

Nexam Chemical Holding AB (publ)

Interim Report 1 January – 30 June 2018

Continued positive development in the business

Second quarter at a glance

Operational:

- NEXAMITE® qualified in commercial standard product.
- Organization strengthened with additional key resources.
- Increased extruder capacity in Hungary.
- Purchasing project initiated to reduce material cost.
- High utilization of capacity in St Andrews leads to increased outsourcing of intermediary products.

Financials:

- Net sales for the second quarter totaled SEK 27,623,000 (4,577,000).
- The operating loss before depreciation (EBITDA) for the quarter SEK -471,000 (-5,209,000).
- In comparison to the beginning of the year, cash and cash equivalents amounted to SEK 68,973,000 (86,407,000).
- Cash flow from operating activities during quarter was SEK -2,257,000 (-4,762,000).
- Result per share after dilution for the quarter was SEK -0.04 (-0.09).

Key Figures for the Group

| | Apr-Jun 2018 | Apr-Jun 2017 | Jan-Jun 2018 | Jan-Jun 2017 | Full year 2017 |
|---|-----------------|-----------------|-----------------|-----------------|-------------------|
| Net sales (SEK thousand) | 27,623 | 4,577 | 54,664 | 6,913 | 18,694 |
| Operating profit/loss before depreciation (EBITDA) (SEK thousand) | -471 | -5,209 | -1,372 | -9,555 | -19,956 |
| Cash and cash equivalents (SEK thousand) | 68,973 | 118,983 | 68,973 | 118,983 | 86,407 |
| Cash flow (SEK thousand) | -7,461 | -5,798 | -17,459 | -14,159 | -46,732 |
| Equity (SEK thousand) | 180,464 | 153,394 | 180,464 | 153,394 | 187,512 |
| Equity per basic share (SEK) | 2.67 | 2.37 | 2.67 | 2.37 | 2.78 |
| Equity/asset ratio (%) | 67 | 95 | 67 | 95 | 67 |
| Total assets (SEK thousand) | 270,181 | 161,267 | 270,181 | 161,267 | 281,754 |
| Quick ratio (%) | 234 | 2,024 | 234 | 2,024 | 276 |
| Average number of basic shares | 67,519,019 | 64,724,000 | 67,519,019 | 64,724,000 | 64,854,179 |
| Average number of diluted shares | 67,51,019 | 64,724,000 | 67,519,019 | 64,724,000 | 64,854,179 |
| Basic earnings per share (SEK) | -0.04 | -0.09 | -0.11 | -0.17 | -0.09 |
| Diluted earnings per share (SEK) | -0.04 | -0.09 | -0.11 | -0.17 | -0.09 |
| Share price on balance sheet date (SEK) | 9.00 | 8.75 | 9.00 | 8.75 | 9.55 |

Note: This Interim Financial Report has been translated from Swedish. The Swedish text shall govern for all purposes and prevail in case of any discrepancy with the English version.

Comments from the CEO, Anders Spetz

Important steps forward during the second quarter and continued high activity in the market

This summer's extreme weather conditions has not left anyone unnoticed. The signs of a change in our climate, as a result of our lifestyle and consumption, are now evident. The change is also more rapid than anyone anticipated. The demand for more efficient and sustainable technologies and products will accelerate. With this in mind, we consider Nexam Chemical, and its product portfolio, to be very well positioned to enable more efficient and environmentally friendly solutions within several important areas. We can clearly see that the interest for our solutions continuously increase.

Looking at the last quarter, Nexam Chemical continued to develop its business with a total turnover of SEK 27.6 million, the best quarter ever in the company's history. The Group's twelve-months rolling sales has also increased and the Company continues to show good margins.

Our sales within the high-performance segment, delivering the highest margins, are developing well, and the share of the new masterbatch and multifunctional masterbatch products that we have developed and launched on the market are increasing. The more volume focused sales continue to develop in the right direction and our customers have increased their order volumes. Through the capability of our established global sales network, we now have the ability to open up for new countries and markets within each segment. This is promising for the future.

Normally, the third quarter every year show somewhat lower volumes due to the general holiday period in Europe. Many of our customers carry out planned stops in production for holidays and maintenance during the summer. We have also performed necessary maintenance and reconstruction work in production during a couple of weeks. This ensures that we have full production capacity during the coming year. From a sales perspective we expect continued growth over a twelve-month rolling period.

To further strengthen the margins within the volume segment, we have initiated a purchase project that will be implemented directly under my supervision. The goal is to reduce the cost of materials for our products through the entire chain of production through increasing the efficiency in our procurement processes. The cost of material accounts for a significant part of total production cost in our industry and each Swedish krona saved will directly affect the result bottom line.

“The goal is to reduce the cost of materials for our products through the entire chain of production...”

Market

It has been an intense quarter for our sales team with positive outcome from customer visits on three continents. On the Asian market we see an increased interest for our products which also starts to reflect in our sales figures. The distributors that we are working with on the Asian markets are doing a great job establishing our products on respective market. This concerns primarily applications within the electronic industry. We can also see that the customers within PET-foam, with whom we have established ongoing business with, now increase their activities, which is also positive for our sales.

We are now conducting a systematic work to establish Nexam Chemicals masterbatch products on new geographical markets where we previously have not been as present as in Sweden. To succeed with this, we expand our sales team with additional sales persons who will process an increasing number of customers in new geographical markets.

Production

The production in our entities are stable and running at high capacity. During this quarter we have continued the activities to further develop our partnerships concerning

intermediary products for our synthetic chemical production in St Andrews. The production plant in St Andrews is reaching close to its full capacity, so we are implementing some changes in our production strategy with the aim to increase the output from the plant. The plant increasingly focuses on the more high-end and complex production processes, while at the same time free capacity through outsourcing simpler intermediary products not requiring the same expertise and know-how. This will in turn also generate cost reductions as our partners for these intermediary products can produce with larger economies of scale.

“...expand our production plant in Hungary with additional extruder capacity.”

Previously this year we established Medical as a new focus area. To meet the increasing demand within this segment, we will during the third quarter expand our production plant in Hungary with additional extruder capacity. This work is led by our new CEO in Hungary, Laszlo Megyeri, who has a long experience within the industry, not least from his time at A.Schulman. We consider Laszlo as an important part of the team building our business, especially within Medical.

Innovation

The development of new products in cooperation with our customers has progressed during this quarter. A lot of effort is being made in developing new multifunctional masterbatch, tailor-made for specific customers and applications. We can also see that our chemistry is more and more added into our customer’s standard recipe for commercial products, which will be positive for our sales development.

Looking at the high-performance area, several development projects are ongoing in close cooperation with institutions, universities and authorities. These projects are run with a slightly longer time horizon and concerns applications such as high-temperature composites in airplane engines, 3D-printing and colorless polyimide films.

For the new focus area Medical we now implement the necessary regulatory work required to qualify as a manufacturer of MedTech products. The regulatory requirements for MedTech is not as extensive as for medical drugs.

Organization

Johnny Weidmar has recently started his work as team leader at our laboratory for color and additives in Lomma. He has a long experience from the industry and has previously worked at one of our more important customers. Since a few months, Laszlo Megyeri, our new CEO in Hungary, has started to develop the business on the central European market. We are also strengthening our color matching laboratory in Hungary with a very experienced development engineer who will join us during the autumn. Furthermore, a process of recruiting additional qualified sales persons and development engineers are underway. Employees who will be located in Sweden and in our subsidiaries.

Outlook

When the customer activities temporarily go down during the holidays, we take the opportunity to install new capacity, perform maintenance on our machines and increase the inventory of strategic products to meet the demand during the autumn.

Looking forward we expect good growth, especially within our newly developed products and within the new focus areas. Growth are also expected in the volume segment through establishing new geographic markets and the introduction of new product variants. To meet the increased demand, we increase the production capacity.

After a summer with more sunshine and holiday weather than ever before, we are filled with energy and ready for the exciting challenges we see in front of us during the autumn.



Anders Spetz, CEO

This is Nexam Chemical

Nexam Chemical

Nexam Chemical develops technology and products that make it possible to significantly improve the properties and performance of most types of plastics in a cost-effective manner and with the production technology intact. The properties that are improved include temperature resistance and service life. The property improvements that can be achieved by using Nexam Chemical's technology make it possible to replace metals and other heavier and more expensive materials with plastics in a number of different applications.

The Company's head office is located in Lomma, Sweden. Development of new products and applications and formulation evaluation takes place in the laboratory in St. Andrews, Scotland where also the facility for pilot production is located. Large scale production of the company's unique molecules is performed in collaboration with contract manufacturers. Manufacturing of masterbatch and multifunctional masterbatch is performed by the subsidiary Plasticolor with production as well as sales- and market offices in totally seven countries throughout Europe. The Group has in total approximately 45 employees.

Vision and mission

Nexam Chemical's vision is to be a recognized world leader in the field of property modification of plastic and polymer materials via heat-activated crosslinking.

Financial comments

Sales and profit

The figures for the previous year do not include Plasticolor operations. Net sales for the second quarter totaled SEK 27,623,000 (4,577,000). Other operating income for the quarter amounts to SEK 809,000 (4,000) and consists mainly of effects from exchange rates.

The personnel expenses during the first quarter totaled SEK -6,372,000 (-3,444,000) and other operating expenses totaled SEK -5,734,000 (-3,180,000). The depreciation for the period amounts to SEK -2,031,000 (-582,000) of which SEK -1,100,000 (0) concerns depreciation of acquired immaterial surplus values. The profit/loss before depreciation (EBITDA) amounted to SEK -471,000 (-5,209,000) and the operating profit/loss before tax came in at SEK -2,863,000 (-5,823,000).

Personnel and organization

The average number of employees in the Group for the period amounted to 39 (14), whereof 8 (1) were women.

Investments

The total investment in intangible assets during the

quarter amounts to SEK 823,000 (781,000) and for the material assets SEK 889,000 (0).

Cash flow

The cash flow from the operating activities during the quarter amounted to SEK -2,257,000 (-4,762,000). Changes in working capital has affected the cashflow with SEK -1,369,000 (-451,000) and concerns to a large part increased account receivables. During the quarter, amortization of bank loans has affected the cashflow with SEK -3,000,000 (-256,000). The total cash flow for the quarter amounted to SEK -7,461,000 (-5,798,000).

Financial position

Compared to the beginning of the year, the equity/assets ratio was 67 (67) percent, and the equity was SEK 180,464,000 (187,512,000). Cash and cash equivalents amounted to SEK 68,973,000 (86,407,000) compared to the beginning of the year. The Group has at the end of the period an interest-bearing debt of SEK 59,328,000 (65,886,000) compared to the beginning of the year.

Other information

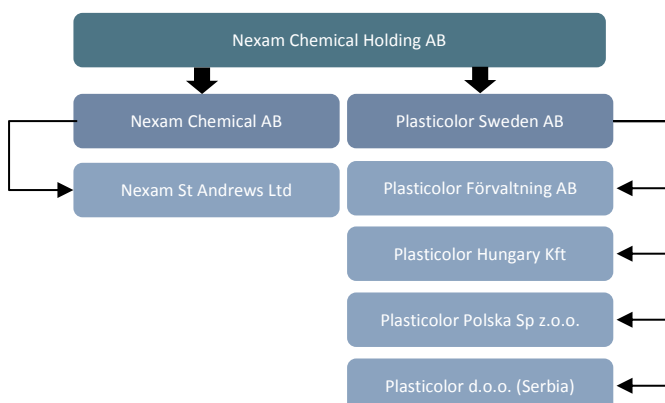
Group structure

Nexam Chemical Holding AB is a Swedish public limited liability company and its corporate ID no. is 556919-9432. The Group consists of the parent company Nexam Chemical Holding AB (publ) and two subgroups, Nexam

Chemical and Plasticolor. All companies in the Group are wholly owned.

Accounting policies

The Group applies International Financial Reporting Standards (IFRS), as adopted by the EU. This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting, the Annual Accounts Act. The parent company applies the Annual Accounts Act and the Swedish Financial Reporting Board recommendation RFR 2 Accounting for Legal Entities. The accounting policies and calculation methods applied are consistent with those described in the annual report for 2017. New standards and interpretations that came into force on January 1, 2018 have not had any impact on Nexam Chemical's financial reporting for the interim report period.



Financial instruments. Nexam Chemical has only financial assets and liabilities valued at amortized cost. As these financial assets and liabilities are due within twelve months, the value is estimated to correspond to fair value.

Segment reporting. Financial information reported to the chief operating decision maker (CEO) as the basis for allocating resources and judging the group's profit or loss is not divided into different operating segments. Therefore the group consists of a single operating segment and reference is made to the income statement and balance sheet regarding operating segment reporting

New reporting standards.

As of January 1, 2018, Nexam Chemical applies IFRS 9 and IFRS 15.

IFRS 15, Revenue from Contracts with Customers, implies a new revenue model (five-step model) based on when the control of a Goods or Service is transferred to the Customer.

IFRS 9 involves changes in how financial assets are classified and valued, introduction of a write-down model based on expected loan losses instead of occurred losses and changes in principles for hedge accounting with the aim to simplify and increase the coherence with companies' internal risk management strategies.

The Group's work in 2017 has shown that the effects of implementing IFRS 15 and IFRS 9 will not have a material effect on the Group's financial statements when applied for the first time.

Transactions with related parties

No transactions with related parties has occurred, except for determined remuneration for the Board of Directors and remuneration in accordance with employment agreement.

Risks and uncertainties

The Group's operations are affected by a number of factors which can result in a risk for the Group's operations and profit. See the annual report for 2017 on Nexam Chemical's website for information about the Company's risks and uncertainties.

Estimates and judgements

In order to be able to prepare the financial statements, the Board of Directors and the Management make judgements and assumptions on the basis of available information that impact the company's financial performance and financial position.

Estimates and judgements are evaluated on an ongoing basis and are based on historical experience and other factors, including expectations about future events that can be reasonably expected under prevailing conditions. The actual outcome may differ from the judgements made. The areas where estimates and assumptions could lead to a significant risk of adjustments to the figures reported for the company's financial performance, and position in future reporting periods, are primarily judgements about market conditions and thus the value of the Group's non-current assets.

Audit review

These financial statements have not been audited by the Company's auditor.

The Board of Directors and the Chief Executive Officer certify that the interim financial report provides a true and fair view of the parent company's and the Group's business, financial position and performance and describes material risks and uncertainties to which the parent company and the companies in the group are exposed.

Lomma 16 August 2018

Lennart Holm
Chairman of the Board

Cecilia Jinert Johansson
Member of the Board

Jonna Opitz
Member of the Board

Daniel Röme
Member of the Board

Per-Ewe Wendel
Member of the Board

Anders Spetz
CEO

Financial Statements in summary

| Consolidated income statement in summary | | | | | |
|---|-----------------|-----------------|-----------------|-----------------|-------------------|
| (SEK '000) | Apr-Jun 2018 | Apr-Jun 2017 | Jan-Jun 2018 | Jan-Jun 2017 | Full year 2017 |
| Net sales | 27,623 | 4,577 | 54,664 | 6,913 | 18,694 |
| Changes in goods in progress, finished goods and work in progress | -158 | -130 | 492 | 2,079 | 1,249 |
| Other operating income | 809 | 4 | 2,009 | 139 | 777 |
| | 28,274 | 4,451 | 57,165 | 9,131 | 20,720 |
| Operating expenses | | | | | |
| Raw materials and consumables | -16,802 | -2,732 | -33,312 | -5,959 | -11,702 |
| Operating expenses | -5,734 | -3,180 | -11,696 | -5,343 | -12,132 |
| Personnel cost | -6,372 | -3,444 | -13,578 | -7,029 | -16,405 |
| Depreciation and write-down of tangible and intangible assets | -2,031 | -582 | -4,851 | -1,169 | -2,966 |
| Other operating expenses | 163 | -304 | 49 | -355 | -437 |
| Operating profit/loss | -2,502 | -5,791 | -6,223 | -10,724 | -22,922 |
| Financial items | | | | | |
| Financial income | 6 | - | 8 | - | 133 |
| Financial costs | -367 | -32 | -733 | -64 | -244 |
| Profit/loss before tax | -2,863 | -5,823 | -6,948 | -10,788 | -23,033 |
| Income tax | -85 | - | -156 | - | 17,285 |
| Profit/loss for the period | -2,948 | -5,823 | -7,104 | -10,788 | -5,748 |
| Other comprehensive income | | | | | |
| <i>Items that may be reclassified to profit or loss</i> | | | | | |
| Translation differences on foreign subsidiaries | -444 | -27 | 127 | -49 | -54 |
| <i>Sum of other comprehensive income, net after tax</i> | <i>-444</i> | <i>-27</i> | <i>127</i> | <i>-49</i> | <i>-54</i> |
| Comprehensive result for the period | -3,392 | -5,850 | -6,977 | -10,837 | -5,802 |
| The profit for the year as well as comprehensive income are wholly attributable to the parent company's shareholders. | | | | | |
| Earnings per share (SEK) | | | | | |
| Basic earnings per share (SEK) | -0.04 | -0.09 | -0.11 | -0.17 | -0.09 |
| Diluted earnings per share (SEK) | -0.04 | -0.09 | -0.11 | -0.17 | -0.09 |
| Average number of basic shares | 67,519,019 | 64,724,000 | 67,519,019 | 64,724,000 | 64,854,179 |
| Average number of diluted shares | 67,519,019 | 64,724,000 | 67,519,019 | 64,724,000 | 64,854,179 |

| Consolidated balance sheet in summary | | | | |
|---------------------------------------|------|----------------|----------------|----------------|
| (SEK '000) | Note | 30 Jun 2018 | 30 Jun 2017 | 31 Dec 2017 |
| ASSETS | | | | |
| Intangible assets | 1 | 109,859 | 20,404 | 110,698 |
| Tangible assets | | 49,730 | 7,676 | 50,166 |
| Financial assets | | 5 | 2,788 | 5 |
| Inventory | | 15,470 | 8,050 | 14,778 |
| Trade receivables | | 19,994 | 1,694 | 14,809 |
| Other receivables | | 6,150 | 1,672 | 4,891 |
| Cash and bank | | 68,973 | 118,983 | 86,407 |
| TOTAL ASSETS | | 270,181 | 161,267 | 281,754 |
| EQUITY AND LIABILITIES | | | | |
| Equity | | 180,464 | 153,394 | 187,512 |
| Long-term debt with interest | | 45,869 | 1,736 | 52,690 |
| Other long-term debt | | 3,129 | 91 | 3,110 |
| Short term debt with interest | | 13,459 | 1,048 | 13,196 |
| Trade payables | | 12,281 | 790 | 14,389 |
| Other liabilities | | 14,979 | 4,208 | 10,857 |
| TOTAL EQUITY AND LIABILITIES | | 270,181 | 161,267 | 281,754 |

| Consolidated changes in equity in summary | | | | | |
|---|-----------------|-----------------|-----------------|-----------------|-------------------|
| (SEK '000) | Apr-Jun 2018 | Apr-Jun 2017 | Jan-Jun 2018 | Jan-Jun 2017 | Full year 2017 |
| Balance at the beginning of the period | 183,860 | 159,244 | 187,512 | 164,231 | 164,231 |
| Profit/loss for the period | -2,948 | -5,823 | -7,104 | -10,788 | -5,748 |
| Other comprehensive income | -448 | -27 | 123 | -49 | -54 |
| Transactions with shareholders | - | - | -67 | - | 29,083 |
| Balance at the end of the period | 180,464 | 153,394 | 180,464 | 153,394 | 187,512 |

| Consolidated cash flow in summary | | | | | |
|--|-----------------|-----------------|-----------------|-----------------|-------------------|
| (SEK '000) | Apr-Jun 2018 | Apr-Jun 2017 | Jan-Jun 2018 | Jan-Jun 2017 | Full year 2017 |
| Cash flow from operating activities | | | | | |
| Operating income | -2,503 | -5,791 | -6,224 | -10,724 | -22,899 |
| Adjustment from non-cash items | 1,615 | 578 | 3,889 | 1,135 | 2,958 |
| Cash flow from operations before changes in working capital | -888 | -5,213 | -2,335 | -9,589 | -19,941 |
| Changes in working capital | -1,369 | 451 | -5,229 | -2,336 | 1,470 |
| Cash flow from operations | -2,257 | -4,762 | -7,564 | -11,925 | -18,471 |
| Cash flow from investment activities | -1,711 | -780 | -3,116 | -1,740 | -83,564 |
| Cash flow from financing activities | -3,493 | -256 | -6,779 | -494 | 55,303 |
| Cash flow for the period | -7,461 | -5,798 | -17,459 | -14,159 | -46,732 |
| Cash and cash equivalents at the beginning of the period | 76,597 | 124,785 | 86,407 | 133,147 | 133,147 |
| Effect of exchange rate changes on cash | -163 | -4 | 25 | -5 | -8 |
| Cash and cash equivalents at end of period | 68,973 | 118,983 | 68,973 | 118,983 | 86,407 |

| Parent company - Income statement in summary | | | | | |
|---|-----------------|-----------------|-----------------|-----------------|-------------------|
| (SEK '000) | Apr-Jun 2018 | Apr-Jun 2017 | Jan-Jun 2018 | Jan-Jun 2017 | Full year 2017 |
| Net sales | 2,000 | 1,593 | 9,000 | 3,020 | 5,881 |
| | 2 000 | 1,593 | 9,000 | 3,020 | 5,881 |
| Operating expenses | | | | | |
| Operating expenses | -1,381 | -1,159 | -2,605 | -2,137 | -3,452 |
| Personnel cost | -1,771 | -1,798 | -3,450 | -3,517 | -7,431 |
| Depreciation and write-down of tangible and intangible assets | -4,000 | -4,000 | -9,000 | -6,000 | -16,783 |
| Operating profit/loss | -5,152 | -5,364 | -6,055 | -8,634 | -21,785 |
| Financial items | | | | | |
| Interest income from group companies | - | - | - | - | - |
| Interest expenses and other similar loss items | -259 | -1 | -536 | -1 | -75 |
| Profit/loss before tax | -5,411 | -5,365 | -6,591 | -8,635 | -21,860 |
| Income tax | - | - | - | - | - |
| Profit/loss for the period | -5,411 | -5,365 | -6,591 | -8,635 | -21,860 |

| Parent company - Statement of comprehensive income | | | | | |
|--|-----------------|-----------------|-----------------|-----------------|-------------------|
| (SEK '000) | Apr-Jun 2018 | Apr-Jun 2017 | Jan-Jun 2018 | Jan-Jun 2017 | Full year 2017 |
| Profit/loss for the period | -5,411 | -5,365 | -1,180 | -8,635 | -21,860 |
| Other comprehensive income | - | - | - | - | - |
| Comprehensive profit for the period | -5,411 | -5,365 | -1,180 | -8,635 | -21,860 |

| Parent company - Balance sheet in summary | | | | |
|---|----------------|----------------|----------------|--|
| (SEK '000) | 30 Jun 2018 | 30 Jun 2017 | 31 Dec 2017 | |
| ASSETS | | | | |
| Financial assets | 409,076 | 284,359 | 409,076 | |
| Receivables from group companies | 33,540 | 20,964 | 24,540 | |
| Other receivables | 481 | 115 | 186 | |
| Cash and bank | 43,757 | 112,061 | 67,280 | |
| TOTAL ASSETS | 486,854 | 417,499 | 501,082 | |
| EQUITY AND LIABILITIES | | | | |
| Equity | 426,306 | 414,321 | 432,960 | |
| Long-term debt with interest | 129 | 464 | 110 | |
| Other long-term debt | 42,000 | - | 48,000 | |
| Provisions for pension | 3,000 | - | 3,000 | |
| Short term debt with interest | 12,000 | - | 12,000 | |
| Trade payables | 309 | 260 | 890 | |
| Other liabilities | 3,110 | 2,454 | 4,122 | |
| TOTAL EQUITY AND LIABILITIES | 486,854 | 417,499 | 501,082 | |

Note 1 - Intangible assets

| (SEK '000) | Goodwill | Market positions | Development costs | Patents |
|---|---------------|------------------|-------------------|--------------|
| Accumulated cost | | | | |
| Opening balance 1 January 2018 | 45,943 | 44,000 | 18,806 | 5,929 |
| Additions | - | - | 1,695 | 118 |
| Closing balance 30 June 2018 | 45,943 | 44,000 | 20,501 | 6,047 |
| Accumulated depreciation | | | | |
| Opening balance 1 January 2018 | - | -367 | -2,172 | -1,441 |
| Expensed depreciation for the period | - | -2,200 | -140 | - |
| Capitalized depreciation for the period | - | - | - | -120 |
| Closing balance 30 June 2018 | - | -2,567 | -2,312 | -1,561 |
| Residual value 30 June 2018 | 45,943 | 41,433 | 18,189 | 4,486 |
| Accumulated cost | | | | |
| Opening balance 1 January 2017 | - | - | 15,990 | 5,754 |
| Additions through acquisition | 45,943 | 44,000 | - | - |
| Additions | - | - | 2,816 | 175 |
| Closing balance 31 December 2017 | 45,943 | 44,000 | 18,806 | 5,929 |
| Accumulated depreciation | | | | |
| Opening balance 1 January 2017 | - | - | -1,755 | -1,100 |
| Expensed depreciation for the period | - | -367 | -417 | -1 |
| Capitalized depreciation for the period | - | - | - | -340 |
| Closing balance 31 December 2017 | - | -367 | -2,172 | -1,441 |
| Residual value 31 December 2017 | 45,943 | 43,633 | 16,634 | 4,488 |

Share capital, shares and ownership

The Company's share capital totals SEK 1,298,442.67, divided into 67,519,019 outstanding shares. The Company only has one class of shares and all shares have equal rights to dividends. The shares of Nexam Chemical Holding AB were listed on NASDAQ Stockholm First North Premier under the ticker NEXAM. Approximately 3,5 million shares have been turned over during the second quarter 2017 and the average price during the period was SEK 8.87 per share.

Incentive programs

The company has one ongoing incentive programs with a total of 646,000 outstanding warrants, which all entitles the holders to subscribe for one new share. All warrants have been issued at market value, calculated according to the "Black Scholes" formula. If all currently outstanding warrants are exercised, the total dilution will be approximately 1.0 %.

For more information and the full terms and conditions of incentive program 2015/2018, please see the resolutions from the Annual General Meetings in 2015.

| Allotment date | Price per warrant (SEK) | Earliest redemption date | Final due date | Redemption price (SEK) | Outstanding warrants 31 December 2017 | Dilution if fully exercised |
|----------------|-------------------------|--------------------------|----------------|------------------------|---------------------------------------|-----------------------------|
| 2015-06-17 | 0.76 | 2018-09-03 | 2018-09-17 | 13.00 | 646,000 | 1.0 % |
| | | | | | 646,000 | 1.0 % |

Shareholders

The number of shareholders as of 30 June 2018 was 6,826, a decrease of 120 shareholders during the first quarter.

| Shareholders | Shares | Percent |
|---|-------------------|---------------|
| Försäkringsbolaget, Avanza Pension | 8,854,068 | 13.1% |
| SIX SIS AG | 6,294,559 | 9.3% |
| Barwnicki AB | 2,795,019 | 4.1% |
| Länsförsäkringar Småbolag Sverige | 2,346,782 | 3.5% |
| Lennart Holm, privately and via company | 2,121,596 | 3.1% |
| Goldman Sachs International Ltd | 1,518,973 | 2.2% |
| Daniel Röme, via company | 1,500,237 | 2.2% |
| Nordnet Pensionsförsäkring AB | 1,404,617 | 2.1% |
| Client Long Timer Hill Europe AG | 1,268,996 | 1.9% |
| Michael Karlsson | 948,342 | 1.4% |
| Other shareholders (approx. 7,000) | 38,465,830 | 57.0% |
| Total | 67,519,019 | 100.0% |

Financial calendar

6 Nov 2018 Interim Report January-September 2018
14 Feb 2019 Year-End-Report 2018

Interim reports are available on
www.nexamchemical.com.

For further information concerning the report, please contact:

Anders Spetz, CEO

Tel: +46-(0)703 47 97 00

E-mail: anders.spetz@nexamchemical.com

This information is information that Nexam Chemical Holding AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above, at 08:00 CET on August 16, 2018.

Contact & Media

Company

Nexam Chemical Holding AB (publ)
Box 165
234 23 LOMMA, Sweden
Tel. +46-(0)703 47 97 00
www.nexamchemical.com

Certified Adviser

FNCA Sweden AB
Humlegårdsgatan 5
102 48 STOCKHOLM, Sweden
Tel. +46-(0)8 528 00 399
www.fnca.se

Account Operator

Euroclear Sweden AB
Box 7822
103 97 STOCKHOLM, Sweden
Tel. +46-(0)8 402 90 00
www.euroclear.nu

Auditor

Bengt Ekenberg
MAZARS SET Revisionsbyrå AB
Terminalgatan 1
252 78 HELSINGBORG, Sweden



Nexam Chemical Holding AB (publ)
Box 165
234 23 LOMMA
Tel. 0703-47 97 00
www.nexamchemical.com