



Authorisation of the Board of Directors to resolve on a rights offering

Presentation from the President and CEO

Paul Sohlberg



Presentation from the President and CEO in Extraordinary General Meeting on 17 May 2024



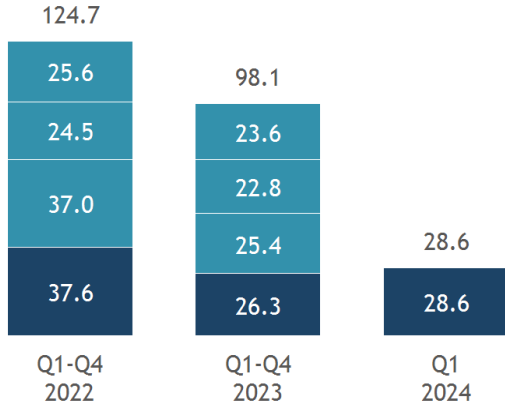
Paul Sohlberg

President and CEO

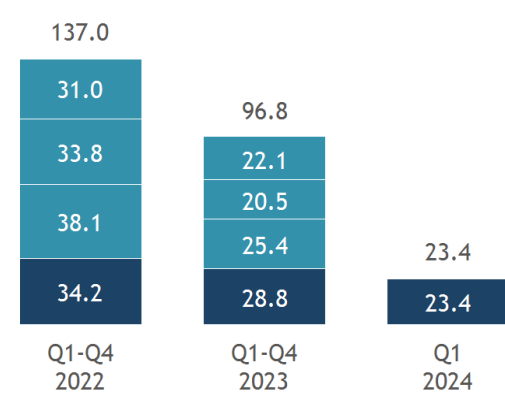
Encouraging improvements in order intake and profitability during the quarter

- Order intake increased 21% quarter-on-quarter and 9% year-on-year
- Order backlog increased 32% year-on-year to 34.9 MEUR
- Year-on-year revenue decreased due to timing of new orders
- Adjusted operating profit loss more than halved quarter-on-quarter
- Efforts to manage costs and working capital continued, and will continue through this year
- We continue to remain cautiously optimistic of an improving market environment this year, in line with our guidance

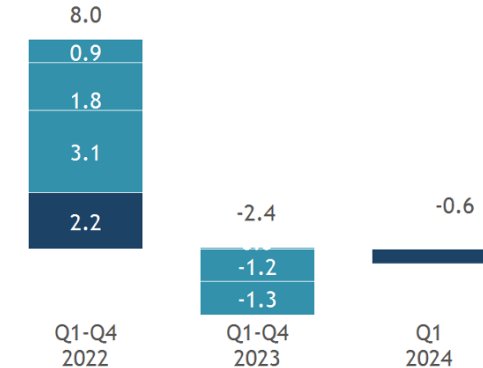
Order intake, MEUR



Revenue, MEUR



Adjusted operating profit, MEUR



Guidance and outlook

Guidance for 2024 (unchanged since 16 February 2024)

Exel Composites expects revenue to increase and adjusted operating profit to increase significantly in 2024 compared to 2023

Outlook

- Visibility to continued favorable market development still limited
- Considering overall economic sentiment, we continue to expect demand to be somewhat soft in H1 2024 while Exel will continue to have free production capacity

Unlocking Exel's full potential: New transformative strategy launched in 2023 and proposed rights offering

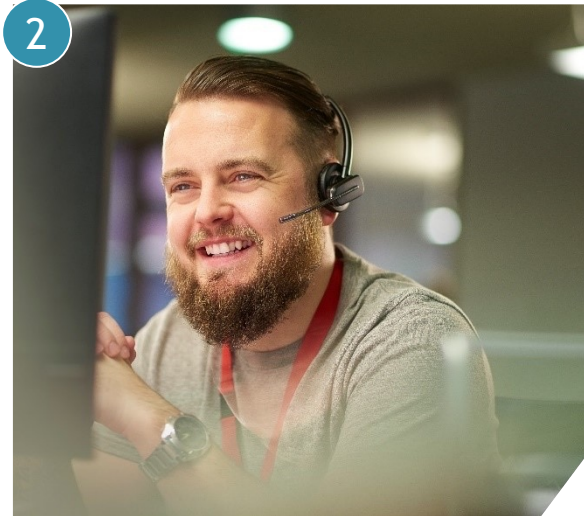
The proposed rights issue accelerates the implementation of Exel's transformative strategy announced in October 2023

Our strategy is based on four focus areas



Organic growth

Capturing organic growth from large and fast-growing energy transition and decarbonization applications driven by sustainability



Customer value

Focusing on increasing value to customers and helping customers choose composites



Profitability

New operating model with two business units, larger factories with clear roles and efficiency improvements throughout to deliver solid profitability



High ambition

Skills and capabilities enabling Exel to achieve over EUR 200 million annual revenue and double digit adjusted operating profit margin within five years

The new strategy is successfully been implemented also at the customer interface



New multi-year agreement with a major wind turbine manufacturer

- Carbon fiber planks for spar caps
- Cooperation based on significant development work between Kineco Exel Composites India (KECI) and the customer
- Commercial deliveries are expected to begin in 2024



New multi-year agreement with Foton Bus and Coach company

- Pultruded parts to Foton's electric buses
- Cooperation directly with Foton's R & D department
- Commercial deliveries are expected to begin in 2024



Partnership agreement with Flying Whales airship company

- R & D cooperation to design carbon fibre tubes to the airship's fuselage
- Exel can act as a partner both during the development and the mass production phases
- Development phase ongoing

Targeting over 200 MEUR revenue and strong profits by 2028

STABILITY & PROFITABILITY ~2024-2025

- Two distinct business units
- Factory network review gives economies of scale
- More responsive sales
- Develop more standardized offering
- Sourcing and procurement savings
- Investments in composite research

GROWTH ~2025-2027

- Leverage & develop new product platforms
- Enhance operational capabilities & increase production capacity
- Fully utilize benefits from the updated sales model
- More sustainable & technically developed offering

Revenue
>200 MEUR

Adjusted EBIT
>10%

Net debt to
adjusted EBITDA
< 3x

Strategy implementation continues

Action	Status
UK downsizing	Completed
Decision to build new manufacturing facility in India for wind power industry customers	Completed
Strategic factory review 1 (USA)	Completed
New operating model established	Completed
Aligning resources within new business units	Completed
Strategic factory review 2 (Belgium)	Ongoing
New manufacturing facility in India into production	Ongoing
Strategic factory review 3	To-do
Rights offering	To-do

Planned rights offering - use of proceeds

Exel Composites plans a rights issue to accelerate the implementation of its transformative strategy and to strengthen its capital structure

Planned use of proceeds from the contemplated rights issue of up to approx. EUR 23 million

- ✓ Accelerating necessary growth investments
- ✓ Optimisation of factory network to gain efficiencies
- ✓ Financing of working capital needs for expected business growth
- ✓ Strengthening of capital structure through planned debt repayments of EUR 6.5 million

Preliminarily and subject to market conditions, the subscription period for the rights issue is estimated to commence during Q2 2024

exel | FOR
FORWARD
THINKERS