

Press Release
For Immediate Distribution

**SinterCast announces financial targets
and long-term growth outlook**

- Continued double-digit CAGR through 2030
- Target to increase gross margins beyond current level of 70%
- Target to increase operating margin from 30% to more than 40%
- Extend increasing dividend from current string of 13 years to 25 years
- Increase cumulative CO₂ savings from 50 to 100 million tonnes within five years

[Stockholm, 18 September 2023] – September 2023 marks the twenty year anniversary of the start of production of the first high volume engine produced using the SinterCast process control technology. Today, with more than ten million fuel-efficient engines successfully produced and more than 50 million tonnes of cumulative CO₂ saved, SinterCast presents its near-term financial targets and its long-term growth outlook.

Continued Growth: Building on a track record of 11% compounded annual growth rate over the last ten years, SinterCast forecasts continued double-digit CAGR of its series production volume and its revenue through 2030. More than 95% of the current SinterCast production volume is derived from commercial vehicles, pick-up trucks and off-road equipment. These applications will continue to rely predominantly on the internal combustion engine and the opportunities for SinterCast-CGI will increase as global demands for performance, fuel efficiency and CO₂ reduction become more stringent. SinterCast forecasts continued growth with high volume series production well beyond 2035 in the current western markets and further growth opportunities in the developing world.

Recurring Revenue: The SinterCast business model is based on recurring revenue derived from a license fee applied to each casting shipped by the customer. SinterCast also receives recurring revenue from the sale of bespoke sampling consumables and software licence fees. Recurring revenue from series production accounts for more than 90% of the revenue with the balance coming from new installations, upgrades and engineering service. Gross margins are consistently above 70% and SinterCast maintains the ambition to continuously improve the gross margins.

Margin Improvement: As a software and service provider, with no in-house manufacturing, the SinterCast business is highly scalable. Historical operating margins have revolved around 30%, depending upon OPEX investments in future growth and R&D. Benefitting from the mature technology, SinterCast foresees reductions in operating costs in parallel with the continued double-digit growth of the series production and the revenue. Operating costs are targeted to decrease by approximately 5% in 2024. Adjusted for inflation, the annual expense level at the end of the current five-year planning horizon is forecast to be less than 2023. SinterCast targets to increase the operating margin from the current level of approximately 30% to more than 40% within the five-year planning horizon. SinterCast will continuously be among the most profitable companies on the Stockholm stock exchange.

Dividend Focus: Since the first dividend was approved for the financial year 2010, SinterCast has delivered thirteen consecutive years of increasing dividend. The dividend yield in 2023 was more than 5%. In total, SinterCast has provided SEK 282.4 million in dividends, representing 111% of the operating result during the same period. With its strong balance sheet, SinterCast is committed to its pro-dividend strategy and has the goal to attain “dividend aristocrat” status by delivering twenty-five consecutive years of increasing dividend to its shareholders.

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Climate Contribution: The vehicles produced with SinterCast engine components are able to operate at higher pressure and temperature, resulting in improved performance, better fuel efficiency and reduced CO₂ emissions. These vehicles contribute to CO₂ reduction every year through the life of the vehicle, annually compounding the cumulative CO₂ contribution. At the current series production level, SinterCast contributes to the reduction of more than ten million tonnes of CO₂ reduction per year. In perspective, the entire Swedish transport sector generated approximately 14 million tonnes of CO₂ in 2022. While society develops new technologies that offer the potential for CO₂ reduction in the future, SinterCast has been making meaningful contributions for twenty years. SinterCast targets to increase its cumulative CO₂ contribution from the current level of 50 million tonnes to 100 million tonnes before the end of the current five-year planning horizon.

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SinterCast® is the world's leading supplier of process control technology for the reliable high volume production of Compacted Graphite Iron (CGI). The properties of CGI enable improved transport solutions, increasing efficiency and reducing carbon emissions in passenger vehicle, commercial vehicle and industrial power applications. As a specialist supplier of precision measurement and process control solutions to the metals industry, SinterCast also supplies the SinterCast Ladle Tracker® and SinterCast Cast Tracker® technologies, to improve production efficiency and Industry 4.0 traceability in a variety of applications. With 57 installations in 13 countries, SinterCast is a publicly traded company, quoted on the Small Cap segment of the Nasdaq Stockholm stock exchange (SINT). For more information: www.sintercast.com

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