

SinterCast Results: First Quarter 2017

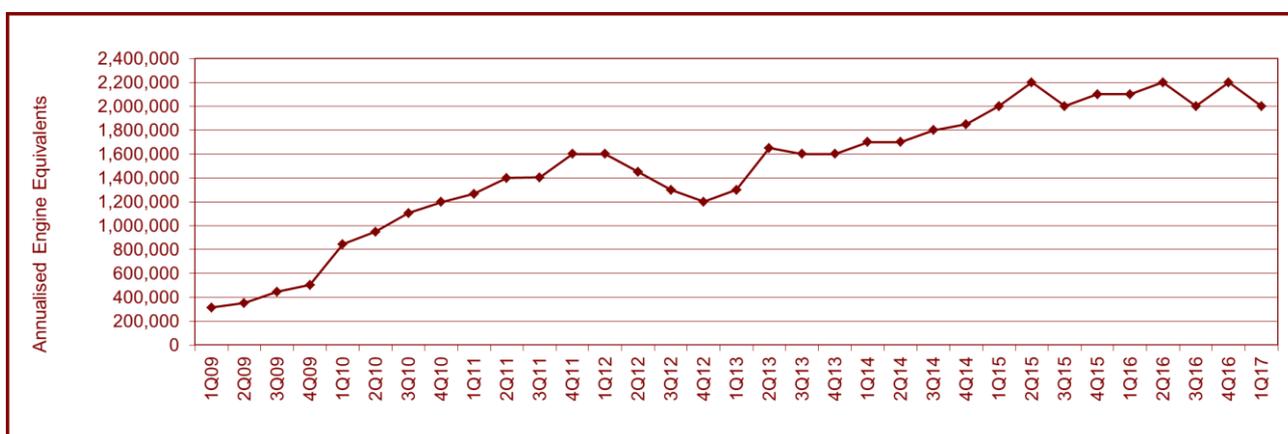


Series production stable, development pipeline positive

First Quarter 2017

- **Revenue for Period:** SEK 13.9 million (SEK 16.1 million)
- **Operating Result:** SEK 2.8 million (SEK 4.6 million)
- **Earnings per Share:** SEK 0.4 per share (SEK 0.7 per share)
- **Cashflow from Operations:** SEK 5.4 million (SEK 3.0 million)
- Ford announces SinterCast-CGI diesel option for F-150
- JMC introduces new commercial vehicle with 9.0 and 13.0 litre SinterCast-CGI engines
- **Installed Base:** 24 fully automated systems and 20 mini-systems in Europe, Asia and the Americas

Series Production*



Annualised series production decreased to 2.0 million Engine Equivalents, due to summer shutdowns in Brazil and temporary reductions in three series production programmes.

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

CEO Comments

Ninth quarter above 2.0 million Engine Equivalents, despite reductions in some programmes

Series production in the first quarter reached 2.0 million Engine Equivalents, providing nine consecutive quarters at or above the 2.0 million Engine Equivalent threshold. However, first quarter production was 6% below the average full-year 2016 volume and year-on-year revenue was down by 14% due to the combined effects of low shipments from the Tupy foundry during the January-February summer shutdown in Brazil; temporary reductions in three high-volume programmes; and, a 20% reduction in Sampling Cup shipments due to shipment timing and inventory adjustment. The reductions in the series production programmes include: the VM Motori V6 diesel engine used in FCA vehicles, which is awaiting Model Year 2017 emissions approvals in the US; one passenger vehicle programme that is undergoing a planned upgrade of the engine manufacturing facilities; and, one commercial vehicle programme. The contributions from these programmes are anticipated to recover, maintaining the positive series production outlook. The positive series production outlook is further buoyed by Ford's 9 January announcement of a 3.0 litre V6 diesel engine option for the Model Year 2018 F-150 pick-up. Based on a SinterCast-CGI cylinder block, the engine will be the first-ever diesel offered in the F-150. Together with the 2.7 litre V6 SinterCast-CGI EcoBoost[®] petrol engine, the introduction of the diesel engine option results in two of the five engine options in America's best-selling vehicle being based on SinterCast-CGI cylinder blocks.

During February, the Chinese Ministry of Industry granted final approval to a new heavy duty commercial vehicle developed by Jiangling Motors Corporation, Ltd, China's leading producer of diesel-engined vans, light buses and light duty trucks. The new truck, which has 9.0 litre and 13.0 litre engine options, was officially launched on 19 April at the 2017 Shanghai International Automobile Exhibition. Produced using the SinterCast process control technology at the ASIMCO International Casting Co., Ltd foundry in Shanxi, China, the 9.0 litre engine specifies CGI for both the cylinder block and head while the 13.0L engine specifies CGI for the cylinder head. The launch of these SinterCast-CGI engines, in the world's largest commercial vehicle market, exemplifies our confidence in heavy duty engines as our largest growth opportunity.

Positive development pipeline

The recent development activities, both in the external customer market and in the internal product development, contribute to the positive overall outlook. Externally, new engine development activities are progressing in each of the passenger vehicle, commercial vehicle and industrial power sectors, providing growth opportunities for the series production. New installation discussions are ongoing, including the expansion of current installations to increase capacity; functionality upgrades to accommodate customer requests for additional process control features; and, new installations for both the core CGI process control technology and for the new tracking technologies. The introduction of the tracking technologies has been well received in the industry, resulting in opportunities to expand the capability to other metals and to the tracking of moulds, castings, and even the performance of individual operators. 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 cast iron foundry industry.

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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) | January-March | | January-December | |
|---|---------------|--------|------------------|---------|
| | 2017 | 2016 | 2016 | 2015 |
| Number of Sampling Cups shipped | 28,700 | 36,100 | 168,800 | 152,700 |
| Equipment ¹ | 0.2 | 0.1 | 7.1 | 7.7 |
| Series Production ² | 13.6 | 15.8 | 66.5 | 63.6 |
| Engineering Service ³ | 0.1 | 0.2 | 1.8 | 1.0 |
| Other | 0.0 | 0.0 | 0.0 | 0.1 |
| Total | 13.9 | 16.1 | 75.4 | 72.4 |

- 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

The **January-March 2017** revenue amounted to SEK 13.9 million (SEK 16.1 million). Revenue from series production decreased by 14% to SEK 13.6 million (SEK 15.8 million), primarily due to the decreased shipment of 28,700 (36,100) Sampling Cups in the quarter (shipment timing and inventory adjustment). Annualised first quarter series production decreased by 5% to 2.0 million (2.1 million) Engine Equivalents. Equipment revenue amounted to SEK 0.2 million (SEK 0.1 million) for Spare Parts and Lease Fees. Engineering Service amounted to SEK 0.1 million (SEK 0.2 million) following support provided to various customers globally and the sale of test pieces.

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) | January-March | | January-December | |
|---|---------------|------|------------------|-------------|
| | 2017 | 2016 | 2016 | 2015 |
| Operating Result | 2.8 | 4.6 | 26.4 | 20.3 |
| Result for the period after tax | 3.0 | 4.7 | 26.8 | 25.2 |
| Earnings per Share (SEK) | 0.4 | 0.7 | 3.8 | 3.6 |

The **January-March 2017** operating result of SEK 2.8 million (SEK 4.6 million) decreased as a result of the SEK 2.1 million reduction in the gross result and decreased net cost of SEK 0.3 million. The result for the period after tax amounted to SEK 3.0 million (SEK 4.7 million). The decrease is primarily related to lower operating result of SEK 1.8 million and increased unrealised revaluation gain derived from outstanding currency hedge contracts of SEK 0.1 million.

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Deferred Tax Asset

Tax income for the January-March 2017 period amounted to SEK 0.0 million (SEK 0.0 million). The estimated future taxable profit and deferred tax asset calculation is reassessed every quarter. As of 31 March 2017, SEK 142.3 million (SEK 137.8 million) of the SinterCast total carried-forward tax losses have been used as the basis of the updated calculation, resulting in SEK 31.3 million (SEK 30.3 million) being capitalised as a deferred tax asset.

Cashflow, Liquidity and Investments

| Cashflow Summary (Amounts in SEK million if not otherwise stated) | January-March | | Cashflow Changes |
|--|---------------|-------------|------------------|
| | 2017 | 2016 | 2017 vs. 2016 |
| Cashflow from operations, before change in working capital | 3.1 | 5.2 | -2.1 |
| Change in working capital | 2.3 | -2.2 | 4.5 |
| Cashflow from operations | 5.4 | 3.0 | 2.4 |
| Cashflow from investing activities | -1.3 | -0.3 | -1.0 |
| Cashflow from financing activities | - | - | - |
| Exchange rate differences in cash and cash equivalents | 0.0 | 0.0 | 0.0 |
| Cashflow total | 4.1 | 2.7 | 1.4 |
| Liquidity | 49.4 | 50.7 | |

The **January-March 2017** cashflow from operations increased by SEK 2.4 million compared to the same period in 2016. This was primarily due to the net effect of a decrease of SEK 2.1 million in cashflow from operations before changes in working capital, plus changes in working capital (SEK 4.5 million), derived from changed cashflow from inventory (SEK 0.4 million), receivables (SEK 4.2 million) and operating liabilities (SEK -0.1 million).

Total investments amounted to SEK 1.3 million, primarily related to the activation of products under development (SEK 1.1 million), patent investments (SEK 0.1 million) and facilities upgrades (SEK 0.1 million). The total cashflow increased by SEK 1.4 million following the increased cashflow from operations of SEK 2.4 million and the increased investments of SEK 1.0 million. The total cashflow amounted to SEK 4.1 million (SEK 2.7 million).

Liquidity on 31 March 2017 was SEK 49.4 million (SEK 50.7 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 three years and most forecasters indicate a stable or positive near-term outlook. However, political uncertainty exists and this could affect infrastructure, investment, trade and, ultimately, vehicle sales. In Asia, the dominant Chinese market is characterised by overcapacity in the commercial vehicle and construction equipment sectors, which represent the primary

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opportunities for CGI. This overcapacity, coupled with the underlying economic uncertainty in China, influences new product commitments, product development cycles and production volumes. In North America, passenger vehicle sales have increased for seven consecutive years and SinterCast has benefitted from this market growth. However, political tension and the possible renegotiation of free trade agreements could have an impact on the passenger vehicle and commercial vehicle markets.

For full risk and uncertainty factor information, see Note 26 on pages 46 and 47 in SinterCast Annual Report 2016

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 31 March 2017, the Group had 21 (20) employees, four (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 31 March 2017, the Parent Company had 16 (15) 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.

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 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 implementation date of IFRS 15 has been changed from 1 January 2017 to 1 January 2018.

The European Securities and Markets Authority (ESMA) has issued new guidelines regarding the disclosure of financial measures not defined or specified according to IFRS. These financial measures should be referred to as Alternative Performance Measures (APMs). The APMs included in the Key Ratio and Share Data tables have been defined since the 3Q 2016 Interim Report.

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

Events after the Balance Sheet Date

There have been no significant events since the balance sheet date of 31 March 2017 that could materially change these financial statements. The following press release has been issued:

19 April 2017 – Jiangling Motor Co., Ltd. reveals new cargo truck at 2017 Shanghai International Automobile Exhibition

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The Annual Report 2016

The Annual Report 2016 was published on the SinterCast website on 6 April 2017.

Annual General Meeting

The Annual General Meeting 2017 of SinterCast AB (publ) will be held on Thursday 18 May 2017 at the Royal Swedish Academy of Engineering Sciences (IVA), Grev Turegatan 16, Stockholm. The notice of the Annual General Meeting was published on 12 April 2017 and is available on the SinterCast website.

Proposed Dividend 2017

The Board's intention is to continue to provide an ordinary dividend to the shareholders, based primarily on the cashflow from operations. In the event that the Board considers that the liquidity exceeds the amount needed to support the operational requirements and strategic objectives, the Board has the option to propose an extraordinary dividend or a share buy-back to further adjust the liquidity.

The Board of Directors propose an ordinary dividend of SEK 2.5 per share (SEK 2.0) plus an extraordinary dividend of SEK 1.5 (1.5) per share, representing a distribution of SEK 28.4 million (SEK 24.8 million) to the shareholders of SinterCast AB (publ) for the financial year 2016. The Board proposes 22 May 2017 as the record date for entitlement to receive dividends. In deciding the amount of the ordinary dividend to be proposed to the AGM 2017, the Board considered cashflow from operations, the financial position, investment requirements and other factors, such as market outlook, growth strategy and the internal financial forecast for the Group.

Including the proposed dividend, the total payout to shareholders since the first dividend was provided in 2011 will reach SEK 100 million.

The Board of Directors proposes the following indicative dates for the Annual General Meeting and for entitlement to receive dividends:

- 12 May 2017** Shareholders who wish to participate in the AGM, must be recorded in the share register maintained by Euroclear, in their own names, and notify SinterCast of their attendance.
- 18 May 2017** Shares traded on this date are eligible for dividend
- 18 May 2017** The Annual General Meeting will be held at 15:00
- 19 May 2017** Shares traded on this date are not eligible for dividend
- 22 May 2017** Record date for dividend
- 26 May 2017** Payment date for dividend

Information

The Interim Report April-June 2017 will be published on 23 August 2017

The Interim Report July-September 2017 will be published on 22 November 2017

The Interim Report October-December and Full Year Results 2017 will be published on 21 February 2018

The Interim Report January-March 2018 will be published on 25 April 2018

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

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Stockholm 26 April 2017

For further information please contact:

Dr. Steve Dawson

President & CEO

SinterCast AB (publ)

Office: +46 0 150 794 40

Mobile: +44 771 002 6342

e-mail: steve.dawson@sintercast.com

website: www.sintercast.com

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 44 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 kg to 9 tonnes, all using the same proven process control technology. 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 | January-March | | January-December | |
|--|---------------|-------------|------------------|-------------|
| | 2017 | 2016 | 2016 | 2015 |
| Revenue | 13.9 | 16.1 | 75.4 | 72.4 |
| Cost of goods sold | -3.1 | -3.2 | -16.6 | -17.0 |
| Gross result | 10.8 | 12.9 | 58.8 | 55.4 |
| Gross result % | 78% | 80% | 78% | 77% |
| Cost of sales and marketing | -5.0 | -4.8 | -19.0 | -20.1 |
| Cost of administration | -1.8 | -1.6 | -6.0 | -6.3 |
| Cost of research & development | -1.0 | -1.7 | -7.9 | -7.6 |
| Other operating income | 0.0 | 0.0 | 0.5 | 0.0 |
| Other operating costs | -0.2 | -0.2 | 0.0 | -1.1 |
| Operating result | 2.8 | 4.6 | 26.4 | 20.3 |
| Financial income | 0.2 | 0.1 | 0.0 | 4.6 |
| Financial costs | 0.0 | 0.0 | -0.6 | -0.5 |
| Income Tax | 0.0 | 0.0 | 1.0 | 0.8 |
| Result for the period | 3.0 | 4.7 | 26.8 | 25.2 |
| Result attributable to: | | | | |
| Equity holder of the parent company | 3.0 | 4.7 | 26.8 | 25.2 |
| Non-controlling interests | - | - | - | - |
| Earnings per share, SEK | 0.4 | 0.7 | 3.8 | 3.6 |
| Earning per share, diluted, SEK | 0.4 | 0.7 | 3.8 | 3.6 |
| Number of shares at the close of the period, thousands | 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 |
| Average number of shares, diluted | 7,090.1 | 7,090.1 | 7,090.1 | 7,090.1 |

Statement of Other Comprehensive Income - SinterCast Group

| AMOUNTS IN SEK MILLION | January-March | | January-December | |
|---|---------------|------------|------------------|-------------|
| | 2017 | 2016 | 2016 | 2015 |
| Result for the period | 3.0 | 4.7 | 26.8 | 25.2 |
| Other comprehensive income | | | | |
| <i>Items may be reclassified to the income statement:</i> | | | | |
| Translation differences, foreign subsidiaries | 0.0 | 0.2 | 0.6 | -0.3 |
| Translation diff., settlement of debts in subsidiaries* | - | - | 0.0 | -4.5 |
| Other comprehensive income, net of tax | 0.0 | 0.2 | 0.6 | -4.8 |
| Total comprehensive income for the period | 3.0 | 4.9 | 27.4 | 20.4 |
| Total comprehensive income attributable to: | | | | |
| Shareholder of the parent company | 3.0 | 4.9 | 27.4 | 20.4 |
| Non-controlling interests | - | - | - | - |

* During December 2015, translation differences were reclassified from other comprehensive income to financial income arising from the parent company settlement of its debts toward the subsidiaries in US and UK.

Cashflow Statement - SinterCast Group

| AMOUNTS IN SEK MILLION | January-March | | January-December | |
|--|---------------|-------------|------------------|--------------|
| | 2017 | 2016 | 2016 | 2015 |
| Operating activities | | | | |
| Operating result | 2.8 | 4.6 | 26.4 | 20.3 |
| Adjustments for items not included in the cash flow | | | | |
| Depreciation | 0.3 | 0.3 | 1.0 | 0.8 |
| Other | 0.0 | 0.2 | 0.0 | -0.2 |
| Unrealised exchange rate differences | 0.0 | 0.1 | -0.5 | 0.6 |
| Received interest | 0.0 | 0.0 | 0.0 | 0.1 |
| Paid interest | 0.0 | 0.0 | 0.0 | -0.1 |
| Paid income tax | 0.0 | 0.0 | 0.0 | -0.2 |
| Total cashflow from operating activities before change in working capital | 3.1 | 5.2 | 26.9 | 21.3 |
| Change in working capital | | | | |
| Inventory | -0.8 | -1.2 | 0.1 | -0.9 |
| Operating receivables | 4.4 | 0.2 | -0.1 | -4.6 |
| Operating liabilities | -1.3 | -1.2 | -1.5 | 4.6 |
| Total change in working capital | 2.3 | -2.2 | -1.5 | -0.9 |
| Cashflow from operations | 5.4 | 3.0 | 25.4 | 20.4 |
| Investing activities | | | | |
| Acquisition of intangible assets | -1.2 | -0.3 | -2.3 | -1.6 |
| Acquisition of tangible assets | -0.1 | 0.0 | -1.0 | -0.1 |
| Cashflow from investing activities | -1.3 | -0.3 | -3.3 | -1.7 |
| Financing activities | | | | |
| Dividend | - | - | -24.8 | -15.6 |
| Cashflow from financing activities | - | - | -24.8 | -15.6 |
| Exchange rate differences in cash and cash equivalents | 0.0 | 0.0 | 0.0 | 0.0 |
| Change in cash and cash equivalents* | 4.1 | 2.7 | -2.7 | 3.1 |
| Cash - opening balance | 45.3 | 48.0 | 48.0 | 44.9 |
| Cash - closing balance | 49.4 | 50.7 | 45.3 | 48.0 |

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

Balance Sheet - SinterCast Group

| AMOUNTS IN SEK MILLION | 31 Mar 2017 | 31 Mar 2016 | 31 Dec 2016 | 31 Dec 2015 |
|---|----------------|----------------|----------------|----------------|
| ASSETS | | | | |
| Intangible assets | 6.3 | 3.7 | 5.2 | 3.6 |
| Tangible assets | 1.9 | 1.3 | 1.9 | 1.3 |
| Financial assets | 0.4 | 0.3 | 0.4 | 0.4 |
| Deferred tax asset | 31.3 | 30.3 | 31.3 | 30.3 |
| Total fixed assets | 39.9 | 35.6 | 38.8 | 35.6 |
| Inventory | 5.1 | 5.6 | 4.3 | 4.4 |
| Short term receivables | 14.8 | 18.2 | 19.1 | 18.4 |
| Short term deposits and cash at bank and in hand | 49.4 | 50.7 | 45.3 | 48.0 |
| Total current assets | 69.3 | 74.5 | 68.7 | 70.8 |
| Total assets | 109.2 | 110.1 | 107.5 | 106.4 |
| SHAREHOLDERS' EQUITY AND LIABILITIES | | | | |
| Shareholders' equity | 98.8 | 98.1 | 95.8 | 93.2 |
| Long term liabilities | 0.0 | 0.0 | 0.0 | 0.0 |
| Current liabilities | 10.4 | 12.0 | 11.7 | 13.2 |
| Total shareholders' equity and liabilities | 109.2 | 110.1 | 107.5 | 106.4 |
| Equity per share, SEK | 13.9 | 13.8 | 13.5 | 13.1 |

| * STATEMENT OF CHANGES IN EQUITY | Additional | | Exchange Differences | Accumulated Result | Total Equity |
|---|------------------|--------------------|-------------------------|-----------------------|-----------------|
| Attributable to the equity holder of the parent company | Share Capital | Paid in Capital | | | |
| Opening balance 1 January 2016 | 7.09 | 44.87 | 1.55 | 39.70 | 93.21 |
| Total comprehensive income | - | - | 0.18 | 4.73 | 4.91 |
| Closing balance 31 March 2016 | 7.09 | 44.87 | 1.73 | 44.43 | 98.12 |
| Opening balance 1 January 2017 | 7.09 | 44.87 | 2.10 | 41.71 | 95.77 |
| Total comprehensive income | - | - | 0.03 | 3.00 | 3.03 |
| Closing balance 31 March 2017 | 7.09 | 44.87 | 2.13 | 44.71 | 98.80 |

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 | January-March | | January-December | |
|--|---------------|-------|------------------|-------|
| | 2017 | 2016 | 2016 | 2015 |
| Key Ratio | | | | |
| Revenue* | 13.9 | 16.1 | 75.4 | 72.4 |
| Result for the period* | 3.0 | 4.7 | 26.8 | 25.2 |
| Operating margin % | 20.1 | 28.6 | 35.0 | 28.0 |
| Solidity, % | 90.5 | 89.1 | 89.1 | 87.6 |
| Shareholders' equity | 98.8 | 98.1 | 95.8 | 93.2 |
| Capital employed | 98.8 | 98.1 | 95.8 | 93.2 |
| Total assets | 109.2 | 110.1 | 107.5 | 106.4 |
| Return on shareholders' equity, % | 3.1 | 4.9 | 28.4 | 27.8 |
| Return on capital employed, % | 3.1 | 4.9 | 28.4 | 27.0 |
| Return on total assets, % | 2.8 | 4.3 | 25.1 | 24.4 |
| Employees | | | | |
| Number of employees at the end of the period | 21 | 20 | 21 | 20 |
| Data per Share | | | | |
| Earnings per share, SEK* | 0.4 | 0.7 | 3.8 | 3.6 |
| Dividends per share, SEK | - | - | 3.5 | 2.2 |
| Cashflow from operations per share, SEK | 0.8 | 0.4 | 3.6 | 2.9 |
| Share price at the end of the period, SEK | 78.8 | 88.5 | 81.8 | 88.3 |

* 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 2016, 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 | January-March | | January-December | |
|--|---------------|-------------|------------------|-------------|
| | 2017 | 2016 | 2016 | 2015 |
| Revenue | 13.7 | 16.0 | 74.7 | 70.9 |
| Cost of goods sold | -3.1 | -3.2 | -16.9 | -17.0 |
| Gross result | 10.6 | 12.8 | 57.8 | 53.9 |
| Gross result % | 77% | 80% | 77% | 76% |
| Cost of sales and marketing | -5.0 | -4.3 | -19.0 | -19.8 |
| Cost of administration | -1.8 | -1.6 | -6.0 | -6.2 |
| Cost of research & development | -1.0 | -1.7 | -7.9 | -7.6 |
| Other operating income | 0.0 | 0.0 | 0.7 | 0.0 |
| Other operating costs | -0.2 | 0.0 | 0.0 | -2.3 |
| Operating result | 2.6 | 5.2 | 25.6 | 18.0 |
| Financial income* | 0.2 | 0.1 | 0.0 | 15.4 |
| Financial costs** | 0.0 | 0.0 | -0.5 | -3.8 |
| Income Tax | 0.0 | 0.0 | 1.0 | 1.0 |
| Result for the period | 2.8 | 5.3 | 26.1 | 30.6 |
| Result attributable to: | | | | |
| Equity holder of the parent company | 2.8 | 5.3 | 26.1 | 30.6 |
| Non-controlling interests | - | - | - | - |
| Earnings per share, SEK | 0.4 | 0.7 | 3.7 | 4.3 |
| Earning per share, diluted, SEK | 0.4 | 0.7 | 3.7 | 4.3 |
| Number of shares at the close of the period, thousands | 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 |
| Average number of shares adjusted for dilution | 7,090.1 | 7,090.1 | 7,090.1 | 7,090.1 |

* In December 2015, the parent company settled its debts toward the subsidiaries in US and UK (SEK 15.3 million).

The settlement was made by offsetting receivables against repayment of equity and shareholder contribution.

** In December 2015, shares in SinterCast Ltd. were written off (SEK 3.3 million).

Statement of Other Comprehensive Income - SinterCast AB

| AMOUNTS IN SEK MILLION | January-March | | January-December | |
|--|---------------|------------|------------------|-------------|
| | 2017 | 2016 | 2016 | 2015 |
| Result for the period | 2.8 | 5.3 | 26.1 | 30.6 |
| Total comprehensive income for the period | 2.8 | 5.3 | 26.1 | 30.6 |
| Total comprehensive income attributable to: | | | | |
| Shareholder of the parent company | 2.8 | 5.3 | 26.1 | 30.6 |
| Non-controlling interests | - | - | - | - |

Balance Sheet - SinterCast AB

| AMOUNTS IN SEK MILLION | 31 Mar 2017 | 31 Mar 2016 | 31 Dec 2016 | 31 Dec 2015 |
|---|----------------|----------------|----------------|----------------|
| ASSETS | | | | |
| Intangible assets | 6.3 | 3.7 | 5.2 | 3.6 |
| Tangible assets | 1.9 | 1.3 | 1.9 | 1.3 |
| Financial assets | 2.1 | 2.0 | 2.1 | 2.0 |
| Deferred tax asset | 31.3 | 30.3 | 31.3 | 30.3 |
| Total fixed assets | 41.6 | 37.3 | 40.5 | 37.2 |
| Inventory | 5.0 | 5.6 | 4.2 | 4.3 |
| Short-term receivables | 17.7 | 19.3 | 18.6 | 17.6 |
| Short term deposits and cash at bank and in hand | 47.9 | 48.3 | 43.3 | 44.2 |
| Total current assets | 70.6 | 73.2 | 66.1 | 66.1 |
| Total assets | 112.2 | 110.5 | 106.6 | 103.3 |
| SHAREHOLDERS' EQUITY AND LIABILITIES | | | | |
| Shareholders' equity* | 93.4 | 94.6 | 90.6 | 89.3 |
| Long term liabilities | 0.0 | 0.0 | 0.0 | 0.0 |
| Current liabilities | 18.8 | 15.9 | 16.0 | 14.0 |
| Total shareholders' equity and liabilities | 112.2 | 110.5 | 106.6 | 103.3 |
| Adjusted equity per share, SEK | 13.2 | 13.3 | 12.8 | 12.6 |

| * 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 2016 | 7.09 | 9.53 | - | 35.34 | 6.76 | 30.58 | 89.30 |
| Appropriation of last year's result | - | - | - | - | 30.58 | -30.58 | - |
| Total comprehensive income | - | - | - | - | - | 5.28 | 5.28 |
| Closing balance 31 March 2016 | 7.09 | 9.53 | - | 35.34 | 37.34 | 5.28 | 94.58 |
| 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 | - | - | 1.14 | - | -1.14 | - | - |
| Total comprehensive income | - | - | - | - | - | 2.81 | 2.81 |
| Closing balance 31 March 2017 | 7.09 | 9.53 | 3.09 | 35.34 | 35.57 | 2.81 | 93.43 |