

Motivated statement by the Board of Directors pursuant to Chapter 18, Section 4 of the Swedish Companies Act

In view of the Board's proposals to the extraordinary general meeting on 2 October 2015, the Board hereby makes the following statement in accordance with Chapter 18, Section 4 of the Swedish Companies Act.

The Board concludes that the company's restricted equity is fully covered after the proposed dividend of SEK 25,000,000. The Board further concludes that the proposed dividend is justifiable in view of the parameters set out in Chapter 17, Section 3, second and third paragraphs of the Swedish Companies Act. In connection herewith, the Board wishes to point out the following:

- Calculated as per 30 June 2015, the proposed dividend will reduce the company's solvency from 98% to 98% and the group's solvency from 43% to 42%. The Board considers this solvency satisfactory with regard to the nature of the business, scope and risks, as well as the company's and the group's liquidity and financial position in general.
- In the Board's opinion, the proposed dividend will not affect the company's or the group's ability to fulfil their payment obligations.
- In addition to what has been stated above, the Board has considered other known circumstances which may be of importance for the company's and the group's financial position. In doing so, no circumstance has appeared that does not justify the proposed dividend.

If the general meeting resolves in accordance with the board's proposal, at least SEK 420 946 thousand will remain of the company's non-restricted equity, calculated as per 30 June 2015. In the view of the board the company's and the group's equity will, after the proposed dividend, be sufficient in relation to the nature, scope and risks of the business.

Stockholm, 4 September 2015

The Board of Directors of Ferronordic Machines AB (publ)

Per-Olof Eriksson

Martin Leach

Magnus Brännström

Marika Fredriksson

Kristian Terling

Erik Eberhardson

Lars Corneliussen