NEXAM CHEMICAL

Nexam Chemical Holding AB

Q3 2021

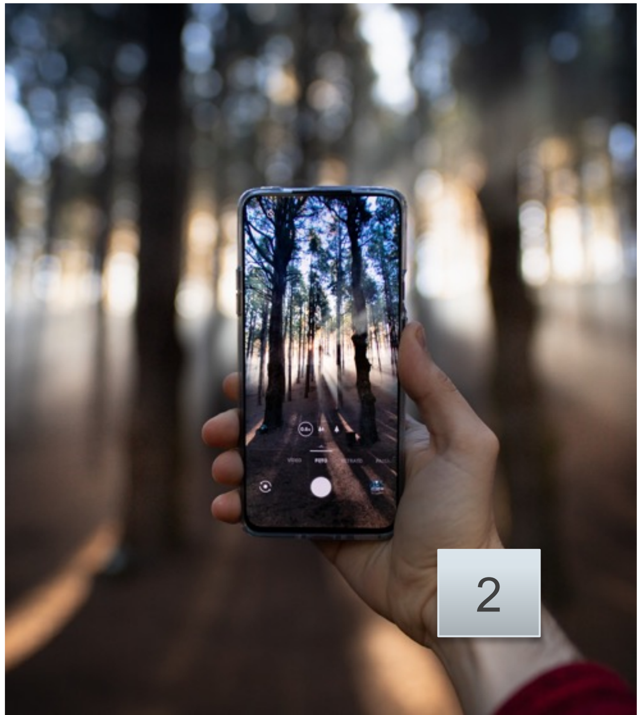
21-10-21 | Johan Arvidsson, CEO

Marcus Nyberg, CFO

Nexam Chemical

12 years of Sustainable Innovation

- Additives for Plastics
- A better world without plastics? Or better plastics for the world.



Global mega trends

Creative chemistry to modify polymers for new challenges

Target segments

Sustainable transportation

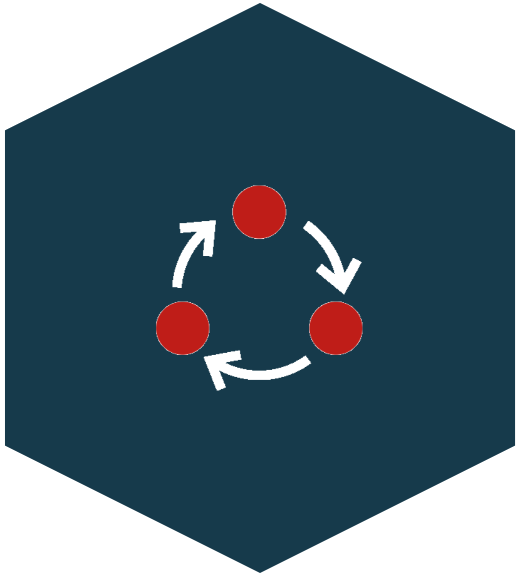
Renewable energy

Waste/ recycling

Plastic for the future

Our contribution to a more sustainable and circular industry

– Sustainability contribution from our products



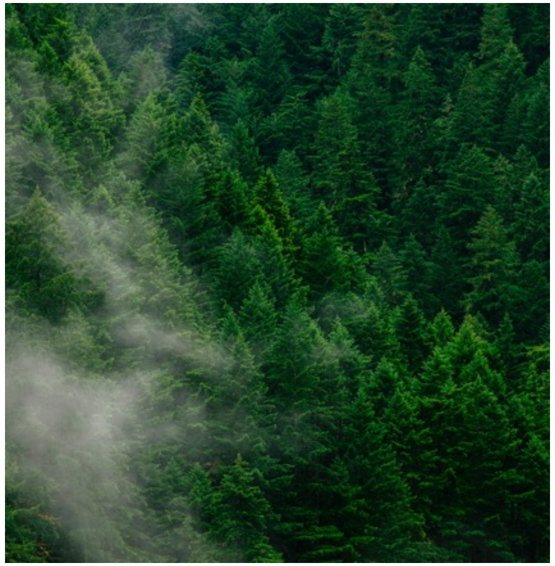
Increased circularity

Renewable energy

Quality materials that last

NEXAM CHEMICAL

Sustainable operations



Environment

- Energy use
- Waste and recycling
- Land use
- Water
- Chemical use

Social aspects

- Employees and work environment
- Equality
- Local community
- Human rights
- Social initiatives

Governance

- Correct accounting
- Transparent communication
- Anti-corruption
- Fair business relations

NEXAM CHEMICAL

Innovation and R&D

Creating value with innovative chemistry in the polymer market

- Development activities in Sweden, Scotland and Hungary
- Share of employees working with R&D: 1/4
- 55 patents, and one ongoing patent application, in 4 different patent families: still untapped opportunities
- **Multiple new patents in progress**

Third Quarter 2021
Business Update

Marketing & Sales

- Net sales during quarter amounted to 50,2 mSEK (41,2 mSEK)
- Growth in both Nexam Performance Masterbatch and Nexam Performance Chemical
- Sales to PET-foam producers continue to grow (Diab and others). Large orders from India.
- After Q3; new business with the polyolefin producer Sibur in Russia.

Operations

- Challenging raw material situation in view of shortages and transportation bottlenecks.
- Focus on securing delivery performance in the growth situation; increasing volume of more products to more customers.
- Major effort to adapt the production system to current volumes. Multiple projects to increase capacity.

Innovation

- Multiple patent applications in process
- Continued effort on securing sales of already developed products; application development
- Developing compositions of existing building blocks; Multi functional masterbatches.
- Started the planning of a new innovation center in Lomma

Other topics

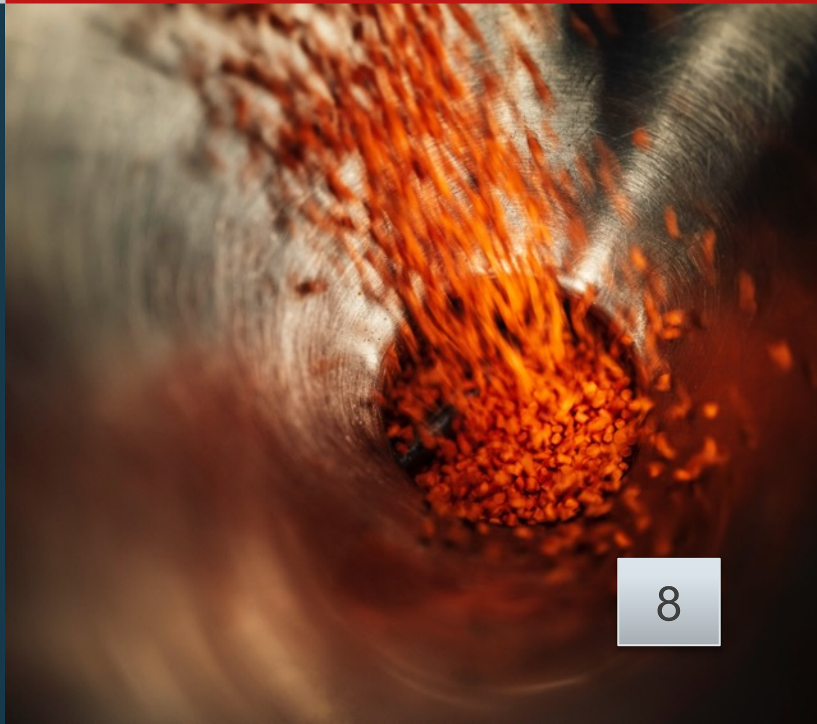
- Jörgen Heby started as production manager. Jörgen is a part of the leadership team

NEXAM CHEMICAL

One company, two business units

Nexam Performance Masterbatch

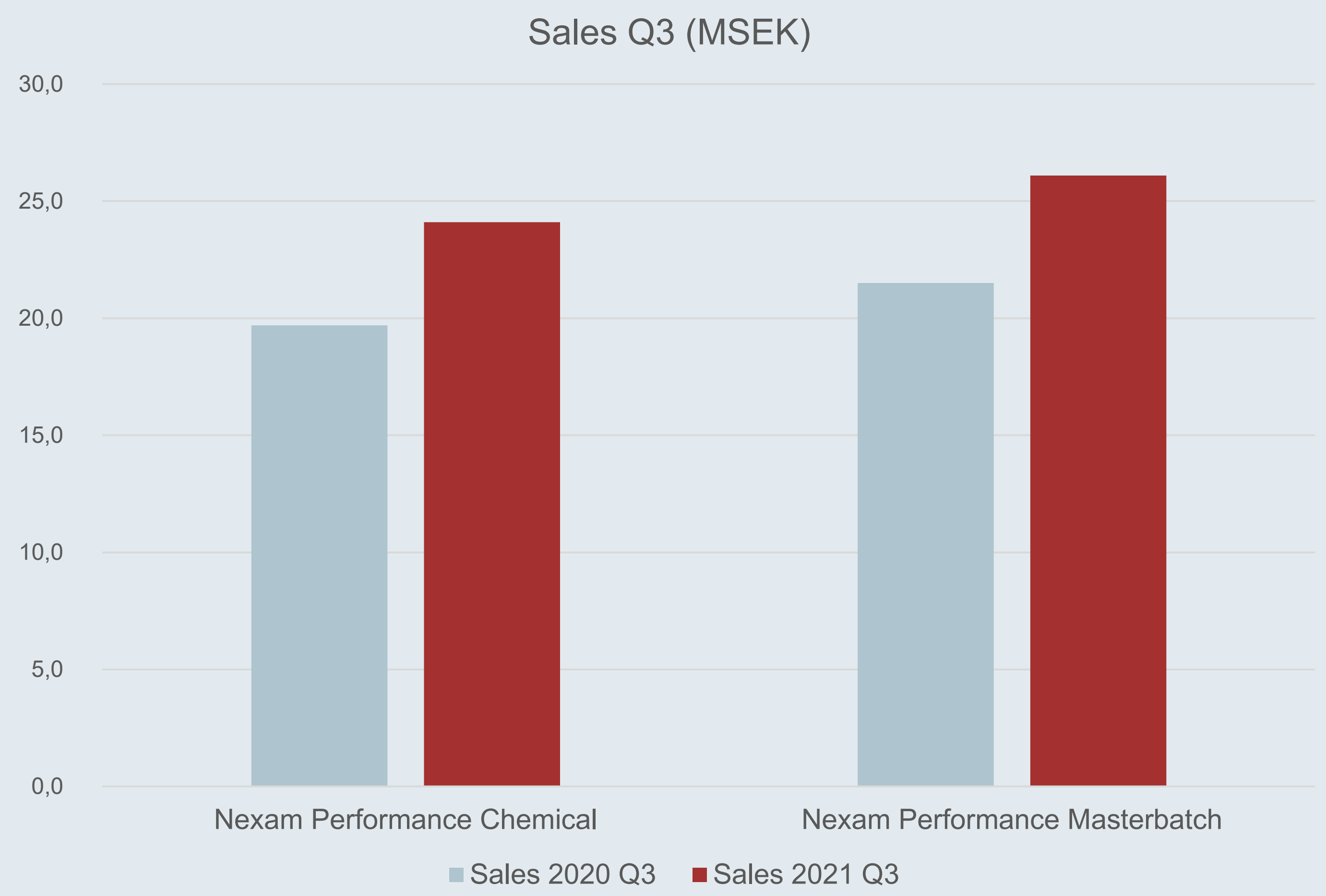
Nexam Performance Chemical



NEXAM CHEMICAL

Business development

2020 Q3 vs 2021 Q3



Financial Targets

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

msek	Sales 2020 Q3	Sales 2021 Q3	Development
Nexam Performance Chemical	19,7	24,1	22%
Nexam Performance Masterbatch	21,5	26,1	21%
TOTAL	**41,2**	**50,2**	**22%**

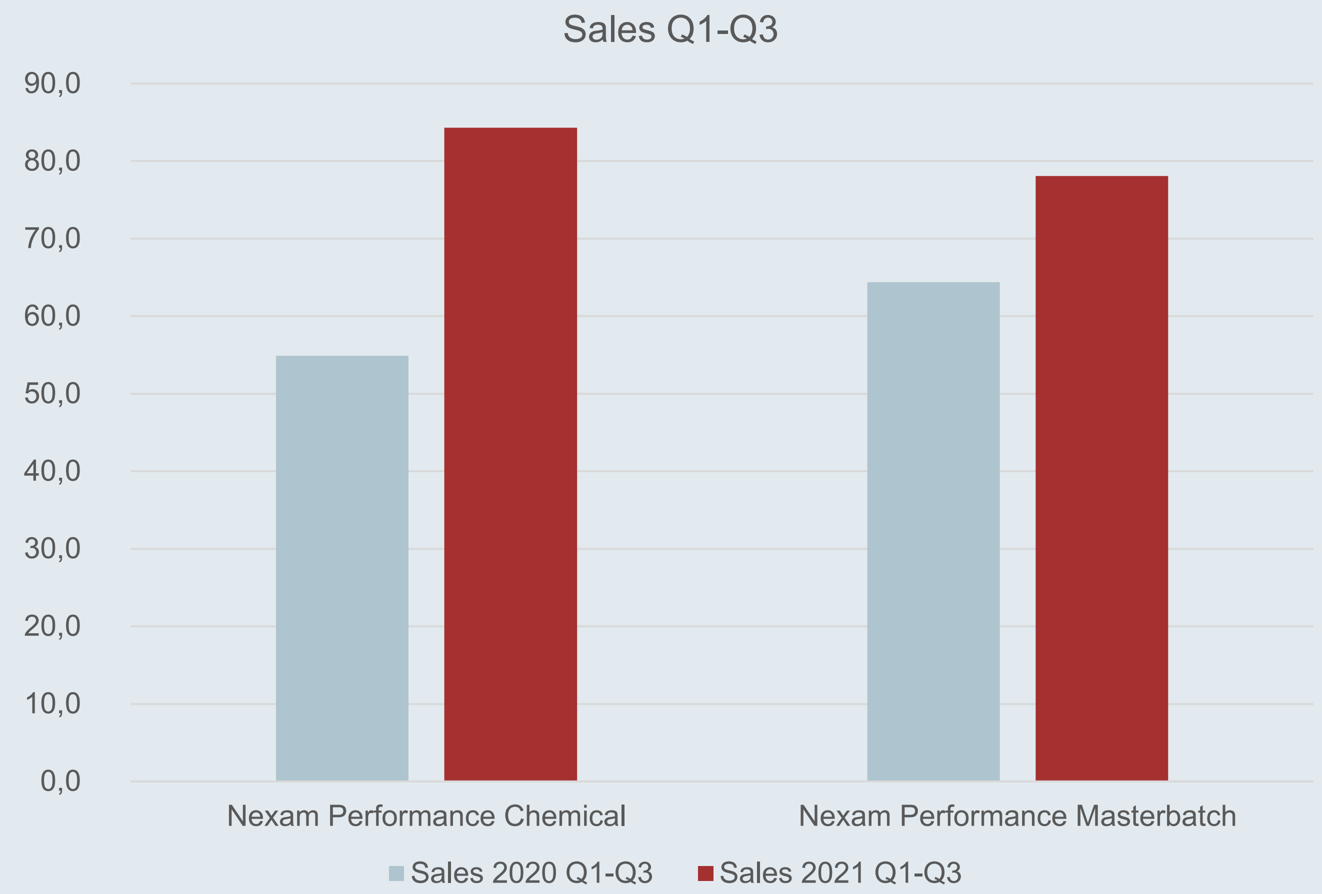
NEXAM CHEMICAL

Business development

2020 Q1-Q3 vs 2021 Q1-Q3

Financial Targets

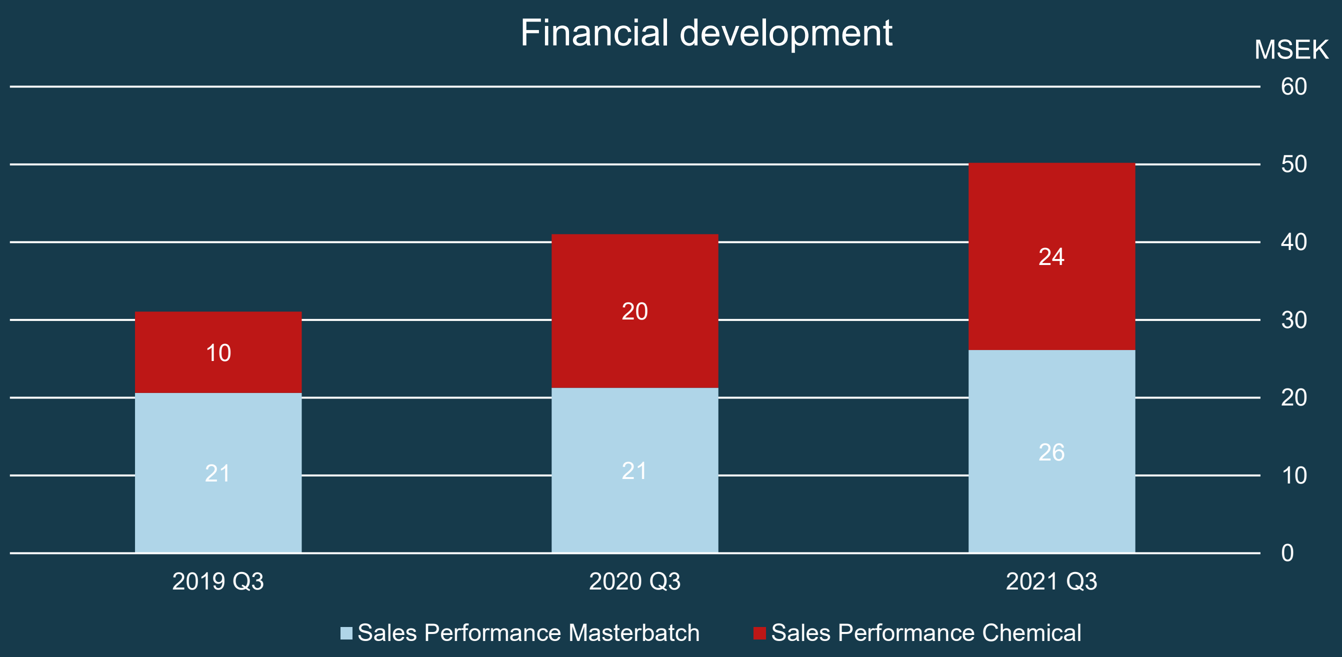
- >25% annual profitable growth
- A run rate between 275 and 325 MSEK during 2022



msek	Sales 2020 Q1-Q3	Sales 2021 Q1-Q3	Development
Nexam Performance Chemical	54,9	84,3	54%
Nexam Performance Masterbatch	64,4	78,1	21%
TOTAL	**119,3**	**162,4**	**36%**

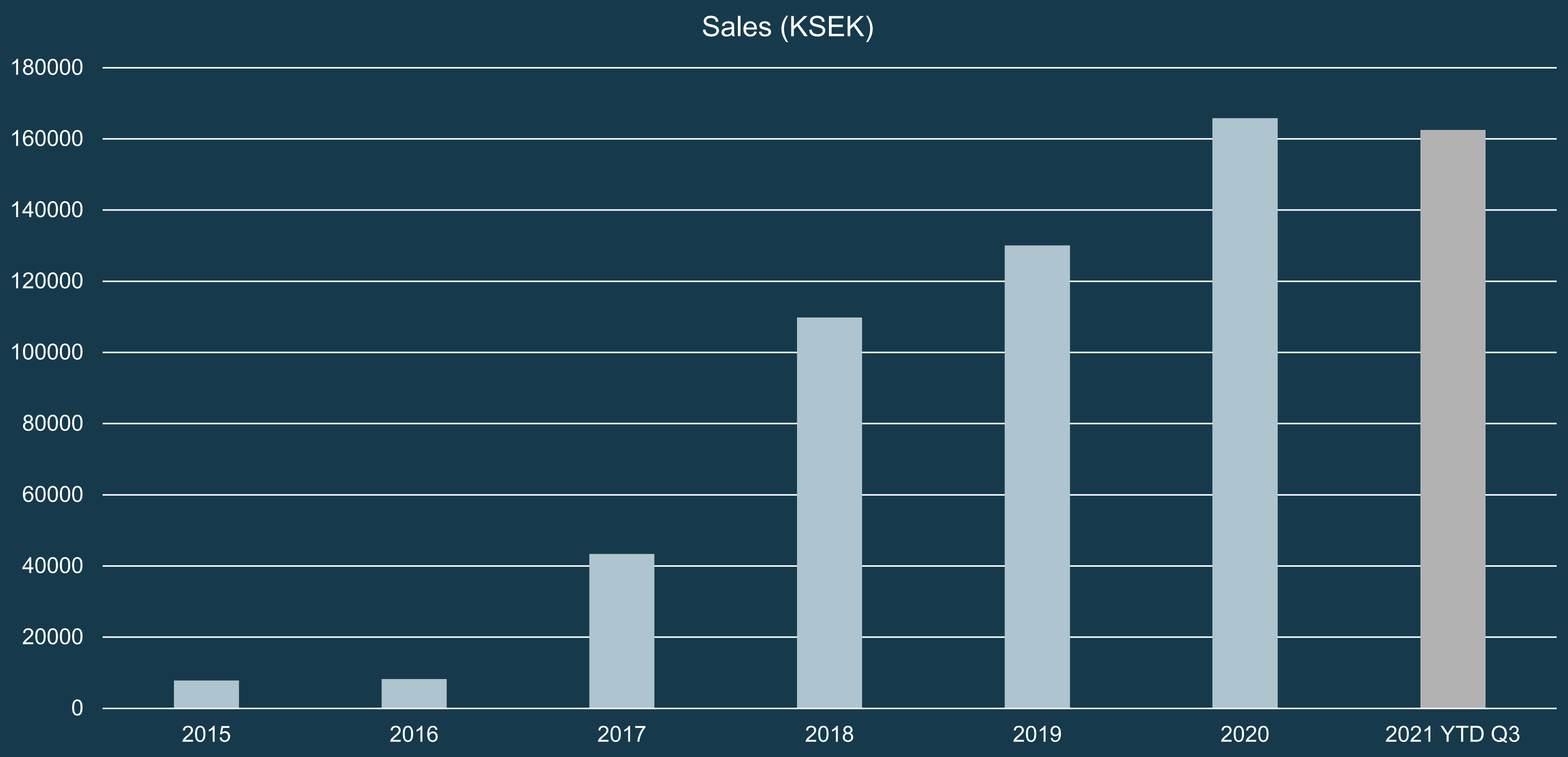
NEXAM CHEMICAL

2019-2021 Q3 Update Financials



NEXAM CHEMICAL

Development 2015-2021



2021 Q3 Update Financials

kSEK	2020 Q3	2021 Q2	2021 Q1	2020 Q4	2020 Q3	2020 Q2	2020 Q1	2019 Q4	2019 Q3
Net sales	50 229	59 664	52 506	46 693	41 054	36 379	41 704	32 024	31 084
Operating expenses	-17 109	-22 355	-19 843	-18 491	-15 619	-14 037	-16 373	-16 523	-13 089
EBITDA*	1 046	1 957	2 090	677	1 769	374	2 283	-2 814	-1 459
Cash and bank	53 775	49 767	61 556	29 791	42 499	50 657	14 305	23 101	38 718
Cash flow from operations	-4 178	-7 471	3 600	-7 287	-4 383	-1 474	-3 940	-8 631	4 193
Average number of employees	51	49	45	44	41	42	40	40	38
Sales Performance Masterbatch	26 138	26 746	25 194	22 380	21 292	21 004	21 923	17 723	20 646
Sales Performance Chemical	24 091	32 918	27 312	24 313	19 762	15 375	19 781	14 301	10 438

kSEK	2020 FY	2019 FY	2018 FY	2017 FY	2016 FY	2015 FY
Net sales	165 830	130 057	109 835	43 399	8 268	7 842
Operating expenses	-64 519	-59 302	-52 760	-36 457	-24 331	-24 665
Adjusted EBITDA*	6 324	-5 576	-5 757	-16 511	-19 485	-19 285
EBITDA*	4 908	-5 576	-5 757	-16 511	-19 485	-19 285
Cash and bank	29 791	23 101	53 705	86 407	133 147	36 305
Cash flow from operations	-17 084	-21 277	-12 887	-16 615	-17 585	-23 182
Average number of employees	44	40	41	17	13	18

Financial comments for the quarter

- Net sales in Q3 amounted to MSEK 50,3 compared to MSEK 41,1 in Q3 2020.
- 22 % in growth for net sales for the quarter.
- EBITDA amounted to 1.0 (1.8) MSEK in the quarter.
- Cash flow from operations amounted to MSEK – 4,7 (-4,4) KSEK.
- Cash and bank balance at the end of the quarter amounted to MSEK 53,8 excluding an unused credit facility of MSEK 10.

Expectations rest of 2021

Continued growth in line with targets and expectations

Challenging raw material and logistic situation but stepwise improving.

The high level of interest for sustainable solutions in the polymer and plastic industry continue to benefit Nexam Chemical

Continue expansion in focus segments

-Nexam Performance Chemical:

Capture growth with existing customers
Expand to new customers (geography and applications): Both within PET-foam and outside
Increase of leads and projects in the recycling area

-Nexam Performance Masterbatch:

Stay on the growth track: Actions taken have been successful.

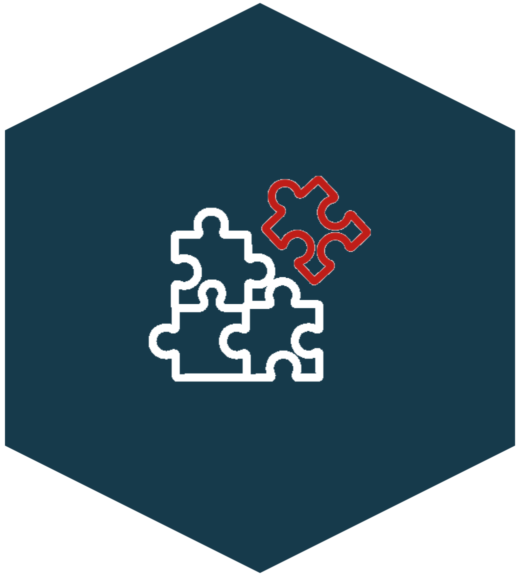
Strong potential for successes in new areas; strive for break through

PET fibre and recycling: *Has started.*
Polyolefins: *Will start*

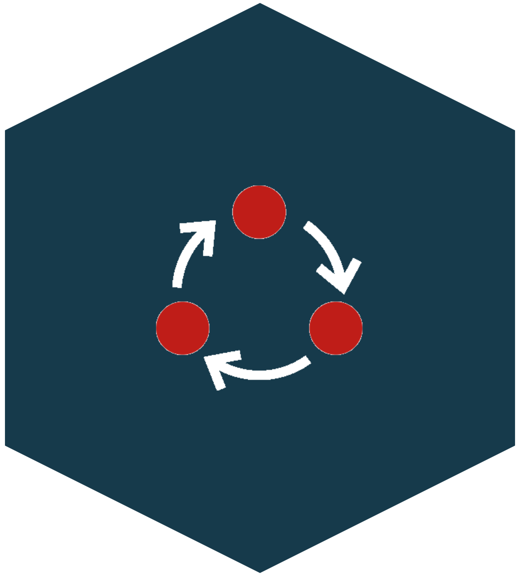
Continue to be a growth company!

NEXAM CHEMICAL

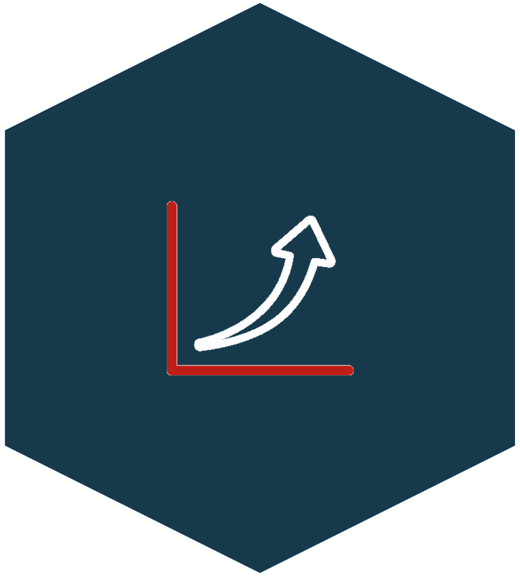
Improving Sustainability in plastics with creative chemistry is our growth strategy



Efficient solutions for quality and capacity improvement, with cost saving potential.



Our solutions contribute to a more sustainable and circular industry.



We are just at the beginning of a long journey, offering unique solutions in growing markets.

NEXAM CHEMICAL

Q&A

NEXAM CHEMICAL

See new Nexam animation
on nexamchemical.com

Contact:

Johan Arvidsson, CEO
+46 708 974 439
johan.arvidsson@nexamchemical.com

NEXAM CHEMICAL
Industrigatan 27, 234 35 Lomma, Sweden
www.nexamchemical.com