

Two consecutive quarters with record series production

24% increase in year-to-date series production

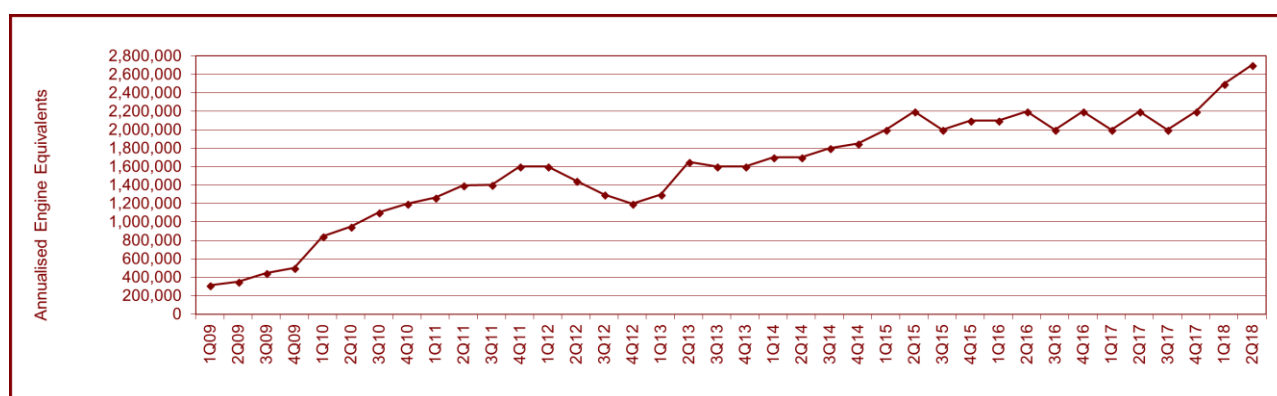
Second Quarter 2018

- **Revenue for Period:** SEK 26.8 million (SEK 17.2 million)
- **Operating Result:** SEK 11.0 million (SEK 4.8 million)
- **Earnings per Share:** SEK 1.6 per share (SEK 0.8 per share)
- **Cashflow from Operations:** SEK 3.2 million (SEK 2.0 million)
- Record series production of 2.7 million Engine Equivalents in second quarter
- Record Sampling Cup shipments of 68,800 in second quarter
- Tupy orders SinterCast Ladle Tracker® technology for Brazilian foundry

2018 Year-to-Date

- **Revenue for Period:** SEK 43.4 million (SEK 31.1 million)
- **Operating Result:** SEK 15.9 million (SEK 7.6 million)
- **Earnings per Share:** SEK 2.2 per share (SEK 1.2 per share)
- **Cashflow from Operations:** SEK 10.9 million (SEK 7.4 million)
- **Installed Base:** 24 fully automated systems and 21 mini-systems in Europe, Asia and the Americas

Series Production*



Series production continued to grow in the second quarter, reaching an annualised record of 2.7 million Engine Equivalents for the quarter. Two of the three months in the second quarter established a new monthly high of 2.8 million Engine Equivalents.

* Annualised average production of Engine Equivalents during the quarter (1 Engine Equivalent = 50 kg)

CEO Comments

Record production in the first half; positive outlook for the second half

Series production of passenger vehicle cylinder blocks, commercial vehicle cylinder blocks and heads, automotive components, and industrial power components all increased during the second quarter, resulting in record annualised production of 2.7 million Engine Equivalents. The second quarter production surpassed the previous record of 2.5 million Engine Equivalents set in the first quarter, providing 23% year-on-year growth for the quarter and 24% growth for the first half of the year. During the second quarter, April and June reached the new single-month high of 2.8 million Engine Equivalents, benefitting from increased commercial vehicle demand in Europe and North America, plus the ramp-up of cylinder block production for industrial power applications and the ramp-up of commercial vehicle components for JMC at the Asimco foundry in China. The outlook for the second half of the year remains positive, with additional growth expected from the start of production of a new high-volume in-line diesel engine for passenger vehicles during the third quarter.

The second quarter also established a new record for Sampling Cup shipments, with 68,800 Sampling Cups shipped to customers, corresponding to a 109% year-on-year increase. During the first half of the year, 101,300 Sampling Cups were shipped, providing a year-on-year increase of 64% and putting the company solidly ahead of pace to exceed the previous full-year high of 168,800 Sampling Cups set in 2016. As a precursor to the series production demand, the increase in Sampling Cup shipments validates the stability of the new production level and reinforces the positive outlook for the second half of the year.

Together, the increased series production and the increased Sampling Cup demand resulted in a 40% increase in revenue and a 109% increase in the operating result for the first half of the year. The positive outlook for series production also resulted in an additional SEK 14.1 million of the total carried forward tax losses being taken into the deferred tax asset calculation, resulting in an additional SEK 1.0 million being capitalised as a deferred tax asset.

Tracking Technologies contribute to installation revenue

Following more than two years of production experience with the SinterCast Ladle Tracker® technology at the Tupy foundry in Saltillo, Mexico, Tupy has ordered a Ladle Tracker installation for its production facility in Joinville, Brazil. Scheduled for commissioning in the third quarter, the automated Ladle Tracker system will ensure that every ladle reports to every step in the process and that each step is successfully completed within the pre-set process limits. The installation will provide improved process control and traceability for Tupy and improved quality and confidence for Tupy's customers.

The second quarter also marked the first order for the SinterCast Cast Tracker™ technology, at the Scania foundry in Södertälje, Sweden. The order follows a successful on-site trial since the autumn of 2017. The scope of the initial order includes tracking of the moulds from sand filling through to core setting, with six different measurement positions to trace the mould manufacturing process and to correlate sand properties to the mould identification. The installation is planned to be finalised during the third quarter and will be used for both grey iron and Compacted Graphite Iron (CGI) production. Discussions are ongoing to expand the functionality to include traceability of the core production.

SinterCast Results: Second Quarter 2018



Installation discussions are ongoing for CGI process control systems, capacity upgrades, and for the new Tracking Technologies in grey and ductile iron foundries, and for other metal processing applications. As production references become established, the suite of Tracking Technologies will begin to contribute to the total installation revenue. In addition to the new tracking opportunities, SinterCast is also investigating the development of other unique technologies – within and beyond the scope of thermal analysis – to improve quality and production efficiency in the metals industry.

Financial Summary

Revenue

The revenue for the SinterCast Group relates primarily to income from equipment, series production and engineering service.

| Revenue Breakdown (Amounts in SEK million if not otherwise stated) | April-June | | January-June | |
|---|---------------|--------|----------------|--------|
| | 2018 | 2017 | 2018 | 2017 |
| Number of Sampling Cups shipped | 68,800 | 32,900 | 101,300 | 61,600 |
| Equipment ^{1,4} | 2.3 | 1.2 | 2.4 | 1.4 |
| Series Production ^{2,5} | 23.8 | 15.8 | 40.3 | 29.4 |
| Engineering Service ³ | 0.7 | 0.2 | 0.7 | 0.3 |
| Other | 0.0 | 0.0 | 0.0 | 0.0 |
| Total | 26.8 | 17.2 | 43.4 | 31.1 |

- Notes:**
1. Includes revenue from system sales and leases and sales of spare parts
 2. Includes revenue from production fees, consumables and software licence fees
 3. Includes revenue from technical support, on-site trials and sales of test pieces
 4. Changes in revenue recognition principles (IFRS 15), resulted in lower revenue related to the sale of new systems of approximately SEK 0.1 million January-June 2018. This revenue is expected to be recognised during 3Q 2018.
 5. Changes in revenue recognition principles (IFRS 15), resulted in higher Annual Software License Fee revenue of approximately SEK 0.4 million January-June 2018. This change will result in proportionately lower revenue over the balance of the lease period of the individual lease contracts.

The **April - June 2018** revenue amounted to SEK 26.8 million (SEK 17.2 million). Series production revenue increased by 51% to SEK 23.8 million (SEK 15.8 million) due to a 23% increase in annualised quarterly series production to 2.7 million (2.2 million) Engine Equivalents and a 109% increase in Sampling Cup shipments to 68,800 (32,900). Equipment revenue amounted to SEK 2.3 million (SEK 1.2 million), primarily due to the installation of a SinterCast Mini-System 3000 and a wirefeeder at Shanxi Sanlian Casting Co., Ltd, China. Niche volume series production started during the second quarter of 2018. Engineering Service amounted to SEK 0.7 million (SEK 0.2 million).

The **January - June 2018** revenue amounted to SEK 43.4 million (SEK 31.1 million). Revenue from series production increased by 37% to SEK 40.3 million (SEK 29.4 million), due to a 24% increase in series production and a 64% increase in Sampling Cup shipments to 101,300 (61,600). Equipment revenue amounted to SEK 2.4 million (SEK 1.4 million). Engineering Service amounted to SEK 0.7 million (SEK 0.3 million) following support provided to various customers globally and the sale of test pieces.

SinterCast Results: Second Quarter 2018



Results

The business activities of SinterCast are best reflected by the Operating Result. This is because the “Result for the period after tax” and the “Earnings per Share” are influenced by the financial income and costs and by the revaluation of tax assets.

| Results Summary (Amounts in SEK million if not otherwise stated) | April-June | | January-June | |
|---|-------------|------|--------------|------|
| | 2018 | 2017 | 2018 | 2017 |
| Operating Result | 11.0 | 4.8 | 15.9 | 7.6 |
| Result for the period after tax | 11.4 | 5.5 | 15.5 | 8.5 |
| Earnings per Share (SEK) | 1.6 | 0.8 | 2.2 | 1.2 |

The **April - June 2018** Operating Result amounted to SEK 11.0 million (SEK 4.8 million), as a result of higher gross results of SEK 7.5 million primarily derived from higher revenue, combined with higher operating costs of SEK 1.3 million. The Result for the period after tax amounted to SEK 11.4 million (SEK 5.5 million), primarily related to the SEK 6.2 million increase in the operating result, a SEK 0.4 million decrease in the financial net (primarily increased unrealised revaluation losses derived from outstanding hedge contracts) and increased tax income of SEK 0.1 million.

The **January - June 2018** Operating Result of SEK 15.9 million (SEK 7.6 million), increased by SEK 8.3 million as a result of higher gross results of SEK 9.9 million primarily derived from higher revenue, combined with higher operating expense of SEK 1.6 million. The Result for the period after tax amounted to SEK 15.5 million (SEK 8.5 million), increased by SEK 7.0 million, primarily related to the increased operating result of SEK 8.3 million and a SEK 1.4 million decrease in the financial net (primarily increased unrealised revaluation losses derived from outstanding hedge contracts) and increased tax income of SEK 0.1 million.

Deferred Tax Asset

Tax income for the **April - June 2018** period amounted to SEK 1.0 million (SEK 0.9 million), of which SEK +3.2 million was due the reassessed deferred tax calculation and SEK -2.2 million was due to the change in the Swedish corporate tax rate from 22% to 21.4% in 2019 and 2020 and to 20.6% after 2021 and onwards. The estimated future taxable profit and deferred tax asset calculation is reassessed every quarter. As of 30 June 2018, SEK 161.1 million (SEK 147.0 million) of the SinterCast total carried-forward tax losses are the basis of the updated calculation, resulting in SEK 33.3 million (SEK 32.3 million) being capitalised as a deferred tax asset.

Cashflow, Liquidity and Investments

| Cashflow Summary 2018 Year-to-Date (Amounts in SEK million if not otherwise stated) | January - June | | Cashflow Changes |
|--|----------------|--------------|------------------|
| | 2018 | 2017 | 2018 vs. 2017 |
| Cashflow from operations, before change in working capital | 18.6 | 8.1 | 10.5 |
| Change in working capital | -7.7 | -0.7 | -7.0 |
| Cashflow from operations | 10.9 | 7.4 | 3.5 |
| Cashflow from investing activities | -1.4 | -2.1 | 0.7 |
| Cashflow from financing activities | -19.5 | -28.4 | 8.9 |
| Exchange rate differences in cash and cash equivalents | 0.0 | 0.0 | 0.0 |
| Cashflow total | -10.0 | -23.1 | 13.1 |
| Liquidity | 20.1 | 22.2 | |

SinterCast Results: Second Quarter 2018



The **January - June 2018** cashflow from operations increased by SEK 3.5 million compared to the same period in 2017 due to the cashflow increase before change in working capital of SEK 18.6 million and the increase in working capital of SEK 7.7 million, primarily related to increases in customer receivables, as a direct result of increased sales. Total investments amounted to SEK 1.4 million, primarily related to the activation of products under development (SEK 0.6 million), facilities and computer hardware upgrades (SEK 0.1 million) and production equipment (SEK 0.7 million). The total cashflow amounted to SEK -10.0 million (SEK -23.1 million), primarily due to the dividend amounting to SEK 19.5 million (SEK 28.4 million). Liquidity on 30 June 2018 was SEK 20.1 million (SEK 22.2 million). SinterCast has no loans.

Risks and Uncertainty Factors

Uncertainty factors for SinterCast include the timing of OEM decisions for new CGI engines and other components, adherence to start-of-production dates and ramp projections, the global economy for new vehicle sales, technology trends and emissions legislation, and the individual sales success of vehicles equipped with SinterCast-CGI components.

In Europe, passenger vehicle sales have increased for the last four years and most forecasters indicate a stable or positive near-term outlook for both passenger vehicles and commercial vehicles. However, political uncertainty remains, and this could affect infrastructure, investment, trade and, ultimately, vehicle sales. In Asia, the dominant Chinese market has shown recovery in the commercial vehicle sector, which represents the primary opportunity for CGI. Growth for SinterCast in China depends on the continued modernisation of road infrastructure, enforcement of emissions legislation, and acceptance of the SinterCast business model. In North America, passenger vehicle sales remain strong and SinterCast has benefitted from the recent market growth and the trend toward larger crossovers, SUVs and pick-ups. Although the top-three best-selling vehicles in America have recently committed to diesel engine options, the long-term outlook for diesel passenger vehicles remains uncertain. The possible renegotiation of trade agreements could also have an impact on the North American passenger vehicle and commercial vehicle markets.

For full risk and uncertainty factor information, see Note 26 on pages 49 and 50 in SinterCast Annual Report 2017

Organisation

With successful high volume CGI production in customer foundries located in Europe, Asia and the Americas, SinterCast has established a global organisation with employees and offices in Sweden, the United Kingdom, the United States, China and Korea. As of 30 June 2018, the Group had 20 (21) employees, three (four) of whom are female. SinterCast is well positioned to support global market activities and to drive the future growth of the company.

Parent Company

SinterCast AB (publ) is the Parent Company of the SinterCast Group, with its registered office located in Stockholm, Sweden. On 30 June 2018, the Parent Company had 15 (16) employees. The majority of the operations are managed by the Parent Company while local operations in the United Kingdom, United States, Korea and China are managed by the local companies. The information given for the Group in this report corresponds in all material respects to the Parent Company. However, the result for the period may differ between the Group and the Parent Company due to intercompany transactions between the Parent Company and its subsidiaries.

SinterCast Results: Second Quarter 2018



Accounting Principles

The information provided on behalf of the Group in this interim report has been prepared in accordance with Sweden's Annual Accounts Act and IAS 34 Interim Financial Reporting. The reporting for the Parent Company has been prepared in accordance with Sweden's Annual Accounts Act, chapter 9 interim report, and RFR 2. The accounting policies that have been applied for the Group and the Parent Company are in agreement with the accounting policies used in the preparation of the company's latest Annual Report.

The following new IFRS accounting principles were applied from the financial year beginning 1 January 2018: IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers. IFRS 9 Financial Instruments will replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 presents a model for classification and measurement of financial assets and liabilities, impairment of financial assets and hedge accounting.

IFRS 9 has not had any impact on how SinterCast classifies and measures financial assets and financial liabilities. The changes regarding hedge accounting will also not impact the Group or the Parent Company. However, the transition to IFRS 9 does have an impact on how SinterCast makes provisions for trade receivables. IFRS 9 requires a loss allowance to be recognised for expected credit losses, while IAS 39 requires an impairment loss to be recognised only when there is objective evidence of impairment. SinterCast has historically had low credit losses. As described in the Annual Report 2017, the loss allowance for trade receivables is estimated to increase by less than SEK 0.1 million after tax as of 1 January 2018, due to the new impairment requirements in IFRS 9. The effect is reported as an adjustment to the opening balance of retained earnings as of 1 January 2018. SinterCast has opted to not restate comparative figures.

IFRS 15 Revenue from Contracts with Customers is a new standard for revenue that will replace all existing standards and interpretations regarding revenue. Revenue shall be recognised to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. Areas most impacted are the timing of when revenue for systems, sold together with installation service and Annual Software Licence Fees, are recognised. In previous accounting principles, system sales were recognised upon shipment. With the new implementation of IFRS 15, sales of systems including installation service are recognised when the installation or final inspection is accepted by the customer. Likewise, the revenue recognition for the Annual Software Licence Fee has changed. Annual Software Licence Fees are recognised in the profit and loss statement at a point when the lease period starts and not over the lease period. SinterCast recognised approximately SEK 0.3 million for the Annual Software Licence Fee as an adjustment to the opening balance of retained earnings as of 1 January 2018.

IFRS 16 Leases is effective as of 1 January 2019. Earlier application is permitted for all standards. SinterCast will not apply early adoption. SinterCast will start a project to analyse the effects of the new standard and will comment on expected changes when this analysis is completed.

Alternative Performance Measures are defined and included in this report in the Key Ratio and Share Data tables. More information of Accounting Policies are included in the Annual Report 2017, page 35-40.

No material transactions have taken place between SinterCast and the Board or the Management during the period.

SinterCast Results: Second Quarter 2018



Events after the Balance Sheet Date

There have been no significant events since the balance sheet date of 30 June 2018 that could materially change these financial statements. The following press release has been issued:

12 July 2018 – SinterCast posts record series production in second quarter

Information

Interim Reports

July-September 2018

October-December 2018 and Full Year Results 2018

January-March 2019

April-June 2019

Publication Date

14 November 2018

20 February 2019

24 April 2019

21 August 2019

This report has not been reviewed by the company's Auditors.

The Board of Directors and the CEO certify that the half-yearly financial report provides a true and fair overview of the operations, outlook, financial position and results of the Company and the Group, and describes the material risks and uncertainties that the Company and the companies in the Group face.

Stockholm 22 August 2018

Hans-Erik Andersson
Chairman of the Board

Robert Dover
Member of the Board

Caroline Sundewall
Member of the Board

Jun Arimoto
Member of the Board

Lars Hellberg
Member of the Board

Steve Dawson
President & CEO
Member of the Board

For further information please contact:

Dr. Steve Dawson
President & CEO

SinterCast AB (publ)

Office: +46 150 794 40

Mobile: +44 771 002 6342

e-mail: steve.dawson@sintercast.com

website: www.sintercast.com

SinterCast Results: Second Quarter 2018



This press release contains information SinterCast AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Swedish Securities Markets Act. This information was submitted for publication, through the agency of the President & CEO Dr. Steve Dawson, at 08:00 CET on 22 August 2018.

SinterCast is the world's leading supplier of process control technology for the reliable high volume production of Compacted Graphite Iron (CGI). With at least 75% higher tensile strength, 45% higher stiffness and approximately double the fatigue strength of conventional grey cast iron and aluminium, CGI allows engine designers to improve performance, fuel economy and durability while reducing engine size, weight, noise and emissions. The SinterCast technology, with 45 installations in 13 countries, is primarily used for the production of petrol and diesel engine cylinder blocks and exhaust components for passenger vehicles, medium-duty and heavy-duty cylinder blocks and heads for commercial vehicles, and industrial power engine components for marine, rail, off-road and stationary engine applications. SinterCast supports the series production of components ranging from 2.7 kg to 9 tonnes, all using the same proven process control technology. As a specialist supplier of precision measurement and process control solutions to the metals industry, SinterCast also supplies a suite of tracking technologies, including the SinterCast Ladle Tracker[®], Cast Tracker[™] and Operator Tracker[™], to improve process control, productivity and traceability in a variety of applications. The SinterCast share is quoted on the Small Cap segment of the Nasdaq Stockholm stock exchange (SINT). For more information: www.sintercast.com

END

Income Statement - SinterCast Group

| AMOUNTS IN SEK MILLION | April-June | | January-June | | January-December | |
|--|-------------|-------------|--------------|-------------|------------------|-------------|
| | 2018 | 2017 | 2018 | 2017 | 2017 | 2016 |
| Revenue | 26.8 | 17.2 | 43.4 | 31.1 | 65.6 | 75.4 |
| Cost of goods sold | -5.9 | -3.8 | -9.3 | -6.9 | -15.0 | -16.6 |
| Gross result | 20.9 | 13.4 | 34.1 | 24.2 | 50.6 | 58.8 |
| Gross result % | 78% | 78% | 79% | 78% | 77% | 78% |
| Cost of sales and marketing | -5.2 | -5.0 | -10.0 | -10.0 | -18.7 | -19.0 |
| Cost of administration | -2.0 | -1.4 | -3.7 | -3.2 | -6.3 | -6.0 |
| Cost of research & development | -3.0 | -1.9 | -5.3 | -2.9 | -7.3 | -7.9 |
| Other operating income | 0.3 | 0.0 | 0.8 | 0.0 | 0.0 | 0.5 |
| Other operating costs | 0.0 | -0.3 | 0.0 | -0.5 | -0.6 | 0.0 |
| Operating result | 11.0 | 4.8 | 15.9 | 7.6 | 17.7 | 26.4 |
| Financial income | 0.0 | -0.2 | 0.0 | 0.0 | 0.1 | 0.0 |
| Financial costs | -0.6 | 0.0 | -1.4 | 0.0 | -0.1 | -0.6 |
| Income Tax | 1.0 | 0.9 | 1.0 | 0.9 | 0.9 | 1.0 |
| Result for the period | 11.4 | 5.5 | 15.5 | 8.5 | 18.6 | 26.8 |
| Result attributable to: | | | | | | |
| Equity holder of the parent company | 11.4 | 5.5 | 15.5 | 8.5 | 18.6 | 26.8 |
| Non-controlling interests | - | - | - | - | - | - |
| Earnings per share, SEK | 1.6 | 0.8 | 2.2 | 1.2 | 2.6 | 3.8 |
| Earning per share, diluted, SEK | 1.6 | 0.8 | 2.2 | 1.2 | 2.6 | 3.8 |
| Number of shares at the close of the period, thousands | 7,090.1 | 7,090.1 | 7,090.1 | 7,090.1 | 7,090.1 | 7,090.1 |
| Average number of shares, thousands | 7,090.1 | 7,090.1 | 7,090.1 | 7,090.1 | 7,090.1 | 7,090.1 |
| Average number of shares, diluted | 7,090.1 | 7,090.1 | 7,090.1 | 7,090.1 | 7,090.1 | 7,090.1 |

Statement of Other Comprehensive Income - SinterCast Group

| AMOUNTS IN SEK MILLION | April-June | | January-June | | January-December | |
|---|-------------|-------------|--------------|-------------|------------------|-------------|
| | 2018 | 2017 | 2018 | 2017 | 2017 | 2016 |
| Result for the period | 11.4 | 5.5 | 15.5 | 8.5 | 18.6 | 26.8 |
| Other comprehensive income | | | | | | |
| <i>Items may be reclassified to the income statement:</i> | | | | | | |
| Translation differences, foreign subsidiaries | 0.1 | -0.2 | 0.1 | -0.2 | -0.2 | 0.6 |
| Other comprehensive income, net of tax | 0.1 | -0.2 | 0.1 | -0.2 | -0.2 | 0.6 |
| Total comprehensive income for the period | 11.5 | 5.3 | 15.6 | 8.3 | 18.4 | 27.4 |
| Total comprehensive income attributable to: | | | | | | |
| Shareholder of the parent company | 11.5 | 5.3 | 15.6 | 8.3 | 18.4 | 27.4 |
| Non-controlling interests | - | - | - | - | - | - |

Cashflow Statement - SinterCast Group

| AMOUNTS IN SEK MILLION | April-June | | January-June | | January-December | |
|--|--------------|--------------|--------------|--------------|------------------|--------------|
| | 2018 | 2017 | 2018 | 2017 | 2017 | 2016 |
| Operating activities | | | | | | |
| Operating result | 11.0 | 4.8 | 15.9 | 7.6 | 17.7 | 26.4 |
| Adjustments for items not included in the cash flow | | | | | | |
| Depreciation | 0.5 | 0.3 | 1.3 | 0.6 | 1.5 | 1.0 |
| Other | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Unrealised exchange rate differences | 1.9 | 0.0 | 1.4 | 0.0 | -0.1 | -0.5 |
| Received interest | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Paid interest | 0.0 | 0.0 | 0.0 | 0.0 | -0.1 | 0.0 |
| Paid income tax | 0.0 | -0.1 | 0.0 | -0.1 | -0.1 | 0.0 |
| Total cashflow from operating activities before change in working capital | 13.4 | 5.0 | 18.6 | 8.1 | 18.9 | 26.9 |
| Change in working capital | | | | | | |
| Inventory | 1.4 | 0.3 | 0.1 | -0.5 | 0.1 | 0.1 |
| Operating receivables | -8.3 | -2.8 | -7.1 | 1.6 | 0.8 | -0.1 |
| Operating liabilities | -3.3 | -0.5 | -0.7 | -1.8 | -2.9 | -1.5 |
| Total change in working capital | -10.2 | -3.0 | -7.7 | -0.7 | -2.0 | -1.5 |
| Cashflow from operations | 3.2 | 2.0 | 10.9 | 7.4 | 16.9 | 25.4 |
| Investing activities | | | | | | |
| Acquisition of intangible assets | -0.3 | -0.7 | -0.6 | -1.9 | -3.3 | -2.3 |
| Acquisition of tangible assets | -0.6 | -0.1 | -0.8 | -0.2 | -0.4 | -1.0 |
| Cashflow from investing activities | -0.9 | -0.8 | -1.4 | -2.1 | -3.7 | -3.3 |
| Financing activities | | | | | | |
| Dividend | -19.5 | -28.4 | -19.5 | -28.4 | -28.4 | -24.8 |
| Cashflow from financing activities | -19.5 | -28.4 | -19.5 | -28.4 | -28.4 | -24.8 |
| Exchange rate differences in cash and cash equivalents | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Change in cash and cash equivalents* | -17.2 | -27.2 | -10.0 | -23.1 | -15.2 | -2.7 |
| Cash - opening balance | 37.3 | 49.4 | 30.1 | 45.3 | 45.3 | 48.0 |
| Cash - closing balance | 20.1 | 22.2 | 20.1 | 22.2 | 30.1 | 45.3 |

* The cash and cash equivalents comprises short-term deposits and cash at bank and in hand

Balance Sheet - SinterCast Group

| AMOUNTS IN SEK MILLION | 30 Jun 2018 | 30 Jun 2017 | 31 Mar 2018 | 31 Mar 2017 | 31 Dec 2017 | 31 Dec 2016 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|
| ASSETS | | | | | | |
| Intangible assets | 7.3 | 6.8 | 7.4 | 6.3 | 7.7 | 5.2 |
| Tangible assets | 2.3 | 1.9 | 1.7 | 1.9 | 1.7 | 1.9 |
| Financial assets | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 |
| Deferred tax asset | 33.3 | 32.3 | 32.3 | 31.3 | 32.3 | 31.3 |
| Total fixed assets | 43.3 | 41.4 | 41.8 | 39.9 | 42.1 | 38.8 |
| Inventory | 5.4 | 4.8 | 5.5 | 5.1 | 4.2 | 4.3 |
| Short term receivables | 24.2 | 17.5 | 17.1 | 14.8 | 18.3 | 19.1 |
| Short term deposits and cash at bank and in hand | 20.1 | 22.2 | 37.3 | 49.4 | 30.1 | 45.3 |
| Total current assets | 49.7 | 44.5 | 59.9 | 69.3 | 52.6 | 68.7 |
| Total assets | 93.0 | 85.9 | 101.7 | 109.2 | 94.7 | 107.5 |
| SHAREHOLDERS' EQUITY AND LIABILITIES | | | | | | |
| Shareholders' equity | 82.1 | 75.7 | 90.2 | 98.8 | 85.8 | 95.8 |
| Long term liabilities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Current liabilities | 10.9 | 10.2 | 11.5 | 10.4 | 8.9 | 11.7 |
| Total shareholders' equity and liabilities | 93.0 | 85.9 | 101.7 | 109.2 | 94.7 | 107.5 |
| Equity per share, SEK | 11.6 | 10.7 | 12.7 | 13.9 | 12.1 | 13.5 |

| * STATEMENT OF CHANGES IN EQUITY | Share Capital | Additional Paid in Capital | Exchange Differences | Accumulated Result | Total Equity |
|---|------------------|----------------------------------|-------------------------|-----------------------|-----------------|
| Attributable to the equity holder of the parent company | | | | | |
| Opening balance 1 January 2017 | 7.09 | 44.87 | 2.10 | 41.71 | 95.77 |
| Total comprehensive income | - | - | -0.16 | 8.49 | 8.33 |
| Dividend | - | - | - | -28.36 | -28.36 |
| Closing balance 30 June 2017 | 7.09 | 44.87 | 1.94 | 21.84 | 75.74 |
| Opening balance 1 January 2018 | 7.09 | 44.87 | 1.91 | 31.92 | 85.79 |
| Change in accounting principles | - | - | - | 0.28 | 0.28 |
| Revised opening balance 1 January 2018 | 7.09 | 44.87 | 1.91 | 32.20 | 86.07 |
| Total comprehensive income | - | - | 0.10 | 15.48 | 15.58 |
| Dividend | - | - | - | -19.50 | -19.50 |
| Closing balance 30 June 2018 | 7.09 | 44.87 | 2.01 | 28.18 | 82.15 |

Fair value measurement of financial assets and liabilities

The group have Financial assets consisting of derivative instruments, included in other debtors or other creditors, and commercial papers and fixed income instruments. The fair value of derivative instruments, not traded on an active market, is based on observable market currency rates. Cash flows are discounted using market interest rates. Commercial papers and fixed income instruments are traded on an active market and the fair value is determined by available market prices. These effects are recognized over profit & loss.

Other financial assets and liabilities

The fair value of financial instruments such as accounts receivable, accounts payable, and other noninterest bearing financial assets and liabilities which are reported at the accrued acquisition value less any depreciation, is adjudged to correspond to the reported value due to their short anticipated terms.

Key Ratio and Share Data - SinterCast Group

| AMOUNTS IN SEK MILLION | April-June | | January-June | | January-December | |
|--|------------|------|--------------|------|------------------|-------|
| | 2018 | 2017 | 2018 | 2017 | 2017 | 2016 |
| Key Ratio | | | | | | |
| Revenue* | 26.8 | 17.2 | 43.4 | 31.1 | 65.6 | 75.4 |
| Result for the period* | 11.4 | 5.5 | 15.5 | 8.5 | 18.6 | 26.8 |
| Operating margin % | 41.0 | 27.9 | 36.6 | 24.4 | 27.0 | 35.0 |
| Solidity, % | 88.3 | 88.1 | 88.3 | 88.1 | 90.6 | 89.1 |
| Shareholders' equity | 82.1 | 75.7 | 82.1 | 75.7 | 85.8 | 95.8 |
| Capital employed | 82.1 | 75.7 | 82.1 | 75.7 | 85.8 | 95.8 |
| Total assets | 93.0 | 85.9 | 93.0 | 85.9 | 94.7 | 107.5 |
| Return on shareholders' equity, % | 13.2 | 6.3 | 18.5 | 9.9 | 20.5 | 28.4 |
| Return on capital employed, % | 13.2 | 6.3 | 18.5 | 9.9 | 20.5 | 28.4 |
| Return on total assets, % | 11.7 | 5.6 | 16.5 | 8.8 | 18.4 | 25.1 |
| Employees | | | | | | |
| Number of employees at the end of the period | 20 | 21 | 20 | 21 | 21 | 21 |
| Data per Share | | | | | | |
| Earnings per share, SEK* | 1.6 | 0.8 | 2.2 | 1.2 | 2.6 | 3.8 |
| Dividends per share, SEK | 2.8 | 4.0 | 2.8 | 4.0 | 4.0 | 3.5 |
| Cashflow from operations per share, SEK | 0.5 | 0.3 | 1.5 | 1.0 | 2.4 | 3.6 |
| Share price at the end of the period, SEK | 77.4 | 72.8 | 77.4 | 72.8 | 65.0 | 81.8 |

* According to IFRS. All other key ratios and share data are defined as Alternative Performance Measures (APMs).
Definition of key ratios can be found in the Annual Report 2017, note 29.

Operating margin %

Operating results as percentage of revenue

Solidity %

Adjusted shareholders' equity expressed as percentage of total assets end of period

Equity per share

Shareholders' equity divided by the average number of shares

Capital employed

Total assets less non-interest bearing liabilities

Return on shareholders' equity %

Result for the period as a percentage of average shareholders' equity. Quarterly values are not annualised

Return on capital employed %

Result for the period as a percentage of average capital employed. Quarterly values are not annualised

Return on total assets %

Result for the period as a percentage of total average assets. Quarterly values are not annualised

Average number of shares

Weighted average of the number of shares outstanding for the period

Average number of shares adjusted for dilution

Weighted average of the number of shares for the period adjusted for dilution

Earnings per share

Result for the period divided by the average number of shares

Earnings per share, diluted

Result for the period divided by the average number of shares adjusted for dilution

Dividend per share

Dividend divided by the number of shares

Cashflow from operations per share

Cashflow from operations divided by the number of shares

Share price at the end of the period

Latest paid price for the SinterCast share at NASDAQ Stockholm stock exchange

Value presented as "0.0"

Amount below SEK 50,000

Value presented as "-"

No amount applicable

Income Statement - SinterCast AB

| AMOUNTS IN SEK MILLION | April-June | | January-June | | January-December | |
|--|-------------|-------------|--------------|-------------|------------------|-------------|
| | 2018 | 2017 | 2018 | 2017 | 2017 | 2016 |
| Revenue | 26.6 | 17.0 | 43.1 | 30.7 | 64.8 | 74.7 |
| Cost of goods sold | -5.6 | -3.7 | -9.3 | -6.8 | -15.0 | -16.9 |
| Gross result | 21.0 | 13.3 | 33.8 | 23.9 | 49.8 | 57.8 |
| Gross result % | 79% | 78% | 78% | 78% | 77% | 77% |
| Cost of sales and marketing | -5.2 | -5.0 | -10.0 | -10.0 | -18.7 | -19.0 |
| Cost of administration | -2.0 | -1.4 | -3.7 | -3.2 | -6.3 | -6.0 |
| Cost of research & development | -3.0 | -1.9 | -5.3 | -2.9 | -7.3 | -7.9 |
| Other operating income | -0.1 | 0.0 | 0.4 | 0.0 | 0.0 | 0.7 |
| Other operating costs | 0.0 | -0.1 | 0.0 | -0.3 | -0.3 | 0.0 |
| Operating result | 10.7 | 4.9 | 15.2 | 7.5 | 17.2 | 25.6 |
| Financial income* | 0.1 | -0.2 | 0.1 | 0.0 | 0.2 | 0.0 |
| Financial costs** | -0.8 | 0.0 | -1.5 | 0.0 | -0.1 | -0.5 |
| Income Tax | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| Result for the period | 11.0 | 5.7 | 14.8 | 8.5 | 18.3 | 26.1 |
| Result attributable to: | | | | | | |
| Equity holder of the parent company | 11.0 | 5.7 | 14.8 | 8.5 | 18.3 | 26.1 |
| Non-controlling interests | - | - | - | - | - | - |
| Earnings per share, SEK | 1.6 | 0.8 | 2.1 | 1.2 | 2.6 | 3.7 |
| Earning per share, diluted, SEK | 1.6 | 0.8 | 2.1 | 1.2 | 2.6 | 3.7 |
| Number of shares at the close of the period, thousands | 7,090.1 | 7,090.1 | 7,090.1 | 7,090.1 | 7,090.1 | 7,090.1 |
| Average number of shares, thousands | 7,090.1 | 7,090.1 | 7,090.1 | 7,090.1 | 7,090.1 | 7,090.1 |
| Average number of shares adjusted for dilution | 7,090.1 | 7,090.1 | 7,090.1 | 7,090.1 | 7,090.1 | 7,090.1 |

Statement of Other Comprehensive Income - SinterCast AB

| AMOUNTS IN SEK MILLION | April-June | | January-June | | January-December | |
|--|-------------|------------|--------------|------------|------------------|-------------|
| | 2018 | 2017 | 2018 | 2017 | 2017 | 2016 |
| Result for the period | 11.0 | 5.7 | 14.8 | 8.5 | 18.3 | 26.1 |
| Total comprehensive income for the period | 11.0 | 5.7 | 14.8 | 8.5 | 18.3 | 26.1 |
| Total comprehensive income attributable to: | | | | | | |
| Shareholder of the parent company | 11.0 | 5.7 | 14.8 | 8.5 | 18.3 | 26.1 |
| Non-controlling interests | - | - | - | - | - | - |

Balance Sheet - SinterCast AB

| AMOUNTS IN SEK MILLION | 30 Jun 2018 | 30 Jun 2017 | 31 Mar 2018 | 31 Mar 2017 | 31 Dec 2017 | 31 Dec 2016 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|
| ASSETS | | | | | | |
| Intangible assets | 7.3 | 6.8 | 7.4 | 6.3 | 7.7 | 5.2 |
| Tangible assets | 2.3 | 1.8 | 1.7 | 1.9 | 1.7 | 1.9 |
| Financial assets | 2.0 | 2.2 | 2.1 | 2.1 | 2.1 | 2.1 |
| Deferred tax asset | 33.3 | 32.3 | 32.3 | 31.3 | 32.3 | 31.3 |
| Total fixed assets | 44.9 | 43.1 | 43.5 | 41.6 | 43.8 | 40.5 |
| Inventory | 5.4 | 4.7 | 5.4 | 5.0 | 4.1 | 4.2 |
| Short-term receivables | 26.5 | 21.2 | 18.0 | 17.7 | 18.2 | 18.6 |
| Short term deposits and cash at bank and in hand | 17.9 | 21.1 | 35.3 | 47.9 | 28.7 | 43.3 |
| Total current assets | 49.8 | 47.0 | 58.7 | 70.6 | 51.0 | 66.1 |
| Total assets | 94.7 | 90.1 | 102.2 | 112.2 | 94.8 | 106.6 |
| SHAREHOLDERS' EQUITY AND LIABILITIES | | | | | | |
| Shareholders' equity* | 75.9 | 70.8 | 84.4 | 93.4 | 80.6 | 90.6 |
| Long term liabilities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Current liabilities | 18.8 | 19.3 | 17.8 | 18.8 | 14.2 | 16.0 |
| Total shareholders' equity and liabilities | 94.7 | 90.1 | 102.2 | 112.2 | 94.8 | 106.6 |
| Adjusted equity per share, SEK | 10.7 | 10.0 | 11.9 | 13.2 | 11.4 | 12.8 |

| * CHANGES IN EQUITY to the equity holder of the parent company | Share Capital | Statutory Reserve | Other Reserve | Share Premium Reserve | Results Brought Forward | Results for the Year | Total Equity |
|---|------------------|----------------------|------------------|-----------------------------|-------------------------------|-------------------------|-----------------|
| Opening balance 1 January 2017 | 7.09 | 9.53 | 1.95 | 35.34 | 10.57 | 26.14 | 90.62 |
| Appropriation of last year's result | - | - | - | - | 26.14 | -26.14 | - |
| Change other reserve | - | - | 1.74 | - | -1.74 | - | - |
| Total comprehensive income | - | - | - | - | - | 8.52 | 8.52 |
| Dividend | - | - | - | - | -28.36 | - | -28.36 |
| Closing balance 30 June 2017 | 7.09 | 9.53 | 3.69 | 35.34 | 6.61 | 8.52 | 70.78 |
| Opening balance 1 January 2018 | 7.09 | 9.53 | 5.08 | 35.34 | 5.22 | 18.30 | 80.56 |
| Change in accounting principles | - | - | - | - | 0.07 | - | 0.07 |
| Revised opening balance 1 January 2018 | 7.09 | 9.53 | 5.08 | 35.34 | 5.29 | 18.30 | 80.63 |
| Appropriation of last year's result | - | - | - | - | 18.30 | -18.30 | - |
| Change other reserve | - | - | 0.66 | - | -0.66 | - | - |
| Total comprehensive income | - | - | - | - | - | 14.80 | 14.80 |
| Dividend | - | - | - | - | -19.50 | - | -19.50 |
| Closing balance 30 June 2018 | 7.09 | 9.53 | 5.74 | 35.34 | 3.43 | 14.80 | 75.93 |