

Year-end report 1 January – 31 December 2022

Moving forward

Summary of the fourth quarter, October–December 2022

- **Group:** Ferronordic divested its Russian business at end of Q4 2022 for a sales price of SEK 1,334m.
- Net cash proceeds of SEK 1,097m from the sale brought the Group to a net cash position of SEK 957m.
- The net result from the discontinued operations was SEK -70m.
- For the continuing Group, the operating result was SEK 49m.
- The Board recommends a dividend of SEK 7.5/share.
- **Germany:** Trucks sales in units increased by 43%.
- Revenue increased 38%, mainly due to growth in new trucks sales.
- Operating margin and operating result continued to improve.
- Germany reached a breakeven pace of operating profit in the end of the quarter.
- Ferronordic expects a positive operating result in 2023.
- **CIS:** After sale of Russian business, Kazakhstan now remains in CIS segment.
- Workshop in Astana opened with focus on road construction.
- Investment in organisation and digitalisation.
- New equipment sales in units increased 117%.
- Revenue increased by 112% in local currency and 197% in SEK.
- Operating profit grew to SEK 4m.

48%

Revenue increase

47%

Operating profit increase
(adjusted¹)

-1.9%

Operating profit margin decrease
(adjusted¹)

-123%

Earnings per share decrease
(adjusted²)

Selected key group ratios

SEK m (or as stated)	2022 Q4	2021 Q4	%	2022 12M	2021 12M	%
Revenue	705	475	48%	1,973	1,511	31%
Gross profit	97	57	70%	250	174	44%
Operating profit	-13	-25	47%	247	-112	321%
Operating profit adjusted ¹	-13	-25	47%	-74	-112	34%
Result from continuing operations	49	-21	332%	197	-109	280%
Result for the period	-21	88	-123%	440	339	30%
Earnings per ordinary share, SEK ²	-1.42	6.06	-123%	30.28	23.33	30%
Cash flow from operations	-48	-81		215	457	
Net debt (cash)	-957	198		-957	198	
<i>Gross margin, %</i>	13.8%	12.0%	1.7pp	12.7%	11.5%	1.2pp
<i>Operating margin, %</i>	-1.9%	-5.4%	3.4pp	12.5%	-7.4%	19.9pp
<i>Operating margin adjusted¹, %</i>	-1.9%	-5.4%	3.4pp	-3.8%	-7.4%	3.6pp
<i>Working capital/LTM Revenue, %</i>	11%	2%	8.7pp	11%	2%	8.7pp
<i>Equity/total assets, %</i>	58%	28%	30.5pp	58%	28%	30.5pp
<i>Return on capital employed,LTM, %</i>	11%	29%	-18.6pp	11%	29%	-18.6pp
<i>Return on equity,LTM, %</i>	30%	36%	-6.0pp	30%	36%	-6.0pp

¹ "Adjusted" here and in the rest of this report means excluding the effect of the compensation payment from Volvo of SEK 321m.

² Before dilution.

All amounts are stated in millions of SEK unless stated otherwise. Rounding differences when summing up can occur with +/- SEK 1m. In cases where an underlying number is rounded off to SEK 0m, this is written as 0. Definitions and purposes of the key ratios are presented on pages 22 and 24.

New opportunities

2022 was a challenging year for Ferronordic and fundamentally changed our company. As a result of the conflict in Ukraine, it became impossible for us to continue business in Russia. During the year, we worked hard to isolate the Russian operations from the rest of the Group and to divest the business. Despite significant difficulties, we managed to sell our Russian subsidiaries in December for a price close to the net asset value. Under the current circumstances, this was an achievement and the best way forward. Managing and ultimately selling the business took tremendous efforts in 2022. All our time and energy can now be spent on developing the businesses in Germany and Kazakhstan and focusing on new opportunities.

As a result of the sale, we received a net cash inflow of approx. SEK 1,097m. At the end of 2022, Ferronordic's net cash position amounted to SEK 957m. We also managed to retain key people in the Group. Our business in Russia was at a mature stage and during 2021 represented approx. 76% of the Group's revenue. We plan to use the sales proceeds to invest further in our operations in Germany and Kazakhstan, but also to look for new markets and products together with our partners. We are actively working on finding our next areas of growth. The Board proposes a dividend of SEK 7.5/share.

We continued to develop our businesses in Germany and Kazakhstan in 2022. We became distributor for Sandvik mobile crushers and screens in both countries. In Germany, we continued to expand our service network and increased our mobile service fleet. We also continued our efforts to promote sustainable transport solutions. We invested in charging infrastructure for our workshops. We sold our first electric trucks and received the related subsidies. We work closely with Volvo Trucks, Renault Trucks and relevant authorities to bring electric transport to market, both through our traditional dealer business and through our newly formed e-rental company. Our operating result in Germany continued to improve through 2022. In Kazakhstan, we expanded our organisation and look to grow our network further. We have invested in our digital sales tool in Kazakhstan and are looking for opportunities to develop our contracting services business.

Germany

The German market for heavy trucks declined by 1% in the fourth quarter 2022. Our new trucks sales, however, increased by 43% in units and we took further market shares. Used trucks sales declined however in units and revenue. Our aftermarket business grew by 21% due to a combination of organic growth and acquisitions. Despite this shift in product mix, our gross margin increased by 1.5 percentage points, partly on improved price realisation. The operating result remained negative in the fourth quarter 2022, but supported by strong sales, we hit breakeven pace in the end of the quarter. While we are conscious of macroeconomic risks, we expect to reach a positive operating result and operating cash flow in 2023. In the fourth quarter 2022, we opened a new used truck centre and workshop in Coswig and opened our



"Now we can spend all our time and energy on opportunities outside Russia"

newly built service and sales hub in Hanover. In addition, we set up the parts warehouse and service organisation for Sandvik. We also continued to develop our organisation in Germany, partly to service Sandvik and support e-mobility.

Total revenue in Germany grew by 38% to SEK 616m. The operating result improved by 62% to SEK -5m.

CIS

On 23 December, we sold our Russian business to a local leasing company and were paid in euro in Austria. The sale means that Ferronordic in all material respects divested all assets and liabilities related to Russia. After the sale, Kazakhstan is currently the only market in our CIS segment. In the fourth quarter 2022, we sold 26 new and 4 used units in Kazakhstan.

Total revenue in Kazakhstan increased by 112% in local currency and 197% in Swedish krona to SEK 89m. The operating result increased to SEK 5m.

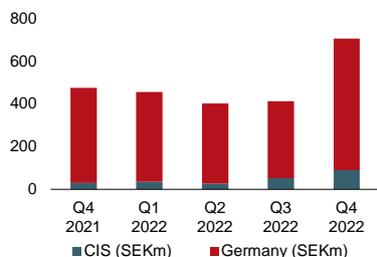
Outlook

Following the sale of the Russian business, we look into the future with renewed optimism. In Germany, we continue to see strong demand for service and trucks, despite concerns about a weaker economy. Supply constraints continue to limit market growth. Our sales area is at the heart of Europe's transport business and benefits from commercial activity across industries. We also see growing interest in electric trucks and sustainable transport solutions. Our operations in Kazakhstan continue to develop and we actively seek opportunities to grow our product and business portfolio. Demand for construction equipment is supported by Kazakhstan's growing role as a regional hub, its big infrastructure projects and strong commodity prices. In a longer perspective, we believe that the underlying conditions and business opportunities in the German and Kazakh markets are strong. We also continue to look for new growth opportunities.

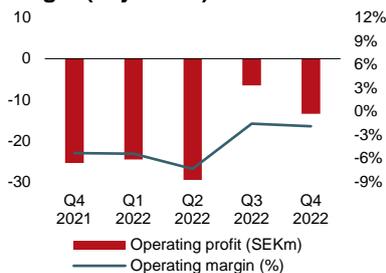
Lars Corneliusson
President and CEO

Group

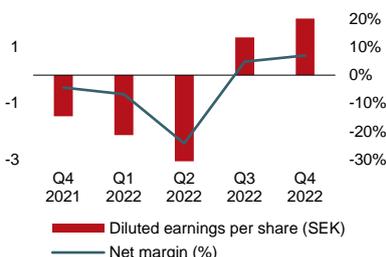
Revenue by segment



Operating profit and operating margin (adjusted*)



EPS and net margin



About the financial report

Ferronordic divested its Russian business at the end of Q4 2022. The Q4 2022 and full year 2022 financial statements therefore exclude Russia from the consolidation in the Group's income statement and balance sheet. The result from the sale is presented in the result from discontinued operations in the Group's income statement.

Revenue

In Q4 2022, the revenue of the Group increased by 48% to SEK 705m (475). Sales of equipment and trucks increased by 73% and aftermarket sales increased by 21%.

In 12M 2022, the Group revenue increased by 31% to SEK 1,973m (1,511). The sales of equipment and trucks increased by 33% and aftermarket sales increased by 31%.

Gross profit and operating result

In Q4 2022, the gross margin for the Group increased to 13.8% (12.0%). As a result of higher revenue and higher gross margin, gross profit increased by 70% to SEK 97m (57).

As a percentage of revenue, selling, general and administrative expenses decreased in Q4 2022 to 16.2% (16.9). The operating result for Q4 2022 increased by 47% to SEK -13m (-25). The operating margin during the quarter increased from -5.4% to -1.9%.

In 12M 2022, the gross margin increased to 12.7% (11.5). As a result of higher margin and higher revenue, gross profit increased by 44% to SEK 250m (174).

As a percentage of revenue, selling, general and administrative expenses decreased in 12M 2022 to 16.9% (18.7). The operating result for 12M 2022 increased by 321% to SEK 247m (-112), mainly due to compensation payment from Volvo CE of SEK 321m. The operating margin increased from -7.4% to 12.5%. Adjusted operating result increased by 34% to SEK -74m (-112). Adjusted operating margin was -3.8% (-7.4%).

Net income

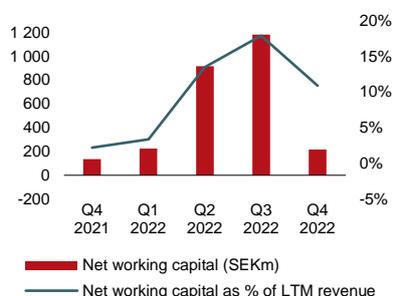
In Q4 2022, finance costs (net) amounted to SEK 3m (4). Foreign exchange gains (net) increased to SEK 103m (2). Partly as a result of this, the result before income tax for Q4 2022 increased by 412% to SEK 87m (-28). The result for Q4 2022 from continuing operations increased by 332% to SEK 49m (-21). The result for Q4 2022, including the result from discontinued operations, decreased by 123% to SEK -21m (88).

In 12M 2022, finance costs (net) increased to SEK 17m (15). Foreign exchange losses (net) were SEK 42m (-4), mainly as a result of the appreciation of the Russian ruble, including its appreciation against the Kazakh tenge. The result before income tax for 12M 2022 increased by 307% to SEK 272m (-131). The result for 12M 2022 from continuing operations increased by 280% to SEK 197m (-109). The result for 12M 2022, including the result from discontinued operations, increased by 30% to SEK 440m (339).

Earnings per share

Basic and diluted earnings per share in Q4 2022 amounted to SEK -1.42 (6.06 basic and 6.02 diluted).

Net working capital and % LTM revenue



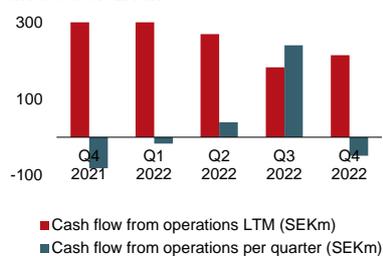
Basic and diluted earnings per share in 12M 2022 amounted to SEK 30.28 (23.33 basic and 23.26 diluted).

Cash flows

In Q4 2022, cash flows from operating activities increased to SEK -48m (-81) of which cash flows from discontinued operations amounted to SEK -50m (-19). Working capital decreased from SEK 1,184m to SEK 215m, mainly as a result of the sale of the Russian business. Inventories and receivables decreased more than payables. As a percentage of revenue, working capital decreased from 18% in Q3 2022 to 11% in Q4 2022.

Cash flow from investing activities in Q4 2022 amounted to SEK 798m (-122), of which cash flows from discontinued operations amounted to SEK 849m (-50). The main investments in Q4 2022 in the continuing business related to acquisitions of trucks for the German rental business and investments in the German workshop network.

Operating cash flow per quarter and over LTM



During 12M 2022, cash flows from operating activities decreased to SEK 215m (457), of which cash flows from discontinued operations amounted to SEK -11m (415). Lower cash flows were partly a result of an increase in working capital from SEK 137m at the end of 2021 to SEK 215m at the end of Q4 2022, as inventories and receivables decreased less than payables, mainly as a result of the sale of the Russian business.

Cash flows from investing activities during 12M 2022 amounted to SEK 521m (-370), of which cash flows from discontinued operations amounted to SEK 682m (-98). Cash flows from continuing operations mainly related to acquisitions of trucks for the German rental business and investments in the German workshop network.

Property, plant and equipment and capital expenditures



Financial position

On 31 December 2022, cash and cash equivalents amounted to SEK 1,688m, an increase of SEK 920m compared to the end of 2021. The higher cash balance mainly reflects the sale of the Russian subsidiaries and the compensation payment from Volvo CE, partly offset by outflows from investing activities. At the end of Q4 2022, interest-bearing liabilities (including lease liabilities and effects of IFRS-16) amounted to SEK 731m, a decrease of SEK 235m compared to the end of 2021, mainly due to the sale of subsidiaries in Russia. The net debt position of SEK 198m at the end of 2021 changed to a net cash position of SEK 957m at the end of Q2 2022.

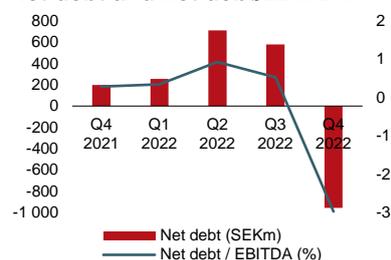
On 31 December 2022, property, plant and equipment (PP&E) amounted to SEK 560m, a decrease of SEK 446m from SEK 1,006m at the end of 2021. The decrease was mainly a result of the sale of Russian subsidiaries, partly offset by acquisitions of trucks for the German rental business and investments in the German workshop network. Fixed assets also increased due to the appreciation of the euro against the Swedish krona.

On 31 December 2022, equity amounted to SEK 1,873m, an increase of SEK 772m compared to the end of 2021. The increase was mainly due to positive foreign exchange differences of SEK 322m following the reclassification of translation differences to profit and loss related to the divestment of the Russian subsidiaries.

Parent company

In Q4 2022, the revenue of the parent company decreased to SEK 11m (103) as intragroup sales of machines from the parent company to its Russian subsidiaries stopped during Q2 2022. Administrative expenses increased by 85% to SEK 20m (11) due to relocation of staff from the Parent's Russian subsidiaries to the Parent in Sweden. The operating result

Net debt and net debt/EBITDA



decreased from SEK 6m in Q4 2021 to SEK -35m in Q4 2022. The result for the quarter increased to SEK 1,231m (154). The positive result in Q4 2022 was mainly due to the divestment of the Russian subsidiaries.

In 12M 2022, the revenue of the parent company decreased to SEK 84m (239), mainly due to lower intragroup sales of machines. Administrative expenses increased by 46% to SEK 57m (39), partly as a result of moving staff from the Parent’s Russian subsidiaries to the Parent in Sweden. The operating result increased to SEK 261m (-2) in 12M 2022. The adjusted operating result decreased to SEK -60m (-2). The result for the quarter increased to SEK 1,544m (427). The positive result in 12M 2022 was mainly due to the divestment of the Russian subsidiaries.

Foreign exchange rates

The following foreign exchange rates have been used to translate the Q4 2022 (Q4 2021) results to the presentation currency:

- Average rates of SEK/EUR 10.93 (+8% vs 10.13) have been used to translate the income statements.
- End of period rates of SEK/EUR 11.13 (+10% vs 10.23) have been used to translate the balance sheet.

The Kazakh tenge constitutes part of the Group's currency exposure. During 12M 2022, the Kazakh subsidiary's trade payables in rubles had a negative effect on the Group's results when translated to the subsidiary's functional currency in Kazakh tenge. These payables are now in US dollars. The Group also has minor exposure to movements in British pounds.

Currency index last 5 quarters (indexed 1 Oct 2021)



Employees

At the end of Q4 2022, the number of full-time equivalent employees in the Group was 457 (1,791), of which 382 (284) related to Germany, 57 (1,495) to CIS and 18 (12) occupied group functions.

Risks and uncertainties

Ferronordic is exposed to a number of operational and financial risks. The Group currently operates in Germany and Kazakhstan, which means that the Group has business in one developed and one emerging market. In a developed market, competitive, labour and regulatory pressure can be strong. In an emerging market, the institutional and regulatory frameworks can be unstable. The tax and judicial systems are not always transparent or consistent. Corruption can be a problem. Access to funding can be limited, monetary policy unpredictable and the currency unstable. Counterparty and insurance risks are often greater and instruments to manage such risks are either less effective or more expensive. In its position as a service and sales company, between suppliers and customers, Ferronordic is exposed to both supply and demand disruptions and to changes in macroeconomic activity. For more on risks and uncertainties, please refer to Ferronordic’s annual report.

Dividends

For the AGM in 2023, the Board intends to propose a dividend of SEK 7.5 per share.

Ferronordic sells its Russian business

Ferronordic completed the sale of its Russian business at end of Q4 2022 for a price of SEK 1,334m. Approx. SEK 237m of this amount was used by Ferronordic AB to repay (by means of set-off) debt to the sold Russian subsidiaries. The remaining part of the purchase price was received in euro on Ferronordic’s account in Austria. For the Group, the divestment resulted in a cash inflow of EUR 99m or approx. SEK 1,097m.

The buyer is part of the GILK group, a Russian leasing company. The purchase price was fixed and amounted to RUB 9.2b. From this amount, RUB 1.6b was used by Ferronordic AB to repay debts to the former subsidiaries. The purchase price largely corresponded to the sold companies' expected net asset value in local currency at the time of the transaction.

In 2021, the Russian business generated revenue of SEK 4.7 billion with an operating profit of SEK 564m, corresponding to 76% and 117% of the Group's total revenue and operating profit, respectively. During the same period, the Group's other business, excluding Russia, generated revenue of SEK 1.5 billion with an operating loss of SEK -81m (9% of the revenue related to Kazakhstan and the rest to Germany).

The sale means that Ferronordic in all material respects divested all assets and liabilities related to Russia. The transaction agreements contain basic representations and warranties concerning the sold companies, but Ferronordic does not expect any liabilities or obligations to arise from these. The sold companies may continue the use of the Ferronordic trademark during a transition period of six months.

As part of the terms of the transaction, Ferronordic obtained an option to repurchase up to 75.1% of the sold companies within seven years for a pre-agreed price. The price is equal to the higher of the sold companies' net asset value at the time of exercising the option, or the purchase price for the sold companies increased by an annual interest of 12% from the date of sale, in both cases multiplied by the percentage of shares acquired. The option becomes void if Ferronordic should restart business activities in Russia on its own.

Ferronordic will maintain one subsidiary in Russia to keep a small number of key employees in Russia working for the Group. The intention is that these employees will relocate to other markets over time.

The sale is not expected to have any direct impact on the Group's operations outside of Russia. The work to isolate and separate the Russian business from the rest of the Group was completed in August 2022. The sale is also not expected to result in any changes to the strategy of the Group in general. In Germany, more focus will be directed at promoting electric trucks and sustainable transport solutions. In Kazakhstan, Ferronordic is looking for opportunities to develop its contracting services business. Simultaneously, Ferronordic is looking for opportunities to expand its operations, both in terms of new products and services as well as new markets.

For more information see note 10.

Segments

Ferronordic recognises two separate reportable segments: Germany and CIS (see also note 5 on page 17). Following Ferronordic's sale of its Russian business in Q4 2022, only Kazakhstan is currently included in the CIS segment. In Germany, equipment and trucks sales include sales of new Volvo Trucks and Renault Trucks, Sandvik's mobile crushers and screens, Renault light commercial vehicles and used trucks. Aftermarket sales include sales of service and parts. Other revenue consists mainly of rental revenue in Germany.

In CIS, equipment and trucks sales include sales of new and used construction equipment, Sandvik's mobile crushers and screens, used trucks and attachments. Aftermarket sales include sales of service and parts. Contracting services include only revenue from contracting services operations. Currently, there are no contracting services operations in Kazakhstan. Other revenue consists mainly of rental revenue.

SEK m (or as stated)	Germany		CIS		Reconciling Group costs ²		Total	
	Q4	Q4	Q4	Q4	Q4	Q4	Q4	Q4
	2022	2021	2022	2021	2022	2021	2022	2021
External revenue	616	445	89	30			705	475
Equipment and truck sales	459	291	75	18			534	309
Aftermarket sales	131	108	14	12			145	120
Other revenue	25	46	0	0			25	46
Gross profit	82	53	15	4			97	57
EBITDA	17	13	6	0			23	13
Operating profit	-2	-9	5	-1			3	-9
Group costs	-2	-4	0	0	-14	-12	-17	-16
Operating profit after Group cost allocation ²	-5	-12	5	-1	-14	-12	-13	-25
Finance items (net)							100	-2
Profit(loss) before tax							87	-28
Result from continuing operations							49	-21
Gross margin, %	13.4%	11.8%	16.5%	15.0%			13.8%	12.0%
Operating margin, %	-0.8%	-2.8%	6.1%	-1.8%			-1.9%	-5.4%

SEK m (or as stated)	Germany		CIS		Reconciling Group costs ²		Total	
	12M	12M	12M	12M	12M	12M	12M	12M
	2022	2021	2022	2021	2022	2021	2022	2021
External revenue	1,770	1,368	203	143			1,973	1,511
Equipment and truck sales	1,194	909	151	103			1,345	1,012
Aftermarket sales	479	365	52	40			531	405
Other revenue	97	94	0	1			97	94
Gross profit	214	149	36	25			250	174
EBITDA	50	-15	19	16			69	1
Operating profit	-21	-60	16	13			316	-48
Operating profit adjusted ¹	-21	-60	16	13			-5	-48
Group costs	-11	-10	0	0	-57	-54	-68	-64
Operating profit adjusted ¹ after Group cost allocation ²	-32	-71	16	13	-57	-54	-74	-112
Finance items (net)							25	-20
Profit(loss) before tax							272	-131
Result for the period							197	-109
Gross margin, %	12.1%	10.9%	17.8%	17.4%			12.7%	11.5%
Operating margin, %	-1.8%	-5.2%	7.6%	8.9%			12.5%	-7.4%
Operating margin adjusted ¹ , %							-3.8%	-7.4%

¹ In 2022, Group operating profit of SEK 316m include a compensation payment from Volvo CE of SEK 321m. In the adjusted operating profit, this extraordinary other income is removed to facilitate comparison over periods. For more information on the compensation payment from Volvo CE, please refer to Ferronordic's report on Q3 2022.

² In prior periods, Group overhead costs have been allocated on the basis of the share of revenue and gross profit of the business segments in the Group. In Q4 2022 and full year 2022, that basis of allocation is maintained for continuity and comparison. This is partly to improve comparability with previous periods, but also to illustrate what share of Group overhead costs were allocated to the discontinued business. In the table above, the costs previously allocated to the discontinued business is under the heading Reconciling Group costs. Starting from Q1 2023, Ferronordic plans to show the Group overheads as a separate segment, which also means that no overhead Group costs will fall directly on the business segments.

SEK m	Germany		CIS		Intersegment		Total	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
Non-current assets	713	485	477	841	-466	-134	724	1,192
Total assets	1,398	895	2,284	3,213	-465	-134	3,217	3,973

Segment share of revenue, Q4 2022

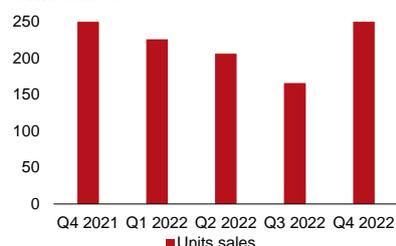


Segment share of total assets, 31 December 2022

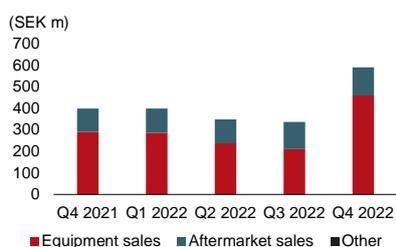


Germany

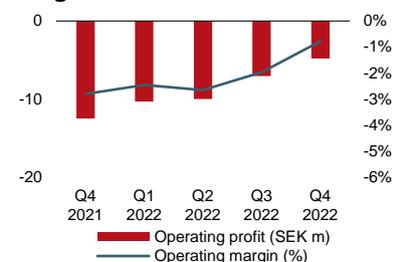
Unit sales



Revenue by activity



Operating profit and operating margin



Market and sales

Based on registrations of new trucks, the total German market for heavy trucks declined by 1% in Q4 2022. Rigid trucks declined by 5% while tractors grew by 2%. Despite growing concerns about the economy, the market remains firm. Supply constraints remain a limiting factor for market growth and the IFO business climate index turned higher in Q4 2022. Rising inflation and energy prices, higher interest rates and weaker business indicators may however affect demand for trucks negatively over time. New trucks registered in Ferronordic's sales area increased by 3% and represented 18% of the total German market. Following supply constraints in Q3 2022, Ferronordic's new truck sales in units increased by 43% to 394 units in Q4 2022. The market share for Volvo Trucks and Renault Trucks thus increased in the quarter. In the quarter, Ferronordic opened a workshop and used trucks centre in Coswig and moved into our newly built service and sales hub in Hannover. Ferronordic also set up a parts warehouse and service organisation for Sandvik's mobile crushers and screens. Ferronordic continuing work with partners and customers to promote electric trucks and develop sustainable transport solutions.

Revenue and operating result

Mainly due to higher new truck sales, total revenue in Germany increased by 38% (+28% in EUR) to SEK 616m (445) in Q4 2022. Truck sales increased by 58%. Aftermarket sales increased by 21%, of which 14% was organic growth. As a result of stronger truck sales, aftermarket sales decreased by 3pp as a share of revenue to 21%. The gross margin increased to 13.4% (11.8) on stronger price realisation.

Selling, general and administrative expenses increased by 34% to SEK 84m. The operating margin increased to -0.8% (-2.8). The operating result improved to SEK -5m (-12).

Cash flows and balance sheet

Cash flows from operating activities were negative at SEK -1m (-18) as a result of the operating loss and as working capital increased to SEK 301m from SEK 264m. As a percentage of revenue, working capital was unchanged at 17% at the end of Q4 and Q3 2022. Investments of SEK 52m mainly related to payments for trucks to the rental fleet and investments in workshop expansion.

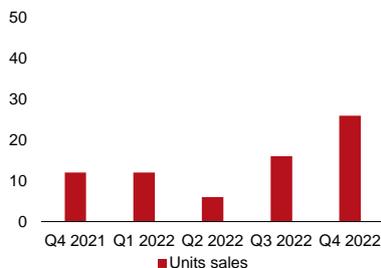
12M 2022

In 12M 2022, revenue in Germany increased by 29% to SEK 1,770m (1,368) with a gross margin of 12.1% (10.9). The operating result amounted to SEK -32m (-71) with an operating margin of -1.8% (-5.2).

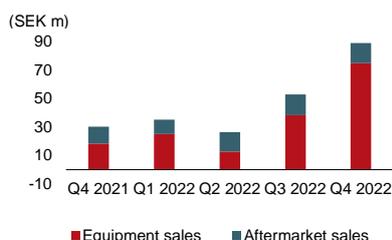
	2022 Q4	2021 Q4	% change	2022 12M	2021 12M	% change
New units	394	275	43%	992	800	24%
Used units	42	64	-34%	211	241	-12%
Revenue, SEK m	616	445	38%	1,770	1,368	29%
Gross profit, SEK m	82	53	56%	214	149	43%
Operating profit, SEK m	-5	-12	61%	-32	-71	55%
Gross margin, %	13.4%	11.8%		12.1%	10.9%	
Operating margin, %	-0.8%	-2.8%		-1.8%	-5.2%	
Working capital/LTM Revenue, %	17%	6%		17%	6%	

CIS

Unit sales



Revenue by activity



Operating profit and operating margin



Market and sales

Ferronordic sold its Russian business for a price of SEK 1.334m. The sale resulted in a net cash inflow of SEK 1.097m. For more details on the sale, please refer to note 10 on page 18. Following the sale, Kazakhstan is currently the only market in our CIS segment. According to market data, the Kazakh market increased by 25% in 2022. The Kazakh market is supported by Kazakhstan's growing role as a regional hub, strong commodity prices and big infrastructure projects. Ferronordic's new and used machine sales in units increased to 26 and 4 respectively in Q4 2022. The Company also grew its aftermarket business in Kazakhstan. In 2022, we opened a workshop in Astana with special focus on the road construction segment. In Q4 2022, we arranged a client event together with VCE. We have continued to develop our organisation to increase customer centricity. We have also invested in our digital sales platform to improve the performance for our Kazakh service and sales teams.

Revenue and operating result

Total revenue in CIS increased by 197% (+169% in local currency) to SEK 89m (30). Equipment sales increased by 308%, while aftermarket sales increased by 20%. The gross margin increased to 16.5% (15.0%) and gross profit increased to SEK 15m (4).

Selling, general and administrative expenses increased by 174%, mainly as a result of higher sales, absorption of regional and Group costs and the appreciation of the local currency. As a percentage of revenue, these expenses amounted to 14.2%. The operating margin increased to 5.7% (-1.8) and the operating result increased to SEK 5m (-1).

Cash flows and balance sheet

Cash flows from operating activities increased to SEK 3m, partly due to the positive operating result and partly due to lower working capital. Working capital amounted to SEK -6m at the end of Q4 2022, compared to SEK 6m at the end of Q3 2022. As a percentage of revenue, working capital decreased from 4% at the end of Q3 2022 to -3% at end of Q4 2022.

12M 2022

In 12M 2022, new machine sales in units increased by 11%. Revenue increased by 42% to SEK 203m (143) but decreased by 14% in local currency. The gross margin increased to 17.8% (17.4). The operating profit increased by 19% to SEK 14m (11) with an operating margin of 6.7% (7.9).

	2022 Q4	2021 Q4	% change	2022 12M	2021 12M	% change
New units	26	12	117%	60	54	11%
Used units	4	2	100%	24	6	300%
Revenue, SEK m	89	30	197%	203	143	42%
Gross profit, SEK m	15	4	227%	36	25	45%
Operating profit, SEK m	5	-1	1107%	16	13	21%
Gross margin, %	16.5%	15.0%		17.8%	17.4%	
Operating margin adjusted*, %	6.1%	-1.8%		7.6%	8.9%	
Working capital/LTM Revenue, %	-3%	-8%		-3%	-8%	

Condensed consolidated statement of comprehensive income

SEK m	Q4 2022	Q4 2021	12M 2022	12M 2021
Revenue	705	475	1,973	1,511
Cost of sales	-608	-418	-1,723	-1,337
Gross profit	97	57	250	174
Selling expenses	-52	-29	-140	-100
General and administrative expenses	-62	-52	-194	-182
Other income	8	1	337	6
Other expenses	-4	-3	-6	-9
Operating profit	-13	-25	247	-112
Finance income	2	1	2	2
Finance costs	-5	-5	-19	-18
Foreign exchange gains/(-losses) (net)	103	2	42	-4
Result before income tax	87	-28	272	-131
Income tax	-37	7	-75	22
Result from continuing operations	49	-21	197	-109
Result from discontinued operations	-70	109	243	448
Result for the period	-21	88	440	339
Other comprehensive result				
<i>Items that are or may be reclassified to profit or loss:</i>				
Foreign currency translation differences for foreign operations	-223	-15	322	60
Other comprehensive result for the period, net of tax	-223	-15	322	60
Total comprehensive result for the period	-244	74	762	398
Earnings per share				
Basic earnings per share (SEK)	(1.42)	6.06	30.28	23.33
Diluted earnings per share (SEK)	(1.42)	6.02	30.28	23.26

Condensed consolidated statement of financial position

SEK m	31 Dec 2022	30 Sep 2022	31 Dec 2021
ASSETS			
Non-current assets			
Property, plant and equipment	560	1,263	1,006
Intangible assets	85	86	81
Deferred tax assets	78	283	105
Total non-current assets	724	1,633	1,192
Current assets			
Inventories	460	1,326	1,432
Trade and other receivables	344	856	535
Prepayments	1	243	46
Cash and cash equivalents	1,688	939	768
Total current assets	2,493	3,365	2,781
TOTAL ASSETS	3,217	4,997	3,973
EQUITY AND LIABILITIES			
Equity			
Share capital	1	1	1
Additional paid in capital	630	620	620
Translation reserve	13	237	-309
Retained earnings	789	789	450
Result for the period	440	461	339
TOTAL EQUITY	1,873	2,108	1,101
Non-current liabilities			
Borrowings	393	340	490
Deferred income	22	27	22
Deferred tax liabilities	1	103	7
Long-term lease liabilities	43	111	97
Total non-current liabilities	459	581	617
Current liabilities			
Borrowings	274	989	317
Trade and other payables	573	1,117	1,809
Deferred income	16	33	28
Provisions	1	92	39
Short-term lease liabilities	21	78	62
Total current liabilities	884	2,309	2,255
TOTAL LIABILITIES	1,344	2,890	2,872
TOTAL EQUITY AND LIABILITIES	3,217	4,997	3,973

Condensed consolidated statement of changes in equity

SEK m	Share capital	Additional paid in capital	Translation reserve	Retained earnings	Total equity
Balance 1 January 2022	1	620	-309	789	1,101
Total comprehensive result for the period					
Result for the period	0	0	0	440	440
Other comprehensive result					
Foreign exchange differences	0	0	322	0	322
Total comprehensive result for the period	0	0	322	440	762
Contribution by and distribution to owners					
Warrant issue	0	10	0	0	10
Total contributions and distributions	0	10	0	0	10
Balance 31 December 2022	1	630	13	1,229	1,873

SEK m	Share capital	Additional paid in capital	Translation reserve	Retained earnings	Total equity
Balance 1 January 2021	1	615	-369	559	806
Total comprehensive result for the period					
Result for the period	0	0	0	339	339
Other comprehensive result					
Foreign exchange differences	0	0	60	0	60
Total comprehensive result for the period	0	0	60	339	398
Contribution by and distribution to owners					
Dividends	0	0	0	-109	-109
Warrant issue	0	5	0	0	5
Total contributions and distributions	0	5	0	-109	-104
Balance 31 December 2021	1	620	-309	789	1,101

Condensed consolidated statement of cash flows

SEK m	Q4 2022	Q4 2021	12M 2022	12M 2021
Cash flows from operating activities				
Result before income tax from continuing operations	87	-28	272	-131
Result before income tax from discontinued operations	116	145	510	583
Adjustments for:				
Depreciation and amortisation	55	66	272	215
(Gain)/loss from impairment of receivables	-9	1	52	10
Profit on disposal of property, plant and equipment	0	0	-4	0
Finance costs	31	6	95	49
Finance income	-6	-10	-24	-23
Foreign exchange losses/(gains) (net)	-95	-2	-14	5
Cash flows from operating activities before changes in working capital and provisions	178	178	1,158	708
Change in inventories	-14	-137	594	-381
Change in trade and other receivables	416	138	341	19
Change in prepayments	-49	-5	-191	-5
Change in trade and other payables	-535	-167	-1,470	336
Change in provisions	-13	-2	4	2
Change in deferred income	-1	0	-10	4
Cash flows from operating activities before interest and tax paid	-18	6	427	683
Income tax paid	-7	-72	-127	-170
Interest paid	-23	-14	-85	-55
Cash flows from operating activities	-48	-81	215	457
<i>of which from discontinued operations</i>	-50	-19	-11	415
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment	0	7	5	8
Interest received	0	10	18	23
Acquisition of property, plant and equipment	-52	-82	-351	-247
Acquisition of intangible assets	0	1	-1	-1
Acquisition of business	0	-58	0	-153
Sale of subsidiary	849	0	849	0
Cash flows from investing activities	798	-122	521	-370
<i>of which from discontinued operations</i>	849	-50	682	-98
Cash flows from financing activities				
Dividends	0	0	0	-109
Proceeds from borrowings	47	98	403	371
Repayment of loans	-55	-19	-170	-118
Leasing financing paid	-8	-15	-65	-81
Warrant issue	0	0	0	1
Cash flows from financing activities	-16	64	168	64
<i>of which from discontinued operations</i>	-63	18	195	-147
Net change in cash and cash equivalents	734	-139	903	151
<i>of which from discontinued operations</i>	736	-50	866	170
Cash and cash equivalents at start of the period	939	897	768	604
Effect of exchange rate fluctuations on cash and cash equivalents	16	9	17	13
Cash and cash equivalents at end of the period	1,688	768	1,688	768

Parent company income statement

SEK m	Q4 2022	Q4 2021	12M 2022	12M 2021
Revenue	11	103	84	239
Cost of sales	-8	-88	-68	-203
Gross profit	3	15	16	35
Administrative expenses	-20	-11	-57	-39
Other income	9	2	330	2
Other costs	-28	0	-28	0
Operating profit	-35	6	261	-2
Finance income	1,200	148	1,313	433
Finance costs	-5	0	-26	-2
Foreign exchange gains/(-losses) (net)	81	0	58	-1
Result before income tax	1,241	154	1,607	427
Income tax	-10	0	-63	0
Result for the period	1,231	154	1,544	427

Parent company balance sheet

SEK m	31 Dec 2022	30 Sep 2022	31 Dec 2021
ASSETS			
Non-current assets			
Intangible assets	0	0	1
Financial assets			
Holdings in group companies	35	175	175
Loans to group companies	0	426	149
Deferred tax assets	0	0	20
Total financial assets	35	601	345
Total non-current assets	36	602	345
Current assets			
Trade and other receivables	77	60	63
Prepayments	0	0	0
Loans to group companies	490	0	0
Cash and cash equivalents	1,543	516	241
Total current assets	2,111	576	304
TOTAL ASSETS	2,146	1,177	649
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	1	1	1
Unrestricted equity	0	0	0
Share premium reserve	640	630	630
Retained earnings	-128	-128	-555
Result for the period	1,544	313	427
TOTAL EQUITY	2,058	817	504
Non-current liabilities			
Borrowings	0	0	31
Total non-current liabilities	0	0	31
Current liabilities			
Borrowings	0	312	0
Trade and other payables	89	49	115
Total current liabilities	89	361	115
TOTAL LIABILITIES	89	361	145
TOTAL EQUITY AND LIABILITIES	2,146	1,177	649

Notes

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. New or revised standards that come into effect in 2022 or later are not expected to have significant effect on Ferronordic's financial statements.

The same accounting and valuation principles were applied in the preparation of this report as in the preparation of the 2021 annual report (regarding the 2021 financial year).

2. Determination of fair values

The basis for the determination of fair value of financial assets and liabilities is disclosed in note 5 in the 2021 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 in CIS. 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. Demand is typically stronger and relatively even through the rest of the year. In Germany, seasonal trends are less significant.

4. Ferronordic AB (publ)

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

5. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The chief operating decision-maker, who is responsible for allocating resources and assessing the financial performance of the operating segments, has been identified as the Group Executive Management Team. The Group recognises two separate reportable segments: *Germany* and *CIS*. The segments are partly managed separately due to differences in markets, logistics, supply

chains, products, customers and marketing strategies. For each segment, management reviews internal reports on at least a monthly basis. Germany comprises sales of new and used trucks, aftermarket sales, rental, mobile crushers and screens and other services. CIS (the Commonwealth of Independent States), which currently refers to Kazakhstan, comprises sales of new and used construction and other equipment, mobile crushers and screens, used trucks, aftermarket sales, rental, contracting services and other services.

The accounting policies of the segments are the same as described in Note 4 of the annual report 2021. Group overhead costs, such as Group management costs, are allocated between the segments using principles set forth by the CODM. Information regarding the results of each segment is presented on page 7 of this report. The performance of each segment is mainly evaluated based on revenue, gross profit, gross margin, EBITDA, operating profit and operating margin, as included in internal management reports that are reviewed by the Group's Executive Management Team. The Group had no inter-segment revenues during the periods presented.

Information on Group segments is presented in the front part of this report.

6. Contingencies

Besides as disclosed in this report, the Group has no material contingencies. The parent company has issued a number of guarantees, all as security for the subsidiaries' obligations vis-à-vis suppliers and financial institutions.

7. 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 2021 annual report.

8. Earnings per share

The calculation of earnings per share is based on the result attributable to the shareholders and is thus calculated as the result for the period divided by the average number of shares outstanding. Dilution can potentially follow from the Group's incentive program for its executive management, which includes warrants. For more information, please refer to Ferronordic's annual report for 2021.

9. Events after the reporting date

Information regarding events after the reporting date is set out in the front part of this report (p. 5).

Result for the period, SEK m

	2022 Q4	2021 Q4	2022 12M	2021 12M
Result attributable to shareholders, SEK m	-21	88	440	339
Average number of shares during the period before dilution, thousand	14,532	14,532	14,532	14,532
Earnings per share before dilution, SEK	-1.42	6.06	30.28	23.33
Dilution effect	0	109	0	47
Average number of ordinary shares during the period after dilution, thousand	14,532	14,641	14,532	14,580
Earnings per ordinary share after dilution, SEK	-1.42	6.02	30.28	23.26
Compensation payment from Volvo CE, net of tax	0	0	257	0
Result attributable to shareholders, SEK m, adjusted	-21	88	183	339
Average number of shares during the period before dilution, thousand	14,532	14,532	14,532	14,532
Earnings per share before dilution, SEK, adjusted	-1.42	6.06	12.61	23.33

10. Sale of subsidiaries

Ferronordic divested its Russian business at end of Q4 2022 for a sales price of SEK 1,334m. In the transaction, Ferronordic sold its main Russian subsidiaries Ferronordic Machines LLC, Ferronordic Torgoviy Dom LLC, Ferronordic Torgovaja Kompanija LLC and Ferronordic Arkhangelsk LLC. For more information on the transaction, please refer to page 5.

Calculation of sales price for the sale of subsidiary

SEKm	
Cash compensation	1,097
Intercompany loan netted off	237
Contract price	1,334

Result from sale of subsidiary

SEKm	
Contract price	1,334
Less net assets end of Q4 2022	-1,292
Result from sale of subsidiary	41

Cash proceeds from sale of subsidiary

SEKm	
Cash proceeds	1,097
Cash in subsidiary at the moment of sale	-248
Net cash flow from sale of subsidiary	849

Profit and loss for discontinued operations for Q4 and 12M 2022 and Q4 and 12M 2021

SEK m	Q4 2022	Q4 2021	12M 2022	12M 2021
Revenue	850	1,219	4,496	4,700
Cost of sales	-629	-982	-3,408	-3,764
Gross profit	221	238	1,089	937
Selling expenses	-46	-42	-193	-156
General and administrative expenses	-57	-51	-227	-176
Other income	27	3	44	7
Other expenses	0	-2	-122	-17
Operating profit	145	146	591	594
Finance income	5	9	22	21
Finance costs	-26	-9	-76	-32
Foreign exchange gains/(-losses) (net)	-8	0	-28	-1
Result before income tax	116	145	510	583
Income tax	-17	-36	-98	-134
Result for the period	99	109	412	448
SEK m	Q4 2022	Q4 2021	12M 2022	12M 2021
Result for the period	99	109	412	448
Result from sale of subsidiary	41	0	41	0
Other expenses related to sale of subsidiary (net of tax)	-22	0	-22	0
Reclassification of exchange differences from other comprehensive income	-188	0	-188	0
Result from discontinued operations	-70	109	243	448

Net assets of subsidiaries end of Q4 2022

SEK m	31 Dec 2022
ASSETS	
Non-current assets	
Property, plant and equipment	519
Intangible assets	2
Intercompany loans	230
Deferred tax assets	151
Total non-current assets	903
Current assets	
Inventories	672
Trade and other receivables	319
Prepayments	224
Cash and cash equivalents	248
Total current assets	1,461
TOTAL ASSETS	2,364
Non-current liabilities	
Borrowings	0
Deferred income	0
Deferred tax liabilities	76
Long-term lease liabilities	53
Total non-current liabilities	129
Current liabilities	
Borrowings	521
Trade and other payables	321
Deferred income	12
Provisions	57
Short-term lease liabilities	31
Total current liabilities	942
TOTAL LIABILITIES	1,072
NET ASSETS	1,292

Signatures

The Board of Directors and the Managing Director declare that the report for the fourth quarter of 2022 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, 17 February 2023

Staffan Jufors
Chairman

Aurore Belfrage
Director

Annette Brodin Rampe
Director

Niklas Florén
Director

Lars Corneliusson
Director and CEO

Håkan Eriksson
Director

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

Key ratios

Financial information for individual quarters

The financial information below regarding individual quarters during the period 1 October 2020 – 31 December 2022 is collected from Ferronordic's interim reports for the relevant quarters. In the below tables, 2021 and 2022 are shown without discontinued business. 2020 and prior periods are shown including the discontinued business and as previously reported.

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

Certain key ratios in Ferronordic's interim reports are not defined according to IFRS. The company considers these ratios to provide valuable supplementary information for

Selected key group ratios

SEK m (or as stated)	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022
Revenue	257	291	380	365	475	455	402	412	705
Gross profit	22	36	38	43	57	53	43	57	97
Gross margin, %	8.6%	12.3%	10.1%	11.8%	12.0%	11.7%	10.6%	13.9%	13.8%
Operating profit	-30	-27	-22	-37	-25	-25	-30	315	-13
Operating margin, %	-11.6%	-9.3%	-5.7%	-10.2%	-5.4%	-5.4%	-7.4%	76.3%	-1.9%
Result from continuing operations	-25	-28	-29	-31	-21	-31	-97	276	49
Result for the period	44	56	86	108	88	63	32	366	-21
Result per ordinary share, SEK	3.05	3.85	5.94	7.48	6.06	4.30	2.20	25.20	-1.42
Working capital/LTM Revenue, %	5%	4%	3%	0%	2%	3%	14%	18%	11%
Cash flow from operations,	179	91	120	327	-81	-16	39	240	-48
Equity/total assets, %	31%	28%	25%	27%	28%	32%	37%	42%	58%
Return on equity, LTM%	26%	31%	30%	31%	36%	35%	22%	35%	30%
Return on capital employed, LTM%	20%	21%	23%	27%	29%	31%	23%	31%	11%

Germany

SEK m (or as stated)	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022
Revenue	233	260	336	327	445	420	375	359	616
Gross profit	18	30	32	34	53	47	36	49	82
Gross margin, %	7.7%	11.6%	9.6%	10.4%	11.8%	11.2%	9.7%	13.5%	13.4%
Operating profit	-25	-14	-13	-32	-12	-10	-10	-7	-5
Operating margin, %	-10.7%	-5.3%	-3.8%	-9.6%	-2.8%	-2.5%	-2.7%	-2.0%	-0.8%
Working capital/LTM Revenue, %	9%	11%	14%	6%	6%	12%	15%	17%	17%

CIS

SEK m (or as stated)	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022
Revenue	24	31	45	38	30	35	26	53	89
Gross profit	4	6	6	9	4	7	6	9	15
Gross margin, %	16.7%	17.8%	13.6%	23.4%	15.0%	18.6%	23.5%	16.7%	16.5%
Operating profit	-5	3	4	7	-1	3	2	4	5
Operating margin, %	-20.4%	9.6%	8.2%	17.6%	-1.8%	9.7%	9.2%	8.0%	6.1%
Working capital/LTM Revenue, %	3%	2%	0%	-2%	1%	1%	13%	18%	-42%

Net debt

	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
SEK m	2020	2021	2021	2021	2021	2022	2022	2022	2022
Long term borrowings	351	385	499	449	490	427	515	340	393
Long term lease liabilities	71	62	63	49	97	88	124	111	43
Short term borrowings	84	101	159	261	317	292	673	989	274
Short term lease liabilities	77	85	75	63	62	42	59	78	21
Total Interest bearing liabilities	583	632	796	822	966	848	1,370	1,518	731
Cash & cash equivalents	604	665	653	897	768	593	658	939	1,688
Net debt / (cash)	-20	-33	143	-75	198	255	712	579	-957
Net debt / EBITDA (times)	0.0	-0.1	0.3	-0.1	0.3	0.3	0.9	0.5	-30.8

Working capital

	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
SEK m	2020	2021	2021	2021	2021	2022	2022	2022	2022
Inventory	1,014	1,241	1,342	1,280	1,432	1,112	1,346	1,326	460
Trade and other receivables	393	537	588	566	535	517	993	856	344
Prepayments	37	52	51	41	46	53	116	243	1
Trade and other payables	1,188	1,611	1,805	1,855	1,809	1,392	1,415	1,117	573
Deferred income	19	18	18	25	28	15	36	33	16
Provisions	26	18	18	34	39	51	86	92	1
Working capital	213	183	140	-26	137	225	917	1,184	215
Revenue LTM	4,635	4,783	5,170	5,702	6,212	6,690	6,791	6,610	1,973
Working capital / Revenue (%)	5%	4%	3%	0%	2%	3%	14%	18%	11%

Capital employed

	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
SEK m	2020	2021	2021	2021	2021	2022	2022	2022	2022
Long term interest bearing liabilities	422	447	561	498	587	515	638	451	436
Short term interest bearing liabilities	161	186	234	324	379	334	732	1,067	295
Shareholder equity	806	888	890	1,028	1,101	1,086	1,739	2,108	1,873
Capital employed	1,390	1,520	1,686	1,850	2,067	1,935	3,109	3,626	2,604
Average capital employed	1,696	1,736	1,766	1,660	1,729	1,727	2,397	2,738	2,336
EBIT	328	357	396	436	483	511	514	818	261
Interest income	12	13	11	16	23	27	30	28	2
Result LTM	340	370	407	453	506	538	544	846	263
Return on capital employed (%)	20%	21%	23%	27%	29%	31%	23%	31%	11%

Return on equity

	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
SEK m	2020	2021	2021	2021	2021	2022	2022	2022	2022
Shareholder equity	806	888	890	1,028	1,101	1,086	1,739	2,108	1,873
Average equity	848	835	887	938	954	987	1,315	1,568	1,487
Net result LTM	222	257	267	295	339	346	291	549	440
Return on equity (%)	26%	31%	30%	31%	36%	35%	22%	35%	30%

Alternative key ratios not defined by IFRS

EBITDA: Operating profit activities excluding depreciation, amortisation. Provides a measurement of the result from the ongoing business. In financials before and including 2016, certain write-downs of assets were excluded from EBITDA.

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

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

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

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

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

Operating profit adjusted: Result before financial items and taxes, adjusted for compensation from Volvo CE of SEK 321m. Provides a measurement of the result from the ongoing business.

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

Operating margin adjusted: Operating profit in relation to revenue, adjusted for compensation from Volvo CE of SEK 321m. Relevant key ratio in evaluating the Group's value creation.

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.

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.

Return on equity: Net income (for the last twelve months) in relation to shareholders' equity (average during the last twelve months). Net income is calculated before dividends to common shareholders but after dividends to preferred shareholders.

Working capital: Current assets excluding cash and cash equivalents, less non-interest bearing current 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.

Abbreviations

Approx.	Approximately
CEO	Chief Executive Officer
CIS	Commonwealth of Independent States
EUR	Euro
FY	Full year
IFRS	International Financial Reporting Standards
Q1, Q2, Q3, Q4 2022	First, second, third and fourth quarter 2021
RUB	Russian rubles
SEK	Swedish krona
SEK m	Million Swedish krona
vs	Versus
LTM	Last twelve months
VCE	Volvo Construction Equipment
6M, 9M, 12M	6 months, 9 months, 12 months

This is Ferronordic

Ferronordic is a service and sales company in the areas of construction equipment and trucks. It is dealer of Volvo Trucks, Renault Trucks and Sandvik mobile crushers and screens in Germany and dealer of Volvo Construction Equipment, Sandvik mobile crushers and screens and Mecalac in Kazakhstan. Ferronordic began its operations in

2010 and currently has 28 outlets and approx. 450 employees. Ferronordic's vision is to be the leading service and sales company in its markets. The shares in Ferronordic AB (publ) are listed on Nasdaq Stockholm.

www.ferronordic.com

Vision

Ferronordic's vision is to be the leading service and sales company in the company's markets.

Mission

The company's mission is to support the growth and leadership of the company's customers.

Values

Quality, excellence and respect.

Strategic objectives

- Leadership in the market for construction equipment and trucks
- Aftermarket absorption rate of at least 1.0 x
- Expansion into related business areas
- Geographic expansion
- Industry leading digital service and sales platforms
- Expansion and development of contracting services

Strategic cornerstones

- Customer orientation
- Superior infrastructure
- Building on a strong brand
- Operational excellence

Investment case highlights

- Strong brand portfolio
- Markets with high potential
- Further growth opportunities with attractive returns
- Resilient business model based on a robust aftermarket business and great team
- Investment in innovation
- Experienced management and strong corporate governance
- Providing sustainable business solutions

About this report

Forward-looking statements

Some statements in this report are forward looking and the actual outcomes could be materially different. In addition to the factors explicitly discussed, other factors could have a material effect on the actual outcomes.

Language

In the event of inconsistency or discrepancy between the English and the Swedish version of this publication, the Swedish version shall prevail.

Totals and roundings

Totals quoted in tables and statements may not always be the exact sum of the individual items because of rounding differences. The aim is that each line item should correspond to its source and rounding differences may therefore arise.

This information is information that Ferronordic AB (publ) is obliged to disclose pursuant to the EU Market Abuse Regulation and the Swedish Securities Market Act (2007:528). The information was submitted for publication on 17 February 2023, 07:30 CET.

Financial calendar

Annual report 2022 – 14 April
Interim report January-March 2023 – 11 May
Annual general meeting – 11 May
Interim report April-June 2023 – 17 August

Conference call

A presentation for investors, analysts and media will be held on 17 February 2023 at 10:00 CET and is accessible at www.ferronordic.com.

Dial-in numbers:

Sweden: +46 8 505 163 86 PIN: 9590032#
United Kingdom: +44 20 319 84884 PIN: 9590032#
United States: +1 412 317 6300 PIN: 9590032#
The presentation can also be viewed live at <https://ir.financialhearings.com/ferronordic-q4-2022>

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