

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 23 June 2020, 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 2019. 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 2019 is described in the Annual Report 2019. Applied valuation principles for assets, provisions and liabilities are described in the Annual Report. The Group reported an equity ratio of 90 (90) percent and a net cash amount of SEK 32.9 (32.8) million.

In the event that the Board considers using the authorisation for the acquisition of SinterCast shares the Board of Directors' will consider the Parent Company's result and financial position and the Group's position in general in order to determine whether the acquisition can be made. In this respect, the Board of Directors' will take into account known commitments that may have an impact on the financial position of the Parent Company and its subsidiaries. An acquisition of SinterCast shares may not limit the Group's ability to make investments or raise funds and shall be 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. The Board will only use the authorization if the acquisition of SinterCast shares is justifiable with regard to the requirements in Chapter 17, § 3, second and third paragraphs of the Swedish Companies Act (2005:551).

May 2020
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.