Report of the Management Board of AMAG Austria Metall AG pursuant to Section 174 para. 4 in connection with Section 153 para. 4 of the Austrian Stock Corporation Act (*Aktiengesetz, AktG*) (Convertible Bonds 2020)

Concerning item 9 on the agenda of the 9th Annual General Meeting of AMAG Austria Metall AG ("**AMAG**") with registered office in Ranshofen, in the political district of Braunau am Inn, and business address at Lamprechtshausener Straße 61, 5282 Braunau am Inn, Ranshofen, the following resolution is proposed to be adopted:

a) Resolution concerning the authorisation of the Management Board, with the consent of the Supervisory Board, to issue convertible bonds and on the authorisation of the Management Board, with the consent of the Supervisory Board, to exclude the shareholders' subscription rights of fully or partially (Convertible Bond 2020).

b) Resolution concerning the conditional increase of the Company's share capital in accordance with Section 159 (2) 1 AktG for the purpose of issuing to creditors of financial instruments (convertible bonds) (Conditional Capital 2020), with cancellation of the "Conditional Capital 2015" in accordance with the resolution of the Annual General Meeting of April 16, 2015 relating to agenda item 9, and corresponding amendment of the articles of incorporation in section 4.

The existing authorisation of the Management Board, with the consent of the Supervisory Board, to issue convertible bonds in accordance with the resolution of the Annual General Meeting of April 16, 2015 under item 8 on the agenda expired on April 16, 2020. The Management Board and the Supervisory Board propose that the General Meeting adopts the following resolutions on item 9a of the agenda:

a) *Resolution on the (renewed) authorization of the Management Board pursuant to Section 174 para. 2 AktG to issue, with the consent by the Supervisory Board, convertible bonds in one or several tranches that grant or provide for the subscription or conversion right or a subscription or conversion obligation for up to 17,500,000 shares of the Company (convertible bonds 2020). The issue price, the issue, the conversion procedure for the convertible bonds and all other conditions are to be determined by the Management Board with the consent of the Supervisory Board. The issue price and the exchange ratio shall be determined in accordance with recognized financial mathematical methods and the stock exchange price of the Company's shares in a recognized pricing procedure. This authorization shall be valid until July 21, 2025.*

b) *The subscription right may be granted to shareholders in such a way that the convertible bonds are taken over by a bank or a consortium of banks with the obligation to offer them to the 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 the* *subscription right of shareholders when issuing convertible bonds in whole or in part (i) if the issue of convertible bonds against contributions in kind for the purpose of acquiring companies, parts of companies, operations, parts of operations, participations in companies or other assets relating to an acquisition project, or (ii) for the compensation of fractional amounts resulting from the subscription ratio.*

c) *The Management Board is also authorized, with the consent by the Supervisory Board, to exclude the subscription right for convertible bonds in whole or in part, provided that the Management Board, after due examination, comes to the conclusion that the issue price of the convertible bonds at the time of the final determination of the issue price is not less than the hypothetical market value determined according to recognized, in particular financial-mathematical methods and that the conversion price or subscription price (issue price) of the subscription shares is determined by taking into account recognized financial-mathematical methods and the price of the Company's ordinary shares in a recognized pricing procedure and is not lower than the stock market price of the Company's shares during the last 20 trading days prior to the date of announcement of the issue of convertible bonds.*

The Management Board and the Supervisory Board propose that the General Meeting adopts the following resolutions on item 9b of the agenda:

a) *Resolution on the (renewed) contingent increase in share capital pursuant to Section 159 para. 2 rec. 1 AktG - with the simultaneous cancellation of the relevant resolutions adopted by the Annual General Meeting on April 16, 2015 - by up to 17,500,000 new bearer shares with no par value (no-par value shares) for the issue to creditors of convertible bonds - at which the Management Board is authorized by this Annual General Meeting (conditional capital 2020). The issue price and the exchange ratio shall be determined in accordance with recognized financial-mathematical methods and the price of the Company's shares in a recognized pricing procedure. The issue price may not be less than the proportionate amount of the share capital.*

b) *Resolution on the authorization of the Management Board with the consent of the Supervisory Board to determine the further details of the conditional capital increase and its implementation and the authorization of the Supervisory Board to amend the Articles of Incorporation resulting from the issue of shares from the contingent capital.*

c) *Resolution on the corresponding amendment of Section 4 para. 6 of the Articles of Incorporation as followed: In accordance with § 159 Para 2 Item 1 of the Austrian Stock Corporation Act, company share capital is contingently increased by up to EUR 17,500,000.00 by issuing up to 17,500,000 new bearer shares with no par value (no-par value shares) for issue to creditors of convertible bonds, for which the Management Board received authorization at the Annual General Meeting held on 21 July 2020 (contingent capital 2020). The capital increase may only be carried out to the extent that creditors of convertible bonds exercise their subscription or conversion rights to shares of the Company or those who are obligated to subscribe or exchange them fulfill their respective obligation to subscribe or exchange them, and the Management Board decides to service these convertible bonds with new shares. The issue price and the exchange ratio shall be determined in accordance with recognized financial-mathematical methods and the price of the Company's ordinary shares in a recognized pricing procedure (basis for calculating the issue price); the issue price may not be* *lower than the pro rata amount of the share capital. The newly issued shares of the conditional capital increase have full dividend entitlement for the entire fiscal year in which they are issued. The Management Board is authorized, with the consent by the Supervisory Board, to determine the further details of the implementation of the conditional capital increase. The Supervisory Board is authorized to amend the wording of the Articles of Incorporation in accordance with the respective issue of the subscription shares. The same shall apply in the event that the authorization to issue convertible bonds is not utilized after the expiry of the authorization period and in the event that the conditional capital is not utilized after expiry of the periods stipulated in the terms and conditions of the convertible bonds.*

[Reasoning follows on the next page]

With regard to the possible exclusion, connected with the resolution on the 2015 Convertible Bond issue and as a result also with the 2015 Contingent Capital, of the existing shareholders' subscription rights, the Management Board pursuant to Section 174 para. 4 in connection with Section 153 para. 4 of the Stock Corporation Act has to submit to the Annual General Meeting a written report concerning the reasons for the possible exclusion of the existing shareholders' subscription rights.

The possible exclusion of the existing shareholders' subscription rights in connection with the 2015 Convertible Bond issue (and therefore also the 2015 Contingent Capital) is necessary, appropriate and objectively justified in the interests of the company in particular for the following reasons:

Flexibility and optimization of corporate financing

As the authorization to issue convertible bonds has recently expired, it is requested that it be renewed. This is intended to allow the Management Board to, subject to the consent of the Supervisory Board, act with similar comprehensive flexibility regarding corporate financing also in future. To take the best possible advantage of that instrument, i.e. the convertible bonds, in the interest of the company it is appropriate and necessary to exclude subscription rights. This will ensure in particular that shares can be promptly placed, which tends to allow mostly better terms to be achieved.

Convertible Bonds 2020 issue for financing the expansion

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. Especially, using convertible bonds as a form of "transaction currency" may be expedient. Using convertible bonds as (at least part of the) consideration could permit achieving a better purchase price than if payment is (entirely) 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 further expansion moves also by employing convertible bonds.

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 convertible bonds to the exclusion of the shareholders' subscription right therefore makes possible in particular the funding of expansion moves, the quick and flexible use of the market opportunities and possibilities opening up in existing markets and in new markets as well as short-term coverage of the resulting capital requirements.

Convertible Bonds 2020 issue as an opportunity to tap into a new investor base

1. 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.

2. Especially on the international capital market it is already common practice to exclude existing shareholders' subscription rights when issuing convertible bonds. The flexibility (in terms of time) provided by excluding the subscription rights may further improve the company's ability to appeal to institutional investors specializing in these forms of investment and win them as a new investor base.

3. Generally, it is only if the existing shareholders' subscription rights can be excluded that convertible bonds can be issued to qualified investors without drawing up a capital market prospectus and without being bound by subscription periods or trading hours in order to take the best possible advantage of possible time windows for favorable 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.

4. 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 corporate financing.

Summary

1. Optimal achievement of the goals being pursued, i.e. expansion 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.

2. In closing, it must be pointed out that the issuance of convertible bonds and the related utilization of the contingent 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.

3. 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; however, if new shares should in fact be issued to the exclusion of shareholders' subscription rights, the Management Board, applying Section 171 para. 1 of the Austrian Stock Corporation Act by analogy, will 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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Chief Executive Officer

H. Kaufmann

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Chief Operating Officer

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