

News

Lund 2015-10-09

## Business update from CEO Anders Spetz

### Our strategy with three focus areas shows result – first industrial orders won!

I would like to take the opportunity to, in between quarterly reports and press releases of significant events, give a business update on the status of Nexam Chemicals operations.

#### **Strategic focus**

Our new strategy with focus on three application areas - polyethylene pipes, polyester foams and high performance applications - remains intact, and the development follow the plan we have established. Based on the positive results we have obtained, we now intend to accelerate our efforts even further. We have gone from "proof of concept" within all three application areas, to full scale test runs at customers and we are now approaching industrial sales in all. The ambition is to move from one buying customer per application area, to our next milestone of having at least five commercial customers in each area.

Next phase in the development will be an expansion to a larger number of customers and broadening the number of application areas. This will require that we adapt the way we organize the business, in order to enable an acceleration in growth rate. Starting point for this next phase is the joint development work we today do together with a large number of customers with promising results.

#### **Business update**

##### Polyethylene pipes

As previously announced, we can conclude that Nexam Chemicals technology for modifying polyethylene intended for pipe applications has had its commercial breakthrough. Tests have been ongoing and will continue in parallel with several customers for a number of different applications. The prospects for receiving more orders in this area relatively soon are considered to be good.

##### Polyester foam, e.g. PET

There is a number of ongoing activities at several customers, ranging from tests in the laboratory to pilot runs and tests in full-scale production. Nexam Chemicals technology for this area has proven to be extremely effective already at a very low dosage. We continuously develop our offering to the market based on the value our products creates for the customer. This is also an area in which we prioritize expanding our customer base.

##### High performance applications

We now receive continuous orders of industrial scale even though the volumes still are low. One of our customers have been able to commercialize a product, in which NEXIMID® have a crucial effect. This concerns applications related to the electronics industry. Also within this area there is a great potential for expanding the customer base.

### **From research to development**

Our shift in focus towards more application related has led to a more active partnership with a major player in the specialty chemicals sector, Evonik. We have agreed that together approach polyimide customers with our high performance segment. Our product offering complement each other in a unique way. By taking advantage of both parties interacting products, the desired properties of plastics can be achieved.

The work in our plastic application laboratory continues with high intensity. The equipment we have installed is best suited for the development of polyethylene and polyester applications. The much more advanced development work carried out within the high performance range are made primarily by our customers in their specialized laboratories.

### **Organization**

As part of the savings program implemented, the reduction in personnel announced earlier is now fully implemented and our costs are continuing to decline compared to last year. I would like to take the opportunity to thank the fantastic team at Nexam Chemical for their outstanding performance during this period. We have succeeded in raising the level of activity and results, despite less resources.

The recruitment of a new head of technical services / technical sales is entering into its final stage with selection and in-depth evaluation of the final candidates.

On the sales side, negotiations are underway with a number of distributors that will represent on Nexam Chemicals behalf.

I look forward to deliver on the established strategy!

Anders Spetz  
CEO

*Note: This news 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](http://www.nexamchemical.com). The company's Certified Adviser is Remium Nordic AB.*