

Press Release
Stockholm, 12 March 2021

Ferronordic signs agreement to purchase land and invest in new service and sales hub for Hannover

Ferronordic has signed an agreement to purchase a 15,500 m² land plot to build a new service and sales hub for the Hannover region. The new site, expected to be ready in Q3 2022, will provide Ferronordic with a modern and purpose-built facility in a strategic location in the important Hannover region. The total investment is expected to reach approx. EUR 6.0m (SEK* 61m) over two years.

With a population of 1.2 million, the Hannover region is one of the main metropolitan areas and a key transportation centre within Ferronordic's sales area in Germany. Given the strategic significance of the area, Ferronordic needs a larger and more modern facility in a better location than its current workshop. After evaluating the available options, Ferronordic has decided to build a new service and sales hub in Wunstorf, situated 22 km west of Hannover. Wunstorf is home to a number of logistics companies and is expected to become one of the main transportation hubs of the Hannover region.

Ferronordic has signed an agreement to purchase a land plot of 15,000m² for EUR 1.2m (SEK* 12m), where Ferronordic intends to construct a combined office and workshop building of approx. 2,300m². The investment will be made during 2021 and 2022 and is expected to reach approx. EUR 6.0m (SEK* 60m).

The workshop will be designed to handle the trucks of today and tomorrow, including battery electric and liquefied natural gas (LNG) technologies. It will be equipped with solar panels and built for maximum energy and water efficiency. The aim is that the operations in the building will be CO₂ neutral. Increased purpose-planned space is expected to improve work flow and productivity. Dedicated areas for drivers' lounge and truck hand-overs will serve to improve customer experience.

Lars Corneliusson, Ferronordic's CEO, comments: *"This greenfield investment will allow us to build a modern service and sales hub in a strategic location in the important Hannover region and at the same time take another step towards a sustainable future. This investment is fully in line with our strategy to grow and improve our network in Germany, to increase our market share and further improve the brand image of Volvo and Renault trucks."*

**As per the EUR/SEK exchange rate 12 March 2021.*

About Ferronordic

Ferronordic is a service and sales company in the areas of construction equipment and trucks. It is the dealer of Volvo Construction Equipment and certain other brands in all of Russia and Kazakhstan, aftermarket partner of Volvo Trucks and Renault Trucks in part of Russia, and dealer of Volvo Trucks and Renault Trucks in part of Germany. The company also offers contracting services where it owns and operates equipment to carry out works for customers. Ferronordic began its operations in 2010 and now has more than 90 outlets and about 1,400 employees. Ferronordic's vision is to be regarded as the leading service and sales company in its markets. The shares in Ferronordic AB (publ) are listed on Nasdaq Stockholm. www.ferronordic.com

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