

Press Release
Stockholm, 17 November 2017

Ferronordic's Board has decided on an obligatory redemption of A-preference shares

The Board of Ferronordic Machines AB (publ) ("Ferronordic" or the "company") has decided to redeem 66 728 A-preference shares, corresponding to half of the remaining A-preference shares in the company, for a total redemption price of approx. SEK 81 million.

In connection with the listing of the company's ordinary shares on Nasdaq Stockholm and the offer to convert A-preference shares to ordinary shares, the company announced its intention to, as soon as possible, redeem remaining A-preference shares in cash in accordance with Ferronordic's articles of association.

The funds that the company received through the issue of new ordinary shares in connection with the listing of the ordinary shares and the issue of new ordinary shares of series 2 in connection with the conversion of B-preference shares will not be included in the company's unrestricted equity until the balance sheet for the 2017 financial year has been approved by the 2018 AGM. The company's unrestricted equity is thus not sufficient to redeem all outstanding A-preference shares today.

However, the unrestricted equity of the company is sufficient to redeem half of the remaining A-preference shares already now, which will reduce the total dividends on the company's preference shares going forward. In view of the foregoing, the Board has decided to reduce the company's share capital by approx. SEK 5,958 by redemption of 66,728 A-preference shares, i.e. half of the remaining A-preference shares.

The Board's intention is that the 66,728 A-preference shares that remain after the redemption shall be redeemed in cash once the balance sheet for the 2017 financial year has been approved, i.e. in connection with the 2018 AGM.

Redemption procedure

- Holders of A-preference shares in Ferronordic are entitled, and obligated, to have half of their A-preference shares redeemed, corresponding to an obligatory redemption of 66,728 A-preference shares in total.
- In accordance with the articles of association, the allocation of shares to be redeemed is made *pro rata* based on the number of A-preference shares held on the record date. Since only whole numbers of shares can be redeemed, if the allocation cannot be made evenly, the allocation of exceeding shares to be redeemed will be decided through lottery. The redemption procedure is made automatically, meaning that the shareholders do not need to take any actions.
- The redemption price for each redeemed A-preference share amounts to SEK 1,200, plus accrued and unpaid dividends, which are expected to amount to approx. SEK 12.00 per share.
- The record date for determining which A-preference share to be redeemed is 24 November 2017. Shareholders wishing to sell A-preference shares should note that sales of A-preference shares on 23 and 24 November 2017 will only be settled *after* the record date. Thus, due to the redemption procedure, shareholders selling more than half of their A-preference shares during these dates will not be able to deliver all of the sold shares on the settlement date.
- The redemption price is expected to be paid on 30 November 2017.

- The redemption of A-preference shares and payment of the redemption price will be handled by Carnegie Investment Bank AB. The payment will be made to the account connected to the relevant shareholders' securities account. Shareholders that hold A-preference shares through custodians will receive payments according to the routines of the relevant custodian.

Time plan for the redemption procedure

22 November 2017	Last day of trading in A-preference shares with redemption rights
24 November 2017	Record date for determining which A-preference shares to be redeemed
30 November 2017	Payment of redemption price

For further information, please contact:

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About Ferronordic

Ferronordic is the authorized dealer of Volvo CE, Terex Trucks, Dressta, Mecalac and Rottne in Russia. In certain parts of the country, Ferronordic has also been appointed as aftermarket dealer for Volvo and Renault Trucks and dealer for Volvo Penta. Ferronordic began its operations in 2010 and has expanded rapidly across Russia. The group is well established in all federal districts with 74 outlets and more than 800 employees. Ferronordic's vision is to be regarded as the leading service and sales company in the CIS markets. The ordinary shares in Ferronordic Machines AB (publ) are listed on Nasdaq Stockholm. The preference shares in the company are listed on Nasdaq First North Premier. The company has appointed Avanza Bank AB as its Certified Advisor. www.ferronordic.com

This information is information that Ferronordic Machines AB (publ) is obliged to disclose pursuant to the EU Market Abuse Regulation. The information was submitted for publication on 17 November 2017, 08:55 CET.