

Non-official translation of the Swedish original wording

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

In view of the its proposal to the extraordinary general meeting on 4 April 2016, 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 will be fully covered after the proposed dividend payment 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 31 December 2015, the company's solvency will remain at 95% after the proposed dividend, while the group's solvency will reduce from 40% to 38%. The Board considers this 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 366,658 thousand will remain of the company's non-restricted equity, calculated as per 31 December 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, 14 March 2016

The Board of Directors of Ferronordic Machines AB (publ)

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