

Press Release
For Immediate Distribution

**Increased production opportunities at
Scania and First Automobile Works**

- Scania announces new 11 litre heavy duty engine
- Scania constructing new commercial vehicle manufacturing facility in China
- FAW developing 11 litre and 13 litre variants of new 16 litre engine

[Stockholm, 24 October 2022] – Accounting for 45% of the series production volume, heavy duty commercial vehicle engines currently provide both the largest contribution and the largest growth opportunity for SinterCast. This growth opportunity has been further increased by recent developments at Scania in Sweden and at First Automobile Works (FAW) in China.

Following the start of production in the first quarter of 2022, the new Scania 13 litre commercial vehicle engine provided a strong contribution to the SinterCast series production volume during the third quarter. Produced at the new Scania foundry in Södertälje, Sweden, with SinterCast-CGI cylinder blocks and heads, the engine will be used throughout the Traton group, including the Scania, MAN, Navistar and Volkswagen trucks and busses. The 13 litre production is expected to provide approximately one million incremental Engine Equivalents when full volume is reached, representing growth of approximately 30% beyond the SinterCast baseline production of approximately 3.2 million Engine Equivalents at the start of 2022. On 17 October, Scania launched an 11 litre derivative of the 13 litre engine, providing additional growth opportunities for SinterCast.

Scania has also recently begun the construction of a wholly-owned manufacturing facility in China. The facility is planned to start production during late 2024 or early 2025 and is intended to produce at least 20,000 commercial vehicles per year, and possibly more than 50,000 vehicles per year. The vehicles will be sold in the domestic Chinese market and in the Asian export market. With the new 13 litre and 11 litre engines as the primary powertrains for Scania, the Chinese manufacturing facility provides further growth opportunities for SinterCast.

Also in China, FAW started the production of a new 16 litre commercial vehicle engine with a SinterCast-CGI cylinder block during the second quarter of 2022. As the first 16-litre engine in the Chinese market, and in the face of Covid restrictions, the production has not yet provided a meaningful contribution and the volume is expected to remain limited during the fourth quarter. Despite the initial headwinds, the engine has established new benchmarks for performance and fuel efficiency within FAW, leading the company to develop new 11 litre and 13 litre derivatives of the engine, also with SinterCast-CGI cylinder blocks. Pre-production of these engines commenced during the third quarter. Initial series production is expected during 2023.

“The expanded commitments to Compacted Graphite Iron by both Scania and FAW reinforce the benefits of CGI for fuel efficiency, CO₂ reduction, performance and package size and weight in modern commercial vehicles. It also reinforces our longstanding belief that, in the fullness of time, all commercial vehicle engines will be CGI” said Dr Steve Dawson, President & CEO. “Although the OEMs have not announced future production volumes, the Scania and FAW announcements provide significant growth opportunities for SinterCast. In perspective, China is the largest commercial vehicle market in the world and, with annual production of approximately 400,000 commercial vehicles, FAW alone sells more heavy duty vehicles than either Europe or the US.”

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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 55 installations in 14 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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