

Year-End Report

January – December 2021

”Nexam Chemical is a growth company. We have a fast and stable growth that is built up by long, close and predictable relationships with customers around the world”

– Johan Arvidsson, CEO



Fourth quarter at a glance

Continued strong growth 22 percent in the quarter

Significant events:

- Both Performance Chemical, + 23%, and Performance Masterbatch, + 17%, are growing compared to the corresponding quarter in 2020.
- Received the first commercial order within the Reactive Recycling concept in the UK.
- Deliveries in polyolefin to Sibur in Russia shipped during the quarter.
- Jörgen Heby joined as new Production Officer in October.

Financials:

- Net sales during quarter amounted to SEK 57,052,000 (46,693,000) and for the full year SEK 219,452,000 (165,830,000).
- The operating profit before depreciation (EBITDA) for the quarter was SEK 1,204,000 (681,000) and for the full year SEK 6,297,000 (4,912,000).
- In comparison to the beginning of the year, cash and cash equivalents amounted to SEK 63,601,000 (29,791,000).
- Cash flow from the operating activities during the quarter amounted to SEK 15,305,000 (- 7,287,000) and for the full year SEK 7,255,000 (- 17,084,000).
- Earnings per share amounted to SEK -0.02 (- 0.05) for the quarter and for the full year SEK - 0,07 (-0,14).
- The Board proposes no dividend for the year 2021.

Key Figures for the Group				
(SEK thousand)	Oct-Dec 2021	Oct-Dec 2020	Full year 2021	Full year 2020
Net sales (SEK thousand)	57 052	46 693	219 452	165 830
Adjusted operating profit/loss before depreciation (EBITDA) (SEK thousand)	1 204	2 097	7 605	6 328
Operating profit/loss before depreciation (EBITDA) (SEK thousand)	1 204	681	6 297	4 912
Cash and cash equivalents (SEK thousand)	63 601	29 791	63 601	29 791
Cash flow from operations (SEK thousand)	15 305	-7 287	7 255	-17 084
Equity (SEK thousand)	228 080	187 188	228 080	187 183
Equity per basic share (SEK)	2,82	2,47	2,85	2,47
Equity/asset ratio (%)	80	75	80	75
Total assets (SEK thousand)	284 333	250 278	284 333	250 278
Quick ratio (%)	254	190	254	190
Average number of basic shares	80 915 798	75 803 367	79 909 583	75 803 367
Average number of diluted shares	80 915 798	75 803 367	79 909 583	75 803 367
Basic earnings per share (SEK)	-0,02	-0,05	-0,07	-0,14
Diluted earnings per share (SEK)	-0,02	-0,05	-0,07	-0,14
Share price on balance sheet date (SEK)	10,65	9,26	10,65	9,26



Comments from the CEO

Growth by 32% compared to 2020

Describe the development during the fourth quarter?

We look back on a fantastic year where the fourth quarter of 2021 is the second best for Nexam Chemical so far in terms of sales. During the quarter, sales amounted to SEK 57 million, which means a growth of 22% compared with the same quarter last year. The second half of the year was largely affected by logistics problems and general cost increases, which affected the margin in the quarter. The price adjustments we have done will gradually have an impact in 2022. How and to what extent depends on both the customer mix and volume development. For the full year 2021, we grew by 32 percent compared to 2020 and ended up with a turnover of SEK 219 million. Thus, we continue our rapid growth journey, which is made possible by having close and long-term relationships with our customers - with a horizon of several decades. We become a central part of our custom-

ers' product development and innovation process, and thus their competitiveness.

How would you sum up the past year in a little more detail?

An important explanation for why 2021 has been such a good year is the turn-around we have made in Performance Masterbatch. A stagnation has turned into a growth of 20 percent. This has been made possible, partly with the help of classic sales and marketing efforts, and partly with fast customer feedback where we provide them with samples so that they can quickly start production. Chemistry and plastics is an industry where manufacturers are normally slow to provide feedback, so Nexam's high level of service has been much appreciated. Another part of the growth lies in the so-called PET foam business. There we have taken a stronger position with, for example, the wind power companies. Diab and others

are customers we help to produce materials for the rotor blades for wind power. Our additives improve the properties of the foam in the rotor blades. In wind power, we see a strong growth in the future as this area becomes increasingly important for energy supply. 2021 was otherwise a year that was considered relatively weak in the wind power industry in general, after a very strong 2020.

We are also noticing a growing interest in our concept Re-active Recycling. Where our additives improve material properties for plastics that are to be reused in a decisive way. This can be plastic film or recycled plastic from milk packaging, for example.

“...a growing interest in our concept Re-active Recycling...”

What does the future investment need look like?

We have had a strong growth trend, which we intend to continue. Thus, we will need to continue to invest in increasing production capacity. Having your own production is attractive both in terms of cost control and knowledge. But in order to be able to match sales with our own production in a smart way, we also need to buy capacity from contract manufacturers. It can be added that Nexam on certain occasions makes investments in replacement capacity, which creates the opportunity to increase efficiency and margins.

“...made three patent applications during the year...”

How has the company's research and development gone during the year?

It has gone according to plan. We have made three patent applications during the year after taking a break from that work. Now we are up and running again and in total we have 56 patents in place and a number of new ones in the pipeline. We have a very competent development team, with great potential to continue to deliver innovations for the polymer industry.

How have you been affected by the pandemic? The pandemic has led to rising raw material costs, challenges in obtaining raw materials and getting transport to the right place. From time to time, we have missed having our employees in one place and visiting customers and development partners on an ongoing basis. Despite this, we have grown by 28 percent in 2020 and 32 percent in 2021. This is good and shows the growth potential of Nexam, but the growth would probably have been even higher if the pandemic had not occurred.

“We will continue our growth journey with the vision to make plastic better”

What happens next, what will characterize 2022?

We will continue our growth journey with the vision to make plastic better. Where we work closely and together with our customers. As we get more customers, we continue to grow. As we are such an integral part of our customers' products, it always takes a long time to become qualified. It is not uncommon for it to take more than five years to have a business relationship with a customer. But once that is done, it is usually about relationships over decades.

Johan Arvidsson, CEO

This is Nexam Chemical

Nexam Chemical

Stronger, lighter and recyclable materials. It is one part of what the world needs to be able to grow in a sustainable way. We at Nexam Chemical can contribute to this. We work with improving polymeric materials – more commonly described as plastics. By adding our products, the customer can create materials that will give the end-products completely new and effective properties. Such as lower weight, increased heat resistance and strength, longer life cycle and increased recycling.

Today we help our customers to improve materials that are then used in everything from computers, wind turbines and vehicle components to water pipes and food packaging. We are a growth company with a turnover of approximately SEK 220 million, with production in four countries, employs close to fifty persons and cooperates with well-known chemical and material companies all over the world.

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 production of the

Company's molecules are located. Large scale production of the company's unique molecules is also performed in collaboration with contract manufacturers. Manufacturing of masterbatch and multifunctional masterbatch is performed by the subsidiary Nexam Performance Masterbatch.

Our vision

To be a recognized world-leader in property modification of polymeric materials through heat-activated chemistry.

Our mission

To contribute to a more resource-efficient and sustainable society through innovative chemistry that improves properties, usability and recycling of polymeric materials.

Our sustainability vision

Nexam Chemical strives towards a sustainable future through innovative and reactive chemistry and to create possibilities to save on our valuable and scarce natural resources. We want to enable our customers to develop lighter, stronger, more durable, and more recyclable products.



Financial comments

Sales and profit

Net sales for the quarter totaled SEK 57,052,000 (46,693,000) and for the full year SEK 219,452,000 (165,830,000). Other operating income for the quarter amounts to SEK 91,000 (0).

The personnel expenses during the quarter totaled SEK – 9,468,000 (- 8,205,000) and other operating expenses totaled SEK - 9,837,000 (- 10,286,000). The depreciation for the period amounts to SEK - 2,717,000 (- 2,649,000) of which SEK - 1,100,000 (- 1,100,000) concerns depreciation of acquired immaterial surplus values. The profit/loss before depreciation (EBITDA) amounted to SEK 1,204,000 (677,000) and for the full year SEK 6,297,000 (- 4,908,000). The operating profit/loss before tax for the quarter came in at SEK – 1,572,000 (- 2,641,000) and for the full year SEK - 5,307,000 (- 7,597,000).

Personnel and organization

The number of employees in the Group, restated as fulltime equivalents were 52 (44) at the end of the quarter. Of these, 43 (36) were men and 9 (8) women.

Investments

The total investment in intangible assets during the year amounts to SEK 3,208,000 (3,573,000) and for the tangible assets SEK 2,737,000 (2,796,000).

Cash flow

The cash flow from the operating activities during the quarter amounted to SEK 15,305,000 (- 7,287,000). Changes in working capital has affected the cashflow with SEK 14,340,000 (- 6,840,000). During the quarter, net amortization of bank loans has affected the cashflow with SEK - 3,120,000 (- 3,120,000). The total cash flow for the quarter amounted to SEK 10,004,000 (- 12,797,000).

Financial position

Compared to the beginning of the year, the equity/assets ratio was 80 (75) percent, and the equity was SEK 228,084,000 (187,183,000). Cash and cash equivalents amounted to SEK 63,601,000 (29,791,000) compared to the beginning of the year. The Group has at the end of the period an interest-bearing debt of SEK 24,721,000 (37,068,000) compared to the beginning of the year.

Other information

Group structure

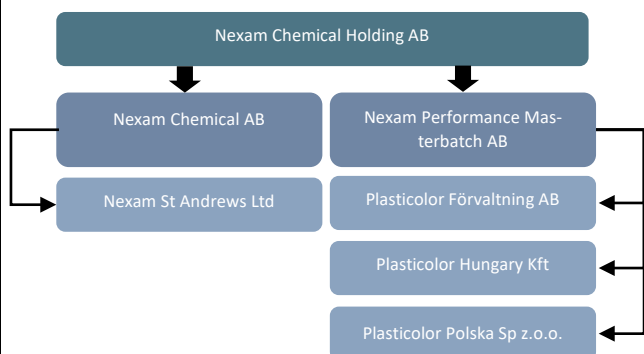
Nexam Chemical Holding AB is a Swedish public limited liability company, and its corporate ID no. is 556919-9432. The Group consists of the parent company Nexam Chemical Holding AB (publ) and two subgroups, Nexam Chemical and Nexam Performance Masterbatch. All companies in the Group are wholly owned.

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 2020.

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.

Split of revenue on different revenue streams. 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 since the fourth quarter 2019 divided into two different revenue streams, but not divided into profit and loss. The revenue streams are Performance Chemicals and Performance Masterbatch. Performance Chemicals consists of Nexam Chemicals product portfolio and Performance Masterbatch consists of Nexam Performance Masterbatch's product portfolio.

Reporting standards. Nexam prepares its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretative statements from the IFRS Interpretations Committee, as adopted by the EU for application within the EU. The interim report has been prepared in accordance with IAS 34 Interim Financial Reporting.

Disclosures in accordance with IAS 34.16A appear not only in the financial statements and their accompanying notes but also in other parts of the interim report.

The parent company applies the Annual Accounts Act and the "Council for Financial Reporting" RFR 2 Accounting for legal entities. Application of RFR 2 means that the parent company as far as possible applies all IFRS approved by the EU within the framework of the Annual Accounts Act and the Social Security Act and has considered the connection between accounting and taxation. The Group and the Parent Company have applied the accounting principles described in the annual report for 2020.

The Group's financial instruments are valued at accrued acquisition value. The carrying amount of all financial

assets and liabilities is estimated to correspond to fair value.

Transactions with related parties

During the year a warranty program was initiated resulting in a capital injection by top management of SEK 431,000.

Principles for remunerations to Board of Directors are stated in the annual report 2020.

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 2020.

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. During the period the principles for estimates and judgements have remain unchanged.

Signatures

Lomma 26th of January 2022

Mats Persson
Chairman of the Board

Cecilia Jinert Johansson
Member of the Board

Jonna Opitz
Member of the Board

Martin Roos
Member of the Board

Oskar Tuwesson
Member of the Board

Johan Arvidsson
Chief Executive Officer

Financial Statements in summary

Consolidated income statement in summary					
(SEK '000)	Note	Oct-Dec 2021	Oct-Dec 2020	Full year 2021	Full year 2020
Net sales	2,3	57 052	46 693	219 452	165 830
Other operating income		91	7	430	176
		57 144	46 700	219 881	166 006
Operating expenses					
Raw materials and consumables		-36 635	-26 561	-134 972	-94 880
Operating expenses		-9 837	-10 285	-41 124	-34 157
Personnel cost		-9 468	-8 205	-37 488	-30 361
Depreciation of tangible and intangible assets		-2 717	-2 649	-10 573	-10 193
Other operating expenses		-	-967	-	-1 695
Operating profit/loss		-1 513	-1 968	-4 276	-5 281
Financial items					
Financial income		-	-2	128	166
Financial costs		-59	-666	-1 160	-2 477
Profit/loss before tax		-1 572	-2 636	-5 307	-7 593
Income tax		1	-229	-141	-496
Profit/loss for the period		-1 571	-2 866	-5 449	-8 089
Other comprehensive income					
<i>Items that may be reclassified to profit or loss</i>					
Translation differences on foreign subsidiaries		-443	-993	49	-2 397
<i>Sum of other comprehensive income, net after tax</i>		-443	-993	49	-2 397
Comprehensive result for the period		-2 014	-3 859	-5 400	-10 486
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)		-0,02	-0,05	-0,07	-0,14
Diluted earnings per share (SEK)		-0,02	-0,05	-0,07	-0,14
Average number of basic shares		80 915 798	75 803 367	79 909 583	75 803 367
Average number of diluted shares		80 915 798	75 803 367	79 909 583	75 803 367

Consolidated balance sheet in summary

(kSEK)	Note	31-dec 2021	31 Dec 2020
ASSETS			
Intangible assets	1	102 980	104 913
Tangible assets		43 645	44 898
Financial assets		5	98
Inventory		32 302	32 442
Trade receivables		38 176	31 735
Other receivables		3 623	6 401
Cash and bank		63 601	29 791
TOTAL ASSETS		284 333	250 278
EQUITY AND LIABILITIES			
Equity		228 080	187 183
Long-term debt with interest		11 372	23 749
Other long-term debt		2 984	3 377
Provisions for pension		372	302
Short term debt with interest		13 349	13 319
Trade payables		17 162	14 160
Other liabilities		11 014	8 188
TOTAL EQUITY AND LIABILITIES		284 333	250 278

Summary consolidated statement of changes in equity					
(SEK '000)	Share capital	Other capital provided	Reserves	Retained earnings	Sum equity
Equity opening balance 2021-01-01	1 458	377 489	-1 680	-190 084	187 183
Comprehensive income					
Loss for the period				-5 449	-5 449
Other comprehensive income	-	-	-		
Change in translation reserve for the period			164		164
Sum other comprehensive income after tax	-	-	164	-	164
Total comprehensive income for the period	0	0	164	0	164
Transaction with Group's owners					
New share issue, net of transactions costs	98	45 653			45 751
Warrants		431			431
Total transaction with the Group's owners	98	46 084	-	-	46 182
Equity closing balance 2021-12-31	1 556	423 573	-1 516	-195 533	228 080
Equity opening balance 2020-01-01	1 298	334 599	796	-181 992	154 701
Comprehensive income					
Loss for the period				-8 092	-8 092
Other comprehensive income	-	-	-		
Change in translation reserve for the period			-2 476		-2 476
Sum other comprehensive income after tax	-	-	-2 476	-	-2 476
Total comprehensive income for the period	0	0	-2 476	0	-2 476
Transaction with Group's owners					
New share issue, net of transactions costs	160	42 830			42 990
Warrants		60			60
Total transaction with the Group's owners	160	42 890	-	-	43 050
Equity closing balance 2020-12-31	1 458	377 489	-1 680	-190 084	187 183

Consolidated cash flow in summary				
(SEK '000)	Oct-Dec 2021	Oct-Dec 2020	Full year 2021	Full year 2020
Cash flow from operating activities				
Operating income	-1 513	-1 973	-4 276	-5 286
Adjustment from non-cash items	2 479	1 526	9 237	6 683
Cash flow from operations before changes in working capital	965	-447	4 961	1 397
Changes in working capital	14 340	-6 840	2 294	-18 481
Cash flow from operations	15 305	-7 287	7 255	-17 084
Cash flow from investment activities	-1 900	-2 124	-5 514	-6 307
Cash flow from financing activities	-3 401	-3 386	32 434	29 995
Cash flow for the period	10 004	-12 797	34 175	6 604
Cash and cash equivalents at the beginning of the period	53 775	42 499	29 791	23 101
Effect of exchange rate changes on cash	-178	89	-365	86
Cash and cash equivalents at end of period	63 601	29 791	63 601	29 791

Parent company - Income statement in summary				
(SEK '000)	Oct-Dec 2021	Oct-Dec 2020	Full year 2021	Full year 2020
Net sales	1 700	1 398	6 800	5 535
	1 700	1 398	6 800	5 535
Operating expenses				
Operating expenses	-1 381	-1 563	-5 905	-4 642
Personnel cost	-1 317	-1 272	-6 653	-5 374
Operating profit/loss	-998	-1 437	-5 758	-4 481
Financial items				
Interest expenses and other similar loss items	-94	-172	-578	-841
Profit/loss before tax	-1 092	-1 609	-6 337	-5 322
Appropriations	-	-	-	500
Profit/loss for the period	-1 092	-1 109	-6 337	-4 822

Parent company - Balance sheet in summary

(SEK '000)	31-dec 2021	31 Dec 2020
ASSETS		
Financial assets	409 888	409 596
Receivables from group companies	52 364	47 382
Other receivables	291	970
Cash and bank	47 159	22 679
TOTAL ASSETS	509 701	480 626
EQUITY AND LIABILITIES		
Equity	491 845	452 000
Provisions for pension	1 908	1 545
Long-term debt with interest	-	12 000
Short term debt with interest	12 000	12 000
Trade payables	104	609
Other liabilities	3 844	2 472
TOTAL EQUITY AND LIABILITIES	509 701	480 626

Note 1 - Intangible assets				
(SEK '000)	Goodwill	Market positions	Develop-ment costs	Patents
Accumulated cost				
Opening balance 1 January 2021	45 943	44 000	27 773	6 394
Additions	-	-	3 022	186
Re-classification	-	-	205	-205
Closing balance 31 December 2021	45 943	44 000	31 000	6 375
Accumulated depreciation				
Opening balance 1 January 2021	-	-13 567	-3 568	-2 062
Expensed depreciation for the period	-	-4 400	-517	-224
Closing balance 31 December 2021	-	-17 967	-4 085	-2 286
Residual value 31 December 2021	45 943	26 033	26 915	4 089
Accumulated cost				
Opening balance 1 January 2020	45 943	44 000	24 660	5 934
Additions	-	-	3 573	-
Re-classification	-	-	-460	460
Closing balance 31 December 2020	45 943	44 000	27 773	6 394
Accumulated depreciation				
Opening balance 1 January 2020	-	-9 167	-3 310	-1 837
Expensed depreciation for the period	-	-4 400	-258	-225
Closing balance 31 December 2020	-	-13 567	-3 568	-2 062
Residual value 31 December 2020	45 943	30 433	24 205	4 332

Note 2 - Net sales divided in geographical markets

(SEK '000)	Oct-Dec 2021	Oct-Dec 2020	Full year 2021	Full year 2020
Net sales Sweden	13 281	11 564	56 187	38 045
Net sales Europe	29 189	24 645	118 885	89 903
Net sales rest of the world	14 583	10 484	44 380	37 882
Total	57 052	46 693	219 452	165 830

Note 3 - Net sales divided in revenue streams

(SEK '000)	Oct-Dec 2021	Oct-Dec 2020	Full year 2021	Full year 2020
Performance Masterbatch	26 157	22 380	104 235	86 599
Performance Chemicals	30 895	24 313	115 216	79 231
Total	57 052	46 693	219 452	165 830

Share capital, shares and ownership

The Company's share capital totals SEK 1,556,073 divided into 80,915,798 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 are listed on NASDAQ Stockholm First North Growth Market under the ticket NEXAM. Approximately 9 million shares have been turned during the quarter and the average price during the period was SEK 10.80 per share.

Incentive programs

The company has two ongoing incentive programs with a total of 1,419,000 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 1.8 %.

For more information and the full terms and conditions of incentive program 2019/2022, please see the resolutions from the Annual General Meetings in 2019 and for the incentive program 2021/2024 see resolutions from Annual General Meetings in 2021.

Allotment date	Price per warrant (SEK)	Earliest redemption date	Final due date	Redemption price (SEK)	Outstanding warrants 31 st of December 2021	Dilution if fully exercised
2019-06-30	0.40	2022-08-26	2022-09-09	11.51	808,500	1,0%
2020-05-12	0.26	2022-08-26	2022-09-09	11.51	230,000	0,3%
2021-05-27	0.98	2024-08-16	2024-08-30	21.28	380,500	0,5%

Shareholders

The number of shareholders as of 31st of December 2021 was 5,822.

Shareholders	Shares	Percent
SIX SIS AG	13 032 983	16,1%
Försäkringsbolaget, Avanza Pension	8 500 950	10,5%
Veronica Wallman	3 641 225	4,5%
Länsförsäkringar Småbolag Sverige	3 296 753	4,1%
SEB Europafond småbolag	2 162 478	2,7%
Lennart Holm, privately and via company	2 160 569	2,7%
Nordnet Pensionsförsäkring AB	2 134 849	2,6%
SEB Copenhagen	1 801 878	2,2%
Michael Wandy Karlsson, privately and via company	1 377 342	1,6%
Futur Pension	1 266 030	51,3%
Other shareholders (approx. 5,800)	41 540 741	100,0%
Total	80 915 798	100,0%

Financial calendar

21 Apr 2022	Interim Report January-March 2022
11 May 2022	Annual General Meeting 2022
14 Jul 2022	Interim Report January-June 2022
20 Oct 2022	Interim Report January-September 2022
26 Jan 2023	Year-End-Report 2022

Interim reports are available on www.nexamchemical.com.

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Note: This 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.

This report hasn't been subject to review by company's auditor.

This information is information that Nexam Chemical Holding AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 08:00 CET on 26th of January 2022.