

Press release

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Nexam Chemical enters next phase of growth – with a focus on scaling its Recycling operations

This press release is published to provide a more detailed overview of Nexam Chemical Holding AB's ("Nexam Chemical" or the "Company") strategic direction, growth ambitions and intended use of proceeds in connection with the recently announced rights issue. Following successful implementation of structural and profitability measures, the Company assesses that the conditions are now in place to accelerate commercial expansion, with a particular focus on the Recycling business.

Since 2023, Nexam Chemical has carried out a strategic transformation with a focus on improved profitability, business quality and scalability. Through adjustments to the cost structure, a more selective product and application focus, and increased efficiency in organisation and working methods, the Company has stabilised its gross margin at a high level, lowered its break-even point and strengthened its financial resilience.

During the fourth quarter, the Company's revenue development was affected by a combination of factors. Within the High Temperature business, a temporary inventory adjustment by a major customer contributed to slightly lower total revenue compared with the corresponding period of the previous year. The effect is assessed to be non-recurring and is not expected to impact the Company's long-term market position in that business area. A certain degree of caution has also been observed within the Aesthetics (colour concentrates) and Light Weight (lightweight and strong structural foams) business areas, reflecting a more complex macroeconomic environment affecting parts of the value chain.

Despite these temporary challenges, cash flow for the quarter remained in line with the previous year and EBITDA was close to break-even. The Company holds strong market positions across all business areas and continues to actively adapt its offering, customer dialogue and resource allocation, with a continued focus on profitability, business quality and long-term value creation.

Reactive Recycling – accelerating commercial acceleration

Performance enhancement of recycled plastics is currently the area where the Company sees the clearest combination of structural demand, commercial traction and scalability. The global transition towards more circular material flows is driving increasing demand for solutions that enable higher quality, improved performance and broader use of recycled plastics. Mechanical recycling is today technically established and scalable, but continues to face challenges related to polymer degradation, variability in material quality and declining mechanical properties through repeated recycling.

Nexam Chemical addresses these challenges through unique, additive-based and application-tailored solutions within Reactive Recycling™, improving material properties, process stability and functional performance in recycled plastic streams.

During 2025, the Company's Recycling business developed strongly, with increased delivery volumes, a growing number of commercial customer relationships and a rapidly increasing share of recurring business. In the fourth quarter of 2025, sales within Recycling reached levels exceeding the Company's total sales in the business area for the full year 2024, illustrating the ongoing commercial acceleration.

Growth during the quarter exceeded 250 percent compared with the corresponding quarter of the previous year, indicating that the Company's offering has achieved significant commercial maturity and is increasingly being adopted at industrial scale.

The business logic within Recycling mirrors that of the Company's other business areas, where a significant share of revenues is generated from recurring customer relationships rather than one-off projects or deliveries.

Growth ambition going forward

Against this backdrop, the Company assesses that conditions are in place to accelerate the commercial expansion of the Recycling business in a more structured and proactive manner. Given prevailing market conditions and access to the necessary resources, the Company's ambition is to double sales within Recycling in each of the coming two years.

This ambition reflects the demand and pipeline currently observed by the Company, but does not constitute a formal forecast or financial guidance. The ambition is further supported by the Company's current cost structure, technical platform and organisation, which are considered well suited for a gradual scaling of volumes.

Use of proceeds

The Company has communicated its intention to carry out a rights issue of approximately SEK 51.8 million (the "**Rights Issue**"). The proceeds from the Rights Issue are primarily intended to support the Company's continued development and growth, mainly within the Recycling business. The use of proceeds is expected to include:

- strengthening commercial capabilities within prioritised customer segments and geographies,
- further development of additive technology and application-specific solutions, including technical customer support,
- initiatives to strengthen market presence and commercial communication, and
- working capital and general corporate purposes in line with increasing volumes.

CEO comment

"We have over recent years built a more focused and scalable business with improved margin profile. During 2025, we have seen our Recycling business reach a level of commercial maturity where demand is increasingly converted into recurring business and growing volumes. The Rights Issue is intended to create the financial catalyst needed to accelerate this development and take the next step in Nexam's long-term growth journey. At the same time, we continue to actively develop and manage our other business areas with a focus on profitability, customer value and adaptation to prevailing market conditions."

Note: This press release has been translated from Swedish. The Swedish text shall govern for all purposes and prevail in case of any discrepancy with the English version.

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About Nexam Chemical

Nexam Chemical develops technology and products that make it possible to significantly improve the production process and properties of most types of plastics in a cost-effective manner and with retained production technology. The improved properties include strength, toughness, temperature and chemical resistance as well as service life. The improvements in properties that can be achieved by using Nexam Chemical's technology make it possible to replace metals and other heavier or more expensive materials with plastics in a number of applications. In applications where plastic is already used, Nexam Chemicals products can improve the manufacturing process, reducing material use and enable more environmental friendly alternatives. Example of commercial applications: pipe manufacturing, foam production and high-performance plastics. More information about the business will be found on www.nexamchemical.com. The company's Certified Adviser is Bergs Securities AB. Bergs Securities AB can be reached at info@bergssecurities.se or by phone +46-8 408 933 50.