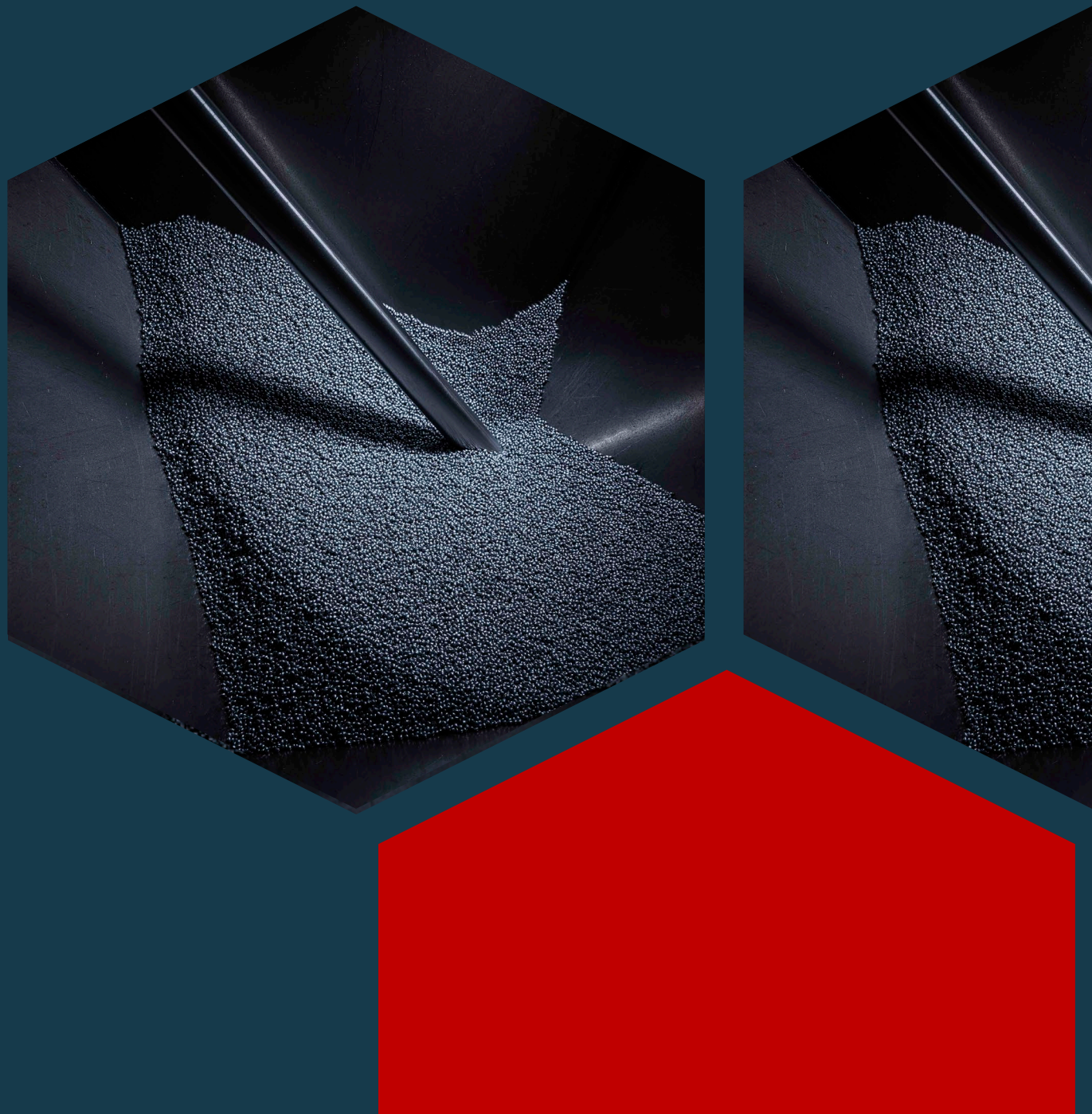


# Nexam Chemical Holding AB

*Q2 2020*

Johan Arvidsson, VD



# Agenda

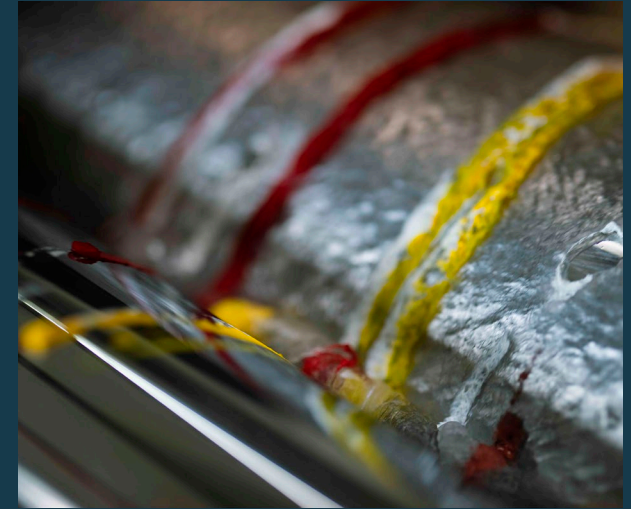
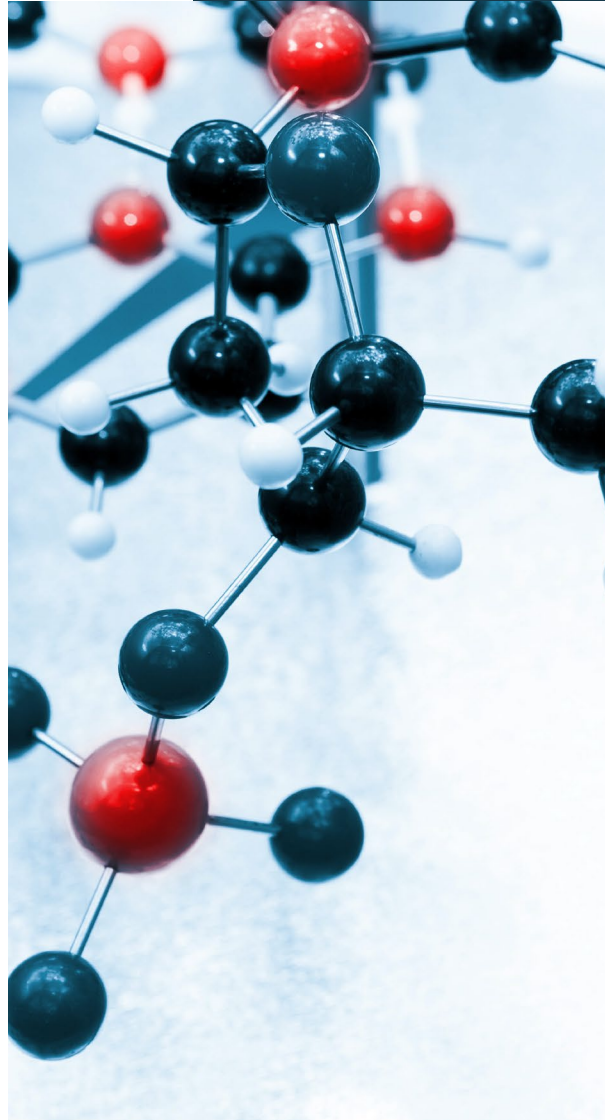
- Nexam Chemical in short
- Q2 2020: Business Update
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- Nexam Chemical in short
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# We are *Nexam Chemical*

- Innovation driven company who develop, manufacture, and sell products that help creating sustainable polymer solutions.
- Owners: +/- 6400 share holders.
- Listed company: NASDAQ First North Premier.
- [www.nexamchemical.com](http://www.nexamchemical.com)



# Company Purpose

*Nexam Chemical and global mega trends*

## Sustainable Transportation

- Light weighting
- Recycling
- High Performance

## Renewable Energy

- Light weighting
- Performance

## Waste/Recycling

- Prepare polymers for the second cycle

## Plastic for the future

- A future without plastic or a future with different plastic

*Creative chemistry to modify polymers for new challenges*



# Nexam Chemical's *products*

*One company*

*Two business units*

Nexam Performance  
*Chemical*



Nexam Performance  
*Masterbatch*



## High Performance

We develop and manufacture polymers for high temperature composites replacing metal in the hot zone of jet engines. Our products are part in developing the aerospace industry towards the targets within Flightpath 2050! 75% reduction of CO<sub>2</sub>, 90% reduction of NO<sub>x</sub>, 65% less noise.



VALUE  
PROPOSITION

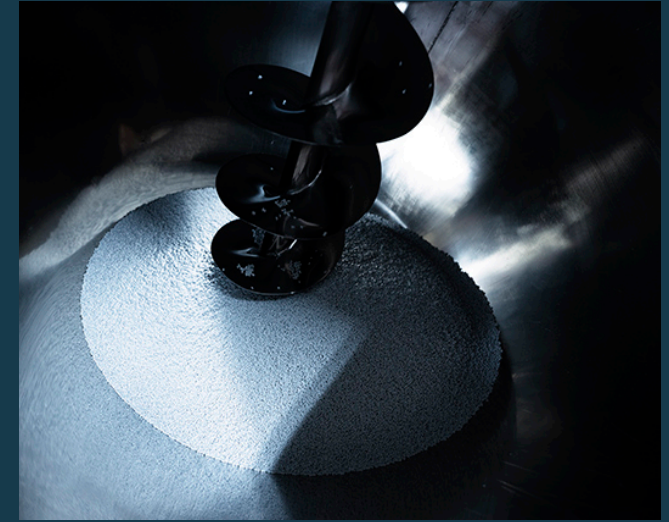


## Solutions for PET

We deliver innovative chemistry to PET-foam producers around the globe. Our products make PET a strong, sustainable and recyclable material solution for the wind power industry.



VALUE  
PROPOSITION



## Solutions for Polyolefin

We reduce material consumption and enhance performance in polyolefine applications. Through improved melt strength, material is saved at production of products, speed is increased and long term properties can be improved 300%.



VALUE  
PROPOSITION



## Colour Masterbatch

We develop, produce and deliver tailor made colour masterbatches to the polymer industry in north and east Europe. Colour masterbatch is an additive used to provide the right colour in the plastic processing industry (injection moulding, extrusion etc).



## Additive Masterbatch

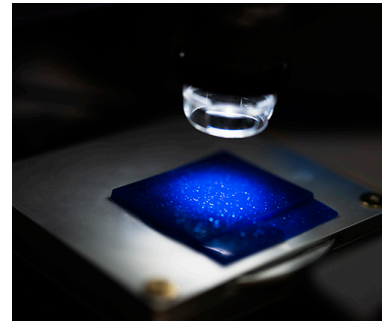
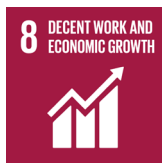
We develop, produce and deliver additive masterbatches that enable polymer converters to improve properties. Examples are antioxidants, processing aid, anti slip, UV stabilizers etc.





# Sustainability

Nexam Chemical is passionate about its innovative reactive chemistry, providing opportunities to save our planet's precious resources. We want to enable our customers to develop light, strong, durable, recycled, composite, multifunctional and colourful products for a sustainable future.



## Innovation for sustainability

Nexam Chemicals customers are leading chemical and material companies in the world and they have high demands on us regarding quality and sustainability.

To meet the expectations we develop innovative solutions based on our customers needs and future market potentials identified by Nexam.



## Our products as enablers

Our products enables our customers to produce products that e.g. are strong and with low weight, enables recycling, increase material utilisation, increase productivity and reduce cost.



## Sustainable operations

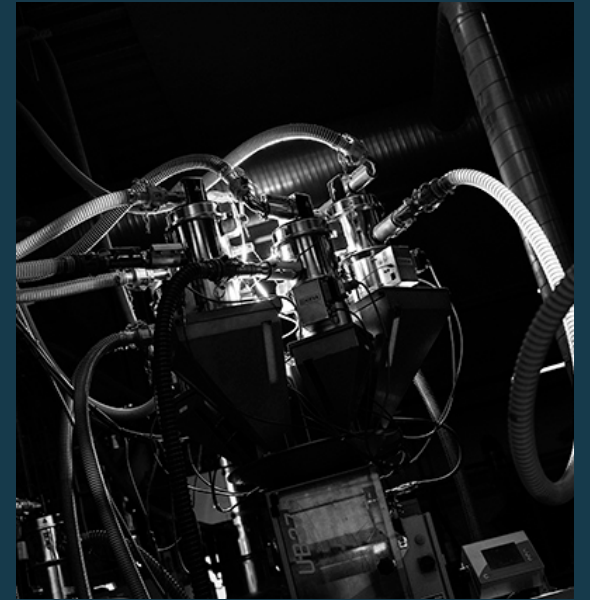
Our production site in St Andrews, Scotland, is accredited according to ISO 9001 for quality, ISO 14001 for environment and OHSAS 18001 for health and safety. Other production sites have ISO certifications on part of their operations.

We have installed solar generated electricity and geothermal heating at some of our sites

# Innovation and R&D

*Creating value with  
innovative chemistry in the  
polymer market*

- Nexam has development activities in Sweden, Scotland and Hungary
- Share of employees working with R&D: 22%
- 54 Patents, and 4 ongoing patent applications in 4 different patent families



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# Second Quarter 2020 - Business Update

## Marketing & Sales

- Net sales during quarter amounted to SEK 36,4 (35,2)
- Revenue grows by 3% compared to Q2 2019
- Significant sales growth within Nexam Performance Chemical's NEXAMITE®-based range where products for PET foam are particularly strong and show the greatest increase in volume.
- Sales of Performance Masterbatch materials met a slow down due to a turbulent economic environment.
- Improved gross margin from 40% to 42%. This is an effect of the increased share of Performance Chemical sales.
- Growing both with existing and new customers, mainly in the area additives for PET foam.

## Operations

- Significant complications in all supply chains (raw material in and products out)

## Innovation

- Moving forward in developing new innovative product within PET-foam.
- Focus on securing sales of already developed products.
- Participate in European R&D projects within Horizon 2020 and RISE projects.

## Other

- New business development manager Henrik Bernquist started in April.
- New Production manager Tomas Eriksson
- Share emission finalized in April.
- DNB has started to research Nexam Chemical Holding. First report published in June



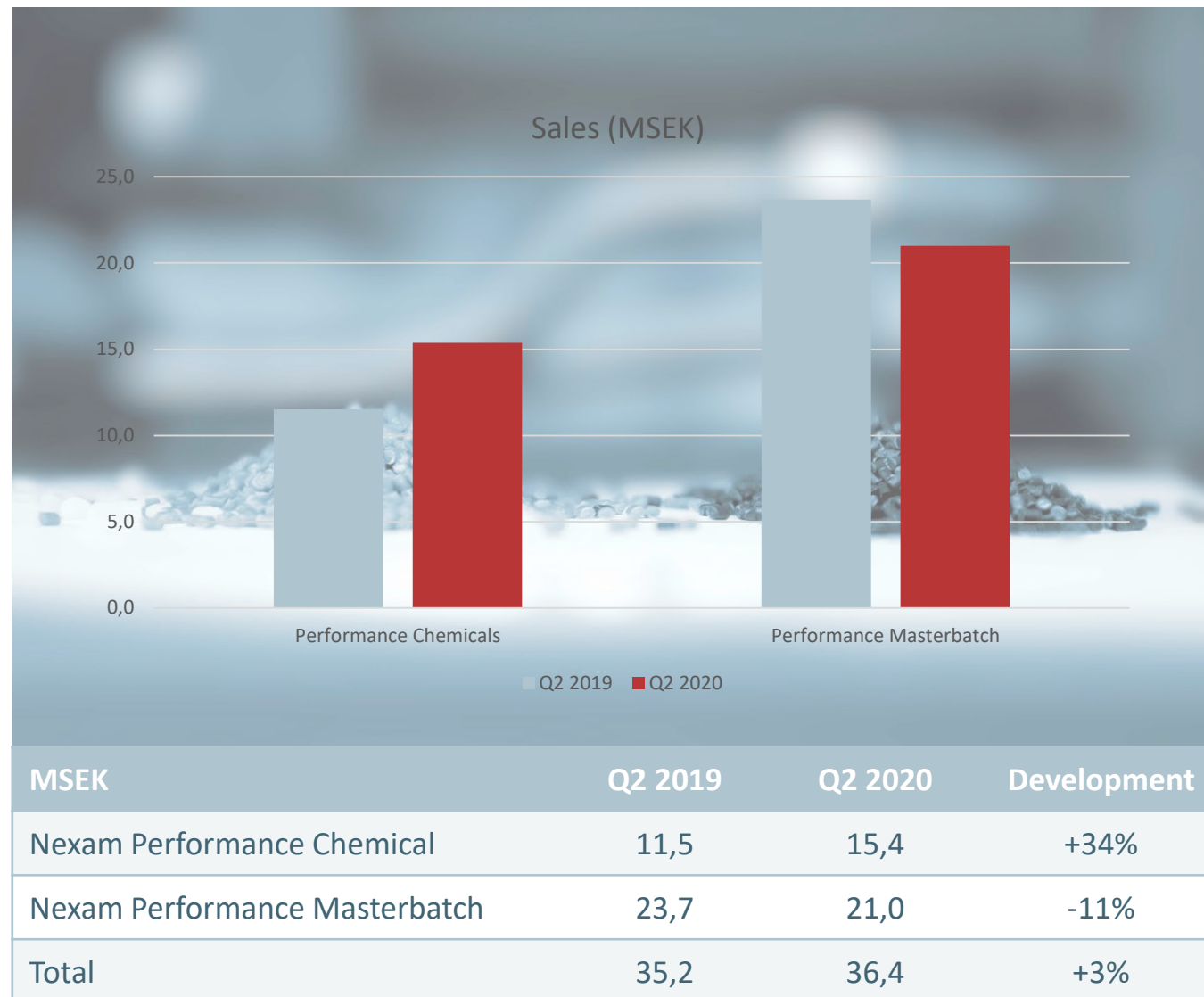
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# Business development 2019 Q2 to 2020 Q2

## Financial Targets

- >25% annual profitable growth
- A run rate between 275 and 325 MSEK during 2022



# 2020 Q2 Update Financials

	2020	2020	2019	2019	2019	2019	2018	2018	2018	2018	2017	2017	2017	2017
kSEK	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	36 379	41 704	32 024	31 084	35 195	31 754	29 547	25 624	27 623	27 041	9 691	2 090	4 577	2 336
Operating expenses	-14 037	-16 373	-16 523	-13 089	-14 250	-15 461	-13 411	-14 124	-11 943	-13 282	-11 418	-4 829	-6 928	-5 799
EBITDA*	179	2 283	-2 814	-1 459	326	-1 650	-894	-3 491	-471	-901	-6 913	-3 488	-5 209	-4 346
Cash and bank	50 657	14 305	23 101	38 718	40 772	35 448	53 705	63 676	68 973	76 597	86 407	115 885	118 983	124 785
Cash flow from operations	-1 474	-3 940	-8 631	4 193	-2 588	-14 251	-4 206	-1 120	-2 257	-5 307	-4 049	-2 497	-4 762	-7 163
Average number of employees	42	40	40	38	40	41	42	41	39	42	17	15	14	14

	2019	2018	2017	2016	2015
kSEK	FY	FY	FY	FY	FY
Net sales	130 057	109 835	43 399	8 268	7 842
Operating expenses	-59 302	-52 760	-36 457	-24 331	-24 665
EBITDA*	-5 576	-5 757	-16 511	-19 485	-19 285
Cash and bank	23 101	53 705	86 407	133 147	36 305
Cash flow from operations	-21 277	-12 887	-16 615	-17 585	-23 182
Average number of employees	40	41	17	13	18

\*EBITDA är resultat före avskrivningar, ränta och skatt

## Financial development

- Net sales Q2 36,4 (35,2) MSEK.
- 3 % in growth in net sales for the Q2 2020 compared to Q2 2019.
- EBITDA amounted to 0,2 (0,3) MSEK.
- Cash flow from operations amounted to -1 474 (-2 588) KSEK.
- Cash and bank balance at the end of the quarter amounted to 50.6 MSEK.

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# Expectations 2020

**High alert for economical turbulence**

**Continue expansion in focus segments**

**Nexam Performance Chemical:**

High potential to capture growth with existing customers  
Expand to new customers (geography and applications)

**Nexam Performance Masterbatch:**

Slow demand in April and May, improved in June. Looking forward to a continued stronger demand after the vacation season.

***Continue to be a growth company!***

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# Nexam – World Wide

Johan Arvidsson, CEO


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A world map composed of a grid of small blue squares. Red circular markers with white downward-pointing triangles are placed on the map to indicate the locations of Nexam Chemical Company and its agents/distributors. The markers are concentrated in Europe, Asia, and Australia.

 Nexam Chemical Company  
 Agent/Distributor