Agenda

• Market
• Nexam Chemical in short
• Nexam Chemical’s strategy
• Recent milestones
• Q3 2018 - Financials
• Going forward
• Q&A
Polymers and smart materials are a part of our daily lives....

Plastics are replacing metals in cars

*Estimated share of plastic in a car*

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

...and we make plastic more fantastic.
Market demands

Nexam Chemical’s market is mature and characterised by stable growth and demand for cost-efficient innovations

- Increasing sustainability requirements (recycling, life cycle etc.)
- Innovation need (replacement of materials i.e. metal)
- Process and material efficiency (cost)
- Continuous growing use of smarter materials like plastics and composites
- Health and safety regulations (REACH)
Value proposition

Nexam Chemical’s **advanced technology** enable customers to

- develop **smarter** materials,
- **increase sustainability** of polymeric materials,
- **cost-efficient** products,
- **enhanced material properties** and
- **user-friendly** production processes
Our customers

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

- Sales offices in 12 countries
- Production in five countries
Nexam Chemical’s products in the value chain

1. Mix
2. Granulate

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

Masterbatch Multifunctional Masterbatch

Parts manufacture

Finished parts
Multifunctional masterbatch
### Nexam Chemical’s business model

<table>
<thead>
<tr>
<th>FOCUS AREA</th>
<th>PROOF OF CONCEPT</th>
<th>FIRST CUSTOMER</th>
<th>COMMERCIAL CUSTOMERS</th>
<th>MARKET SHARE</th>
</tr>
</thead>
<tbody>
<tr>
<td>POLYETHYLENE PIPE</td>
<td></td>
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<tr>
<td>PET FOAM</td>
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<tr>
<td>HIGH PERFORMANCE</td>
<td></td>
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<tr>
<td>ELECTRONICS</td>
<td></td>
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<tr>
<td>MEDICAL</td>
<td></td>
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</table>
Focus area – High Performance

**Application areas**
- Cars
- Power industry
- Aviation

**Drivers**
- Enhanced properties
- Processability
- Energy efficiency

**Recent**
- Breakthrough on Chinese market. Order of 1 MSEK.
- Customer developing composite for next generation civil aviation.
- Industry trend of high performance composites in hotter zones of engines.
# Focus area – PET Foam

<table>
<thead>
<tr>
<th>FOCUS AREA</th>
<th>PROOF OF CONCEPT</th>
<th>FIRST CUSTOMER</th>
<th>COMMERCIAL CUSTOMERS</th>
<th>MARKET SHARE</th>
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<tr>
<td>PET FOAM</td>
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</table>

## Application areas
- Windmills
- Building constructions
- Infrastructure
- Transportation

## Drivers
- Lighter material enable energy efficient solutions
- Increased use of recycled material
- Stronger material enable larger constructions

## Recent
- Supplies three of the worlds four leading producers.
- Orders totaling 16 MSEK received Q3-4.
- Developing innovative PET-foam product with customer.
- NEXAMITE® qualified in standard product.
Focus area – Polyethylene Pipe

Application areas
- Infrastructure pipes
- Water pipes
- Geomembranes
- Cables
- Films

Drivers
- Contributes to operational excellence
- Replaces metal, cement and other heavier material
- Enables materials with unique properties

Recent
- Projects in full scale testing and qualification process.
- Customer received 1st drinking water approval.
- Development Project with leading producer to develop next generation of pipe.
- Deliveries of NEXAMITE® multifunctional masterbatch.
Focus area - Electronics

Application areas
- Electronic devices
- Mobile phones

Drivers
- Enhanced properties
- Processability
- Energy efficiency

Recent
- Large interest on the Asian market.
- Semiconductor encapsulation volume growth.
- Positive outcome in project of colorless polyimid film together with Virgina Tech.
Recent milestones

• Orders of 6 MSEK + 10 MSEK received within PET-foam.

• Breakthrough on Chinese market. Order of approx. 1 MSEK.

• Automation project in Lomma improve production efficiency.

• Organization strengthened within sales and development.

• Pipe customer receives certificate of water approval.
## Financial Development

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<tbody>
<tr>
<td>Q3</td>
<td>Q2</td>
<td>Q1</td>
<td>Q4</td>
<td>Q3</td>
<td>Q2</td>
<td>Q1</td>
<td>Q4</td>
<td>Q3</td>
<td></td>
</tr>
<tr>
<td>Net sales</td>
<td>25 624</td>
<td>27 623</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>
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<tr>
<td>Operating expenses</td>
<td>-14 124</td>
<td>-11 943</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>
</tr>
<tr>
<td>EBITDA(^2)</td>
<td>-3 491</td>
<td>-471</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>
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<tr>
<td>Cash</td>
<td>63 676</td>
<td>68 973</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>
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<tr>
<td>Operating cashflow</td>
<td>-1 120</td>
<td>-2 257</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>
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<tr>
<td>Average no. of employees</td>
<td>41</td>
<td>39</td>
<td>42</td>
<td>17</td>
<td>15</td>
<td>14</td>
<td>14</td>
<td>14</td>
<td>13</td>
</tr>
</tbody>
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<table>
<thead>
<tr>
<th>kSEK</th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
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<tbody>
<tr>
<td>FY</td>
<td>FY</td>
<td>FY</td>
<td></td>
</tr>
<tr>
<td>Net sales</td>
<td>18 694</td>
<td>8 268</td>
<td>7 842</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>-28 974</td>
<td>-24 331</td>
<td>-24 665</td>
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<tr>
<td>EBITDA(^2)</td>
<td>-19 956</td>
<td>-19 485</td>
<td>-19 285</td>
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<tr>
<td>Cash</td>
<td>86 407</td>
<td>133 147</td>
<td>36 305</td>
</tr>
<tr>
<td>Operating cashflow</td>
<td>-18 471</td>
<td>-17 585</td>
<td>-23 182</td>
</tr>
<tr>
<td>Average no. of employees</td>
<td>17</td>
<td>13</td>
<td>18</td>
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</tbody>
</table>

\(^2\) Earnings Before Interest, Taxes, Depreciation and Amortization

### Financial comments

- Q3 net sales 25,624 (2,090) kSEK.
- 12-months rolling sales continues to grow with increased margins.
- Operating expenses increased in quarter connected to additional resources within sales and R&D joining the Group.
- Operating result before depreciation (EBITDA) -3,491 (-3,488) kSEK.
- Still strong financial position, cash 63,676 kSEK.
**Going forward**

- Continued commercialization in our focus areas, expanding into value add niches and new geographical markets.
- Further building our supply chain structure and market organization for global reach.
- Accelerated growth through masterbatch and multifunctional masterbatch moving forward.
- Electronics and medical fields contributing to future growth.
- Build Nexam Chemical through organic and acquisition driven profitable growth.
Thank you!

Financial calendar

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
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<tbody>
<tr>
<td>Year End Report 2018</td>
<td>14 Feb, 2019</td>
</tr>
<tr>
<td>Interim Report Jan-Mar 2019</td>
<td>7 May, 2019</td>
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<tr>
<td>Annual General Meeting 2019</td>
<td>16 May, 2019</td>
</tr>
<tr>
<td>Interim Report Jan-Jun 2019</td>
<td>20 Aug, 2019</td>
</tr>
<tr>
<td>Interim Report Jan-Sep 2019</td>
<td>12 Nov, 2019</td>
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<tr>
<td>Year End Report 2019</td>
<td>14 Feb, 2019</td>
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