

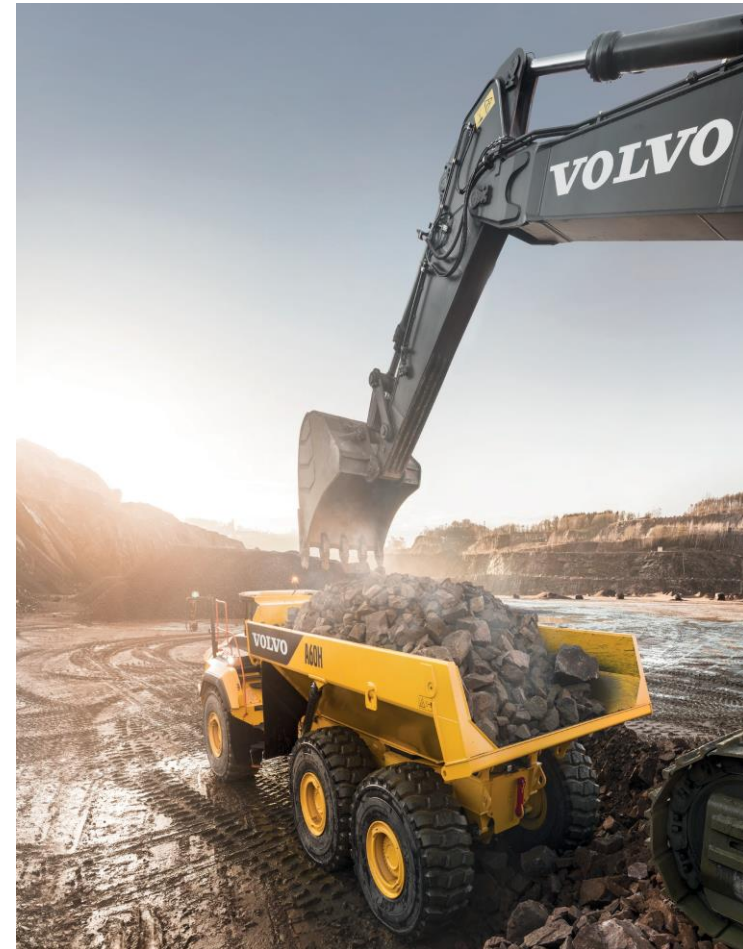


Third Quarter 2017 Presentation
29 November 2017



Third Quarter 2017

- ◇ Economy continued to recover during the quarter
 - ◇ Growth in construction and transportation
 - ◇ Inflation still relatively low
 - ◇ Increase in real wages and consumer confidence
- ◇ The Russian market for new construction equipment continued to recover during the quarter, although at a slightly more moderate pace
 - ◇ The market grew by approximately 70% (84% during the first 9 months)
- ◇ The oil price increased from USD 48 per barrel to USD 58
- ◇ The ruble weakened from 7.0 to 7.2 ruble per krona
- ◇ The Russian Central Bank continued to cut its key rate (9.0% to 8.5%)
 - ◇ On 27 October 2017 the key rate was cut further to 8.25%
 - ◇ MosPrime 3M decreased from 9.2% to 8.7%



Third Quarter 2017 (cont'd)

- ◇ Strong increase in revenue, profit and cash flow
 - ◇ Revenue was 54% higher than during the same period last year
 - ◇ Operating profit and earnings per ordinary share increased 25% and 40%, respectively
 - ◇ Operating margin in line with our financial objectives
 - ◇ Positive cash flow of SEK 100m+

- ◇ We continued to develop our business and implement our strategy
 - ◇ In August we were appointed the official distributor for Mecalac backhoe loaders in all of Russia
 - ◇ The product, which comes with both equal- and unequal-sized wheels, will be a great complement to our other product offering



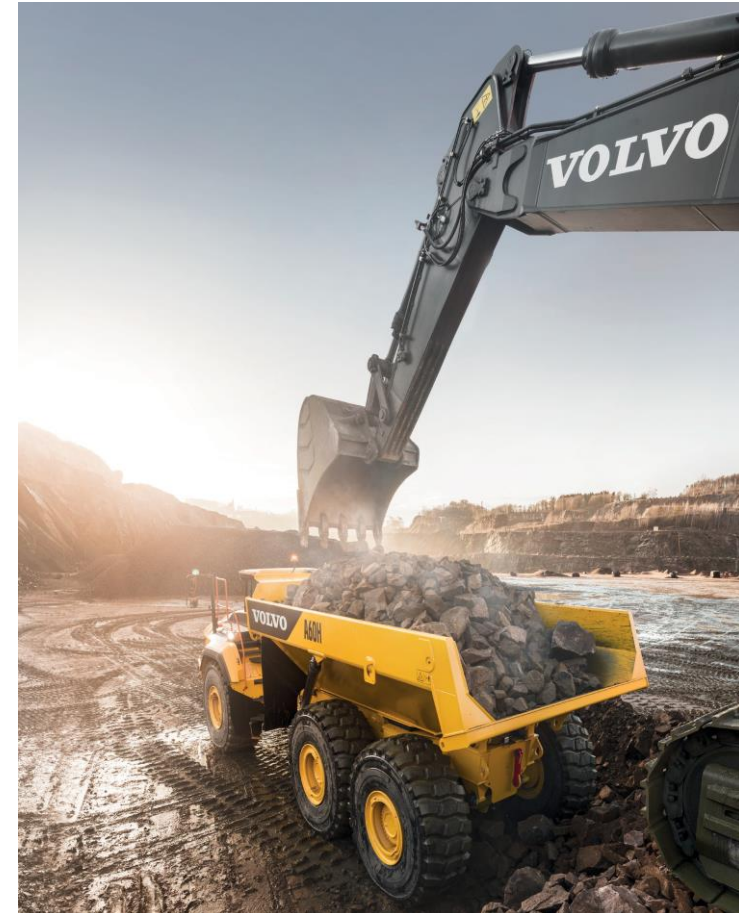
Important events

- ◇ The Board approved the following financial objectives
 - ◇ Tripling of the revenue from 2016 to 2021
 - ◇ EBIT margin of 7-9%
 - ◇ Net debt to EBITDA of 0-2 times (over a business cycle)
- ◇ Adopted dividend policy
 - ◇ The ambition should be that at least 25% of the result (after dividends on the preference shares) should be distributed to the ordinary shareholders
 - ◇ The board will take several factors into consideration when proposing the level of dividend, including the requirements of the articles of association, the Group's expansion opportunities, its financial position and other investment needs
 - ◇ Preference shares: ambition to pay dividends according to the articles of association



IPO on Nasdaq Stockholm

- ◇ On 27 October 2017, the ordinary shares of Ferronordic started trading on Nasdaq Stockholm
 - ◇ On 29 September 2017 it was announced that Ferronordic intends to list its ordinary shares
 - ◇ The offer was announced on 16 October 2017
 - ◇ The outcome was announced on 27 October 2017 (the offer was heavily over-subscribed)
 - ◇ The offer price was SEK 150 per share, corresponding to a market value of the ordinary shares after the completion of the offer of SEK 1,700m*
 - ◇ The offer plus the over allotment comprised 3.45m ordinary shares, of which 1.33m were new ordinary shares issued by the company. The remaining 2.12m ordinary shares were offered by selling shareholders
 - ◇ The offer corresponded to 26% of the ordinary shares after completion of the offer*
 - ◇ As a result of the offer, the number of ordinary shares increased from 10,000,000 to 11,333,333



* excluding ordinary shares attributable to the conversion of preference shares

Conversion

- ◇ In conjunction with the IPO, preference shareholders were offered the possibility to convert preference shares to ordinary shares
- ◇ On 12 October 2017, it was announced that 366,544 preference shares, corresponding to 73% of the preference shares, had been submitted for conversion
- ◇ Once converted to ordinary shares (27 December), the number of ordinary shares will increase by an additional 3,199,101 from 11,333,333 to 14,532,434



Redemption

- ◇ On 17 November, the Board decided to redeem 66,728 preference shares for a total redemption price of approx. SEK 81m
 - ◇ Redemption payment date: 30 November
 - ◇ Half of the preference shares remaining after the conversion
- ◇ The intention is that the remaining preference shares shall be redeemed after the AGM 2018



Q3 2017 Profit & Loss

SEK MM	Q3 2017	Q3 2016	% Change SEK	% Change RUB
<i>New Units</i>	198	101	96%	96%
Revenue	626	406	54%	47%
Gross Profit	120	94	28%	22%
<i>% Margin</i>	19.2%	23.2%		
EBITDA	56	45	25%	19%
<i>% Margin</i>	9.0%	11.2%		
EBIT	50	40	25%	20%
<i>% Margin</i>	8.0%	9.8%		
Result	43	34	27%	22%
Net Debt/(Cash)	(381)	(77)		

- ◇ Number of new units sold up 96%
 - ◇ Used units sold down 46%
- ◇ Revenue up 54% (47% increase in rubles)
 - ◇ Equipment sales up 92%
 - ◇ Aftermarket sales up 7%
- ◇ Higher gross profit but lower margin
 - ◇ Lower margin on sales of machines
 - ◇ Revenue mix effect
- ◇ S, G & A expenses 11.0% of revenue vs. 13.4% in Q3 2016
- ◇ EBIT increased by 25%
- ◇ Net financial income
- ◇ Strong net cash position

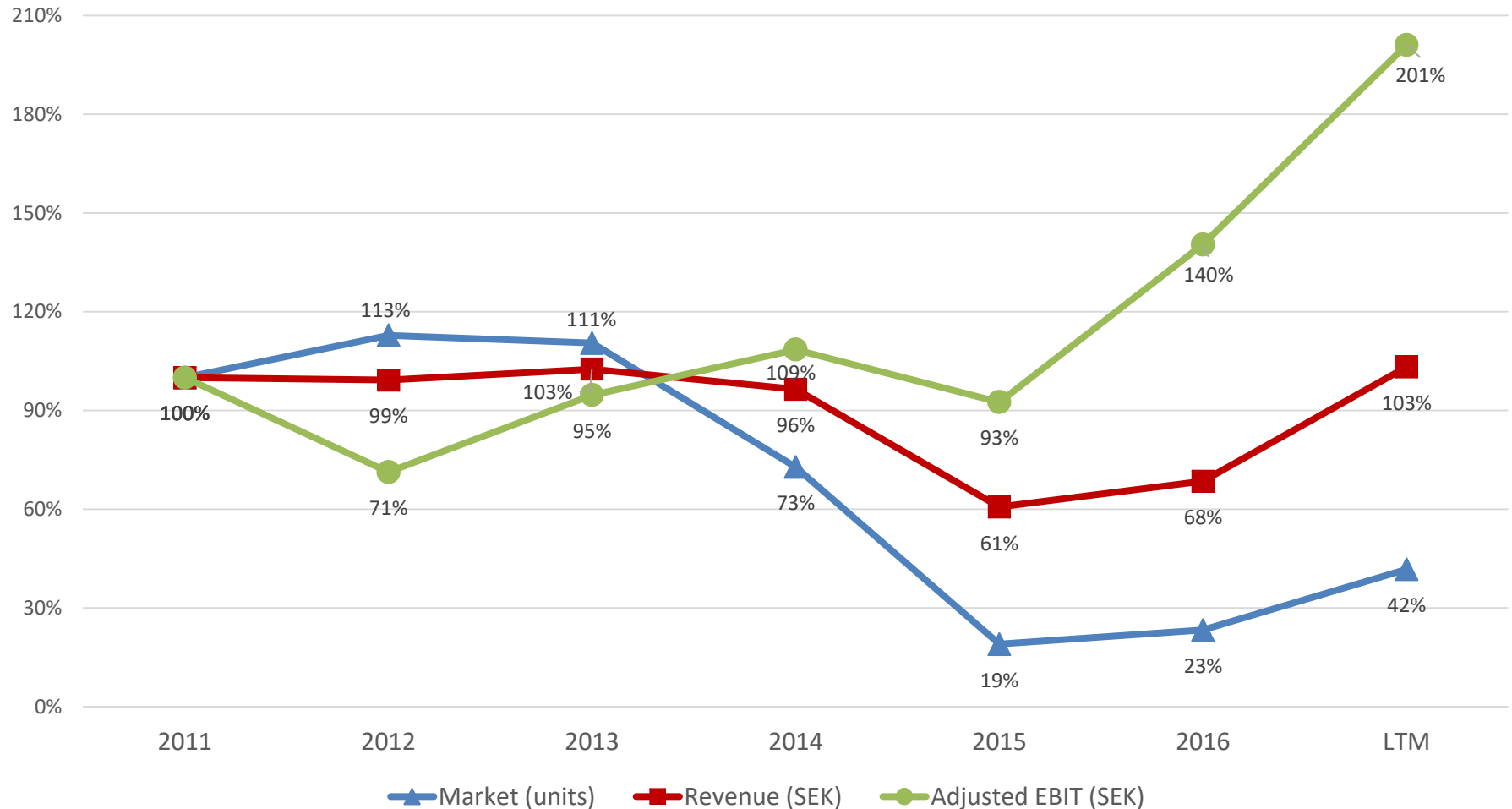
9M 2017 Profit & Loss

SEK MM	9M 2017	9M 2016	% Change SEK	% Change RUB
<i>New Units</i>	570	332	72%	72%
Revenue	1,962	1,121	75%	46%
Gross Profit	376	258	46%	22%
<i>% Margin</i>	19.2%	23.1%		
EBITDA	168	108	55%	31%
<i>% Margin</i>	8.6%	9.7%		
Adjusted EBIT*	150	92	62%	37%
<i>% Margin</i>	7.6%	8.2%		
Adjusted result*	123	75	64%	39%
Net Debt/(Cash)	(381)	(77)		

* Excludes amortization of transaction related intangibles until May 2016.

- ◇ Number of new units sold up 72%
 - ◇ Used units sold down 34%
- ◇ Revenue up 75% (46% increase in rubles)
 - ◇ Equipment sales up 103%
 - ◇ Aftermarket sales up 29%
- ◇ Higher gross profit but lower margin
 - ◇ Lower margin on sales of machines
 - ◇ Revenue mix effect
- ◇ S, G & A expenses 11.2% of revenue vs. 15.3% last year
- ◇ Adjusted EBIT increased 62%
- ◇ Net financial income
- ◇ Strong increase in net income
- ◇ Strong net cash position

Strong development despite low market volumes



Note: Adjusted EBIT exclude one-off expenses in Q4 2016 and amortization of transaction related intangibles until May 2016.
 Market data based on Russian import statistics and excludes machines imported from China, bulldozers, forestry machines and rigid dump trucks.

Balance Sheet

SEK MM	30/9/17	31/12/16	30/9/16
Cash & Cash Equivalent	425	199	101
Debt	-	-	-
Financial leases	44	26	25
Net debt / (cash)	(381)	(173)	(77)
Working capital	(68)	110	181
<i>% of Revenue</i>	<i>(3%)</i>	<i>7%</i>	<i>12%</i>
Shareholders Equity	476	442	417
Total Assets	1 399	1 033	916
<i>Equity/Assets</i>	<i>34%</i>	<i>43%</i>	<i>46%</i>

Cash Flow

SEK MM	Q3 2017	Q3 2016	9M 2017	9M 2016
Cash flow from:				
Operating Activities	106	(104)	290	20
<i>of which change in working capital</i>	<i>67</i>	<i>(145)</i>	<i>156</i>	<i>(67)</i>
Investing Activities	3	5	5	5
Cash Flow before Financing Activities	109	(100)	294	25
Financing Activities	(6)	(1)	(43)	(125)
Cash Flow (before FX fluctuations)	103	(101)	251	(100)

Outlook – CEO comment

“In consideration of the recent recovery of the Russian economy, we are optimistic about the development of the Russian construction equipment market. In the short-term, we believe that the market will continue to grow, however at a more modest pace than during the first nine months of 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.”

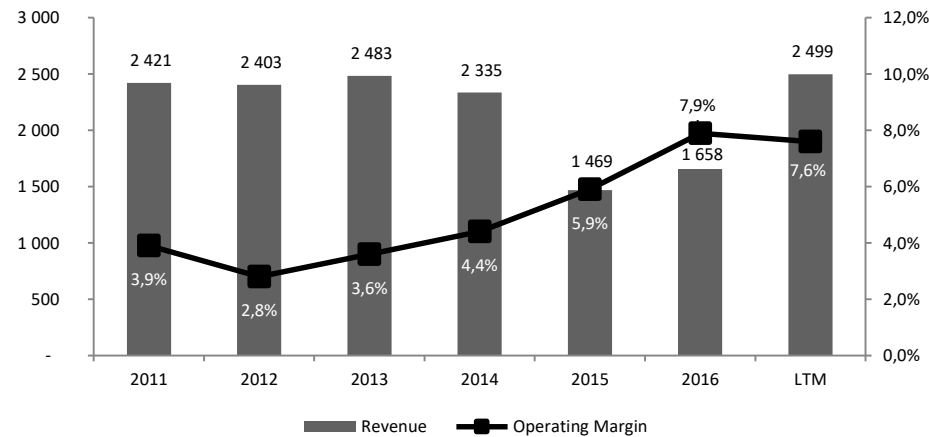


Ferronordic Machines overview

Overview

- Official dealer of Volvo Construction Equipment in all of Russia since 2010
- Authorised dealer of Terex Trucks (2014), Dressta (2016), Rottne (2016) and Mecalac (2017) in all of Russia
- Aftermarket dealer for Volvo Trucks and Renault Trucks, and dealer for Volvo Penta in selected regions
- Distribution and sales of new and used construction equipment, sales of parts, as well as providing services and technical support
- Core focus on Volvo CE brand, a high-quality construction equipment manufacturer and the No. 1 brand in Russia
- Preference shares listed on Nasdaq First North Premier Stockholm since 2013 (Avanza Bank AB appointed Certified Adviser)

Financial development (SEKm)

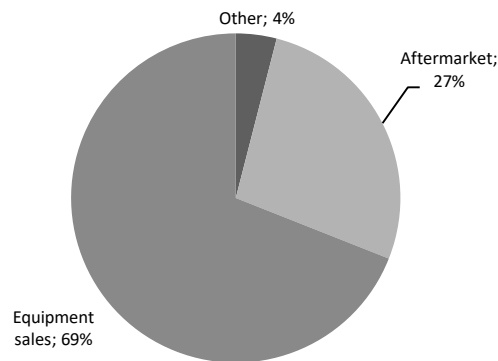


Development

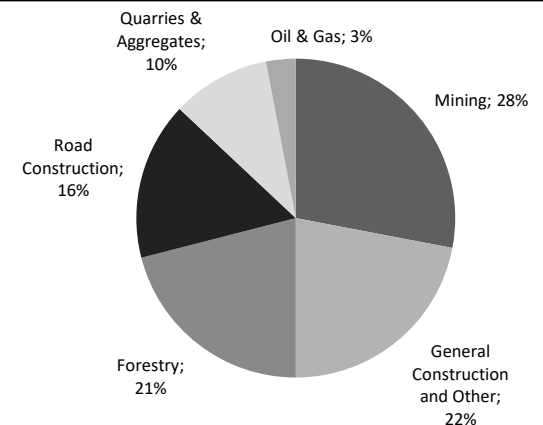
	Start	Q3 2017
Employees	160	831
Revenue (SEK M)	1 184 ⁽¹⁾	2,499
Outlets	6	74

(1) Annualized

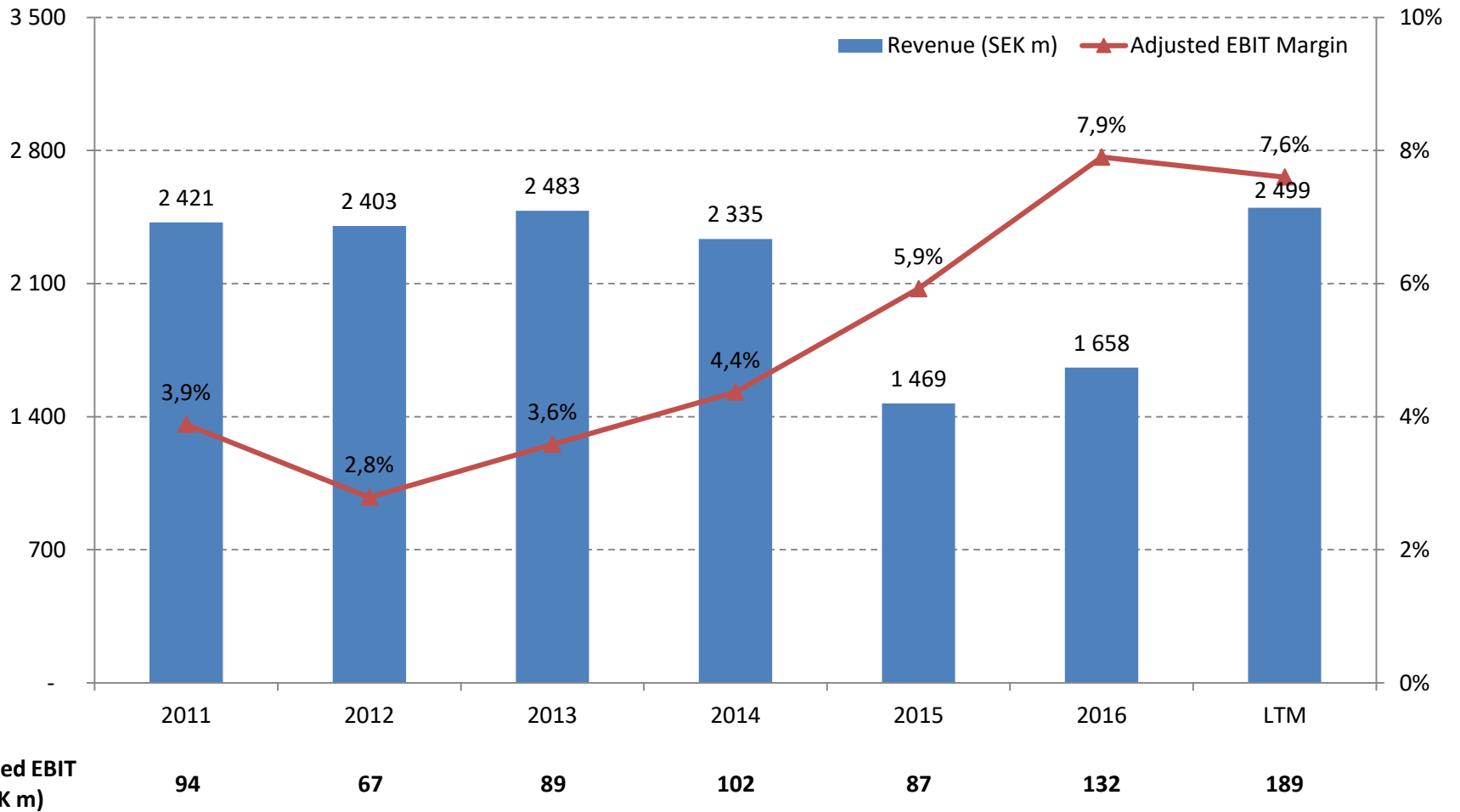
Revenue per segment (LTM)



New machine revenue per customer type

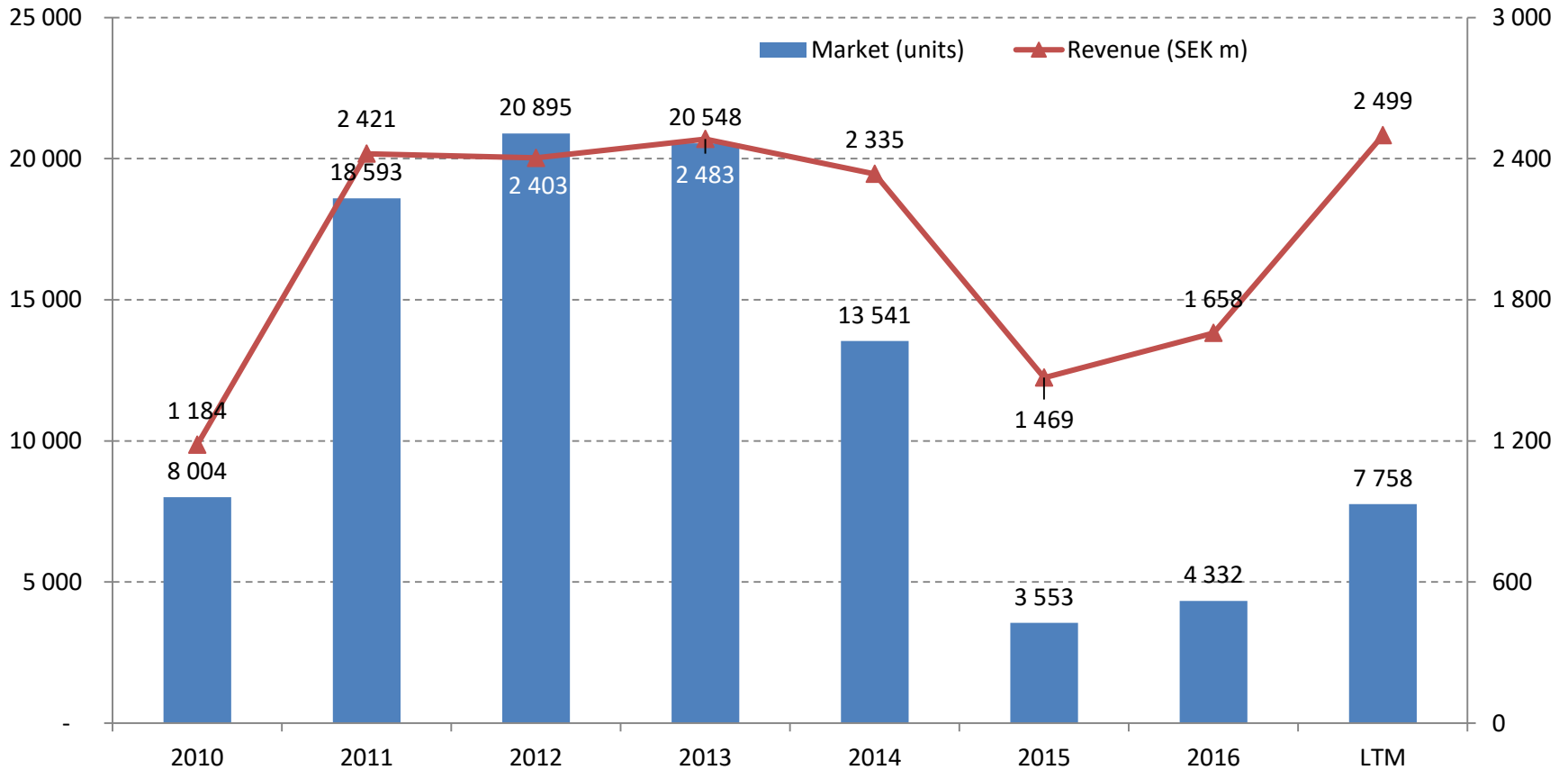


Revenue and profitability



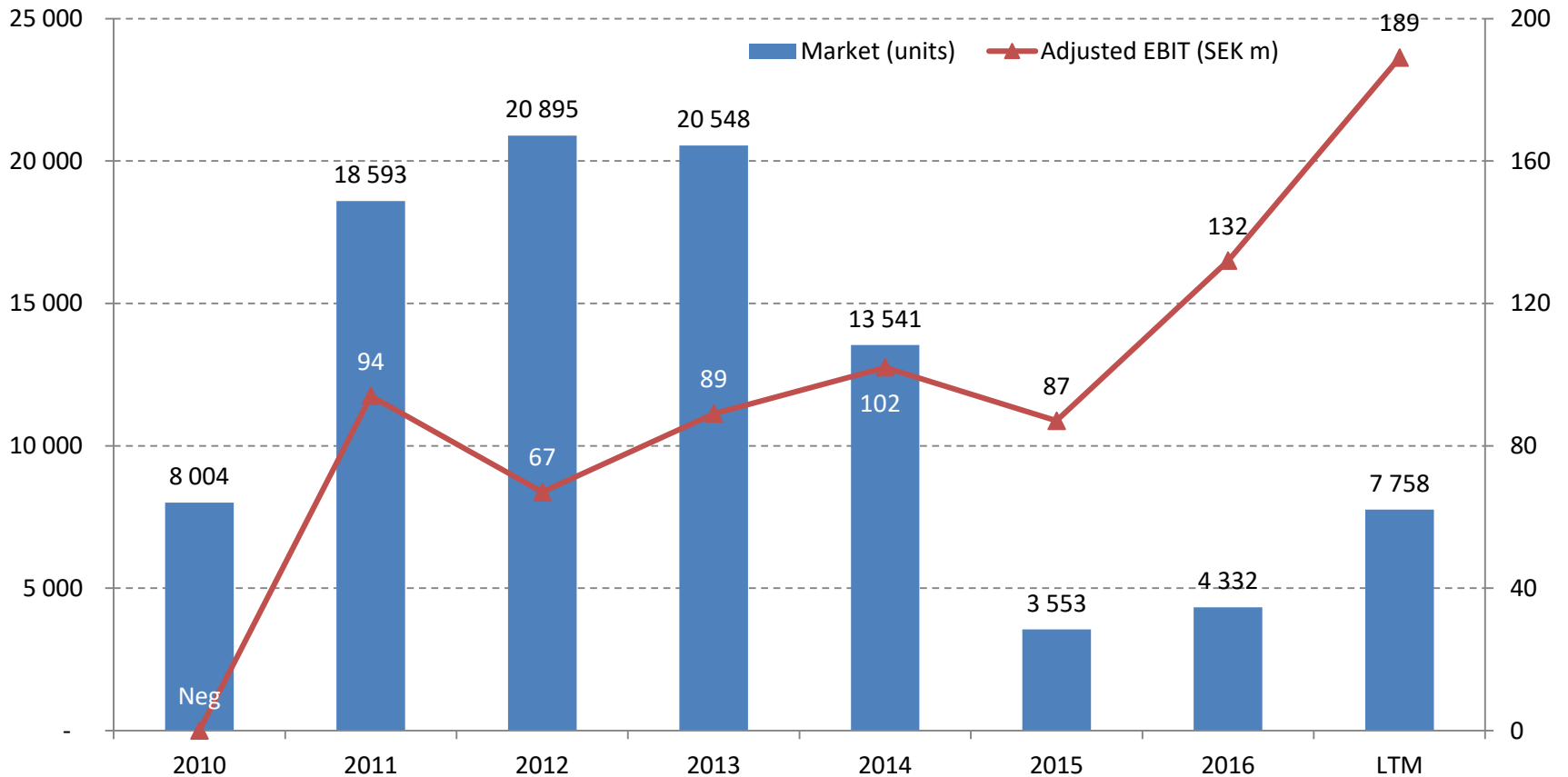
Note: Adjusted EBIT and Adjusted EBIT Margin exclude one-off expenses in Q4 2016 and amortization of transaction related intangibles until May 2016.

Market vs Revenue



Note: Market data based on Russian import statistics and excludes machines imported from China, bulldozers, forestry machines and rigid dump trucks.

Market vs Profitability



Note: Adjusted EBIT exclude one-off expenses in Q4 2016 and amortization of transaction related intangibles until May 2016.

Market data based on Russian import statistics and excludes machines imported from China, bulldozers, forestry machines and rigid dump trucks.