

Events after the Balance Sheet Date

No material transactions have taken place between SinterCast and the Board or the Management during the period. With the exception of the ongoing acquisition of SinterCast shares, there have been no significant events since the balance sheet date of 31 December 2024 that could materially change these financial statements.

Proposed Allocation of Profits in SinterCast AB (publ)

The following earnings in the Parent Company are at the disposal of the Annual General Meeting.

Amounts in SEK	
Share premium reserve	35,336,610.00
Result brought forward	-4,699,847.00
Result for the year	32,151,296.00
Total non-restricted equity	62,788,059.00

The Board of Directors proposes to the AGM that earnings be distributed as follows.

Amounts in SEK	
A dividend of SEK 7.00 per share shall be distributed	49,472,724.00
To be retained by the Parent Company*	13,315,335.00
Total	62,788,059.00

* of which Share premium reserve 35,336,610.00

Corporate Governance Report 2024

Corporate Governance in SinterCast

SinterCast focuses primarily on providing process control technology and know-how for the reliable high volume production of Compacted Graphite Iron. SinterCast promotes CGI within the foundry and end-user communities to increase the overall market opportunity for CGI and to define the forefront of CGI development, production and application. This focus and these efforts will secure SinterCast's global leadership in the field of CGI. SinterCast also builds upon its technical expertise in thermal analysis and cast iron process control to develop new technologies beyond the core CGI market. These focused activities will provide the foundation for

increasing the long-term value of the company. As a technology led company, SinterCast will grow and prosper by earning the respect of its customers.

The objective of Corporate Governance at SinterCast is to ensure continued strong development of the company and that the Group fulfils its obligations to shareholders, customers, employees, suppliers and society. Corporate Governance includes: establishing the overall operational goals and strategy of the company; ensuring that there is an effective system for follow-up and control of the company's operations; ensuring that there is a satisfactory process for monitoring the company's compliance with laws and other regulations relevant to the company's operations; and, defining necessary guidelines to govern the company's ethical conduct and ensuring that the company's external communications are characterised by openness and that such communications are accurate, reliable and relevant. The Group's risks are well-analysed and risk management is integrated in the work of the Board and in operational activities.

External Regulation of Corporate Governance

The Swedish Annual Accounts Act prescribes that listed companies shall, on a yearly basis, present a Corporate Governance Report, to be included in the Annual Report. The Swedish Companies Act defines the legal framework for limited liability companies including rules for the Articles of Association, the share, the Annual General Meeting (AGM), and the management of the company. The Corporate Governance Report must be in accordance with the Swedish Code of Corporate Governance which is applicable to all Swedish companies whose shares are traded on a regulated market in Sweden.

SinterCast Share and Shareholders

The SinterCast shares have been listed since 26 April 1993 and are quoted on the Small Cap segment at Nasdaq Stockholm stock exchange. The SinterCast registered share capital on 31 December 2024 was SEK 7,090,133 (SEK 7,090,133) divided among the registered number of shares on 31 December 2024 of 7,067,532 (7,090,133) at par value of approximately SEK 1 per share. During 2024, SinterCast initiated two share buyback

programmes and as of 31 December 2024, 23,487 shares have been acquired, amounting to SEK 2.5 million. The number of outstanding shares on 31 December 2024, after the buyback, was 7,055,308.

SinterCast had approximately 4,025 (3,700) shareholders on 31 December 2024. The ten largest, of which three (three) were nominee shareholders, controlled 46.0% (47.7%) of the registered shares and votes. On 31 December 2024, Swedish

shareholders held and controlled 89.6% (89.7%) of the shares and votes in SinterCast AB. The largest shareholder, Avanza Pension AB (Sweden), held 10.8% (13.0%) of the shares and votes as a nominee shareholder. As of 31 December 2024, the SinterCast Board, management and employees controlled 4.2% (1.0%) of the capital and votes. The paid dividend and the share buyback were the only transactions between the company and the shareholders during the year.

Overview of Corporate Governance of SinterCast

<h3>Nomination Committee</h3>	<h3>General Meeting of Shareholders</h3>	<h3>Articles of Association</h3>
<p>The Nomination Committee is responsible for nominating candidates for election to the Board; to propose remuneration for the Board; to nominate Auditors for election; to propose remuneration for the Auditors; and to establish certain other proposals for consideration at each Annual General Meeting (AGM). The majority of the members of the Committee are to be independent of the company and its Group Management. No members of the Group Management are to be members of the Nomination Committee and at least one member of the Committee is to be independent of the company's largest shareholder. The AGM decides how the Nomination Committee Members shall be appointed. The Nomination Committee also considers the merits of equal gender distribution on the Board with regard to the requirements of the company and the potential contribution of each new candidate.</p>	<p>Shareholders' influence in the company is exercised at General Meetings of Shareholders, which is the company's highest decision-making body. The shareholders shall be given the opportunity to exercise their ownership role in an active, well-informed manner. All shares represented at a General Meeting in SinterCast have the same voting rights. The Chairman of the Board and as many members of the Board as are required for a quorum are to be present at General Meetings. The Managing Director shall also attend. At the AGM at least one member of the company's nomination committee, at least one of the company's auditors and, if possible, each member of the Board are to be present.</p>	<p>The Articles of Association of SinterCast defines inter alia the name, location, objectives of the company, number of shares, number of Board Members, number of Auditors, and proceedings for convening Annual General Meetings. Changes to the Articles of Association must be decided by the General Meeting.</p> <p>The Articles of Association are available on the SinterCast website.</p>
<h3>Remuneration Committee</h3>	<h3>Board of Directors</h3>	<h3>Audit Committee</h3>
<p>The Board shall appoint a Remuneration Committee whose main tasks are to monitor and evaluate the remuneration guidelines that the AGM is legally obliged to establish, as well as the current remuneration structures and levels in the company and to propose new incentive programmes to the Board to decide upon. The Remuneration Committee shall also agree on the principles for remuneration and other terms of employment for the executive management and, after advice from the Managing Director, for Directors and Managers reporting directly to the Managing Director. The Remuneration Committee shall also monitor and evaluate programmes for variable remuneration, both ongoing and for those that have ended during the year.</p>	<p>The Board is elected annually at the AGM and the majority of the Directors elected shall be independent of the company and its Group Management. The Board is responsible for the company's organisation and the management of the company's business. The Board is responsible for establishing the overall operational goals and strategy of the company and for ensuring that there is an effective system for follow-up and control of the company's operations. The AGM appoints the Chairman of the Board. The Chairman's role is to head the Board's work and ensure that the Board completes its mandate in an efficient manner. The Board has executed a Work Programme including instructions regarding the distribution of work and financial reporting, as a complement to the regulations of the Swedish Companies Act, Articles of Association of the Company and the Swedish Code of Corporate Governance and other instructions.</p>	<p>The responsibility of the Audit Committee is to ensure that the company has adequate internal controls, risk management and formal routines to ensure that the company's financial reports are produced in accordance with legislation, applicable accounting standards and other requirements for listed companies. The Audit Committee is also responsible for the evaluation of the Auditors' work, fees, impartiality and independence and assists the Nomination Committee with proposals for potential Auditors. The Audit Committee also assists the Group Management in determining how identified risks will be handled in order to ensure good internal control and risk management.</p>
<h3>Work Programme and other Instructions</h3>	<h3>Managing Director</h3>	<h3>Auditor</h3>
<p>Each year the Board adopts a written Work Programme documenting the Board's responsibilities and regulating the internal division of duties between the Board; its Committees and Group Management; the decision-making process within the Board; the Board's meeting schedule; summonses to Board meetings; agendas and minutes, and the work of the Board and its committees on accounting and auditing matters and financial reporting. The Work Programme also regulates how the Board shall receive information and documentation in order to be able to make well informed decisions. Other controlling documents adopted by the Board include the Finance Policy and the Authorisation Policy, including the organisation chart and the Code of Conduct for the company.</p>	<p>The Board of Directors appoints the Managing Director who is responsible for the operational and strategic day-to-day management of the company in accordance with the Board of Directors' instructions and guidelines. The Managing Director is subordinate to the Board. The Board may instruct the Managing Director on how day-to-day management issues are to be handled or decided. Within the framework defined by the Swedish Companies Act and the company's articles of association, the Managing Director is obliged to follow the instructions given by the Board.</p>	<p>The company's statutory Auditor shall be appointed by the AGM to examine the company's and the group's annual accounts and accounting practices and to review the Board's and Managing Director's management of the company.</p> <p>The Auditor reports to the shareholders at the AGM through the annual audit report.</p>

Board Remuneration Summary

	Remuneration Adopted at AGM (SEK)					
	Board		Audit Committee		Remuneration Committee	
	2024	2023	2024	2023	2024	2023
Robert Dover	450,000	430,000	-	-	-	-
Jun Arimoto	-	200,000	-	-	-	-
Steve Gill	210,000	200,000	-	-	-	-
Anna-Maria Heidmark Green	210,000	200,000	-	-	-	-
Einar Ahlström	210,000	-	-	-	-	-
Per Borgklint	210,000	-	-	-	-	-
Steve Dawson	-	-	-	-	-	-
Summary	1,290,000	1,030,000	-	-	-	-

Remuneration until next AGM, 50% paid current year, 50% next year.

Annual General Meeting (AGM) 2024

The Annual General Meeting (AGM) of SinterCast Aktiebolag was conducted on 21 May 2024. All Members of the Board, the Group Management, the Nomination Committee Chairman and the external Auditor were represented during the meeting. At the AGM, 1,440,882 (895,517) shares and votes were represented. During the AGM, the new Board was elected with Robert Dover as Chairman of the Board. The AGM adopted the Annual Report and the consolidated financial statements as of 31 December 2023, as presented by the Board of Directors and the Managing Director; decided upon allocation of the company's result; and, granted the Directors and the Managing Director discharge from liability. The Auditor presented how the audit work was conducted and presented the annual Audit Report to the AGM. The Nomination Committee presented how it conducted its work during the year and presented its proposals. Thereafter, the AGM decided, for the period until the next AGM, to change the articles of association to allow the company to have six Board members and decided that the company shall have six (five) ordinary Board Members; that the company shall have a registered auditing company as auditor; that the Board shall receive a total remuneration of SEK 1,290,000, with no additional fees for committee work (SEK 1,030,000, with no additional fees for committee work), with no remuneration for the

Managing Director. The AGM authorised the Board to decide upon the acquisition and disposal of SinterCast shares, as proposed by the Board of Directors. All of the proposals presented to the AGM were approved by the shareholders.

Board of Directors

Robert Dover, Steve Gill, Anna-Maria Heidmark Green and Steve Dawson were re-elected as Board Members. Jun Arimoto, Board Member since 2018, declined re-election. The AGM elected Einar Ahlström and Per Borgklint as new ordinary Board Members. Robert Dover was re-elected as Chairman of the Board. The AGM decided that the Board remuneration shall be divided between the Chairman SEK 450,000 (SEK 430,000) and four (three) ordinary Board Members SEK 210,000 (SEK 200,000) each, with no remuneration for the Managing Director, and no remuneration for committee duties. With the exception of the Managing Director, no member of the Board holds an operational position in the company. With the exception of the Managing Director, the Board is judged to be independent of the company and its management. A more detailed description of the Board of Directors is presented on page 11.

Board Membership and Attendance Summary

	Board and Committee Membership and Presence Calendar Year 2024						
	Independent	Board		Audit		Remuneration	
		Member	Meeting	Member	Meeting	Member	Meeting
Robert Dover ^{1,3}	Yes	x,y	10/10	x,y	3/3	x,y	2/2
Jun Arimoto ³	Yes	x	5/10	x	1/3	x	1/2
Steve Gill ³	Yes	x,y	10/10	x,y	3/3	x,y	2/2
Anna-Maria Heidmark Green ³	Yes	x,y	10/10	x,y	3/3	x,y	2/2
Einar Ahlström ³	Yes	y	5/10	y	2/3	y	1/2
Per Borgklint ³	Yes	y	5/10	y	2/3	y	1/2
Steve Dawson ²	No	x,y	10/10	x,y	3/3	z,z	2/2

Comments

1. Robert Dover was Chairman of the Board, Audit Committee and the Remuneration Committee during the year
2. Steve Dawson attended relevant sections of the Committee meetings
3. Independent in relation of the company, the management and the major shareholders

The Composition of committee membership changed at the AGM in May 2024

x=membership prior to the AGM, y=membership after the AGM, Z=Invited as presenter

Main Board and Audit Committee Meetings including Auditor Presence

February	March/April	May	August	November
Auditor participated in Board Meeting	Approve Annual Report	Auditor participated in Audit Committee Meeting	Market Report and Financial Outlook	Auditor participated in Audit Committee Meeting
Market Report and Financial Outlook	AGM preparations and approval of notice	AGM Board Meeting	Approve 2Q Interim Report	Market Report and Financial Outlook
Approve Book Closing Report	Approve 1Q Interim Report	Market Report and Financial Outlook	Approve Strategy and Business Plan	Approve 3Q Interim Report
Evaluate Managing Director		Annual General Meeting	Approve Work Programme	Approve Budget for the coming year
AGM preparations and decisions		Statutory Board Meeting	Risk and IT Review	Approval Finance Policy

Statutory Board Meeting

In the statutory Board meeting held immediately after the AGM, all current Board Members, except the Managing Director, were elected to constitute both the Remuneration Committee and the Audit Committee. Robert Dover was elected Chairman of both committees.

Board Meetings

In connection with every quarterly report, the Managing Director presented the market and

financial outlook and reported on operations and important current events. The Board of Directors dealt with long-term strategies, structural organisational issues, approval of the budget for the following year, the annual evaluation of the Board of Directors, risk assessment, human resources and succession planning. Individual Board Members also assisted the Group Management in various strategic and operational matters. The Work Programme defines the Board's work during the year.

The content of the main meetings is summarised in the table above.

Chairman of the Board

The Chairman directed the Board's activities and promoted the overall efficiency of the Board. The Chairman ensured that the Board's activities were conducted in accordance with the Swedish Companies Act and other applicable laws and regulations and ensured that the resolutions of the Board were implemented. The Chairman also conducted the evaluation of the Board's activities and shared the evaluation with the Nomination Committee. The Chairman approved the agenda for each Board meeting in consultation with the Managing Director. The Chairman had regular communication with the Managing Director, relayed opinions from shareholders to the other Board Members and acted as spokesperson on behalf of the Board.

Managing Director

The Managing Director, as responsible for the operational and strategic management of the company, has managed the company in accordance with the Board of Directors' instructions and guidelines. The Managing Director assisted the Chairman with the preparation for each Board Meeting and distributed information, according to the Work Programme, to be decided upon by the Board. In addition, the Managing Director provided the Board with monthly reports including significant events and financial information.

The Managing Director constitutes, as the President & CEO for the SinterCast Group, the Group Management together with the Finance Director. In 2023 a new Operations Director was recruited and joined the company and the Group Management on 1 January 2024. The company also has eight first-reporting-level managers, reporting directly to the CEO. The managers are responsible for key operational functions. The structure improves focus and efficiency while developing the future management team. More detailed information of the Group Management is presented on page 10.

Remuneration Committee

Before the AGM 2024, all Board Members of that time, except the Managing Director, constituted the Remuneration Committee. During the Statutory Board Meeting after the AGM, all current Board Members, except the Managing Director, were re-appointed to the Remuneration Committee.

The tasks and responsibilities of the Remuneration Committee are defined in the Board's Work Programme. During the year, the Remuneration Committee evaluated variable remuneration programmes, special remuneration given for extraordinary efforts and the remuneration policy approved by the AGM. The Committee also reviewed the remuneration for the Managing Director and the Group Management. Since the AGM 2024, The Remuneration Committee carried out two minuted meetings.

Remuneration Policy and Remuneration Report for Group Management 2024

The Annual General Meeting 2024 decided upon a remuneration policy (guidelines) to contribute to the company's business strategy, long-term interest and sustainability in respect of the Managing Director, other members of the Group Management, other employees and Board Members. The board shall prepare a proposal for a new remuneration policy for the AGM's approval whenever the need for significant changes to the policy arises, but at least every four years. The following italic text was approved by the 2024 AGM:

Guidelines for remuneration to Senior Executives

How the guidelines contribute to the company's business strategy, long-term interests and sustainability

In brief, SinterCast provides process control technology, know-how and technical support for the reliable high volume production of Compacted Graphite Iron (CGI). SinterCast promotes CGI within the foundry and end-user communities to increase the overall market opportunity for CGI and to define the forefront of CGI development, production and application. This focus and these efforts will secure global leadership in the field of CGI. The successful implementation of the company's business strategy in this highly specialised technical field, and its sustainable long-

term interests, requires that the company can offer market competitive remuneration to recruit and retain employees with the right specialist competence, experience and industry contacts. Current conditions have been taken into account when formulating these guidelines.

Remuneration etc. to the Managing Director and other members of the Group Management

Remuneration, pension and benefits

The remuneration to members of the Group Management shall consist of a balanced combination of fixed salary, variable remuneration, pension and other benefits. The total remuneration shall be in accordance with market practice and shall be based on performance. The fixed remuneration shall be individually determined and shall be based on each individual's responsibility, role, competence and position. Variable remuneration shall be based on predetermined targets on the Group level and the individual level, considering the effect on the long-term result. In extraordinary situations a special compensation may be paid to attract and retain key competence. Variable remuneration and special compensation may not exceed an amount corresponding to 75 percent of the fixed annual salary.

Pension benefits are in the form of defined contribution plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions to separate entities. The Group has no legal obligations to pay further contributions if the entities do not hold sufficient assets to pay the employees the benefits relating to employee service in the current and prior periods. Variable remuneration and special compensation in extraordinary situations shall not constitute a basis for pension as far as this does not conflict with applicable collective agreement. Pension contributions may not exceed an amount corresponding to 30 percent of the fixed annual salary.

Other benefits may include, for example, life insurance, medical insurance and car benefit. Costs for such benefits may not amount to more than 10 percent of the fixed salary.

Termination of employment

Upon termination by the company, the notice period for the Managing Director is nine months, and six months for the other members of the Group Management. Upon termination of the Managing Director by the company the Managing Director is entitled to a severance payment corresponding to nine months compensation. Deduction shall not be made for remuneration paid by another

employer. No severance payments have been agreed with the other members of the Group Management.

Consultancy fee to Board Members

In the event that a Board Member (personally or through a wholly-owned company) performs work for the company in addition to the ordinary board work, a special remuneration for this can be paid (consultancy fee). Such remuneration may not exceed, on a yearly basis, the remuneration/board fee paid to the Board Member. The remuneration shall be based on the current market rates and be proportionate to the benefit for the company and to the extent to which such work contributes to the development of SinterCast.

Salary and employment terms for other employees of the company

When preparing the Board of Director's proposed guidelines for remuneration to senior executives, consideration was given to the salary and employment terms of the company's other employees. The Board considered the total remuneration, the components of the remuneration, and the increase and rate of increase of the remuneration over time as part of the basis upon which the Board assessed whether the guidelines and the resulting limitations were reasonable.

Decision-making process for adopting, reviewing and implementing the guidelines

The Board of Directors shall prepare a proposal for new guidelines at least every fourth year and submit it to the General Meeting for decision. The Remuneration Committee established by the Board shall continuously review and assess the guidelines and the implementation of the guidelines. To avoid conflicts of interests, no member of the Group Management shall participate in discussions or decisions which may affect their own remuneration or terms of employment. Further, the Board shall decide on the remuneration (consultancy fees) to any individual Board Member in the absence of the concerned Member.

Description of significant changes in the guidelines and how shareholders' views are taken into account

The proposed guidelines do not entail any significant changes in relation to existing compensation guidelines at SinterCast. SinterCast has not received any direct input from the shareholders.

Deviation from the guidelines

The Board of Directors and, on behalf of the Board of Directors, the Remuneration Committee, shall be entitled to deviate from the above guidelines if, in an individual case,

there are specific reasons for this and a deviation is necessary to meet the long-term interests and sustainability of SinterCast or to secure financial viability of SinterCast.

The AGM decided to approve the Board of Director's remuneration report for 2024.

Audit Committee

Before the AGM 2024, all Board Members, except the Managing Director, constituted the Audit Committee. During the Statutory Board Meeting after the AGM, all current Board Members, except the Managing Director, were re-appointed to the Audit Committee.

During the year, the Audit Committee ensured that the company has adequate internal controls and formal routines to ensure that approved principles for financial reporting and internal controls have been applied, and that the company's financial reports have been produced in accordance with legislation, applicable accounting standards and other requirements for listed companies.

The Audit Committee met the Auditor during the year to discuss the Audit Report and the audit plan. The Audit Committee also met the Auditor in the absence of the Group Management. The Audit Committee evaluated the Auditors' work and provided feedback to the Nomination Committee in preparation for the election of the Auditor during the Annual General Meeting 2025. The Audit Committee also determined and identified risks to be handled in order to ensure good internal control and risk management. The Audit Committee prepared and approved the Corporate Governance Report for 2024.

External Auditor

At the AGM 2024, KPMG was re-appointed as Auditor and Jonas Eriksson was appointed as Auditor in charge by KPMG. The Auditor in charge has had three Auditors assisting in the audit work during the year. The audit follows an audit schedule, based on the Auditor's risk assessment, in agreement with the Audit Committee.

In February 2024, in conjunction with the approval of the Full-Year Results 2023, the auditor met with the Audit Committee and reported on the audit of the

company's annual accounts and consolidated accounts and accounting practices and reported observations directly to the Audit Committee. The Auditor met with the Board of Directors at the Board meeting in May, where the Auditor reported observations directly to the Board of Directors both with and without the presence of the Group Management.

At the AGM 2024, The Auditor informed of the audit of the company's annual accounts and accounting practices and the review of the Board's and the Managing Director's management of the company. The Audit Report contained a statement that the Annual Report has been compiled in accordance with the relevant legislation and recommended that the Directors and the Managing Director be discharged from liability.

After at the AGM 2024, at the Statutory Board Meeting, the Auditor presented the Audit Plan for 2024 and provided a follow-up of the Audit Plan during the November Audit Committee Meeting. He also presented the result from the review of the financial report for the period January–September 2024 and gave audit feedback from the interim audit procedures that were conducted during the third quarter of 2024.

In conjunction with the approval of the Full-Year Results 2024 the Auditor met with the Board. The Auditor reported on the audit of the company's annual accounts and consolidated accounts and accounting practices and reported observations directly to the Audit Committee. The Auditor audited the company's annual accounts and accounting practices and reviewed the Board's and the Managing Director's management of the company. The Auditor also had separate discussions and meetings with the Chairman and the company management during the year.



Auditor KPMG AB

Jonas Eriksson
Authorised Public Accountant

Company auditor since June 2020
Assignments: Studsvik, Alligo,
Conjeco, Knowit and Beijer Alma.

Nomination Committee

Nomination Committee after the AGM 2024

In accordance with the decision of the Annual General Meeting 2023, the SinterCast Nomination Committee shall consist of four members. The Nomination Committee shall include members selected by each of the four largest shareholders in terms of voting rights that wish to participate in the committee. Additionally, the Chairman of the Board shall participate as an adjunct member, with no voting rights. The members of the Nomination Committee for the SinterCast Annual General Meeting 2025 were appointed based on the ownership structure as of 31 August 2024.

Ulf Stenbeck is the Chairman of the committee. The other members of the committee are Torbjörn Gustafsson and David Walton, fund manager at Canaccord Genuity Wealth Management and Einar Ahlström, current Board member. The committee also includes Robert Dover, Chairman of the Board of SinterCast, as an adjunct member, with no voting rights.

The Nomination Committee is judged to be independent of the company and its management.

The Chairman of the Board has described to the Nomination Committee the process applied for the annual evaluation of the Board of Directors and Managing Director and has provided information regarding the results of these evaluations to the Nomination Committee. The Nomination Committee's proposals to the AGM 2025 are to be presented in the notice of the AGM and on the company website. During the AGM 2025 the Nomination Committee will also present how it conducted its work and will explain its proposals. Since the AGM 2024 the Nomination Committee of SinterCast carried out several informal meetings and two minuted meetings. According to rules regarding equal gender representation, the Nomination Committee intends to report to the upcoming AGM how it has fulfilled its work regarding gender representation in the Board. The Nomination Committee can be contacted at the following e-mail address: nomination.committee@sintercast.com.

Information

SinterCast must comply with the EU Market Abuse Regulation nr 596/2014 (MAR), which includes strict requirements of how SinterCast shall manage inside information. The MAR rules address how insider information shall be disclosed; under which conditions the disclosure may be postponed; and when SinterCast is obliged to keep a list of persons having access to inside information (a so-called Logbook).

During 2024, the company has used a digital Logbook to ensure compliance under the EU market abuse regulation and the insider policy of the company; from the decision to postpone the disclosure of insider information; up to the mandatory message including the closure of the Logbook and the disclosure date, to the Swedish Finansinspektionen. Only authorised personnel have access to the Logbook.

Summary

According to the Swedish Companies Act, the Board is responsible for ensuring that the company's organisation is designed in such a way that the bookkeeping, financial management and the company's financial conditions are controlled in a satisfactory manner. The Swedish Code of Corporate Governance clarifies and prescribes that the Board shall ensure that the company has adequate policies, internal controls and formal routines to ensure that approved principles for financial reporting and internal controls are applied, and that the company's financial reports comply with legislation, applicable accounting standards, policies and other requirements for listed companies.

The Board has decided that SinterCast shall comply with the Swedish Code of Corporate Governance and present a Corporate Governance Report in accordance with the Code including the Board of Directors' Report on internal control of financial reporting. The procedure and routines of SinterCast are compliant with the Corporate Governance code and this Corporate Governance Report does not indicate any significant deviations from the code.

Board of Directors' Report on Internal Control and Risk Management of the Financial Reporting

Internal Control

The Board of Directors has the overall responsibility for internal control related to financial reporting. An important part of the Board's internal control management is to issue policies and instructions for the organisation with the objective to maintain a low risk profile regarding financial and legal matters, including: the Work Programme that clarifies the Board of Directors' responsibilities and regulates the internal distribution of work between the Board, its committees and the management; the Finance Policy, to define the Board of Directors' instructions regarding risk management and financial reporting, to ensure an effective risk profile and correct financial reporting; and the Authorisation Policy, including the organisation chart. In addition to the policies and instructions, the Board has established the Audit Committee. The primary task of the Audit Committee is to ensure that established principles for financial reporting and internal control regarding financial reporting are followed, to ensure the quality of the financial reports and that appropriate relations are maintained with the Auditor. The management and the Audit Committee assess the most critical accounting areas on an annual basis to prepare instructions for the financial reporting and to define how to apply the accounting policies according to IFRS, including accounting judgements and estimates.

Risk Assessment

The Business is monitored in a structured process and associated risks have been discussed and evaluated during most Board Meetings. Any change in significant risks will result in changes in the instructions for the preparation of financial reports. Processes to track changes in accounting regulations and to ensure that these changes are implemented correctly in the financial reporting are in place, in which the Auditors play an important role. The most critical accounting areas for SinterCast have been defined and include the valuation of deferred tax on tax losses carried forward, revenue recognition of system sales and the principle of capitalisation of research and development costs.

Control Activities and Monitoring

The primary purpose of control activities is to prevent, or to discover at an early stage, errors in the financial reporting so that these can be addressed and rectified. Control activities take place on both the overview and the detail levels within the Group. Routines and activities are designed in order to find and rectify significant risks associated with the financial reporting. Regarding control activities in critical areas of the financial reporting, the management follows the business regularly and conducts normal control activities on daily operation, monthly, quarterly and year-end closings. Quarterly reports and the Annual Report have been sent to the Board and the Audit Committee for review and approval. The management and the Board especially monitored critical accounting areas, including: review of the estimated future taxable profit and deferred tax asset calculation, by reviewing the forecast for secured series production programmes and probability factors (the forecasted contribution from secured production, reduced by the forecasted expenses for the operations provides the base for the final deferred tax asset calculation); the revenue recognition of system sales and related revenue streams, in which contract performance obligations review is included to define the individual revenue streams (equipment, Engineering Service, Annual Software Licence Fee); and, review of research and development projects during the period to assess to what extent expensed costs should be capitalised.

The Board's monitoring of the internal control with respect to financial reporting took place through the Audit Committee follow-up on the financial reporting. In advance of each major Board Meeting, management distributed pre-defined and various ad hoc reports to the Board. The reports and key audit areas were reviewed and discussed during the Board Meetings. Reports from the Auditors have been distributed to the Board.

Information and Communication

All external information must be provided in accordance with the listing agreement for Nasdaq Stockholm and according to EU market abuse regulation MAR. Information concerning the SinterCast Group and the Parent Company may only be provided by the Managing Director and the Board of Directors. The Board of Directors has issued and approved the Interim Reports and the Annual Report of the financial year. The reports have been published on the website after having first been sent to Nasdaq Stockholm stock exchange.