

SinterCast AB (publ), Corporate Identity Number 556233-6494

The Board of Directors' statement according to Chapter 19, Section 22 of the Swedish Companies Act (2005:551)

In connection with the Board of Directors' proposal to the Annual General Meeting to be held 24 May 2018, to authorise the Board to decide upon the acquisition and transfer of SinterCast shares for the purpose of adapting the capital structure and/or acquiring a Company or Business, the Board hereby gives its statement to Chapter 19, Section 22 of the Swedish Companies Act (2005:551).

The objects and scope of the Company are described in the Articles of Association and in the Annual Report 2017. The activities of the Company and the Group do not involve risks beyond those that exist or are likely to exist in the industry or the risks otherwise associated with operating a business. The Group's business cycle is not different from that which is otherwise present in the industry.

The financial position of the Parent Company and the Group as of 31 December 2017 is described in the Annual Report 2017. Applied valuation principles for assets, provisions and liabilities are described in the Annual Report.

The Group reports an equity ratio of 91 (89) percent and a net cash amount of SEK 30.1 (45.3) million. The Board of Directors' has also considered the Parent Company's result and financial position and the Group's position in general. In this respect, the Board of Directors' has taken into account known commitments that may have an impact on the financial positions of the Parent Company and its subsidiaries. The potential acquisition of SinterCast shares does not limit the Group's ability to make investments or raise funds, and it is the Board's assessment that the proposal is well-balanced considering the nature, scope and risks of the business activities as well as the capital requirements for the Parent Company and the Group

With reference to the above and what has otherwise come to the knowledge of the Board of Directors', the Board of Directors' assessment is that the potential acquisition of SinterCast shares is justifiable with regard to the requirements in Chapter 17, § 3, second and third paragraphs of the Companies Act (2005:551).

April 2018
SinterCast AB (publ)
Board of Directors'

N.B. The English text is an unofficial translation. In case any discrepancies between the Swedish text and the English translation, the Swedish text shall prevail.