Nexam Chemical Holding AB (publ)
Stora Aktiedagen, Stockholm
13 November, 2017
Agenda

- Nexam Chemical in short
- Market overview
- Nexam Chemical’s strategy
- Recent milestones & Latest News
- Business Update
- Going forward
- Q&A
Plastics are a part of our daily lives....

Plastic is an amazing material used in so many applications today. Some are obvious. Some are not. And the number of applications changing into plastics are growing.

Plastics are replacing metals in cars

Estimated share of plastic in a car

By 2020, the average car will incorporate nearly 350 kg of plastics, up from 200 kg in 2014. Source: IHS Chemical, UK

...and we make plastic more fantastic.
Value proposition

Nexam Chemical develops technology and products that aim to cost-efficiently, and with production technique intact, significantly enhance the properties of polymeric materials using conventional processing equipment.

Enhanced properties

• Increased mechanical properties – strength, toughness
• Improved heat resistance
• Chemical resistance

Reduced manufacturing cost

• Increased production efficiency
• Lower material cost – less material, cheaper material

Lower environmental impact

• Upgrades larger portion of recycled plastics – lower cost
• Lower weight of products
Our customers

Plastics producer → Plastics converter → Product manufacturer → Consumer → Recycler

Nexam Chemical’s solutions can improve the properties of plastics and production processes in all steps of the value chain
Nexam Chemical’s products in the value chain

1. Mix
2. Granulate

Nexam Chemical’s products are added to the polymer in range 200 ppm – 10% per kg polymer.

Parts manufacture

Masterbatch

Plastics granulate

Finished parts
Market overview

Global plastic production (million tonnes)

Plastic demand by type of polymer

Nexam Chemical’s products can add value to a large part of the global plastic market

~322\textsuperscript{a)}

\textsuperscript{a)} World production 2016 according to PlasticsEurope

\textsuperscript{b)} European market according to PlasticsEurope
Nexam Chemical’s market is mature and characterised by stable growth and demand for cost-efficient innovations

- Innovation need (replacement of materials i.e. metal)
- Process and material efficiency (cost)
- Continuous growing use of plastics
- Increasing sustainability requirements (recycling, life cycle etc.)
- Health and safety regulations (REACH)
Nexam Chemical’s strategy – three focus areas

Polyethylene pipe

- Several orders of polyethylene mix with NEXAMITE® delivered
- Multiplied number of customers in test phases
- Project with leading producer to develop next generation of pipe
- Deliveries to new production facility

Polyester foam

- Supply agreement with two of the worlds four leading producers
- Masterbatch concept successfully developed
- Volume capacity of masterbatch secured
- Additional customers in test phase

High performance

- Repeat order of about 5.3 MSEK received for polyimide resin
- New segment within high performance – material for semiconductors
- Customer developing composite for next generation civil aviation
- Industry trend of high performance composites in hotter zones of engines
## Recent milestones

### Focus: Commercialisation

<table>
<thead>
<tr>
<th>Year</th>
<th>Milestones</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2016</strong></td>
<td><strong>2017</strong></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>• Financial strength – 129 MSEK share issue</td>
<td>• Signs supply agreement with Armacell</td>
</tr>
<tr>
<td>• 3 MSEK order within PE-pipe</td>
<td>• Delivers to new production site with existing pipe customer</td>
</tr>
<tr>
<td>• 1st commercial step in all three focus areas</td>
<td>• Approved for listing on Nasdaq First North Premier</td>
</tr>
<tr>
<td>• Strengthened sales &amp; marketing organization</td>
<td>• Supplies material for semiconductors – new segment with high performance</td>
</tr>
<tr>
<td>• Scale-up of NEXAMITE® at contract manufacturer</td>
<td>• Receives new 5.3 MSEK order from Maverick</td>
</tr>
<tr>
<td>• Successfully developed the masterbatch concept</td>
<td>• Launch new, more customer focused, website</td>
</tr>
<tr>
<td>• Signs supply agreement with Diab</td>
<td>• First commercial order for NEXAMITE®-masterbatch from Diab</td>
</tr>
<tr>
<td>• Receives 5.3 MSEK order within high performance</td>
<td></td>
</tr>
</tbody>
</table>
Business Update Q3 2017

Financials

- Net sales 12 months rolling 11,1 (8,2)\(^1\) MSEK, sales growth 34%.
- Strong development during the year within high performance.
- Continuous high gross margin 12 months rolling 52 (46)\(^1\) percent.
- Strong financial position, cash 116 MSEK

Focus area

Polyethylene pipe

- Project with new generation of water pipes moving forward.
- Increased numbers of PE-manufacturers in four continents testing NEXAMITE®.

Polyester foam

- Order and forecast received from Diab on NEXAMITE®-masterbatch looks promising for the future.
- Delays with Armacell, but working together to move forward.
- Adding a third customer, one of the four largest foam manufacturers, to the business model.

High performance

- Continued growth within high performance
- Material for semiconductors – new segment
- New SEK 5.3 million order from Maverick.
- NEXIMID® 800 developed together with existing customer.
- Additional customer in business model.

Other

- Strengthened organization with new COO and CTO.
- Securing masterbatch capacity moving into final phase.
- MATPAX-project finalized.
- New, more customer focused, website launched.

1) Full year 2016
Going forward

• Continue the commercialization within our three prioritized focus areas
• Identify new focus areas and applications
• Continue building our supply chain structure and market organization
• Evaluation for accelerated growth through masterbatch moving forward
Questions?
Thank you!