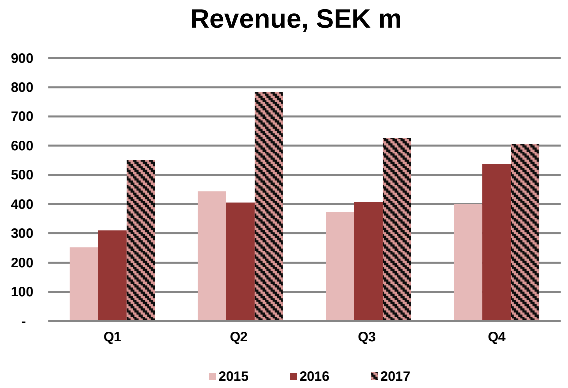
Revenue

Revenue during the quarter increased by 13% to SEK 605.6m (SEK 537.4m). In rubles, the revenue also increased by 13%. The revenue from equipment sales increased by 11% while the aftermarket revenue (parts and service) increased by 12%. In rubles, the revenue from equipment sales increased by 12% and aftermarket revenue increased by 13%.

While the revenue during the quarter increased compared to the same period last year, we experienced slower growth than during the last few quarters. Partly this was because we lost market share during the quarter, but mainly it was because of a few big deals that we were not able to complete in December and one large deal that was cancelled by the customer.

During the year the revenue increased by 55% to SEK 2,567.2m (SEK 1,658.5m). In rubles the revenue increased by 37%. The revenue from equipment sales increased by 72% while the aftermarket revenue increased by 24%. In rubles, the revenue from equipment sales increased by 52% and the aftermarket revenue increased by 9%.





Gross profit and result from operating activities

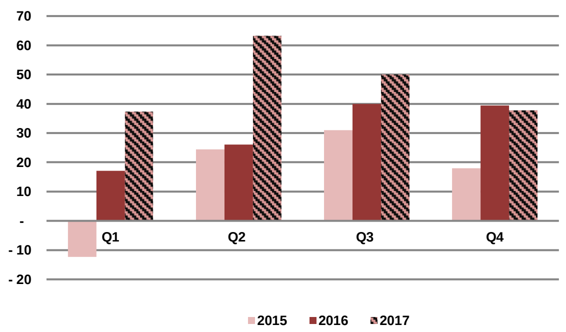
Gross profit for the quarter amounted to SEK 111.6m (SEK 107.7m), an increase of 4% compared to the same period last year. The moderate increase in gross profit compared to the increase in revenue was due to a decrease in gross margin from 20.0% during the fourth quarter 2016 to 18.4%. The decrease was a result of an overall margin pressure, primarily on new and used machines.

The result from operating activities for the quarter amounted to SEK 37.7m (SEK 21.1m). Thus, compared to the adjusted EBIT for the fourth quarter in 2016 of SEK 39.4m, the result from operating activities decreased by 4%. In addition to the relatively low gross profit, the result from operating activities was negatively affected by an increase in operating expenses (compared to what was included in the adjusted EBIT for the fourth quarter of 2016), including relatively high one-off write-offs of inventory and other assets and other non-recurring expenses that were booked during the quarter. Without these expenses, the result from operating activities would be approximately SEK 44m.

Gross profit for the year amounted to SEK 487.8m (SEK 366.1m), an increase of 33%. The gross margin decreased from 22.1% during 2016 to 19.0% during 2017. The decrease was a result of lower margins on machine sales and a change in revenue mix.

The result from operating activities for the year increased by 80% to SEK 187.3m (SEK 104.3m) Compared to adjusted EBIT in 2016, the result from operating activities in 2017 was 42% higher (SEK 131.6m). The increase was primarily due to higher gross profit, partly offset by higher selling and administrative expenses. As a percentage of revenue, however, these expenses came down by almost 3%-points to 11.3%.

Adjusted EBIT, SEK m



Result

The result before income tax for the quarter increased to SEK 36.4m (SEK 21.4m). This was a result of the improved result from operating activities as well as increased finance income, partly offset by higher finance costs and foreign exchange losses. The result was negatively impacted by certain one-off expenses related to the listing of ordinary shares and conversion of preference shares that were booked through the result[1], as well as the one-off write-offs and expenses described above. Excluding these costs, the result before tax would have been approximately SEK 7m higher. The result for the quarter increased to SEK 28.2m (SEK 15.9m; adjusted SEK 30.6m).

The result before income tax for the year amounted to SEK 193.0m (SEK 107.4m), also because of the higher result from operating activities, increased finance income and lower finance costs. Thus, the result for the year increased to SEK 151.3m (SEK 83.6m; adjusted SEK 105.5m).

Earnings per ordinary share

Earnings per ordinary share for the fourth quarter 2017 amounted to SEK 0.52 (SEK 0.22). The earnings per ordinary share was negatively affected by the difference between the redemption price of preference share redeemed (SEK 1,200) and the carrying value of those shares. In total, this reduced the earnings per ordinary share by SEK 1.08 per share. As a comparable number for future periods, we believe that SEK 1.61 per ordinary share for the fourth quarter 2017 would be a more relevant number.

For the full year 2017, a more comparable earnings per ordinary share would be SEK 9.36, instead of the reported SEK 8.06.

Cash flow

Cash flows from operating activities during the fourth quarter amounted to SEK -141.4m (SEK 121.3m). The decrease was primarily due to increased inventory and receivables and lower payables, partly offset by the improved result.

Cash flows from investing activities amounted to SEK -8.8m (SEK -10.5m), primarily because of higher interest received.

During the year, cash flows from operating activities amounted to SEK 148.2m (SEK 141.5m). The improved cash flow was primarily a result of the increased result and higher payables, offset by increased inventory and receivables.

Cash flows from investing activities during the year amounted to SEK -3.9m (SEK -5.5m). This was a result of higher interest received, partly offset by higher investments in intangible assets.

[1] Most of the expenses related to the listing of ordinary shares and conversion of preference shares relate to the issuance of new shares and have been booked directly against equity.

Financial position

Cash and cash equivalents at 31 December 2017 amounted to SEK 352.2m, an increase of approximately SEK 153.4m compared to the end of 2016. Interest-bearing liabilities (including financial leases) amounted to SEK 40.4m, an increase of SEK 14.4m compared to 31 December 2016.

Equity at 31 December 2017 amounted to SEK 611.1m, an increase of SEK 168.7m compared to 31 December 2016. The increase was impacted by the positive result during the year, partly offset by negative translation differences in the amount of SEK 20.9m. Equity was also positively impacted by the issuance of new shares in connection with the listing of ordinary shares on Nasdaq Stockholm and the conversion of preference shares into ordinary shares, offset by the redemption of preference shares, costs related to the issuance of new shares and the conversion of preference shares, as well as dividends on preference shares. These events had the following impact on equity:

- Issuance of new ordinary shares in connection with the listing of ordinary shares on Nasdaq Stockholm – SEK 200m (positive)
- Issuance of new ordinary shares in connection with conversion of preference shares – SEK 240m (positive)
- Redemption of preference shares in connection with conversion of preference shares – SEK 238m (negative)
- Redemption of preference shares in cash – SEK 80m (negative)
- Costs related to the issuance of new shares in connection with the listing of ordinary shares and the conversion of preference shares – SEK 23m (net of tax) (negative)
- Dividends on preference shares – SEK 3m (negative)

Employees

The number of employees at the end of the year, converted to full-time employees was 848 people. This represents an increase of 17 employees compared to the end of September 2017 and 66 employees compared to the end of 2016.

Parent company

The revenue of the parent company during the quarter amounted to SEK 50.9m (SEK 30.1m). The change was related to higher sales of equipment to the subsidiary, Ferronordic Machines LLC. Administrative expenses amounted to SEK 2.8m (SEK 3.0m). The result for the quarter decreased to SEK 6.7m (SEK 18.9m), primarily due to lower unrealized foreign exchange gains (net) related to intra-group loans and lower finance income.

During the year, the revenue of the parent company amounted to SEK 144.4m (SEK 53.3m). The change related to the increased sales of equipment to the subsidiary, Ferronordic Machines LLC. Administrative expenses during the year amounted to SEK 10.5m (SEK 12.5m). The result for the year decreased to SEK 15.8m (SEK 57.2m), mainly because of unrealized foreign exchange losses (net) during the year compared to unrealized foreign exchange gains (net) during the same period 2016. The result was also negatively impacted by higher finance costs and lower finance income than in 2016.

Risks and uncertainties

As described in the 2016 annual report, Ferronordic is exposed to numerous risks. Identifying, managing and pricing these risks are of fundamental importance to Ferronordic's profitability. There have been no significant changes to what was stated in the 2016 annual report.

The parent company is indirectly subject to the same risks and uncertainties as the Group.

Listing of ordinary shares on Nasdaq Stockholm

On 16 October 2017, an offer was announced to acquire new and existing ordinary shares in Ferronordic Machines AB in connection with the listing of the company's ordinary shares on Nasdaq Stockholm. The outcome of the offer was announced on 27 October 2017. The offer was heavily over-subscribed.

Trading in the ordinary shares commenced on 27 October 2017 under the ticker "FNM".

The offer price was SEK 150 per ordinary share, corresponding to a market value of the ordinary shares after the completion of the offer of SEK 1,700 million (excluding ordinary shares attributable to the conversion of preference shares).

The offer comprised 3,002,821 ordinary shares, of which 1,333,333 were new ordinary shares issued by the company. The remaining 1,669,488 ordinary shares were offered by the "Selling Shareholders" (Skandinavkonsult i Stockholm AB (related party to Håkan Eriksson), Erik Eberhardson (through company), Lars Corneliusson (through company), Fastighetsaktiebolaget Granen, Staffan Jufors, Anders Blomqvist (through company), Onur Gucum (through company), Henrik Carlborg (through company), Kjell Åkesson, Marika Fredriksson and Sixbees AB).

The offer corresponded to 26% of the ordinary shares after completion of the offer (excluding ordinary shares attributable to the conversion of preference shares).

In order to cover potential over-allotment in connection with the offer, certain Selling Shareholders undertook, at the request of Carnegie Investment Bank AB (publ), to sell up to 449,673 additional ordinary shares, corresponding to 15% of the ordinary shares included in the offer and 4% of the ordinary shares after completion of the offer. Carnegie exercised the over-allotment option in full on 3 November 2017.

As a result of the offer, the number of ordinary shares increased from 10,000,000 to 11,333,333.

Conversion of preference shares

In view of the listing of the ordinary shares, the preference shareholders were offered the possibility to convert preference shares to ordinary shares in accordance with the articles of association. On 12 October 2017, it was announced that, as an outcome of the offer, 366,544 preference shares, corresponding to 73% of the preference shares, had been submitted for conversion.

On 6 November 2017, it was announced that, in accordance with the articles of association, the submitted preference shares would be redeemed in exchange for 3,199,101 ordinary shares of series 2. On 27 December 2017, these ordinary shares of series 2 were converted into an equal amount of ordinary shares (which thus became tradable on Nasdaq Stockholm). As a result, the number of ordinary shares increased by 3,199,101 shares from 11,333,333 to 14,532,434.

Annual report and Annual General Meeting

Ferronordic's 2017 annual report will be available on the company's website around 30 March 2018.

The annual general meeting in Ferronordic Machines AB (publ) will be held in Stockholm at 10:00 CET on Friday, 27 April 2018. Notice to attend the AGM will be made in accordance with the articles of association around 30 March 2018.

Other major events

On 30 October 2017, a dividend on the preference shares was paid in the amount of SEK 60 per preference share, amounting to a total dividend payment of SEK 30m.

On 17 November, the Board decided to redeem 66,728 A-preference shares, corresponding to half of the remaining A-preference shares in the company, for a total redemption price of approx. SEK 81 million.

Dividends and redemption of preference shares

As regards the expected dividend on preference shares in April 2018 (with record date 25 April 2018 and payment date 30 April 2018), the Board does not intend to convene any separate EGM to decide on this matter. Instead the Board will propose that the AGM on 27 April 2018 decide on a dividend on the preference shares in an amount corresponding to the preference share dividend for the period 26 October 2017 until 25 April 2018, plus Outstanding Amount for the period 30 April 2018 until the date of payment. The expected record date for the dividend would be 2 May 2018. Payment of the dividend would then be made on 7 May 2018. Thus, the dividend is expected to amount to approx. SEK 60.40 per preference share, corresponding to a total dividend payment of approx. SEK 4m. The payment of the Outstanding Amount is deemed justifiable in consideration of the costs it would entail to convene an EGM.

Further, on 27 April 2018, immediately upon the conclusion of the AGM, the Board intends to decide upon a mandatory cash redemption of all remaining preference shares. The record date for the redemption would be around 14 May 2018. The payment of the redemption price is expected to be made on 17 May 2018. In accordance with the articles of association, the redemption price would then amount to SEK 1,200 per preference share, plus accrued dividends for the period 26 April until 17 May 2018. In total, the redemption price is expected to be approx. SEK 1,208 per preference share, corresponding to a total redemption price of approx. SEK 80.6m.

Dividends on ordinary shares

As regards dividends on the company's ordinary shares, the Board will propose that the AGM resolve on a dividend in the amount of SEK 1.73 per ordinary share, corresponding to a total dividend of approx. SEK 25m. Should the AGM approve the

Board's proposal, the record date would be 22 May 2018, i.e. following the redemption of all remaining preference shares, and the payment of the dividend would be made around 25 May 2018.

Events after the reporting date

On 11 January 2018, Volvo CE announced that it will enter the rigid hauler market with its own Volvo brand of rigid haulers in the second quarter of 2018. The development of the new four-model range has relied heavily on the rigid hauler expertise of Volvo CE's subsidiary Terex Trucks, combined with the technological strength of the Volvo Group. The range, which will initially be launched in less regulated markets, consists of the 45-ton R45D, 60-ton R60D, 72-ton R70D and the flagship 100-ton R100E. Ferronordic expects to be able to start selling the new Volvo-branded rigid dump trucks towards the fourth quarter of 2018. Meanwhile Ferronordic will continue to sell Terex-branded rigid dump trucks.

Except as described elsewhere in this report, no events have occurred after the balance sheet date that require disclosure in the financial statements.

Outlook

In consideration of the recent recovery of the Russian economy, we are optimistic about the development of the Russian construction equipment market. Although the market is still a rather low level, we do not believe that the market will grow as strongly in 2018 as it did during 2017. As regards the future of our business in a longer perspective, we are also optimistic, as the long-term fundamentals in the Russian construction equipment market remain strong.

Presentation of the report

A presentation of this report will be held by phone on 22 February 2018 at 13:00 CET.

The presentation can be accessed on the company's website prior to the meeting. To join the presentation, please dial the phone number no later than five minutes prior to the announced time.

Call-in numbers:

- Sweden Toll Number: +46 8 566 426 51
- Sweden Toll-Free Number: 0200 883 685
- UK Toll Number: +44 333 300 0804
- UK Toll-Free Number: 0800 358 9473
- Russia Toll-Free Number: 8800 500 9867
- Switzerland Toll Number: +41 225 809 034
- Switzerland Toll-Free Number: 0800 005 219
- Germany Toll Number: +49 691 380 3430
- Germany Toll-Free Number: 0800 627 0729

Participant code: 81635740#

Condensed consolidated statement of comprehensive income	Fourth quarter 2017 SEK '000	Fourth quarter 2016 SEK '000	Twelve months 2017 SEK '000	Twelve months 2016 SEK '000
Revenue	**605 603**	**537 359**	**2 567 231**	**1 658 455**
Cost of sales	(493 995)	(429 642)	(2 079 428)	(1 292 322)
Gross profit	**111 608**	**107 717**	**487 803**	**366 133**
Selling expenses	(29 350)	(31 634)	(124 663)	(98 836)
General and administrative expenses	(39 390)	(33 173)	(164 590)	(137 335)
Other income	1 545	1 246	5 182	3 575
Other expenses	(6 692)	(23 056)	(16 418)	(29 272)
Result from operating activities	**37 721**	**21 100**	**187 314**	**104 265**
Finance income	2 937	892	14 611	9 617
Finance costs	(2 950)	(1 267)	(6 580)	(7 891)
Net foreign exchange gains/(losses)	(1 266)	703	(2 330)	1 450
Result before income tax	**36 442**	**21 428**	**193 015**	**107 441**
Income tax	(8 249)	(5 514)	(41 719)	(23 800)
Result for the period	**28 193**	**15 914**	**151 296**	**83 641**

Other comprehensive result				
Items that are or may be reclassified to profit or loss:				
Foreign currency translation differences for foreign operations	11 347	36 909	(20 876)	89 198
Other comprehensive result for the period, net of tax	**11 347**	**36 909**	**(20 876)**	**89 198**
Total comprehensive result for the period	**39 540**	**52 823**	**130 420**	**172 839**
Earnings per ordinary share				
Basic and diluted earnings per share (SEK)	0.52	0.22	8.06	3.03

Condensed consolidated statement of financial position	31 December 2017 SEK ’000	31 December 2016 SEK ’000
ASSETS		
Non-current assets		
Intangible assets	5 507	2 077
Property, plant and equipment	136 220	116 368
Deferred tax assets	41 936	41 887
Total non-current assets	**183 663**	**160 332**
Current assets		
Inventories	632 536	467 172
Trade and other receivables	242 959	202 439
Prepayments	3 088	3 997
Cash and cash equivalents	352 238	198 846
Total current assets	**1 230 821**	**872 454**
TOTAL ASSETS	**1 414 484**	**1 032 786**
EQUITY AND LIABILITIES		
Equity		
Share capital	1 303	937
Additional paid in capital	692 204	594 279
Translation reserve	(160 216)	(139 340)
Retained earnings	(73 509)	(97 107)
Result for the period	151 296	83 641
TOTAL EQUITY	**611 078**	**442 410**
Non-current liabilities		
Deferred income	449	-
Deferred tax liabilities	862	294
Long-term portion of finance lease liabilities	21 636	15 324
Total non-current liabilities	**22 947**	**15 618**
Current liabilities		
Trade and other payables	736 500	547 255
Deferred income	12 020	6 632
Provisions	13 171	10 156
Short-term portion of finance lease liabilities	18 768	10 715
Total current liabilities	**780 459**	**574 758**
TOTAL LIABILITIES	**803 406**	**590 376**
TOTAL EQUITY AND LIABILITIES	**1 414 484**	**1 032 786**

Condensed consolidated statement of changes in equity

SEK '000	Attributable to equity holders of the Company				
	Share capital	**Additional paid in capital**	**Translation reserve**	**Retained earnings**	**Total equity**
Balance 1 January 2017	**937**	**594 279**	**(139 340)**	**(13 466)**	**442 410**
Total comprehensive income for the period					
Result for the period				151 296	151 296
Other comprehensive income					
Foreign exchange differences			(20 876)		(20 876)
Total comprehensive income for the period			**(20 876)**	**151 296**	**130 420**
Contribution by and distribution to owners					
Issue of share capital	405	416 213			416 618
Redemption of preference shares	(39)	(318 288)			(318 327)
Preference shares dividends				(60 043)	(60 043)
Total contributions and distributions	**366**	**97 925**	**-**	**(60 043)**	**38 248**
Balance 31 December 2017	**1 303**	**692 204**	**(160 216)**	**77 787**	**611 078**

SEK '000	Attributable to equity holders of the Company				
	Share capital	**Additional paid in capital**	**Translation reserve**	**Retained earnings**	**Total equity**
Balance 1 January 2016	**937**	**594 279**	**(228 538)**	**(44 607)**	**322 071**
Total comprehensive income for the period					
Result for the period				83 641	83 641
Other comprehensive income					
Foreign exchange differences			89 198		89 198
Total comprehensive income for the period			**89 198**	**83 641**	**172 839**
Contribution by and distribution to owners					
Preference shares dividends				(52 500)	(52 500)
Total contributions and distributions	**-**	**-**	**-**	**(52 500)**	**(52 500)**
Balance 31 December 2016	**937**	**594 279**	**(139 340)**	**(13 466)**	**442 410**

Condensed consolidated statement of cash flows	Fourth quarter 2017 SEK ’000	Fourth quarter 2016 SEK ’000	Twelve months 2017 SEK ’000	Twelve months 2016 SEK ’000
Cash flows from operating activities				
Result before income tax	36 442	21 428	193 015	107 441
Adjustments for:				
Depreciation and amortisation	7 831	6 005	26 463	31 057
Impairment of property, plant and equipment	-	12 558	-	12 558
Impairment of intangible assets	-	5 765	-	5 765
(Gain)/loss from write off of receivables	(21)	1 010	(182)	4 944
Profit on disposal of property, plant and equipment	(311)	(87)	(511)	(2 122)
Finance costs	2 950	1 267	6 580	7 891
Finance income	(2 937)	(892)	(14 611)	(9 617)
Net foreign exchange losses/(gains)	1 266	(703)	2 330	(1 450)
Cash flows from operating activities before changes in working capital and provisions	**45 220**	**46 351**	**213 084**	**156 467**
Change in inventories	(33 524)	33 072	(194 999)	(25 416)
Change in trade and other receivables	(33 696)	10 532	(57 411)	1 829
Change in prepayments	(456)	771	704	(2 660)
Change in trade and other payables	(108 445)	39 594	222 119	38 626
Change in provisions	(1 608)	507	3 759	4 608
Changes in other assets	-	663	-	434
Change in deferred income	1 842	148	6 049	756
Cash flows from operations before interest and tax paid	**(130 667)**	**131 638**	**193 305**	**174 644**
Income tax paid	(8 303)	(9 097)	(39 233)	(25 052)
Interest paid	(2 387)	(1 267)	(5 880)	(8 103)
Cash flows from operating activities	**(141 357)**	**121 274**	**148 192**	**141 489**
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment	1 203	382	2 905	4 251
Interest received	2 937	892	14 611	9 617
Acquisition of property, plant and equipment	(11 624)	(10 532)	(16 144)	(16 483)
Acquisition of intangible assets	(1 290)	(1 228)	(5 289)	(2 851)
Cash flows from investing activities	**(8 774)**	**(10 486)**	**(3 917)**	**(5 466)**
Cash flows from financing activities				
Issue of shares	200 000	-	200 000	-
Redemption of preference shares	(80 074)	-	(80 074)	-
Costs related to issue of shares and conversion	(28 084)	-	(28 084)	-
Repayment of loans	-	-	-	(87 945)
Dividend on preference shares	(30 864)	(27 500)	(58 364)	(52 500)
Leasing financing received	7 794	-	7 794	-
Leasing financing paid	(4 589)	(2 658)	(20 203)	(14 540)
Cash flows from financing activities	**64 183**	**(30 158)**	**21 069**	**(154 985)**
Net change in cash and cash equivalents	**(85 948)**	**80 630**	**165 344**	**(18 962)**
Cash and cash equivalents at start of the period	**425 158**	**101 316**	**198 846**	**175 295**
Effect of exchange rate fluctuations on cash and cash equivalents	13 028	16 900	(11 952)	42 513
Cash and cash equivalents at end of the period	**352 238**	**198 846**	**352 238**	**198 846**

Key Ratios	Fourth quarter 2017	Fourth quarter 2016	Twelve months 2017	Twelve months 2016
New units sold	168	147	738	479
Revenue, SEK'000	605 603	537 359	2 567 231	1 658 455
Revenue growth, %	12.7%	34.2%	54.8%	12.9%
Gross margin, %	18.4%	20.0%	19.0%	22.1%
EBITDA, SEK'000	45 552	45 428	213 777	153 645
EBITDA margin, %	7.5%	8.5%	8.3%	9.3%
Adjusted EBIT, SEK'000	37 721	39 422	187 314	131 642
Adjusted EBIT margin, %	6.2%	7.3%	7.3%	7.9%
Result from operating activities, SEK'000	37 721	21 100	187 314	104 265
Operating margin, %	6.2%	3.9%	7.3%	6.3%
Result for the period, SEK'000	28 193	15 914	151 296	83 641
Adjusted result, SEK'000	28 193	30 572	151 296	105 542
Undiluted earnings per ordinary share, SEK	0.52	0.22	8.06	3.03
Diluted earnings per ordinary share, SEK	0.52	0.22	8.06	3.03
Net debt/(cash), SEK'000	(311 834)	(172 807)	(311 834)	(172 807)
Net debt/EBIDTA, times	(1.5)	(1.1)	(1.5)	(1.1)
Capital employed, SEK'000	651 482	468 449	651 482	468 449
Return on capital employed, %	36.1%	32.0%	36.1%	32.0%
Working capital, SEK'000	116 892	109 565	116 892	109 565
Working capital/Revenue, %	4.6%	6.6%	4.6%	6.6%
No. of employees at close of period	848	782	848	782

Certain key ratios presented in Ferronordic's interim reports are not defined according to IFRS. Ferronordic believes that these ratios provide valuable supplementary information for investors and the company's management as they enable the assessment of relevant trends. Ferronordic's definition of these measures may differ from other companies' definition of the same terms. These ratios should therefore be seen as a supplement rather than a replacement for ratios defined according to IFRS. Definitions of and reasons for the different key ratios can be found on page 25.

Parent Company income statement	Fourth quarter 2017 SEK ’000	Fourth quarter 2016 SEK ’000	Twelve months 2017 SEK ’000	Twelve months 2016 SEK ’000
Revenue	50 948	30 087	144 357	53 265
Cost of sales	(46 326)	(25 685)	(125 444)	(36 625)
Gross profit	**4 622**	**4 402**	**18 913**	**16 640**
Administrative expenses	(2 783)	(2 960)	(10 478)	(12 482)
Result from operating activities	**1 839**	**1 442**	**8 436**	**4 158**
Finance income	4 913	7 844	24 872	27 962
Finance costs	(1 904)	(1 847)	(6 464)	(4 250)
Net foreign exchange gains/(losses)	3 728	16 827	(6 549)	45 500
Result before income tax benefit	**8 576**	**24 266**	**20 294**	**73 370**
Income tax	(1 894)	(5 342)	(4 477)	(16 163)
Result for the period	**6 682**	**18 924**	**15 816**	**57 207**

The total comprehensive result for the period is the same as the result for the period.

Parent Company Balance Sheet	31 December 2017 SEK '000	31 December 2016 SEK '000
ASSETS		
Non-current assets		
Property, plant and equipment	9	14
Financial assets		-
Holdings in group companies	193 088	192 949
Loans to group companies	207 097	216 707
Deferred tax assets	20 890	19 343
Total financial assets	421 075	428 999
Total non-current assets	**421 084**	**429 013**
Current assets		
Trade and other receivables	71 721	53 016
Prepayments	1 283	246
Cash and cash equivalents	76 150	5 831
Total current assets	**149 154**	**59 093**
TOTAL ASSETS	**570 238**	**488 106**
EQUITY AND LIABILITIES		
Equity		
Restricted equity		
Share capital	1 303	937
Unrestricted equity		
Share premium reserve	702 216	604 291
Retained earnings	(267 969)	(265 133)
Result for the period	15 816	57 207
TOTAL EQUITY	**451 367**	**397 302**
Current liabilities		
Borrowings	50 930	45 509
Trade and other payables	67 941	45 295
Total current liabilities	**118 871**	**90 804**
TOTAL LIABILITIES	**118 871**	**90 804**
TOTAL EQUITY AND LIABILITIES	**570 238**	**488 106**

Basis of presentation and summary of significant accounting policies

1. Accounting Policies

Ferronordic applies the International Financial Reporting Standards (IFRS) as adopted by the EU. This report has been prepared in accordance with IAS 34, the Swedish Annual Accounts Act and recommendation RFR 2 (only parent company), issued by the Swedish Financial Reporting Board.

The Group previously recognized depreciation of its own vehicles and certain other equipment used for the performance of service and sales as administrative expenses. As this depreciation was attributable to cost of sales and selling expenses, a reclassification was made for the comparative periods in the consolidated statement of comprehensive income so that the depreciation of the said assets is recognized as cost of sales and selling expenses. For more details, see the 2016 annual report.

A number of new or amended IFRS standards and interpretations have been published.

IFRS 9 *Financial Instruments* replaces *IAS 39 Financial instruments: Recognition and Measurement* as of 2018. With regard to classification and measurement of the Group's financial instruments, Ferronordic's view is that there will be no change due to the adoption of IFRS 9. The new rules on impairment, on the other hand, based on expected credit losses instead of occurred, will change the calculation of the provision for doubtful receivables. Having analysed the matter, management has concluded that the adoption of IFRS 9 will not have any significant impact on the amount of provision for doubtful receivables. With regard to hedge accounting, the new standard is not expected to have any effect since the Group generally does not use hedging.

IFRS 15 *Revenue from contracts with customers* is a new standard for recognition of revenue from customers and related enhanced disclosure requirements that, as of 1 January 2018, will replace IAS 11 *Construction Contracts* and IAS 18 *Revenue* (and related interpretations). Based on IFRS 15, revenue is recognized when control of an asset or service is passed to the customer, which is different from the current standard that is based on transfer of risks and rewards. Save for the enhanced disclosure requirements, following subsequent analysis, management have concluded that the adoption of IFRS 15 will not have any significant effect on the recognition of the Group's revenue.

As of 2019, IFRS 16 *Leases* replaces existing IFRS standards relating to recognition of leasing contracts, such as IAS 17 *Leases* and IFRIC 4 *Determining whether an arrangement contains a lease*. Ferronordic does not intend to apply IFRS 16 ahead of time but will apply the new standard from 1 January 2019. As a lessee IFRS 16 requires that all major leases shall be recognised in a way that resembles the current recognition of financial leasing obligations. As a result, an asset and liability shall be recognised also with regard to operational leases, along with associated depreciation and interest expenses in the profit and loss - and not as today where no recognition is made for leased assets and related liabilities, and leasing fees are calendarized on a linear basis as operating expenses. Ferronordic, as an operational lessee, will be affected by the introduction of IFRS 16. Quantitative assessments of the effect of IFRS 16 and selection of transition methods have not yet been made.

Other new or revised standards are not expected to have any significant effect on the Group's financial statements.

Except as described above, the same accounting and valuation principles were applied in the preparation of this report as in the preparation of the 2016 annual report.

2. Determination of fair values

The basis for determination of fair value of financial assets and liabilities is disclosed in note 5 in the 2016 annual report. The fair values of the Group's financial assets and liabilities approximate their respective carrying amounts.

3. Seasonal Variations

Ferronordic's revenue and earnings are affected by seasonal variations in the construction industry. The first quarter is typically the weakest for sales of machines as activity in construction projects is constrained during the winter months. On the other hand, the demand in aftermarket (sales of parts and services) is usually strong since many customers use the quiet period to service their machines. This is usually followed by an increase during the second quarter as contracts start to be put out for tender and customers prepare for the more active summer period. The third quarter tends to be slower with regard to both machine sales and aftermarket. In the fourth quarter, activity usually strengthens as customers make year-end capital spending decisions.

4. Ferronordic Machines AB (publ)

Ferronordic Machines AB (publ) and its subsidiaries are sometimes referred to as the Group or Ferronordic. Ferronordic Machines AB (publ) is also sometimes referred to as the company or Ferronordic. Any mentioning of the Board is a reference to the Board of Directors of Ferronordic Machines AB (publ).

Notes

1. Operational Segment

The Group has one reportable segment - Equipment Distribution. No changes have been made to the basis for determining the reportable segment or the calculation of the result of the segment since the last annual report.

Revenue from Equipment Distribution:

	Fourth quarter 2017 SEK '000	Fourth quarter 2016 SEK '000	Twelve months 2017 SEK '000	Twelve months 2016 SEK '000
Equipment sales	395 217	355 016	1 765 224	1 028 714
Aftermarket sales	179 316	160 016	701 092	566 010
Other income	31 070	22 327	100 915	63 731
Total revenues	**605 603**	**537 359**	**2 567 231**	**1 658 455**
Total delivery volume, units				
New units	168	147	738	479
Used units	40	29	162	214
Total units	**208**	**176**	**900**	**693**

EBITDA to result for the period:

	Fourth quarter 2017 SEK '000	Fourth quarter 2016 SEK '000	Twelve months 2017 SEK '000	Twelve months 2016 SEK '000
EBITDA	45 552	45 428	213 777	153 645
Depreciation and amortisation	(7 831)	(6 005)	(26 463)	(31 057)
Impairment of property, plant and equipment	-	(12 558)	-	(12 558)
Impairment of intangible assets	-	(5 765)	-	(5 765)
Net foreign exchange gains/(losses)	(1 266)	703	(2 330)	1 450
Finance income	2 937	892	14 611	9 617
Finance costs	(2 950)	(1 267)	(6 580)	(7 891)
Result before income tax	**36 442**	**21 428**	**193 015**	**107 441**
Income tax	(8 249)	(5 514)	(41 719)	(23 800)
Result for the period	**28 193**	**15 914**	**151 296**	**83 641**

2. Events after the reporting date

Information regarding events after the reporting date is set out in the front part of this report.

3. Contingencies

In June 2017, the parent company issued a surety in the amount of RUB 360m (SEK 52m) to Raiffeisen Leasing as a security for Ferronordic Machines LLC's obligations under a new framework lease agreement.

In June 2017, the parent company issued a surety in the amount of RUB 500m (SEK 72m) to Sberbank. The surety constitutes security for a bank guarantee of RUB 500m issued by Sberbank as security for the payables of Ferronordic Machines LLC to Volvo.

In January 2017 the parent company issued a surety in the amount of RUB 550m (SEK 79m) to Rosbank as a security for a bank guarantee of RUB 550m, which is issued by Rosbank as a security for the payables of Ferronordic Machines LLC to Volvo.

4. Related party transactions

There have been no significant changes in the relationships or transactions with related parties for the Group or the parent company compared with the information disclosed in the 2016 Annual Report.

5. Earnings per ordinary share

The calculation of earnings per ordinary share is based on the result attributable to holders of ordinary shares and thus is calculated as the result for the period, less dividends on preference shares related to the period, divided by the average number of ordinary shares outstanding.

Result attributable to holders of ordinary shares:

	Fourth quarter 2017 SEK '000	Fourth quarter 2016 SEK '000	Twelve months 2017 SEK '000	Twelve months 2016 SEK '000
Result for the period	**28 193**	**15 914**	**151 296**	**83 641**
Dividends on preference shares required for the period	(7 480)	(13 750)	(50 813)	(53 333)
Difference between redemption price and carrying value of preference shares	(13 966)	-	(13 966)	-
Result attributable to holders of ordinary shares	**6 747**	**2 164**	**86 517**	**30 308**
Average number of ordinary shares during the period before and after dilution	12 903 800	10 000 000	10 731 917	10 000 000
Earnings per ordinary share before and after dilution	**0.52**	**0.22**	**8.06**	**3.03**

The Board of Directors and the Managing Director declares that the year-end report provides a true and fair overview of the Group's and the parent company's operations, financial position and performance, and describes material risks and uncertainties facing the parent company and the companies in the Group.

Stockholm, 22 February 2018

Staffan Jufors Chairman	Magnus Brännström Director	Annette Brodin Rampe Director
Lars Corneliusson Director	Erik Eberhardson Director	Håkan Eriksson Director

Lars Corneliusson
Managing Director

This report has not been reviewed by the company's auditors.

About Ferronordic Machines
Ferronordic is the authorized dealer of Volvo Construction Equipment, Terex Trucks, Dressta, Mecalac and Rottne in Russia. In certain parts of the country, Ferronordic has also been appointed aftermarket dealer for Volvo and Renault Trucks and dealer for Volvo Penta. The company began its operations in 2010 and has expanded rapidly across Russia. The company is well established in all federal districts with 74 outlets and more than 800 employees. Ferronordic's vision is to be regarded as the leading service and sales company in the CIS markets. The ordinary shares in Ferronordic Machines AB (publ) are listed on Nasdaq Stockholm. The preference shares in the company are listed on Nasdaq First North Premier. The company has appointed Avanza Bank AB as its Certified Advisor.
www.ferronordic.com

Financial Calendar 2018

Year-end report January-December 2017	22 February 2018
Interim report January-March 2018	27 April 2018
Interim report January-June 2018	10 August 2018
Interim report January-September 2018	9 November 2018

For more information, please contact:
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This information is information that Ferronordic Machines AB (publ) is obliged to disclose pursuant to the EU Market Abuse Regulation. The information was submitted for publication on 22 February 2018, 08:45 CET.

Financial information for individual quarters

The financial information below regarding individual quarters during the period 1 January 2015 – 31 December 2017 is collected from Ferronordic's interim reports for the relevant quarters.

Reclassification of depreciation expenses

As described in the 2016 annual report, a minor adjustment was made in 2016 regarding the reporting of depreciation of own vehicles and other equipment. Depreciation of vehicles and equipment used for service and sales was previously reported as administrative expenses. In fact, this depreciation was attributable to costs of sales and selling expenses. This included all four quarters of 2014 and 2015 and the first three quarters of 2016 and the condensed consolidated statement of comprehensive income was reclassified so that the depreciation of these assets were reported as cost of sales and selling expenses. The tables below present information for the individual quarters with and without the said reclassification, as well as the effect of the reclassification on the relevant quarters.

Quarterly information – reclassified

SEK m (if not stated otherwise)	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017
Revenue	252	443	373	400	310	405	406	537	550	785	626	606
Cost of sales	(202)	(344)	(282)	(317)	(240)	(311)	(312)	(430)	(441)	(638)	(506)	(494)
Gross profit	**51**	**99**	**91**	**83**	**70**	**94**	**94**	**108**	**110**	**146**	**120**	**112**
Selling expenses	(23)	(22)	(18)	(19)	(20)	(24)	(24)	(32)	(31)	(32)	(32)	(29)
General and administrative expenses	(39)	(45)	(39)	(40)	(33)	(41)	(30)	(33)	(38)	(50)	(37)	(39)
Other income	1	2	1	1	0	0	2	1	0	2	1	2
Other expenses	(2)	(9)	(3)	(7)	(0)	(4)	(2)	(23)	(4)	(4)	(2)	(7)
Results from operating activities	**(12)**	**24**	**31**	**18**	**17**	**26**	**40**	**21**	**37**	**62**	**50**	**38**

Quarterly information – not reclassified (as per published interim reports)

SEK m (if not stated otherwise)	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017
Revenue	252	443	373	400	310	405	406	537	550	785	626	606
Cost of sales	(199)	(341)	(280)	(315)	(238)	(309)	(310)	(430)	(441)	(638)	(506)	(494)
Gross profit	**53**	**102**	**93**	**85**	**72**	**96**	**96**	**108**	**110**	**146**	**120**	**112**
										0		
Selling expenses	(22)	(22)	(18)	(19)	(19)	(22)	(23)	(32)	(31)	(32)	(32)	(29)
General and administrative expenses	(42)	(48)	(42)	(43)	(35)	(44)	(33)	(33)	(38)	(50)	(37)	(39)
Other income	1	2	1	1	0	0	2	1	0	2	1	2
Other expenses	(2)	(9)	(3)	(7)	(0)	(4)	(2)	(23)	(4)	(4)	(2)	(7)
Results from operating activities	**(12)**	**24**	**31**	**18**	**17**	**26**	**40**	**21**	**37**	**62**	**50**	**38**

Effect of reclassification

SEK m (if not stated otherwise)	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017
Revenue	-	-	-	-	-	-	-	-	-	-	-	-
Cost of sales	(2)	(3)	(2)	(2)	(2)	(2)	(2)	-	-	-	-	-
Gross profit	**(2)**	**(3)**	**(2)**	**(2)**	**(2)**	**(2)**	**(2)**	**-**	**-**	**-**	**-**	**-**
Selling expenses	(1)	(1)	-	-	-	(1)	(1)	-	-	-	-	-
General and administrative expenses	3	3	3	2	2	3	3	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-	-	-	-	-
Results from operating activities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Key ratios

Certain key rations in Ferronordic's interim reports are not defined according to IFRS. The company considers these ratios to provide valuable supplementary information for investors and the company's management as they enable the assessment of relevant trends. Ferronordic's definitions of these measures may differ from other companies' definition of the same terms. These ratios should therefore be seen as a supplement rather than as a replacement for measures defined according to IFRS. As the amounts in the tables below have been rounded off to SEK m, the calculations do not always add up due to rounding.

Key ratios defined according to IFRS

SEK m (if not stated otherwise)	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017
Revenue	252	443	373	400	310	405	406	537	550	785	626	606
Result for the period	(11)	14	17	9	14	20	34	16	30	51	43	28
Basic and diluted earnings per share (SEK)	(2,35)	0,15	0,47	(0,39)	0,18	0,66	1,98	0,22	1,60	3,61	2,77	0,52

Key ratios not defined according to IFRS

SEK m (if not stated otherwise)	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017
New units sold (units)	86	109	150	178	128	103	101	147	154	218	198	168
Revenue growth (%)	(50%)	(29%)	(39%)	(33%)	23%	(9%)	9%	34%	78%	94%	54%	13%
Gross margin (%)	20,0%	22,3%	24,5%	20,7%	22,6%	23,3%	23,2%	20,0%	19,9%	18,7%	19,2%	18,4%
EBITDA	7	44	45	32	27	36	45	45	45	67	56	46
EBITDA margin (%)	2,9%	10,0%	12,1%	7,9%	8,6%	9,0%	11,2%	8,5%	8,1%	8,6%	9,0%	7,5%
Adjusted EBIT	(6)	32	37	24	22	30	40	39	37	62	50	38
Adjusted EBIT margin (%)	(2,5%)	7,2%	10,0%	6,0%	7,2%	7,4%	9,8%	7,3%	6,8%	7,9%	8,0%	6,2%
Results from operating activities	(12)	24	31	18	17	26	40	21	37	62	50	38
Operating margin (%)	(4,9%)	5,5%	8,3%	4,5%	5,5%	6,4%	9,8%	3,9%	6,8%	7,9%	8,0%	6,2%
Adjusted result	(6)	20	22	13	18	23	34	31	30	51	43	28
Net debt / (cash)	81	148	(41)	(82)	(131)	(178)	(77)	(173)	(216)	(293)	(381)	(312)
Net debt/EBIDTA (times)	0,5x	1,0x	(0,3x)	(0,6x)	(0,9x)	(1,3x)	(0,5x)	(1,1x)	(1,3x)	(1,4x)	(1,8x)	(1,5x)
Capital employed	531	575	476	416	386	397	442	468	502	479	520	651
Return on capital employed (%)	13%	13%	17%	18%	27%	26%	28%	32%	35%	43%	42%	36%
Working capital	182	319	145	97	77	34	181	110	81	(18)	(68)	117
Working capital/Revenue (%)	9%	17%	9%	7%	5%	2%	12%	7%	4%	(1%)	(3%)	5%

Reconciliation of key ratios

The tables below show reconciliations of certain important key ratios.

Adjusted EBIT and adjusted result

In connection with the acquisition of Volvo CE's Russian distribution business in Russia in May 2010, Ferronordic also acquired the rights to certain know-how belonging to Volvo CE. From a reporting perspective, this was regarded as a business combination, whereupon the intangible assets were valued at RUB 1,105m. The useful life of these assets was established at six years. Thus, the assets were fully amortized at the end of May 2016. Since the Group no longer incurs these amortizations, Ferronordic considers that it would be misleading to include them when comparing the Group's EBIT and result for different periods since doing so would result in a seemingly larger profitability increase than the underlying business has actually generated and is anticipated to generate going forward.

Further, as described in the 2016 annual report, the Group incurred certain impairment losses on certain non-current assets during the fourth quarter of 2016. These losses were related to the investments in the construction of service stations on the Group's land in Yekaterinburg and Petrozavodsk in the amount of SEK 13 million, as well as investments of SEK 6 million made for the development of a CRM system. Since these write-downs were non-recurring and relatively extensive, the company considers that it would also be misleading to include them when comparing the group's EBIT and result for various periods.

The said costs have therefore been excluded from adjusted EBIT and adjusted result.

Adjusted EBIT and EBITDA

SEK m (if not stated otherwise)	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017
Result from operating activities	**(12)**	**24**	**31**	**18**	**17**	**26**	**40**	**21**	**37**	**62**	**50**	**38**
Amortization of transaction related inangible assets	6	7	6	6	5	4	-	-	-	-	-	-
Writedown of tangible and intangible assets	-	-	-	-	-	-	-	18	-	-	-	-
Adjusted EBIT	**(6)**	**32**	**37**	**24**	**22**	**30**	**40**	**39**	**37**	**62**	**50**	**38**
Other D&A	14	13	8	8	4	6	5	6	7	5	6	8
EBITDA	**7**	**44**	**45**	**32**	**27**	**36**	**45**	**45**	**45**	**67**	**56**	**46**

Adjusted result

SEK m (if not stated otherwise)	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017
Result for the period	**(11)**	**14**	**17**	**9**	**14**	**20**	**34**	**16**	**30**	**51**	**43**	**28**
Amortization of transaction related inangible assets (after tax)	5	6	5	5	4	3	-	-	-	-	-	-
Writedown of tangible and intangible assets (after tax)	-	-	-	-	-	-	-	15	-	-	-	-
Adjusted result	**(6)**	**20**	**22**	**13**	**18**	**23**	**34**	**31**	**30**	**51**	**43**	**28**

Net debt / (Net cash)

SEK m (if not stated otherwise)	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017
Long term interest bearing liabilities	18	48	38	4	2	15	15	15	16	22	26	22
Short term interest bearing liabilities	129	133	70	90	33	7	9	11	12	15	18	19
Total Interest bearing liabilities	**147**	**182**	**107**	**93**	**36**	**23**	**25**	**26**	**29**	**37**	**44**	**40**
Cash & cash equivalents	66	34	148	175	167	201	101	199	245	330	425	352
Net debt / (cash)	**81**	**148**	**(41)**	**(82)**	**(131)**	**(178)**	**(77)**	**(173)**	**(216)**	**(293)**	**(381)**	**(312)**
Net debt / EBITDA (times)	0,5	1,0	(0,3)	(0,6)	(0,9)	(1,3)	(0,5)	(1,1)	(1,3)	(1,4)	(1,8)	(1,5)

Capital employed

SEK m (if not stated otherwise)	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017
Long term interest bearing liabilities	18	48	38	4	2	15	15	15	16	22	26	22
Short term interest bearing liabilities	129	133	70	90	33	7	9	11	12	15	18	19
Shareholder equity	384	393	368	322	351	375	417	442	473	441	476	611
Capital employed	**531**	**575**	**476**	**416**	**386**	**397**	**442**	**468**	**502**	**479**	**520**	**651**
Average capital employed	626	653	614	537	458	486	459	442	444	438	481	560
Return on capital employed (%)	13%	13%	17%	18%	27%	26%	28%	32%	35%	43%	42%	36%

Working capital

SEK m (if not stated otherwise)	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017
Inventory	442	378	334	327	314	434	455	467	565	515	601	633
Trade and other receivables	233	262	201	161	156	173	195	202	255	254	206	243
Prepayments	1	1	1	1	1	1	4	4	3	4	3	3
Other current assets	1	1	1	0	0	1	1	0	0	0	0	0
Trade and other payables	480	313	384	384	385	562	459	547	726	769	853	737
Deferred income	7	6	5	4	6	6	6	7	6	7	10	12
Provisions	7	5	3	4	4	8	9	10	10	14	14	13
Working capital	**182**	**319**	**145**	**97**	**77**	**34**	**181**	**110**	**81**	**(18)**	**(68)**	**117**
Working capital / Revenue (%)	9%	17%	9%	7%	5%	2%	12%	7%	4%	(1%)	(3%)	5%

Definitions of and reasons for using alternative key ratios not defined by IFRS

New units sold: Number of new machines sold.
Used to measure and compare number of new units sold during relevant period.

Revenue growth: Growth in revenue compared to the same period last year, expressed in percentage.
Used for comparison of growth between periods as well as comparisons with the market as a whole and with the company's competitors.

Gross margin: Gross profit in relation to revenue.
Provides a measurement of the contribution from the ongoing business.

EBITDA: Result from operating activities excluding depreciation, amortization and write-downs.
Provides a measurement of the result from the ongoing business.

EBITDA margin: EBITDA in relation to revenue.
Relevant key ratio in evaluating the Group's value creation.

Adjusted EBIT: Result from operating activities excluding (i) amortization of transaction-related intangible assets until May 2016, and (ii) write-downs of non-current assets during the fourth quarter 2016.
Shows the result from operating activities adjusted for non-recurring items and hence is viewed to provide a more relevant measurement of the Group's underlying profitability and a better basis for comparisons with the Group's future result from operating activities.

Adjusted EBIT margin: Adjusted EBIT in relation to revenue.
Shows the operating margin adjusted for non-recurring items and hence is viewed to provide a more relevant measurement of the Group's underlying profitability and a better basis for comparisons with the Group's future operating margin.

Result from operating activities: Result before financial items and taxes.
Provides a measurement of the result from the ongoing business.

Operating margin: Result from operating activities in relation to revenue.
Relevant key ratio in evaluating the Group's value creation.

Adjusted result: Result for the period excluding (i) amortization of transaction-related intangible assets until May 2016 (after tax), and (ii) write-downs of non-current assets during the fourth quarter 2016 (after tax).
Shows the result for the period adjusted for non-recurring items and hence is viewed to provide a more relevant measurement of the Group's result and a better basis for comparisons with the Group's future result.

Net debt/(cash): Interest-bearing liabilities (including financial leases) less cash and cash equivalents.
Provides a measurement for the Group's net debt position.

Net debt / EBITDA: Net debt/(cash) in relation to EBITDA the last twelve months.
Shows to what extent EBITDA covers net debt. Used to evaluate financial risk.

Capital employed: Total equity and interest-bearing liabilities.
Shows the capital invested in the Group's business.

Return on capital employed: Adjusted EBIT plus financial income (for the last twelve months) in relation to capital employed (average during the last twelve months).
Shows how effectively the capital employed is used.

Working capital: Current assets excluding cash and cash equivalents, less current liabilities excluding interest-bearing liabilities.
Shows the amount of working capital tied up in the ongoing business.

Working capital / Revenue: Working capital in relation to revenue during the last twelve months.
Shows how effective the working capital is used in the business.