We make plastic more fantastic.

Nexam Chemical Holding AB (publ)

Småbolagsdagen 11th June, 2018
Anders Spetz, CEO
Agenda

• Nexam Chemical in short
• Market
• Nexam Chemical’s strategy
• Recent milestones
• Financial development
• 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.

Plastics are replacing metals in cars

Estimated share of plastic in a car

<table>
<thead>
<tr>
<th>Year</th>
<th>6%</th>
<th>15%</th>
<th>25%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>10pp</td>
<td></td>
<td></td>
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<tr>
<td>2020</td>
<td></td>
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</tbody>
</table>

...and we make plastic more fantastic.
Nexam Chemical turns **advanced technology** into **user-friendly, cost-efficient** products, enabling **enhanced properties and increased sustainability** of polymeric materials.

### Advanced technology
- Increased mechanical properties – strength, toughness
- Improved heat resistance
- Chemical resistance

### Cost-efficient
- Reduced production cost
- Increased production efficiency
- Lower material cost – less material, cheaper material

### Sustainability
- Upgrades larger portion of recycled plastics – lower cost
- Lower weight of products
Acquisition strengthens value proposition

Production capacity and production control

Advanced Multifunctional Masterbatch

Enhanced properties
Cost reduction
Sustainability
Customer friendly

Existing customer base and new business areas

International sales network
Our customers

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

Polymer + Nexam Chemical Product → Plastics granulate → Finished parts

Nexam Chemicals product are added to the polymer in range 200 ppm – 10 % per kg polymer

Parts manufacture

Masterbatch Multifunctional Masterbatch
Functional masterbatches for cost effective process and material performance

- NEXAMITE® M masterbatches deliver performance enhancement along the application value chain for a range of polymers. By combining NEXAMITE polymer modifiers with generic masterbatch concepts multifunctionality is created. With combined functionality M-range improves processability and material performance which in turn deliver cost efficiency.

- The NEXAMITE range of multifunctional masterbatches are today available for polymers like PET, PBT, PTT, PEN, co-polyesters, LLDPE, m-LLDPE, MDPE and HDPE.

<table>
<thead>
<tr>
<th>Product name</th>
<th>Carrier</th>
<th>Target polymers</th>
<th>Application</th>
</tr>
</thead>
<tbody>
<tr>
<td>M480502</td>
<td>HDPE</td>
<td>MDPE, HDPE</td>
<td>Pipe, Blow molding, Geomembrane, Foam, Film, Recycling</td>
</tr>
<tr>
<td>M480504</td>
<td>PE plastomer</td>
<td>LLDPE, m-LLDPE, MDPE, HDPE</td>
<td>Foam extrusion, Blown film extrusion, Blow molding</td>
</tr>
<tr>
<td>M021200</td>
<td>PET</td>
<td>PET, PBT, PTT, PEN, co-polyesters</td>
<td>Filament extrusion, Cast film extrusion</td>
</tr>
<tr>
<td>M921010</td>
<td>LDPE</td>
<td></td>
<td></td>
</tr>
<tr>
<td>M992000</td>
<td>PET</td>
<td></td>
<td></td>
</tr>
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</table>
Nexam Chemical – world wide

- Sales offices in 12 countries
- Production in 5 countries
Market demands

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 business model

- **Proof of Concept**
- First Commercial Customer
- 5 Commercial Customers
- Market Share
Nexam Chemical’s strategy – focus areas

Polyethylene pipe

- Multiplied number of customers in test phases.
- Project with leading producer to develop next generation of pipe.
- Deliveries of NEXAMITE® for multifunctional masterbatch.

Polyester foam

- Supply products to three of the world’s four leading producers.
- Masterbatch concept successfully developed.
- Volume capacity of masterbatch secured.

High performance

- Repeat order of about 5.3 MSEK received for polyimide resin.
- Customer developing composite for next generation civil aviation.
- Industry trend of high performance composites in hotter zones of engines.
Nexam Chemical adding two new focus areas in the portfolio.

Electronics
- Break-out from high performance.
- Material sold for production of semiconductors.

Medical
- Large interest initiated by customers.
- Growing market with high margins.
Recent milestones

• Signs supply agreement with Armacell.
• Vinnova project for light weight solutions with graphen modified composites.
• Approved for listing on Nasdaq First North Premier.
• Supplies material for semiconductors – new segment with high performance.
• Receives new 5.3 MSEK order from Maverick.
• Launch new, more customer focused, website.
• First commercial order for NEXAMITE®-masterbatch from Diab.
• Deliveries to a third customer of the four major manufacturers of PET-foam.
• Acquisition of Plasticolor Sweden AB.
• Break-through order regarding multifunctional masterbatch for pipe production.
• New production line installed and in production.
• New Nexam Chemical grows 10 % first quarter 2018.
## Financial Development

<table>
<thead>
<tr>
<th></th>
<th>2018 Q1</th>
<th>2017 Q4</th>
<th>2017 Q3</th>
<th>2017 Q2</th>
<th>2017 Q1</th>
<th>2016 Q4</th>
<th>2016 Q3</th>
<th>2016 Q2</th>
<th>2016 Q1</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net sales</strong></td>
<td>27 041</td>
<td>9 691</td>
<td>2 090</td>
<td>4 577</td>
<td>2 336</td>
<td>2 097</td>
<td>1 113</td>
<td>4 242</td>
<td>816</td>
</tr>
<tr>
<td><strong>Operating expenses</strong></td>
<td>-13 282</td>
<td>-11 418</td>
<td>-4 829</td>
<td>-6 928</td>
<td>-5 799</td>
<td>-7 222</td>
<td>-5 659</td>
<td>-6 663</td>
<td>-4 787</td>
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<tr>
<td><strong>EBITDA</strong></td>
<td>-901</td>
<td>-6 913</td>
<td>-3 488</td>
<td>-5 209</td>
<td>-4 346</td>
<td>-5 463</td>
<td>-4 803</td>
<td>-5 123</td>
<td>-4 096</td>
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<tr>
<td><strong>Cash</strong></td>
<td>76 597</td>
<td>86 407</td>
<td>115 885</td>
<td>118 983</td>
<td>124 785</td>
<td>133 147</td>
<td>143 350</td>
<td>147 051</td>
<td>154 813</td>
</tr>
<tr>
<td><strong>Operating cashflow</strong></td>
<td>-5 307</td>
<td>-4 049</td>
<td>-2 497</td>
<td>-4 762</td>
<td>-7 163</td>
<td>-4 700</td>
<td>-2 862</td>
<td>-6 783</td>
<td>-3 240</td>
</tr>
<tr>
<td><strong>Average no. of employees</strong></td>
<td>42</td>
<td>17</td>
<td>15</td>
<td>14</td>
<td>14</td>
<td>14</td>
<td>13</td>
<td>12</td>
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</table>

<table>
<thead>
<tr>
<th></th>
<th>2017 FY</th>
<th>2016 FY</th>
<th>2015 FY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net sales</strong></td>
<td>18 694</td>
<td>8 268</td>
<td>7 842</td>
</tr>
<tr>
<td><strong>Operating expenses</strong></td>
<td>-28 974</td>
<td>-24 331</td>
<td>-24 665</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>-19 956</td>
<td>-19 485</td>
<td>-19 285</td>
</tr>
<tr>
<td><strong>Cash</strong></td>
<td>86 407</td>
<td>133 147</td>
<td>36 305</td>
</tr>
<tr>
<td><strong>Operating cashflow</strong></td>
<td>-18 471</td>
<td>-17 585</td>
<td>-23 182</td>
</tr>
<tr>
<td><strong>Average no. of employees</strong></td>
<td>17</td>
<td>13</td>
<td>18</td>
</tr>
</tbody>
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1 Financial figures according to IFRS

### Financial comments first Quarter 2018

- **Q1 net sales** 27 041 (2 336) kSEK.
- Growth 10 % for new joint business compared to corresponding period.
- Operating result before depreciation (EBITDA) -901 (-4 346) kSEK.
- Still strong financial position, cash 76 597 kSEK.
Going forward

- Continued commercialization in our focus areas, expanding into value add niches.

- Further building our supply chain structure and market organization for global reach.

- Accelerated growth through masterbatch and multifunctional masterbatch moving forward.

- New segments within electronics and medical fields identified and will be addressed.

- Continue to develop our market and production footprint to build Nexam Chemical through organic and acquisition-driven profitable growth.
Thank you!

**Financial calendar**

- Interim Report Jan-Jun 2018: 16 Aug, 2018
- Interim Report Jan-Sep 2018: 6 Nov, 2018
- Year End Report 2018: 14 Feb, 2019
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