

Press Release
Stockholm, 19 September 2016

Ferronordic Machines AB gives notice to attend extraordinary general meeting

The shareholders of Ferronordic Machines AB (publ) are invited to attend an extraordinary general meeting to be held at 10 am (CET) on Monday 10 October 2016 at the company's office at Hovslagargatan 5B, Stockholm. Registration for the general meeting will begin at 09.30 am.

Proposed agenda

1. Opening of the meeting
2. Election of chairman of the meeting
3. Verification of the voting list
4. Approval of the agenda
5. Election of controllers
6. Determination whether the meeting has been duly convened
7. Resolution on disposition to be made of the company's profits
8. Closing of the meeting

At the annual general meeting on 19 May 2016, it was decided that no dividend should be paid on the company's preference shares. In view of the weak market and the continuously uncertain economic situation in Russia, the board was of the opinion that it would not be prudent to decide on dividend payments in October 2016 and April 2017 already in May 2016. If the company's cash flow and financial position would allow it, the board would instead convene an extraordinary general meeting in October 2016 and/or April 2017 where a decision on the preference share dividend could be made.

Despite the continuously uncertain economic situation in Russia, the board is of the opinion that the company's financial position allows a payment of dividends on the company's preference shares in October. Hence, the board proposes that the meeting resolve to pay dividends on the company's preference shares in an amount of SEK 55 per preference share, corresponding to a total dividend payment of SEK 27,500,000.

As record date for the dividend payment, the board proposes 25 October 2016. If the meeting resolves in accordance with the proposal, it is expected that the dividend would be paid through Euroclear Sweden AB on 28 October 2016. No dividend shall be paid with regard to ordinary shares.

According to the articles of association, from the first payment date after the annual general meeting 2016 until the first payment date after the annual general meeting 2023, the amount by which the preference shares have a preferred right to dividends increases by SEK 10 p.a.. The increase is divided evenly between the semi-annual payments. This increase is included in the proposed dividend.

No dividend shall be paid with regard to ordinary shares.

Due to the uncertain economic situation in Russia, the board is still of the opinion that it would not be prudent to decide upon the dividend payment in April 2017. If the board later finds that the company's financial position allows a dividend payment in April 2017, the board will instead convene another extraordinary general meeting in April 2017 to decide on the dividend.

Shareholders who wish to attend the meeting must be recorded in the share register maintained by Euroclear Sweden AB latest on 3 October 2016 and notify the company of their intention to attend no later than 5 pm (CET) on 3 October 2016.

About Ferronordic Machines

Ferronordic Machines is the authorized dealer of Volvo Construction Equipment and Terex Trucks in Russia. It is also the official Russian distributor of Dressta. In certain regions of Russia, Ferronordic Machines has also been appointed aftermarket dealer for Volvo and Renault Trucks and dealer for Volvo Penta. Ferronordic Machines began its operations in 2010 and has since then expanded rapidly across Russia. The company is well established in all federal districts with almost 70 outlets and approximately 750 employees. The vision of Ferronordic Machines is to be regarded as the leading service- and sales company in the CIS markets. The preference shares of Ferronordic Machines are listed on NASDAQ OMX First North Premier. The company has appointed Avanza Bank AB as its Certified Advisor.

<http://www.ferronordic.ru>

For more information, please contact:

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Ferronordic Machines discloses the information herein pursuant to the Securities Markets Act and/or the Financial Instruments Act. The information was submitted for publication on 19 September 2016, 07:45 CET.