FERRONORDIC

Company Presentation

February 2021

FERRONORDIC

Introduction to Ferronordic

Group

- Founded in 2010
- Listed on Nasdaq Stockholm since 2017

Germany

- Dealer of Volvo Renault Trucks in parts of Germany from January 2020
- Sales of new and used trucks
- Service and technical support

Russia/CIS

- Dealer of Volvo Construction Equipment, Terex, Dressta, Rottne and Mecalac
- Aftermarket dealer for Volvo Trucks and Renault Trucks in parts of Russia
- Sales of new and used construction equipment
- Service and technical support
- Sales of used trucks
- Growing contracting services business
- CIS markets currently include Kazakhstan*

** In Kazakhstan Ferronordic is a dealer of Volvo CE and Mecalac from January 2019.*

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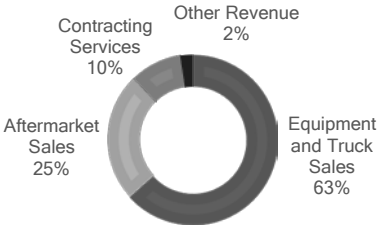
Introduction to Ferronordic

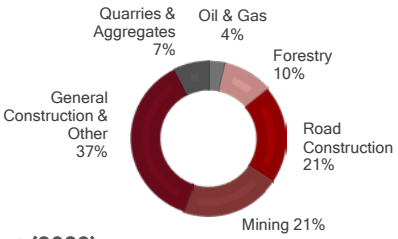
Development

	Employees	Revenue (SEKm)[1]	Outlets
2010 (Start)	~160	1,184	6
Q4 2020	1,469	4,635	95

Revenue by Activity (2020)



Revenue by Industry Russia/CIS (2020)



Revenue by Geographical Segment (2020)

1) Annualised.

FERRONORDIC

Value Pyramid

Vision
- To be the leading service and sales company in our markets

Mission
- To support the growth and leadership of our customers

Values &
Operating Principles
- Quality
- Excellence
- Respect

Our Offer
- Diversified Experience
- Innovative Solutions
- Complex Approach
- Superior Service

Strategy
- Great Team
- Operational Excellence
- Building on a Strong Brand
- Customer Orientation & Superior Infrastructure

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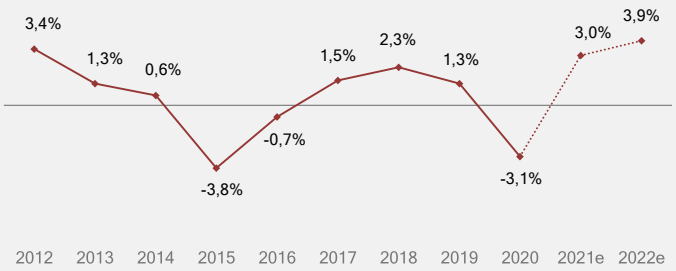
Vast Market with Long Term Potential
Russia/CIS

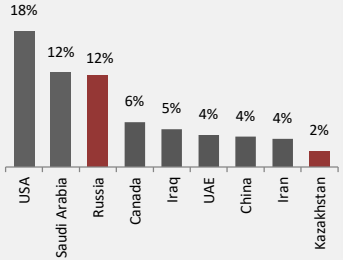
Russia at a Glance

- Population: ~144 million[1]
- Area: 16.4 million sq. km[1]
- Rich in oil and minerals
- World's largest forest land
- A significant portion of the Federal Government income relates to oil and gas
- Strong balance sheet and approx. USD 591 billion[2] in international currency reserves and gold
- 12.5% government debt/GDP ratio (nominal 2019)

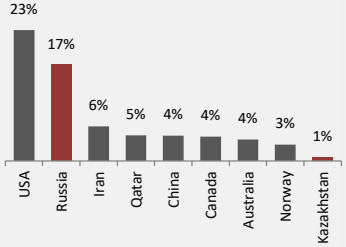
Russia's GDP Development[5]



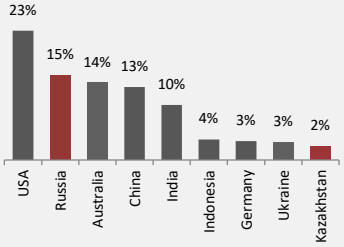
Oil Production (% of total)[3]



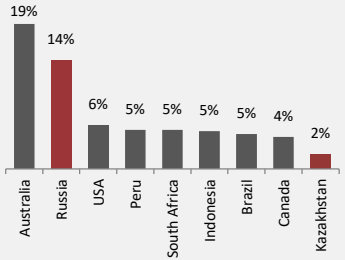
Natural Gas Production (% of total)[3]



Coal Reserves (% of total)[3]



Gold Reserves (% of total)[4]



Sources: 1) World Bank 2) Russian Central Bank 3) BP Statistical Review of World Energy, June 2020 4) US Geological Survey, Mineral Commodity Summaries, February 2021 5) Including IMF, World Bank and Rosstat (January 2021)

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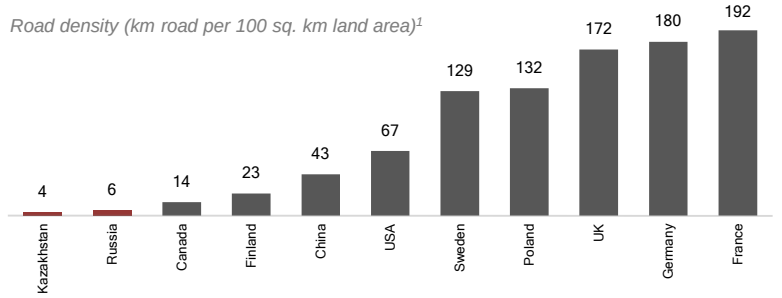
Significant Need to Improve Infrastructure

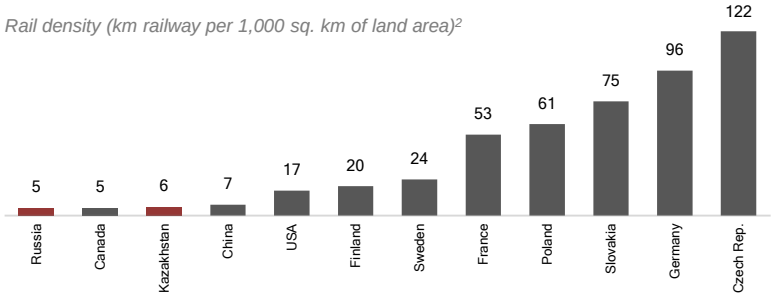
Road density in Russia and Kazakhstan is low

Road density (km road per 100 sq. km land area)[1]



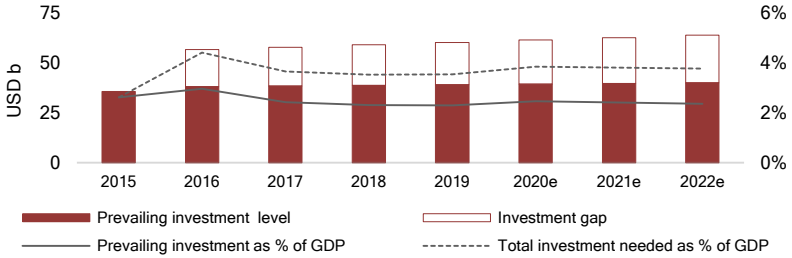
Rail density is low too

Rail density (km railway per 1,000 sq. km of land area)[2]



High need for increased infrastructure investment

Infrastructure spending levels in relation to GDP[3]



- Construction equipment market is expected to capitalize on the long-term growth in Russia and Kazakhstan
- An important driver will be the need to improve aging infrastructure, the bulk of which was built in the Soviet era and needs to be upgraded
  - Russia is ranked 99 out of 141 countries in terms of road quality[2]
  - Kazakhstan is ranked 93 out of 141 in terms of road quality[2]
- Signs that the government intends to create economic growth by increased infrastructure spending

Sources: 1) World Bank 2) Global Competitiveness Report 2019 3) Global Infrastructure Outlook, World Bank, Company estimates.

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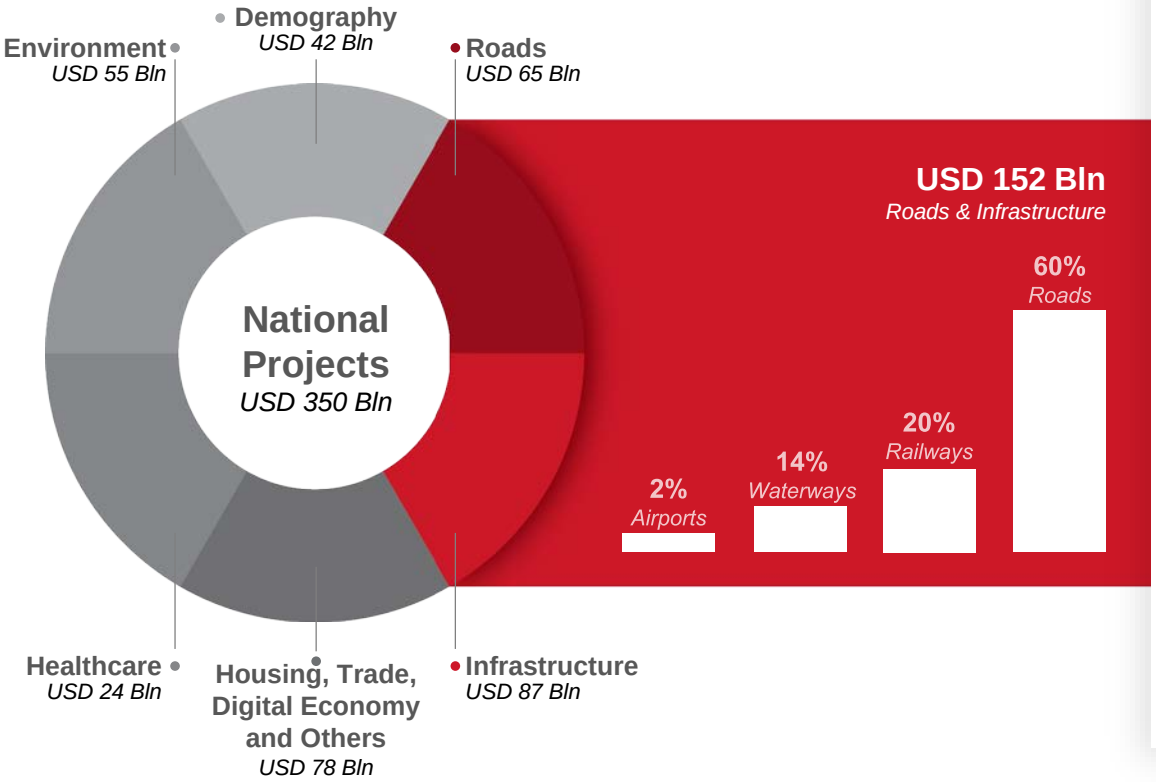
National Projects



- Designed to transform the economy and promote economic growth
- Recently signed July Decree is extending the terms of achieving the plan from 2024 to 2030 and updating the previous platform
- Detailed program to be presented during 2021
- Almost half of the budget earmarked for infrastructure, including the road network
- Planned investment into roads and infrastructure amounts to approx. 10% of GDP
- Aim to transform regional roads to improve links between Russian cities
- The railway program includes high-speed rail and increase of the freight capacity between key logistical hubs
- Waterways development plan aims at growing seaport capacity and developing the Northeast Passage

Source: The Russian Government. Applied USD/RUB rate of 73.33

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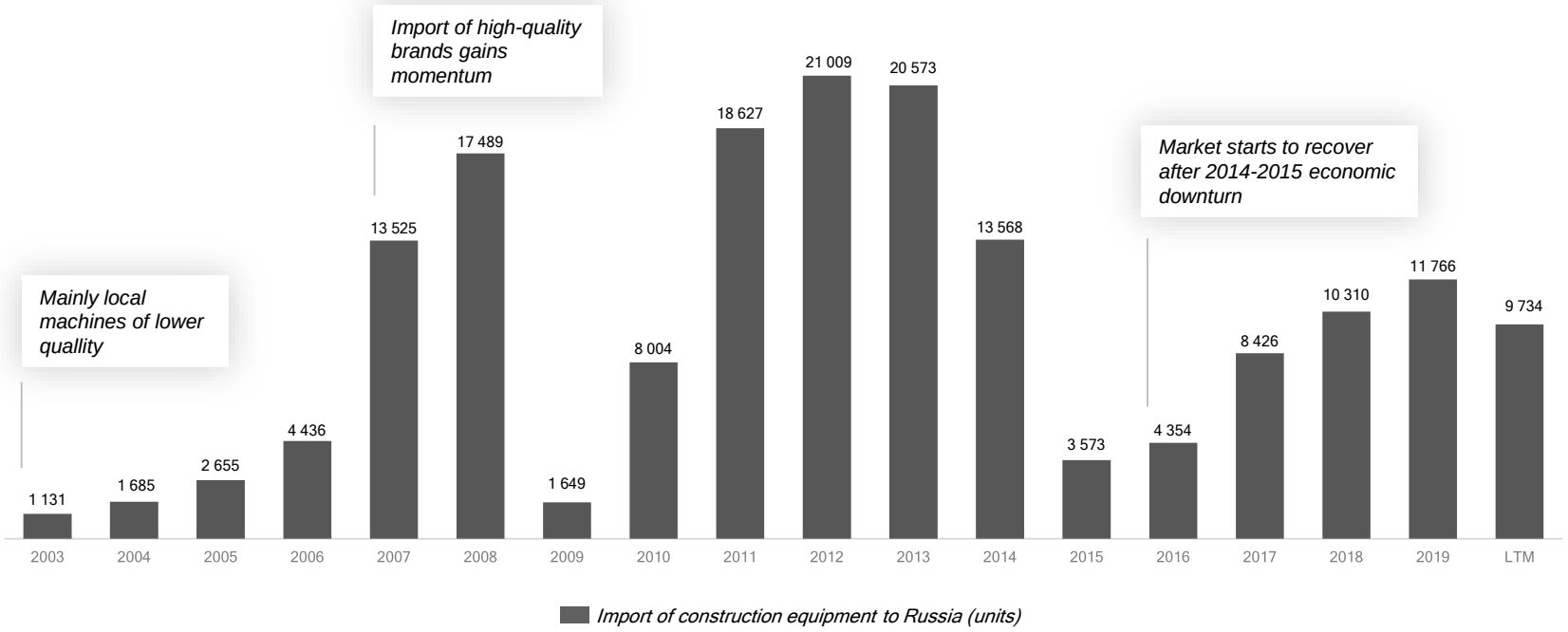
Pent-up Demand

Import of Construction Equipment to Russia (units)

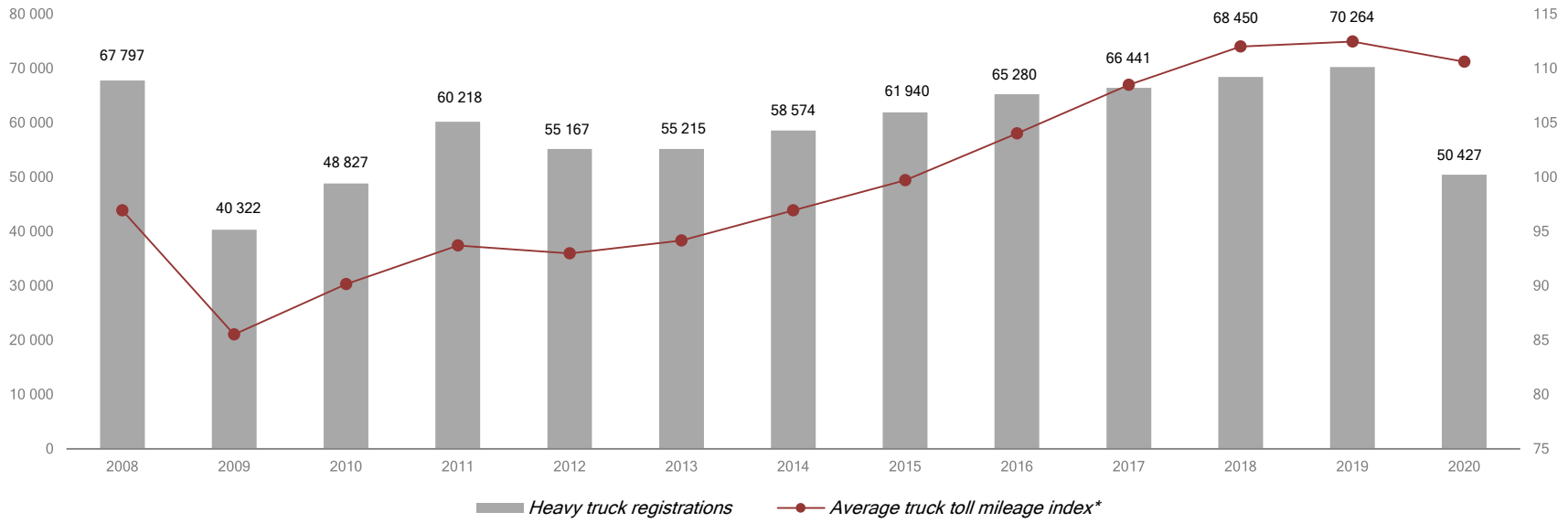
Young market – sales of high-quality construction equipment only took off 2006/2007



Source: Russian import statistics (until November 2020) compiled by Volvo CE. *Note: Excluding Chinese brands, bulldozers, rigid dump trucks and forestry machines.*

Germany
Europe’s largest truck market

Heavy truck registrations in Germany (units)



Source: Germany registrations data compiled by Volvo Trucks (until December 2020). Federal Statistical Office Germany (Destatis).
** Truck toll mileage index is a fixed base index that traces the development of the mileage of heavy trucks (with four or more axles) on German federal motorways and is calculated from digital process data from the truck toll collection system.*

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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

Expansion and development of contracting services

Industry leading digital service and sales platforms

Geographic expansion

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Strategic Cornerstones

Customer Orientation

- Customer centricity
- Leading service and product availability
- Tailored customer solutions (including contracting and other business services)

Build on Strong Brand - Volvo

- World leading manufacturer of trucks and construction equipment
- Strong brand position (leading in Russia)
- Development through additional strong brands

Great Team

Superior Infrastructure

- Mobile workshops and service vans/trucks
- Well equipped, purpose-built facilities in select locations
- Infrastructure to be used for all brands and business areas
- Superior IT infrastructure for digital service and sales processes

Operational Excellence

- Continuous improvement of practices and processes
- Business driven digital service and sales processes
- Close cooperation with manufacturers
- High employee engagement
- Safety and sustainability

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UN Sustainable Development Goals

7 12 13 14 15

- Minimum emissions and waste
- High-quality, long-life, fuel-efficient machines
- Maximizing uptime for efficient production
- Recycling (Component rebuild center)
- Customer support, training and contracting services for most efficient use

3 4 5 10

- Zero injury objective
- 6,810 hours invested in Health & Safety trainings
- 57,000 hours of training and development
- Equal opportunities employer: proportion of women in management positions increased from 13% to 17%

8 9 11

- Contributing to economic growth and social development
- Contributing to employment in remote regions
- Providing service and equipment for building critical infrastructure

4 16

- Anti-corruption program consisting of policies, procedures, trainings and zero tolerance policy
- Code of Conduct
- Swedish Corporate Governance Code

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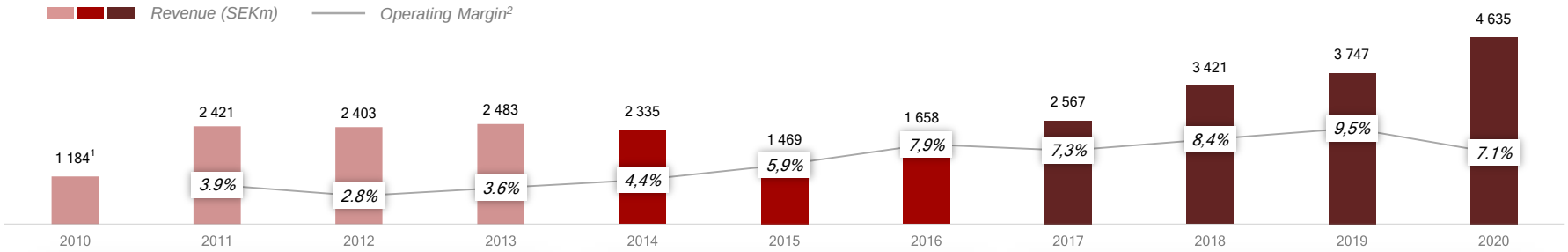
Strategic Development

2010-2013: Phase I establishing platform		*2014-2016: Phase II* streamlining to handle market decline		*2017 and onwards: Phase III* leveraging market recovery and company maturity			
12 outlets 326 FTEs	75 outlets 731 FTEs	75 outlets 767 FTEs	73 outlets 782 FTEs	74 outlets 847 FTEs	79 outlets 1032 FTEs	92 outlets 1239 FTEs	95 outlets 1469 FTEs



- Processes and procedures established
- Establishment of countrywide platform
- Building market awareness and market share

- Increased aftermarket focus
- Reduction of unprofitable outlets
- NWC efficiency focus
- Adding brands and services

- Leveraging existing organization
- Digitalization focus
- Growing contracting services
- High market potential
- Continued aftermarket focus
- Expansion of geography and customer offering

1) Annualised 2) 2011-2016 refer to adjusted EBIT, i.e. operating profit excluding amortization of transaction-related intangible assets and write-downs of non-current assets in Q4 2016.

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Product Offering

Volvo CE

Since
2010 Russia
2019 Kazakhstan

Product Range
Full VCE Range

Area
All of Russia & Kazakhstan

~59%
of 2020 Revenue

Volvo & Renault Trucks

Since
2020

Product Range
Full Volvo & Renault Trucks Range

Area
20% of German Market for Heavy Trucks

~21%
of 2020 Revenue

Volvo & Renault Trucks

Since
2012

Product Range
Aftermarket

Area
11 Locations In Russia

Ferronordic

Since
2014

Product Range
Own Labelled Diesel Generators (Gensets)

Area
All of Russia

Dressta

Since
2016

Product Range
Bulldozers and Pipe Layers

Area
All of Russia

Rottne

Since
2016

Product Range
Forwarders and Harvesters

Area
All of Russia

Mecalac

Since
2017 Russia
2019 Kazakhstan

Product Range
Backhoe Loaders

Area
All of Russia & Kazakhstan

~13%
of 2020 Revenue

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Russia & Kazakhstan
Coverage

(85) Ferronordic outlets in Russia and Kazakhstan as of December 2020

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Germany
Coverage

- Ferronordic expanded to become dealer for Volvo and Renault Trucks in Germany in January 2020
- Germany is Europe's largest trucks market with 70,000 registrations in 2019
- Ferronordic's sales area covers approx. 20% of the German market for heavy trucks
- The area includes some of the busiest and most developed parts of Germany, like Hannover and Frankfurt Rhine-Main, the second largest metropolitan region in the country
- It also includes a large part of Eastern Germany with fast growing cities, like Leipzig and Dresden

(11) Ferronordic outlets in Germany as of January 2021

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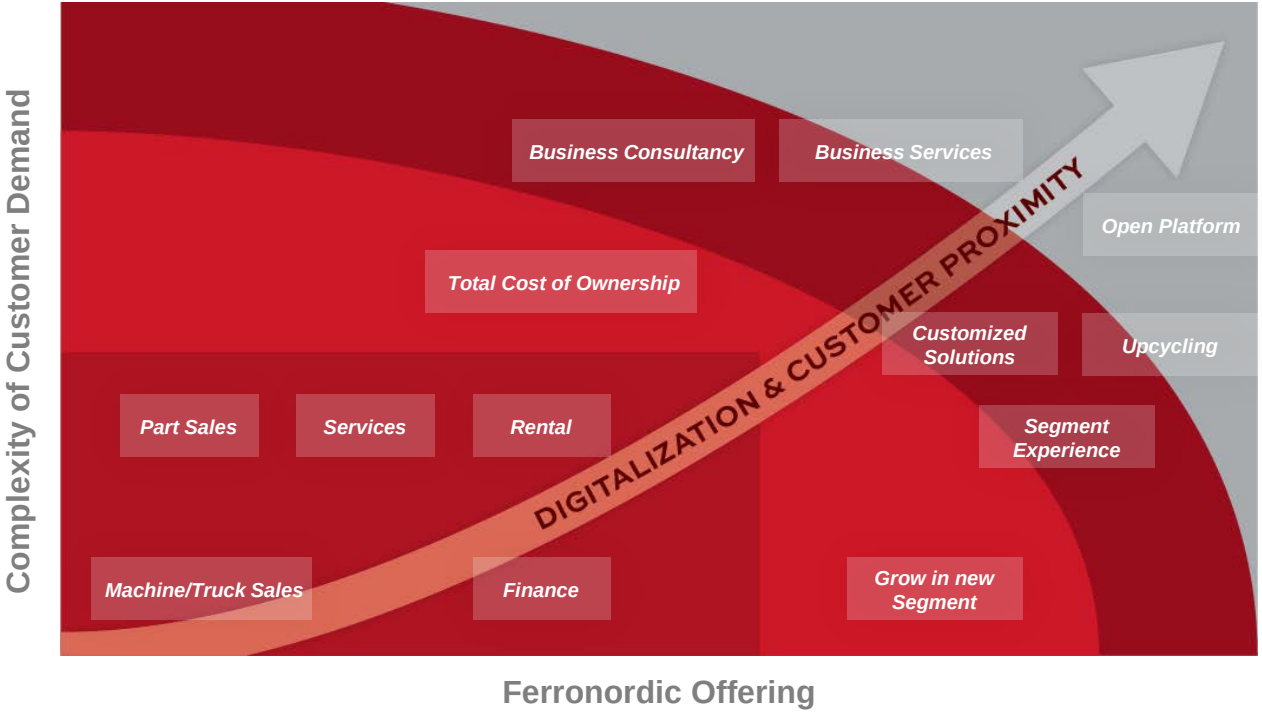
Moving Torward Further Customer Integration



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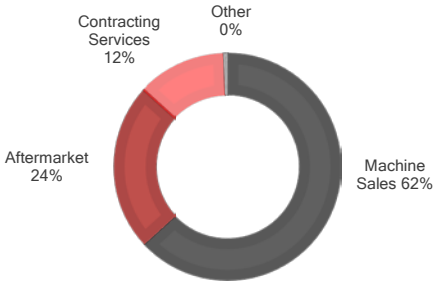
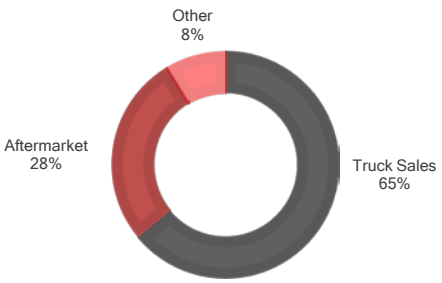
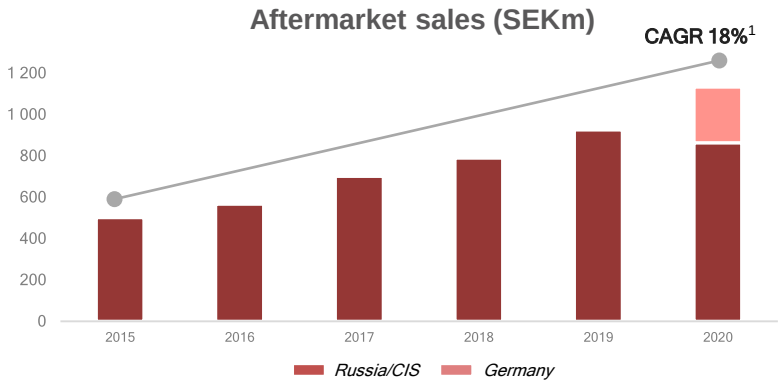
Aftermarket focus







Aftermarket Sales

- Proactive customer coverage based on real-time data from the existing machine population
- Proprietary system transforms machine telematic signals (e.g. VCE's CareTrack) into sales leads on the mobile devices of sales and service staff
- Ferronordic's presence in all Russian regions allows for fast delivery of parts and timely customer support.

Offering

- Spare parts delivery
- Telematics - through Care-Track; fuel efficiency control, operator efficiency, fleet management
- Operator training
- Preventive maintenance service
- Planned and unplanned repair
- Overhaul
- Providing new life to older machines
- Diagnostics of machines
- Remanufacturing of vital parts

1) Including acquired German operations. 11% organic Russia/CIS in SEK

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Connectivity & Digitalization

Focus on growing sales

Telematics System

- Telematics systems, e.g. Volvo CE's CareTrack, monitor the usage of the machines and transmit signals regarding e.g. motor hours, fuel consumption, location, etc.

Rules Engine

- Signals from the telematics systems flow through the rules engine and automatically transform into sales leads and concrete customer proposals.
- The rules engine is developed by Ferronordic internally based on Ferronordic's know-how and experience accumulated over the years

Customer Proposals

- Sales leads and concrete customer proposals are created automatically by the rules engine
- Proposals are uploaded automatically on the smartphones of the responsible sales personnel, including price and other commercial terms

Sales Action

- Responsible sales personnel contact customers and make proposals
- Adherence to sales process is followed-up as part of calculating sales commissions.

Follow Up

- Customer proposals created by the rules engine are reviewed continuously and systematically to ensure they are effective and result in sales.
- Inefficient proposals are stopped and the rules are updated.

We are in the forefront of using a system that utilizes telematics systems to maximize sales and increase customer satisfaction and fleet efficiency

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Contracting Services

Integrating with our Customers

	Traditional method	Contracting Services
Machine	FERRONORDIC	FERRONORDIC
Parts	FERRONORDIC or the customer	FERRONORDIC
Service	FERRONORDIC or the customer	FERRONORDIC
Operators	Provided by: The Customer	Provided by: FERRONORDIC
Payments	Price of machine, parts and services.	Volume based (per tonne, cubic meter, etc).

- Part of strategy to become increasingly integrated in the business of our customers
- In addition to supplying and maintaining machines, we provide customers with operators to carry out specific works
- Current projects cover excavation and transportation of earth and rock for mining customers
- Payment is based on volume of earth and rock transported
- Common in other parts of the world but relatively undeveloped in our markets. We believe demand may grow
- Machines used by contracting services are on Ferronordic's balance sheet (PP&E)
- Contracting services projects should be ROIC accretive to Ferronordic

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Contracting Services

Case Study

Client:
GV Gold, leading gold mining company in Russia

Location:
Vysochaishy Mine and Ugakhan Mine

Project staff:
203 people (as of February 2021)

Fleet size:
Vysochaishy Mine: 49 units (35 haulers, 2 graders, 7 excavators and 5 dozers)
Ugakhan Mine: 15 units (12 haulers, 2 excavators and 1 dozer)

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Component Rebuild Center

Opened in Ekaterinburg in Q4 2019

- Rebuild of components and machines for customers and contracting services
- Rebuild of engines and gearboxes for Volvo CE and Volvo and Renault Trucks
- Chop-off and recycling of parts
- Components to be resold to customers with a warranty from Ferronordic or installed in used machines in “Volvo Certified Rebuild” program
- First components built and sold in Q1 2020
- First rebuilt articulated haulers completed in Q2 2020
- Machine rebuild capacity expanded by 3x in Q4 2020
- Upcycling of used equipment, broader value offering and increased local market access

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Volvo & Renault Trucks
Russia

Authorized aftermarket dealer for Volvo and Renault Trucks in parts of Russia

- Currently operating in 11 locations
- Platform capacity utilization
- Cross-selling and customer service

Used trucks business launched in 2019

- Purchasing, restoring and selling used trucks
- Mainly Volvo and Renault Trucks
- Small scale but with potential to grow
- 71 units sold in 2020 (vs. 24 units in 2019)
- Synergies with Germany

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Volvo & Renault Trucks

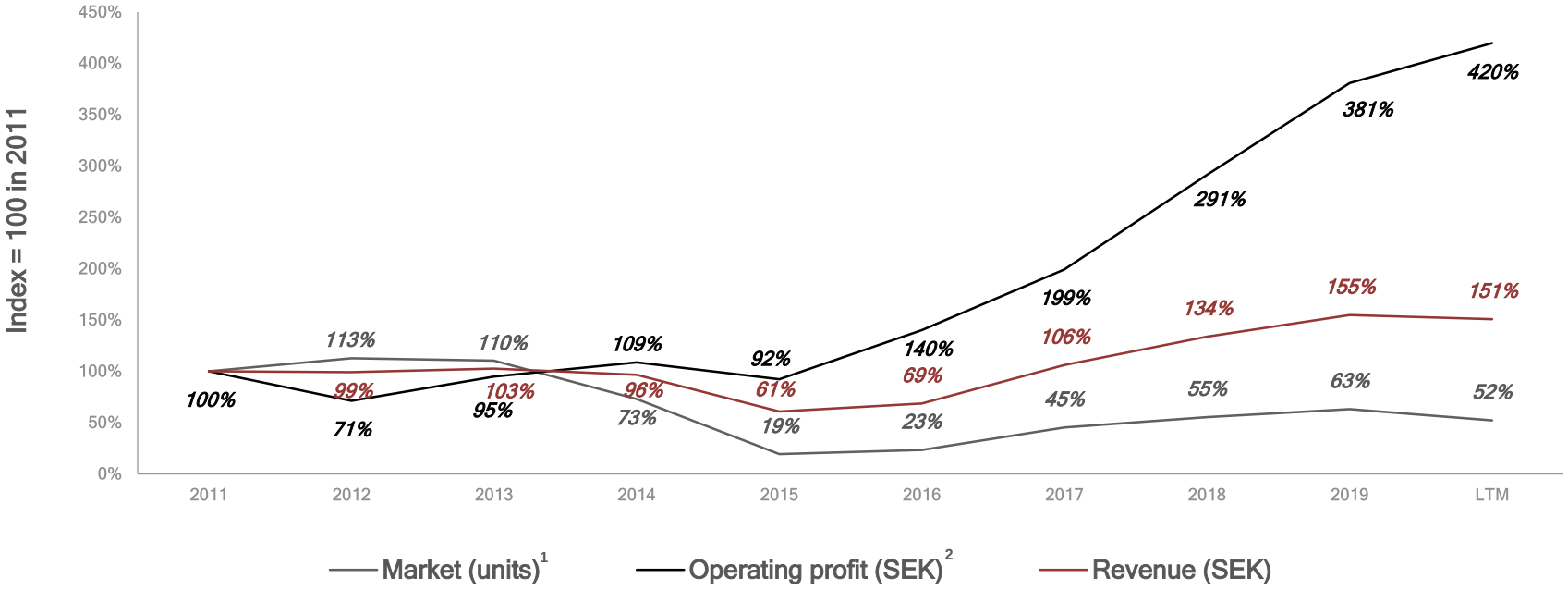
Germany

Authorized aftermarket dealer for Volvo and Renault Trucks in parts of Germany

- Ferronordic services and sells Volvo and Renault trucks, trades and restores used trucks and manages a trucks rental business
- Ferronordic will invest to grow and improve network in area
- Plan to apply Ferronordic's business model to grow revenue and profitability
- Opportunities to grow Volvo and Renault Trucks market shares and increase share of aftermarket sales and improve profitability
- 257 employees in Ferronordic Germany at year-end 2020; mostly sales representatives and mechanics

Strong Resilience and Growth in Market with Upside

Russia/CIS



1) Source: Russian import statistics (until November 2020) compiled by Volvo CE.
2) 2011-2016 refer to adjusted EBIT, i.e. operating profit excluding (i) amortization of transaction-related intangible assets and (ii) write-downs of non-current assets in Q4 2016.

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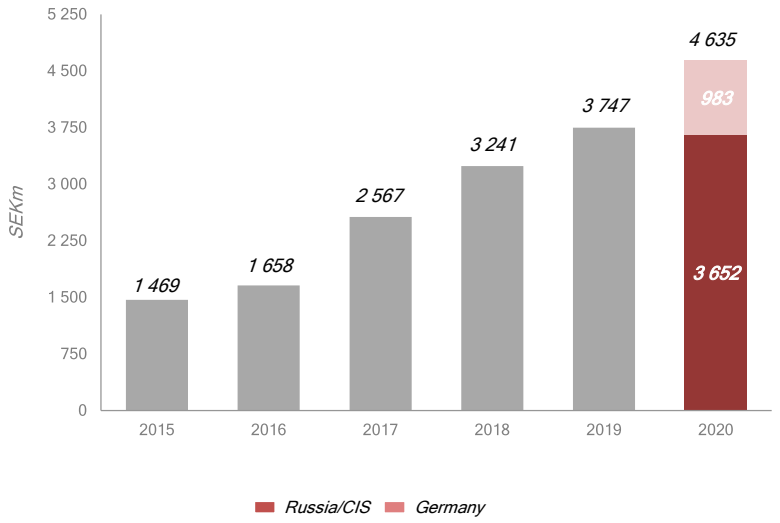
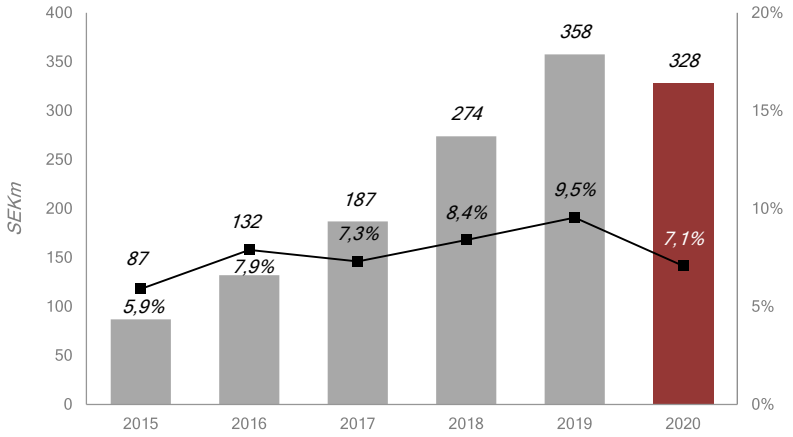
Development of revenue & operating profit

Revenue



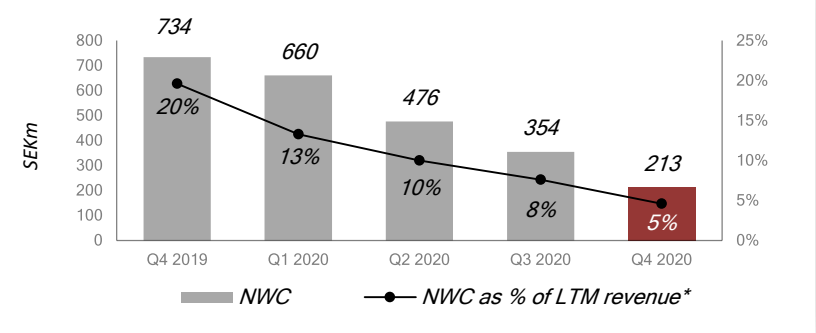
Operating Profit & Operating Margin[1]



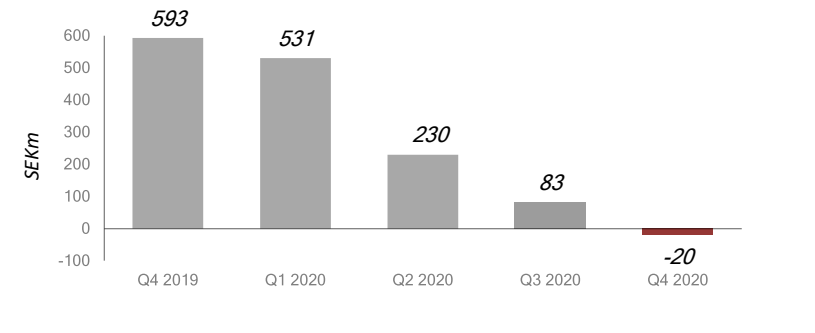
1) 2015-2016 refer to adjusted EBIT, i.e. operating profit excluding amortization of transaction-related intangible assets and write-downs of non-current assets in Q4 2016.

Cash flow & Capital Allocation

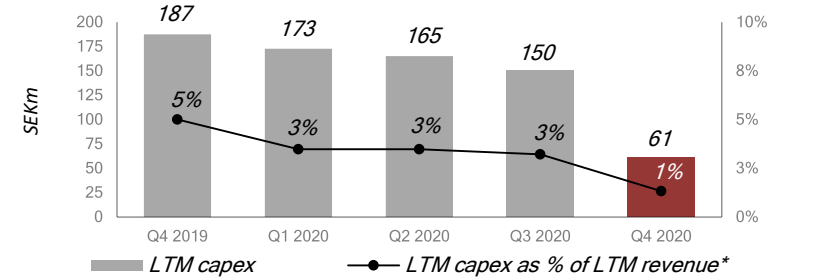
Working Capital Development



Net debt/(cash) Development



Capital Expenditure Development



- Focus on working capital efficiency and return on invested capital
- Asset light core business. Contracting services more capital intense. Germany carries more fixed assets
- Increased working capital in 2019 mainly due to inventory build-up, partly due to transition to take over importation from Volvo
- Capex increase in 2019 mainly driven by investment in machines for contracting services and expansion to Germany in Q4 2019
- 2020 capex** low due to COVID-19 caution
- Working capital and net debt decline during 2020
- Net debt/EBITDA at (0.0) x as at Q4 2020

** LTM revenue for Germany annualized*
*** Increases in machines in contracting services of SEK 54m in 2020 was reflected as a change in working capital, as the machines were transferred to PP&E from inventory but the movement is a non-cash operation*

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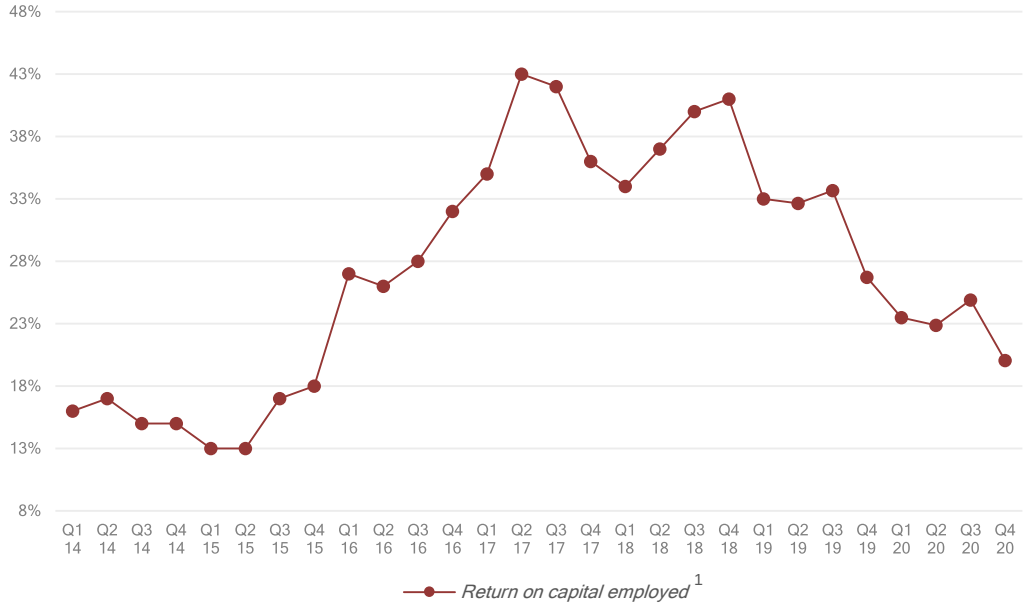
Return on Capital Employed



- *Decline in 2019 related to working capital build-up and IFRS 16*
- *German expansion added assets at end of 2019*
- *2020 includes negative contribution from Germany*

1) Operating profit plus financial income (LTM) in relation to capital employed (equity and interest-bearing liabilities) (average LTM)
Note: 2014-2016 refer to adjusted EBIT, i.e. operating profit excluding amortization of transaction-related intangible assets and write-downs of non-current assets in Q4 2016.

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Strong equipment sales and cash flow

Russia/CIS unit sales up 17% in a recovering market

Strong organic growth offset by weaker ruble

Operating margin lower on revenue mix and ramp-up in contracting services

Germany affected by Covid restrictions and restructuring costs

Strong cash flow leads to net cash position

Board updates financial objectives and proposes SEK 7.5 per share dividend

23%	-31%	5,5%	-23%
Revenue Increase	Operating Profit Decline	Operating Margin	EPS Decrease

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FY 2020
Group highlights

Strong performance in challenging conditions

- Russia/CIS delivered record results and cash flows
- Units sales +15% as market for our main product groups declined -4%
- Russia/CIS operating profit increased 10% to SEK 394m (358) with an operating margin of 10.8%
- Development of contracting services, component and machine rebuild, used business and Kazakhstan
- Start of operations in Germany in January
- Investments in network development and organisation
- Germany affected by Covid restrictions and restructuring costs
- Group operating profit decreased -8% to SEK 328m (358) and margin declined from 9.5% to 7.1%
- Working capital as percent of revenue declined from 20% to 5%
- Cash flows from operations of SEK 693m (-330)
- Net debt of SEK 593m to net cash of SEK 20m

Board updates financial targets and proposes a SEK 7.5/share dividend

FERRONORDIC

FY 2020
Income Statement

SEK MM	2019 *Group*	2020 *Russia / CIS*	2020 *Germany*	2020 *Group*	% change *Group*
New units sold	965	1,106	631	1,737	80%
Revenue	**3,747**	**3,652**	**983**	**4,635**	**24%**
Gross Profit	**775**	**714**	**84**	**797**	**3%**
% Margin	20.7%	19.5%	8.5%	17.2%	-3.5pp
Operating profit	**358**	**394**	**-66**	**328**	**-8%**
% Margin	9.5%	10.8%	-6.7%	7.1%	-2.4pp
Result	**251**			**222**	**-12%**
EPS	17.26			15.25	-12%
EBITDA	494	533	-29	504	2%

- Total revenue of SEK 4,635m
  - 79% Russia/CIS and 21% Germany
  - 63% equipment and trucks, 24% aftermarket and 10% contracting services
- Gross margin declined 3.5pp to 17.2% due to consolidation of Germany and lower margin in Russia/CIS
- SG&A in Russia/CIS declined -17% and -1.6pp as share of revenue
- Group SG&A expenses as share of revenue were 10.4% in 2020 vs.10.7% in 2019
- Operating margin declined to 7.1% as a higher margin in Russia/CIS of 10.8% (9.6%) was offset by a negative margin of -6.7% in Germany
- Operating profit decreased 8% to SEK 328m
- Foreign exchange negatively affected 2020 result

FERRONORDIC

Q4 2020
Income Statement

SEK MM	Q4 2019 *Group*	Q4 2020 *Russia / CIS*	Q4 2020 *Germany*	Q4 2020 *Group*	% change *Group*
New units sold	247	289	162	451	83%
Revenue	**960**	**951**	**233**	**1,185**	**23%**
Gross Profit	**202**	**169**	**18**	**187**	**-7%**
% Margin	21.0%	17.8%	7.7%	15.8%	-5.2pp
Operating profit	**95**	**91**	**-25**	**65**	**-31%**
% Margin	9.9%	9.5%	-10.7%	5.5%	-4.4pp
Result	**57**			**44**	**-23%**
EPS	3.95			3.05	-23%
EBITDA	136	122	-16	106	-22%

- Total revenue of SEK 1,185m
  - 80% Russia/CIS and 20% Germany
  - 64% Equipment and trucks, 23% aftermarket and 11% contracting services
- Gross margin declined 5.2pp to 15.8% due to consolidation of Germany and lower margin in Russia/CIS
- SG&A in Russia/CIS declined 23% Y-o-Y, but increased 5% Q-o-Q
- Group SG&A expenses as share of revenue were 10.5% in Q4 2020 vs.11.1% in Q4 2019
- Operating margin declined to 5.5% due to lower margin in Russia/CIS of 9.5% (10.0%) and on negative contribution from Germany
- Operating profit decreased 31% to SEK 65m
- Lower financial costs on lower net debt

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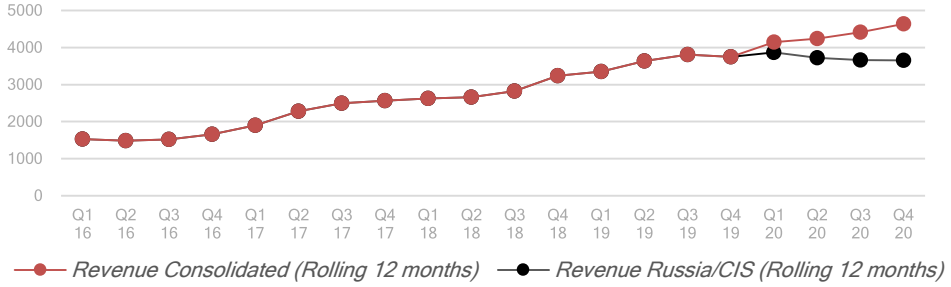
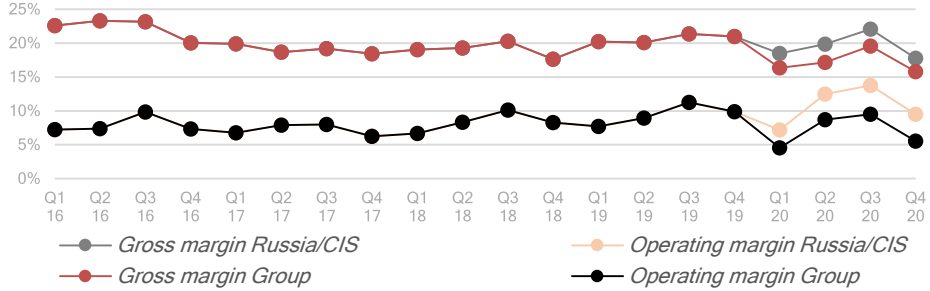
Revenue and margin development

Revenue Trends



- LTM revenue in Russia/CIS was largely unchanged at SEK 3.7b
- Revenue from German operations contributed an incremental SEK 233m in Q4 and SEK 983m in 12M 2020

Margin Trends



- Q4 2020 consolidated gross margin[1] declined by 5.2pp Y-o-Y to 15.8%
- Q4 2020 consolidated operating margin[1] declined by 4.4pp to 5.5%, mainly due to -10.7% negative margin contribution from Germany

1) 2016 refer to adjusted EBIT, i.e. operating profit excluding amortization of transaction-related intangible assets and write-downs of non-current assets in Q4 2016.

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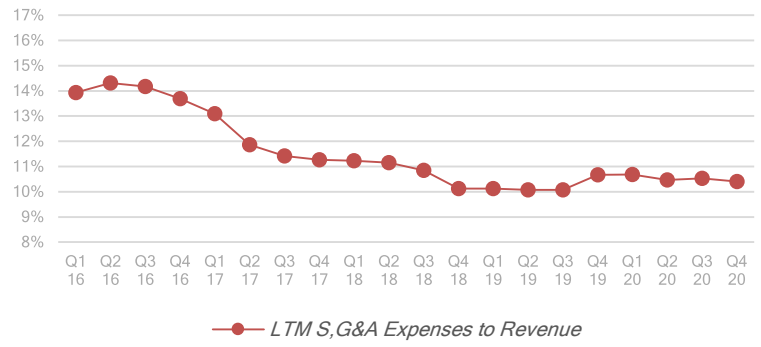
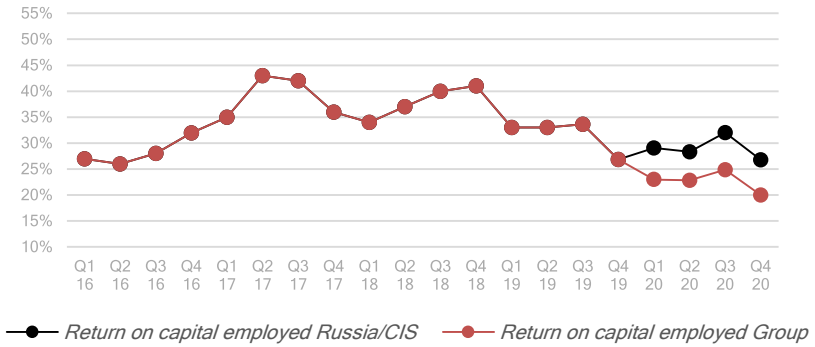
Development of cost and return on capital employed

SG&A Development



ROCE[1]



- Group LTM SG&A expenses to revenue were down by 0.3pp Y-o-Y and 0.1pp Q-o-Q to 10.4%
- LTM SG&A expenses to revenue in Russia/CIS decreased 1.6pp Y-o-Y and 0.7pp Q-o-Q to 9.1%
- In Germany, SG&A to revenue increased to 18.2% in Q4 2020 mainly on restructurings and M&A related expenses

- ROCE[1] was 20% in Q4 2020
- Decline in ROCE in 12M 2020 mainly related to higher capital employed and operating loss in Germany

1) Operating profit plus financial income (LTM) in relation to capital employed (equity and interest-bearing liabilities) (average LTM)
Note: 2016 refer to adjusted EBIT, i.e. operating profit excluding amortisation of transaction-related intangible assets and write-downs of non-current assets in Q4 2016.

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Q4 2020
Cash Flows

SEK MM	Q4 2019 *Group*	Q4 2020 *Russia/CIS*	Q4 2020 *Germany*	Q4 2020 *Group*
Cash flows from				
Cash flows from operating activities before changes in working capital	136	119	(14)	105
Change in working capital	(90)	120	(9)	111
Interest & income tax paid	(43)	(33)	(4)	(37)
Net cash from operating activities	**3**	**206**	**(27)**	**179**
Investing activities	(105)	(1)	(14)	(15)
Cash flows before Financing Activities	**(102)**	**205**	**(41)**	**164**
Financing activities	409	(77)	(22)	(99)
Cash Flow (before FX fluctuations)	**307**	**128**	**(63)**	**65**

- Net cash from operating activities increased
  - Decline in working capital and lower interest & income tax paid in Russia/CIS
  - Negative operating result and higher working capital in Germany
- Lower tax and interest payments positively impacted cash flows
- Capex decreased[1]
- Cash flows from financing activities reflect net debt repayment in Russia/CIS and in Germany

1) An increase in machines in contracting services in Russia/CIS of SEK 29m in Q4 2020 was reflected in the Group's statement of cash flows as a change in working capital, as the machines were transferred to property, plant and equipment from inventory but the movement is a non-cash operation

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Q4 2020
Balance Sheet

SEK MM	31, Dec *2019*	30, Sept *2020*	31, Dec *2020*
Property, plant & equipment	700	515	507
Cash & cash equivalent	519	539	604
Debt	845	443	435
Lease liabilities	268	179	148
Net Debt / (Cash)	**593**	**83**	**(20)**
Working capital	734	354	213
% of Revenue	20%	8%	5%
Shareholder equity	890	848	806
Total Assets	**2,978**	**2,552**	**2,628**
Equity / Assets	30%	33%	31%

- PP&E decreased Y-o-Y mainly on RUB depreciation
- In Russia/CIS, net working capital decreased from SEK 287m to SEK 120m, or from 8% to 3% of LTM revenue, mainly on higher payables
- In Germany net working capital increased from SEK 67m to SEK 93m, or from 7% to 9% Q-o-Q, mainly on lower payables and higher inventories
- Group net working capital decreased to 5% from 8% of LTM revenue in Q3 2020 (annualized for Germany) and 20% in Q4 2019
- Net debt decreased to SEK -20m and net debt/EBITDA decreased to (0.0) x

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Current Financial Objectives and Dividend Policy

KPI	Objective	2020
Revenue	Triple 2016 revenue in Russia/CIS by 2021	**2.2 x** 2016 revenue
Operating margin	**6-8%**	**7.1%**
Net Debt / EBITDA	**0-2 x**	**(0.0) x**
Dividend Policy	• Ambition to distribute at least 25% of the result to shareholders • Board takes several factors into consideration when proposing the dividend level, including expansion opportunities, financial position and investment needs	

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Strategic objectives

Strategic development

- Ferronordic was founded in 2010. As a result of executing on its strategic objectives, Ferronordic has become a more mature and diversified business
- Ferronordic operates across three markets and represents several leading brands next to Volvo
- Ferronordic has developed vertically by investing in a component and machine rebuild center, growing its rental and used businesses, and significantly expanding its contracting services business
- Ferronordic has developed a digital sales platform to support its service organisation and its customers
- Ferronordic has potential to continue to grow, with significant contributions from contracting services and Germany
- As contracting services and rental operations tie up more capital in machinery and as network infrastructure in Germany is owned or leased for long periods, Ferronordic's business model becomes more asset and capital intensive
- As Ferronordic continues to pursue its strategic objectives, its updated financial objectives reflect its current position and strategic direction in 2020-2025.

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New Financial Objectives and Dividend Policy

KPI	Objective
Revenue	Double the 2020 revenue in its current markets by 2025 (in SEK)[1]
Operating margin	Above 7%
Net Debt / EBITDA	Below 3 times (over a business cycle)
Dividend Policy	The ambition is to pay at least 50% of net income if net debt/EBITDA is less than 1.0 x[2], post dividend payment, and to pay at least 25% if net debt/EBITDA is more than 1.0 x[2]. The Board will take several factors into account when proposing the level of dividend including legal requirements, the articles of association, the group's expansion opportunities, its financial position and other investment needs.

1) Current markets are defined as Russia and the whole of CIS and Germany.
2) On prior year IFRS accounts.

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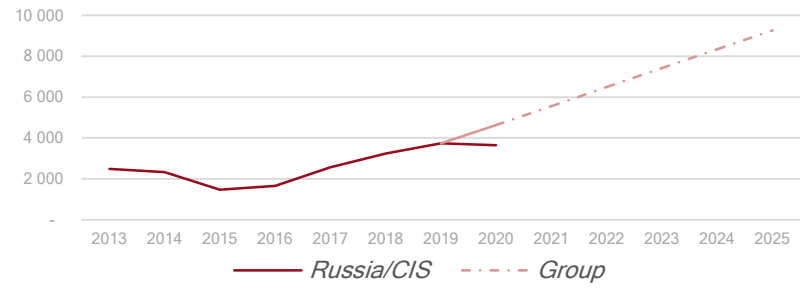
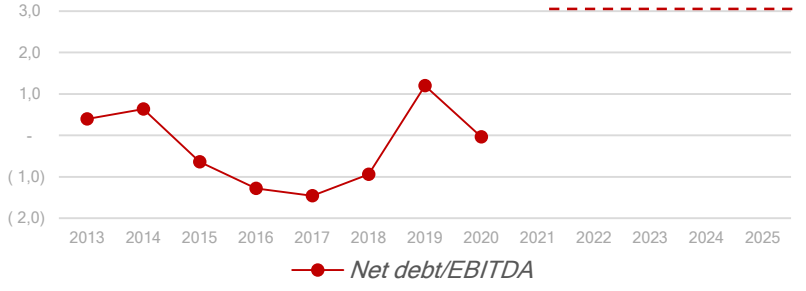
New financial objectives

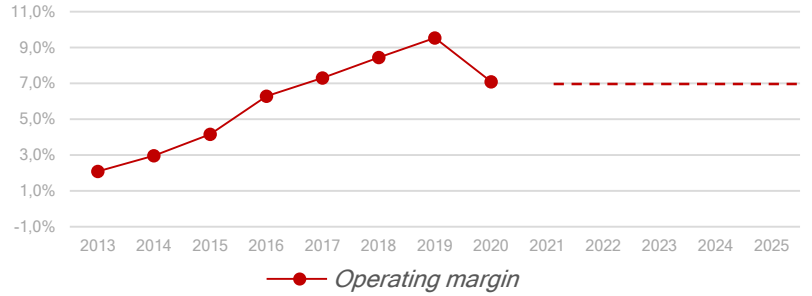
Revenue development and target



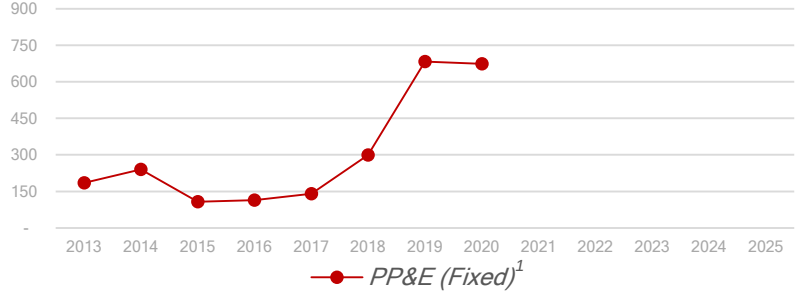
Net debt development and target



Operating margin development and target



PP&E development



1) Plant, property and equipment converted from RUB to SEK using average 2013-2020 rate of 6.8 for all periods. 2019 increase includes both effects of IFRS 16 and acquisition of assets in Germany.

Outlook

“While uncertainty remains on both supply and demand sides of our business, we currently expect the markets in Russia/CIS and Germany to recover in 2021. In Russia/CIS, our optimism is supported by stronger commodity prices and increased activity on the so-called national projects in Russia but checked by risks of potential changes in taxation. In a longer perspective, we believe that the underlying fundamentals and business opportunities in our markets are strong.”

–Lars Corneliusson, CEO Ferronordic

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Ferronordic
In the Capital Market

2010
Volvo CE Russian distribution business was taken over

2011
3-year SEK 400m bond issued and listed on Nasdaq Stockholm

2013
SEK 500m preference shares issued and listed on Nasdaq First North Premier

2017
Ordinary shares listed on Nasdaq Stockholm and SEK 200m raised in IPO

Ferronordic Statistics

- Shares outstanding: 14,532,434
- Listing: Nasdaq Stockholm
- Market cap. as at 31 Dec 2020: SEK 2,287m
- Net debt as at 31 Dec 2020: SEK -20m
- Enterprise value: SEK 2,267m
- Estimated effective free float: 60%
- Dividend policy: 50% / 25% of net profit if below/above 1 x Net debt/EBITDA subject to capital allocation alternatives

Analyst Coverage

Bank	Analyst	Contact
Carnegie	Kenneth Toll	+46 734 17 89 11 / kentol@carnegie.se
ABG Sundal Collier	Ofelia Aspemyr Karl Bokvist	+46 8 566 286 31 / ofelia.aspemyr@abgsc.se +46 8 566 286 33 / karl.bokvist@abgsc.se
Nordea	Carl Ragnerstam Victor Hansen	+46 101 562 817 / carl.ragnerstam@nordea.com +46 101 561 327 / agnieszka.vilela@nordea.com

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