Report of the Management Board of AMAG Austria Metall AG in accordance with Section 170 para. 1 in connection with Section 153 para. 4 of the Austrian Stock Corporation Act (Authorised Capital 2020)

With regard to item 10 of the agenda of the 9th Ordinary Annual General Meeting of AMAG Austria Metall AG ("**AMAG**") headquartered in Ranshofen, in the municipality of Braunau am Inn, and with the business address of Lamprechtshausener Straße 61, 5282 Braunau am Inn, Ranshofen, the Management Board and Supervisory Board of AMAG propose that the General Meeting adopts the following resolution:

a) Resolution concerning the creation of new "Authorised Capital" with the preservation of the statutory subscription right, including in terms of the indirect subscription right pursuant to Section 153 (6) AktG, albeit also with the authorisation of the Management Board, with the consent of the Supervisory Board, to exclude the shareholders' subscription rights in whole or in part, including with the option to issue the new shares against non-cash capital contributions (Authorised Capital 2020), and a resolution concerning the corresponding amendment to the articles of incorporation in section 4.

The existing authorisation of the Management Board, with the consent of the Supervisory Board, to implement a capital increase in accordance with the resolution of the Annual General Meeting of April 16, 2015 under item 10 on the agenda expired on May 12, 2020. The Management Board and the Supervisory Board propose that the General Meeting adopts the following resolutions on item 10 of the agenda:

a) Resolution on the (renewed) authorization of the Management Board, with the consent by the Supervisory Board, to increase the Company's share capital within five years from the registration of the changes to the Articles of Incorporation with the Commercial Register, in one or several tranches, by up to EUR 17,500,000 by issuing up to 17,500,000 new no-par share certificates in bearer or registered form against cash and/or payment in kind and to determine the issue price and further conditions of issue, and resolution on the authorization of the Management Board, with the consent by the Supervisory Board, to exclude the subscription rights of shareholders in the event of a capital increase from the authorized capital in whole or in part (i) if the capital increase against contributions in kind is carried out for the purpose of acquiring companies, parts of companies, operations, parts of operations, participations in companies or other assets in connection with an acquisition project, (ii) to service an over-allotment option (greenshoe) or (iii) to compensate for fractional amounts (authorized capital 2020). The statutory subscription rights may be granted to shareholders in such a way that the capital increase is underwritten by a bank or a syndicate of credit institutions with the obligation to offer it to shareholders in accordance with their subscription right (indirect subscription right).

b) Resolution on the corresponding amendment of Section 4 para. 5 of the Articles of Incorporation as followed: The Management Board is authorized, with the consent by the Supervisory Board, to increase the company's share capital by up to EUR 17,500,000.00 by issuing up to 17,500,000 against cash and/or payment in kind within five years of the entry of the amendment to the Articles of Incorporation in the commercial register - possibly in several tranches - new no-par value bearer or registered shares and to determine the type of shares, issue price and issue conditions (authorized capital 2020). The statutory subscription right may be granted to shareholders in such a way that the capital increase is underwritten by a bank or a syndicate of credit institutions with the obligation to offer it to shareholders in accordance with their subscription right (indirect subscription right). However, the Management Board is authorized, with the consent by the Supervisory Board, to exclude shareholders' subscription rights in the event of a capital increase from the authorized capital in whole or in part (i) if the capital increase against contributions in kind is carried out for the purpose of acquiring companies, parts of companies, operations, parts of operations, participations in companies or other assets connected with an acquisition project, (ii) to satisfy an over-allotment option (greenshoe) or (iii) to compensate for fractional amounts. The Supervisory Board is authorized to adopt amendments to the Articles of Incorporation resulting from the issue of shares from the authorized capital.

With regard to the possible exclusion of the existing shareholders' subscription rights connected with the Authorised Capital 2020, the Management Board pursuant to Section 170 para. 1 in connection with Section 153 para. 4 of the Austrian Stock Corporation Act has to submit to the Annual General Meeting a written report concerning the reason for the exclusion of the existing shareholders' subscription rights.

The possible exclusion of subscription rights in the context of the Authorised Capital 2020 is necessary, appropriate and objectively justified in the interests of the company in particular for the following reasons:

1. One of the major strategic goals pursued by AMAG is to safeguard and enhance AMAG’s earning power by achieving sustainable growth. The financing of stages of organic growth and of potential company acquisitions calls for utmost flexibility. The exclusion of subscription rights is necessary, among other things, in order to implement financing measures without loss of time.

2. Moreover, using shares issued from authorised capital as consideration often permits achieving a better purchase price than if payment is purely in cash. Regardless of the fact that with regard to its existing capital structure AMAG currently has sufficient leeway for borrowing, it is therefore expedient in the opinion of the Management Board to make it possible to fund potential further expansion moves also by employing shares issued from authorised capital.

3. Being able to provide equity financing for expansion moves has the added advantage that due to there being no cash purchase price there is no outflow of liquidity from the company and thus no burden on the company’s equity base.

4. The possibility of issuing shares from authorised capital to the exclusion of the shareholders' subscription right therefore makes possible in particular the funding of expansion moves (for instance by acquiring equity interests against contributions in kind), the quick and flexible use of the market opportunities and possibilities opening up in new markets as well as short-term coverage of the resulting capital requirements.

5. The Management Board furthermore considers that by excluding the existing shareholders' subscription rights the company’s equity base can also be improved through the possible entry of investors and new investors can thus be won as shareholders.

6. But the authorised capital may also prove useful to the company in case of capital increases against cash contribution. Especially against the backdrop of a competitive market environment and/or the proposed growth course, the company should continue to be able to source additional capital in a quick and targeted manner. In this context, a capital increase from authorised capital to the exclusion of the shareholders’ subscription rights offers maximum flexibility in equity financing.

7. Generally, if the existing shareholders’ subscription rights can be excluded also in case of capital increases against cash contribution, shares can be sold even without drawing up a capital market prospectus and without being bound by subscription periods or trading hours, thus providing the flexibility needed in order to take the best possible advantage of possible time windows for favourable financing opportunities in a volatile market environment. This allows in particular reducing the price risk and the transaction costs, minimizing the risk of speculation against the company’s shares, broadening the shareholder base and achieving an issue amount as close to the then current stock exchange price as possible. Existing shareholders are moreover able to purchase company shares on the stock market, thus that, generally, the risk of a dilution of shareholder rights can also be minimized in this respect while the company gains additional room to manoeuver, allowing quick and attractive internal financing of the company.

8. Optimal achievement of the goals being pursued, i.e. expansion of business activities and the opening up of new markets as well as quick and attractive corporate financing, is in the interest of all shareholders, and the exclusion of subscription rights which is necessary to accomplish these goals is thus objectively justified.

9. In closing, it must be pointed out that the utilization of the authorised capital by the Management Board as well as the exclusion of the shareholders' subscription rights in this context can be carried out only with the consent of the Supervisory Board of the company. The Management Board will therefore only make use of its authorization, and the Supervisory Board will only consent to the exclusion of

subscription rights, if the exclusion of shareholders' subscription rights can be objectively justified, i.e. is of predominant interest, proportionate and necessary.

10. The proposed resolution is thus only an authorization resolution, and not a direct exclusion of subscription rights. This report can therefore not go into any specific transactions as yet; however, if new shares should in fact be issued to the exclusion of shareholders' subscription rights, the Management Board, pursuant to Section 171 para. 1 of the Austrian Stock Corporation Act, will have to publish a further report on the exclusion of the existing shareholders' subscription rights not later than two weeks before the corresponding resolution is adopted by the Supervisory Board.

Summing up it can be said, weighing all of the circumstances set out above, that the authorization to exclude the existing shareholders' subscription rights within the limits described is necessary, appropriate and objectively justified and indicated in the interest of the company.

Ranshofen, June 22, 2020

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