

Capital Markets Day 2023

The future of composites

Kim Sjödahl

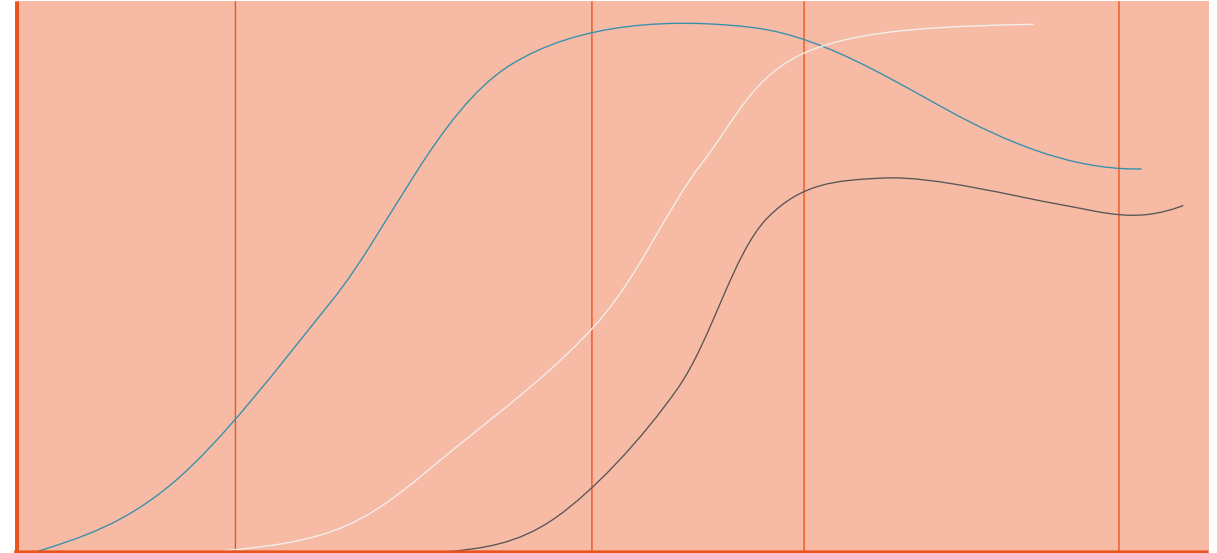
Senior Vice President, R&D and Technology

Disclaimer

This presentation contains forward-looking statements. These statements relate to future events of Exel Composites' future financial performance, including but not limited to strategic plans, potential growth, expected capital expenditures, future cash sources and requirements, liquidity and cost savings that involve known and unknown risks, uncertainties and other factors that may cause Exel Composites' actual results, levels of activity, performance or achievements to be materially different from those expressed or implied by any forward-looking statements. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Future results may vary from the results expressed in, or implied by, the following forward-looking statements, possibly to a material degree. Exel Composites assumes no obligation to update or revise any information included in this presentation. Nothing in this presentation constitutes investment advice, and this presentation does not constitute an offer to sell or the solicitation of an offer to buy any securities or otherwise to engage in any investment activity.

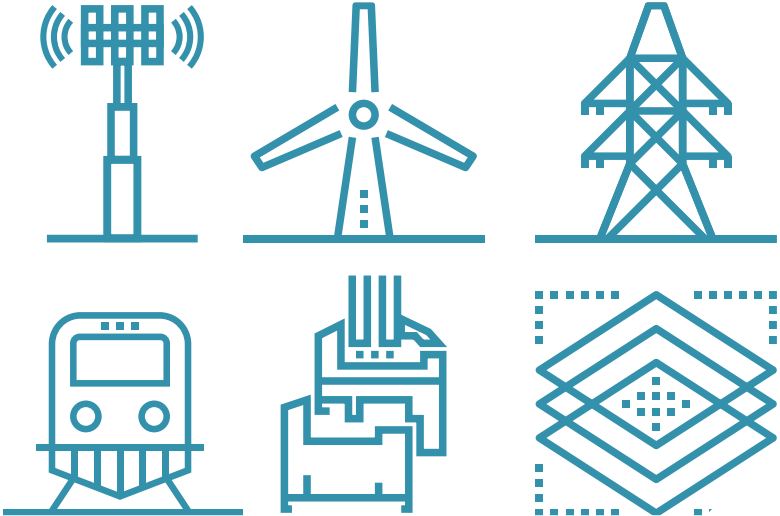
Increasing use of composites

- ◆ Composites young material replacing other materials
- ◆ Earlier single application driven, high threshold to implement
- ◆ Large applications now mainstream: spar caps, electrical insulations, window frames
- ◆ Expected breakthrough applications in window frames, rebar, utility poles, conductor core
- ◆ Introduction of Eurocode and further focus on sustainability improves implementation



Product development process example (development, growth, maturity, decline)

Pultrusion R&D is difficult to master



- ◆ Every application and material solution is different
- ◆ Optimization needed
- ◆ Demanding development in multiple applications
- ◆ Confirmation of properties – especially long-term ones
- ◆ Reverse engineering is difficult regarding chemistry

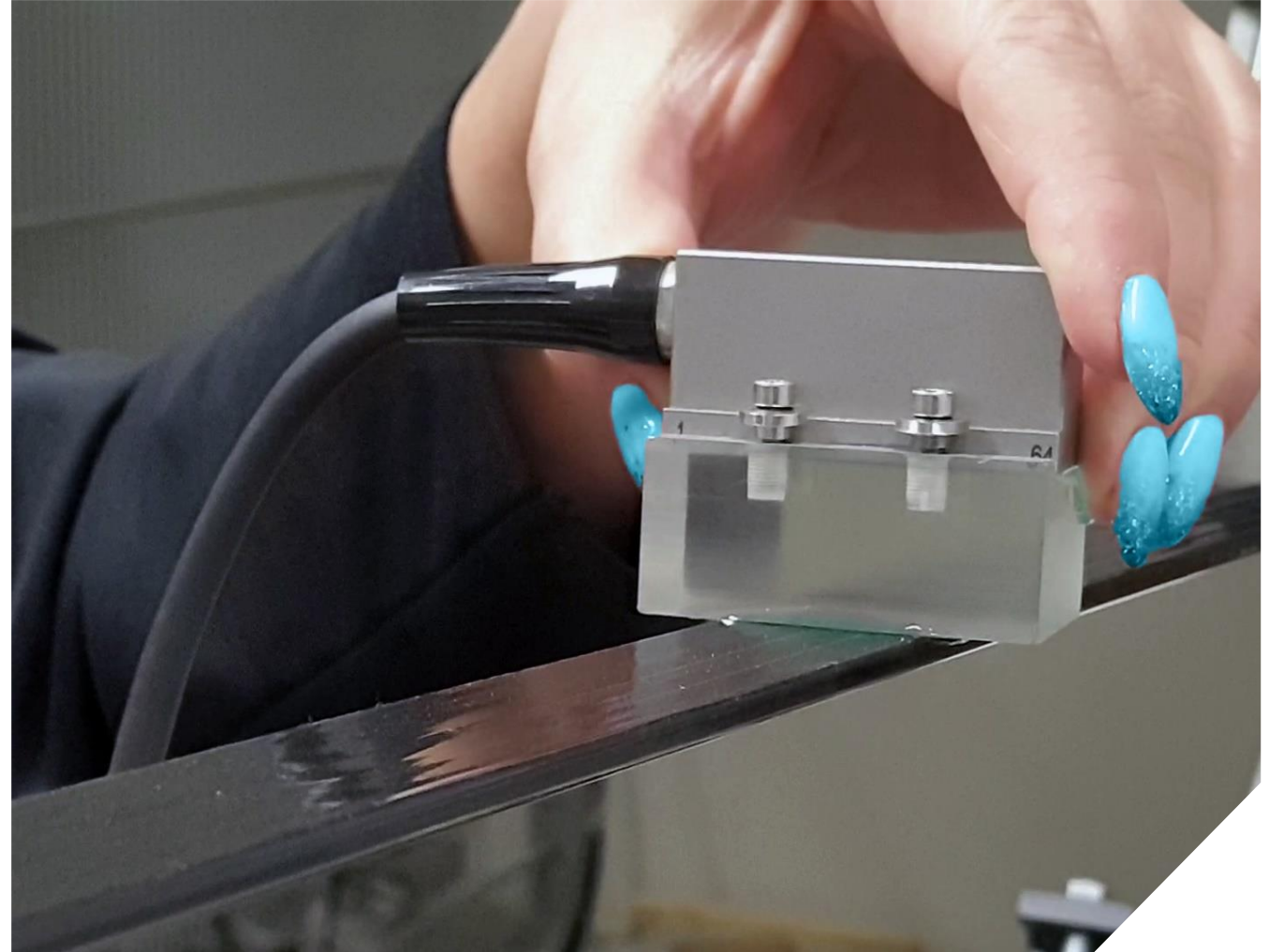
What makes Exel unique?

- ◆ Experience in all major composite materials since the 70's, including different types of carbon fibers, basalt and natural fibers
- ◆ Experience from multiple applications, optimizing performance and implementing composites together with customers through collaboration projects
- ◆ Global experience and local presence, maturity of markets and acceptance level is different
- ◆ Alternative solutions to mitigate particular blocking points, like local regulations or technical performance
- ◆ Rolling out existing solutions quickly once market acceptance is reached with production already in other areas



Next steps for Exel's R&D

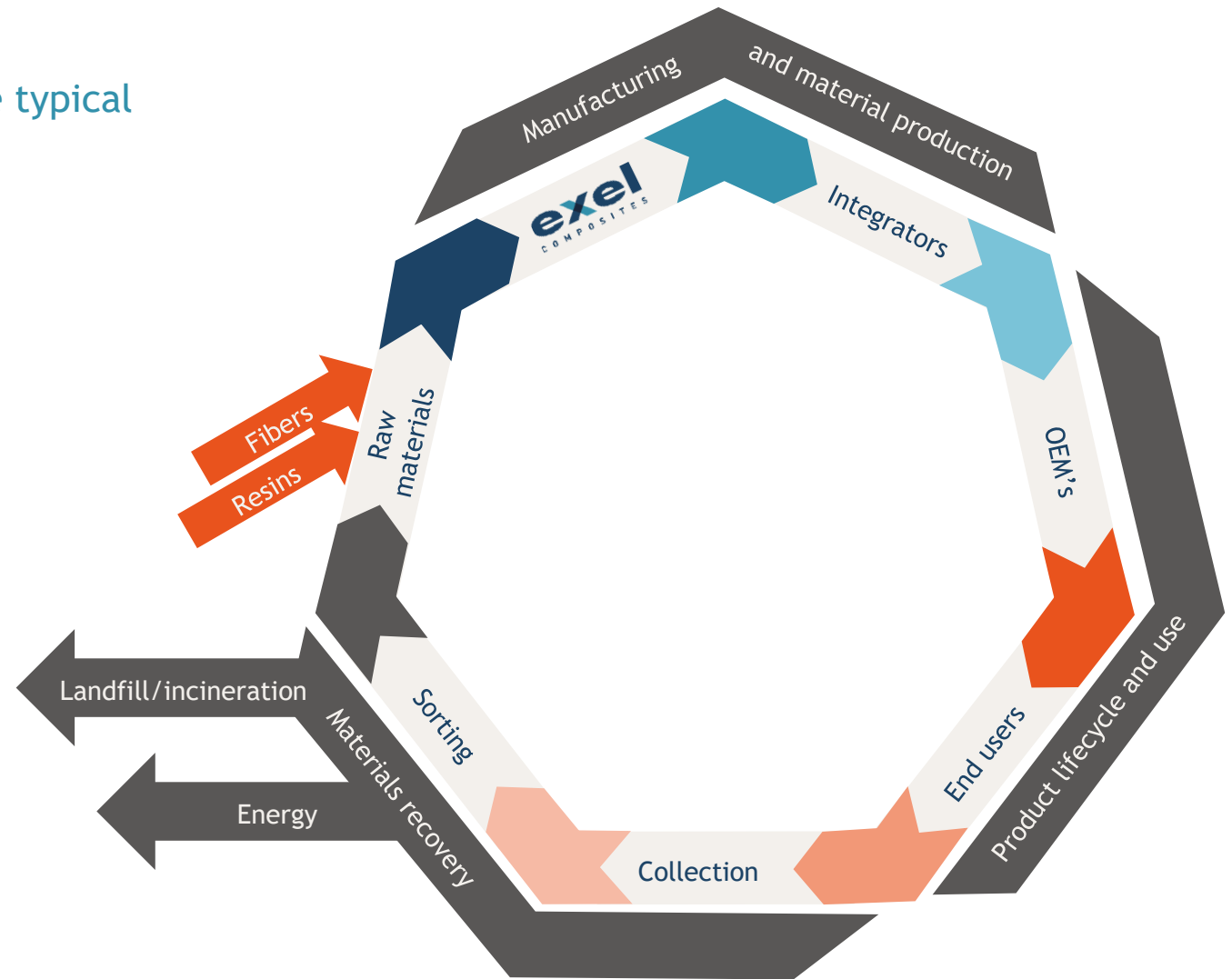
- ◆ 2022 R&D spend related to sales 2.5%
- ◆ Further application driven research and material development
- ◆ Tailored testing with focus on solving customer's unique challenges
- ◆ Focusing on sustainability, efficiency and competitive advantages
- ◆ Continuous production methods



Sustainable solutions development path

Sustainable composite materials must provide all the typical composite advantages:

- ◆ Longevity of use
- ◆ Mechanics: stiffness, strength
- ◆ Low weight



Sustainability is an opportunity for composites

- ◆ Natural fibers like flax and hemp
- ◆ Biobased resins
- ◆ Thermoplastic materials
- ◆ Recycling options including coprocessing, fiber extraction and reuse into composite



The future of composites

Global acceptance of composites increases in multiple applications

Enabling the transition to composites to replace traditional materials

Exel continuous developing the production methods, emphasizing efficiency and developing new competitive advantages

Focus on sustainability, where Exel intends to be a role model



exel | FOR
FORWARD
THINKERS