

Press Release
Stockholm, 28 December 2020

Ferronordic expands network in Germany with the addition of new workshop in Fulda

Ferronordic has signed an agreement to acquire Truck Center Röhn GmbH ("TCR"), an authorized Volvo and Renault Trucks workshop in Fulda, Hessen. The acquisition is in line with Ferronordic's strategy to expand and improve its service network in Germany. In 2019, TCR generated a revenue of approx. EUR 3.9m (*SEK 40m) with an operating profit of approx. EUR 0.6m (*SEK 6m) and 15% operating margin.

The business of TCR consists of servicing and repairing trucks and selling spare parts. TCR also operates a small truck rental business. The company currently employs 19 employees, mainly mechanics.

Situated in the middle of Germany, on the A7 Autobahn between Kassel and Würzburg and near the A66 to Frankfurt, the TCR workshop has a strategic location in Ferronordic's sales area and is important to Ferronordic's objective of expanding its service network to grow market share and increase its aftermarket business in Germany.

The expected purchase price amounts to EUR 4.1m (*SEK 41m), based on EUR 2.3m (*SEK 23m) of expected net asset value and EUR 1.8m (*SEK 18m) of goodwill. The transaction is expected to be completed in January 2021. TCR will be integrated in Ferronordic's German business during 2021.

TCR is owned by a private individual associated with GESUKO Logistik, a German transport company and long-term Volvo customer. GESUKO is also the owner of the real estate where the workshop operations of TCR are based. TCR/Ferronordic will continue to lease the real estate from GESUKO going forward.

In connection with the transaction, Ferronordic and GESUKO have agreed in principal that GESUKO shall build an additional workshop for Ferronordic in Bad Hersfeld, Hessen, located on the A4 – a major autobahn crossing Germany from east to west. When ready (expected second half of 2022), the workshop will be leased by Ferronordic from GESUKO and further strengthen Ferronordic's service network.

Lars Corneliussen, Ferronordic's CEO, comments: *"Growing and improving our service network in Germany is key to ensuring customer satisfaction and improving profitability in Germany. With the acquisition of TCR, we are adding a workshop with both strategic location and operational excellence to our German operations. This expansion is fully in line with our strategy to grow our aftermarket business and be regarded as the leading service and sales company in the German truck market. I look forward to welcoming all TCR employees to Ferronordic."*

**According to the EUR/SEK exchange rate per 28 December 2020.*

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 approx. 100 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

For more information, please contact:

Erik Danemar, CFO, Tel. +46 73 660 72 31, or erik.danemar@ferronordic.com

The information was submitted for publication on 28 December 2020, 10:00 CET.