



Q4 2021 REPORT PRESENTATION

10 February 2022

Today's agenda and presenters

- Introduction to Permascand
- Q4 2021
- Financials
- Concluding remarks
- Q&A



Peter Lundström
CEO



Linda Ekman
CFO

Global independent provider of mission critical electrochemical solutions

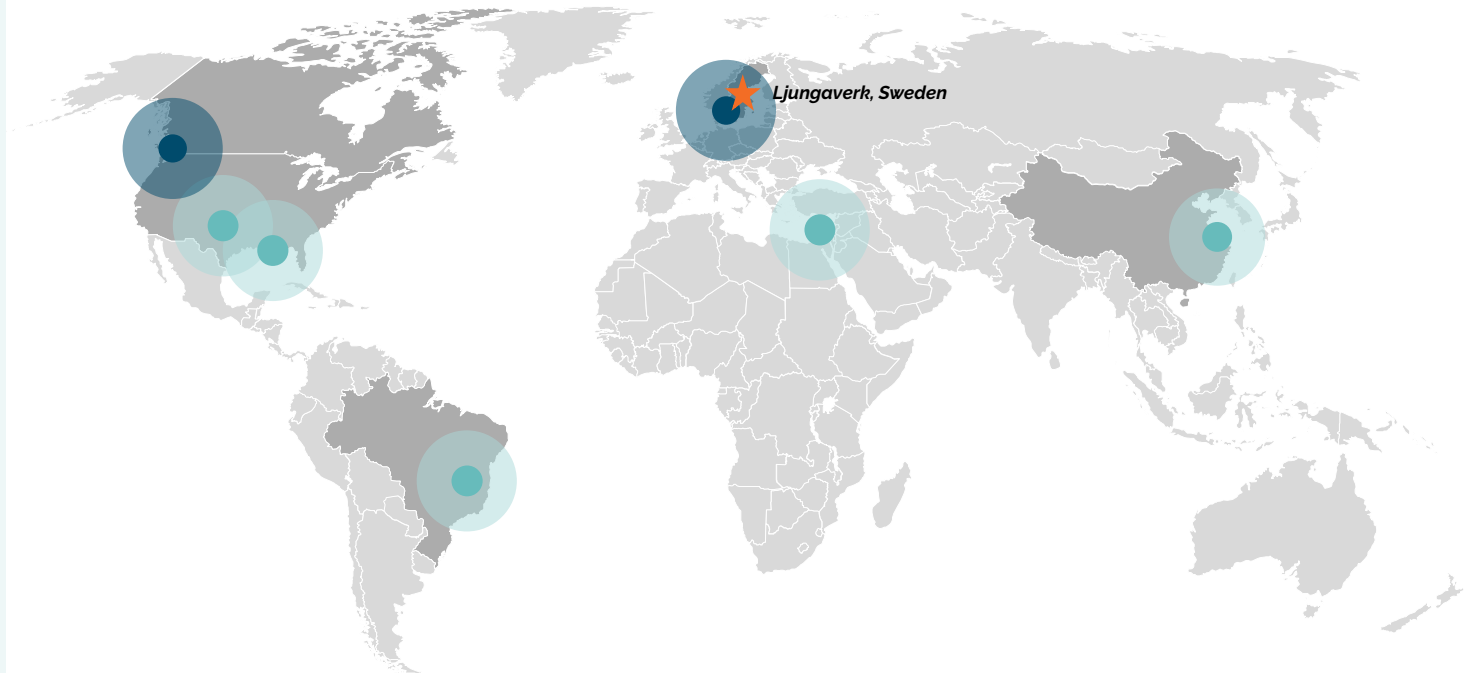
Permascand at a glance



- Technology-driven manufacturer of electrochemical solutions based on proprietary catalytic coatings
- OEM agnostic supplier that has provided electrodes and aftermarket services for a variety of industries for over 50 years
- Delivering innovative solutions tailored for customers' specific need
- Founded in 1971 and formerly part of AkzoNobel
- Headquartered in Ljungaverk, Sweden, with operations including R&D, Technology Development and Production

Global market reach with modern production in Sweden

- Sales office
- Workshop/partners
- ★ Head office and production

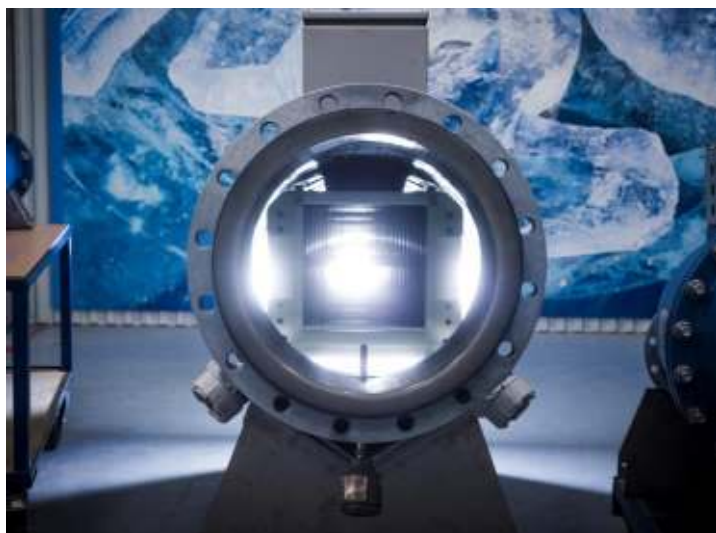


Key enabler in the global green technology transition

CORE TECHNOLOGY PLATFORM
WITH MULTIPLE APPLICATION AREAS



Water Treatment



Ballast water purification systems to protect the marine fauna

2,100,000 m³

of hourly water purification capacity delivered¹⁾



Electrification & Renewables

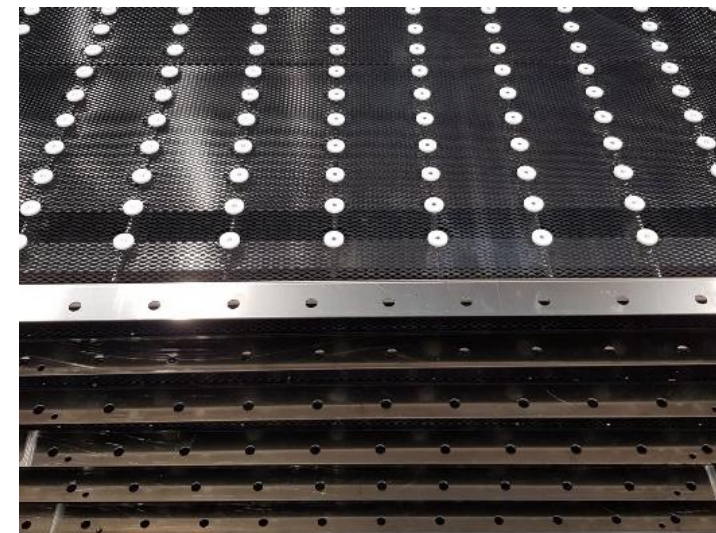


Green hydrogen and metal extraction for electric vehicles and energy storage

Enables production of
sustainable EVs
worldwide



Industrial Solution



Energy efficient electrochemical solutions for chlorate and chloralkali plants

~52 TWh

in energy savings delivered, equivalent to Stockholm county's annual consumption²⁾

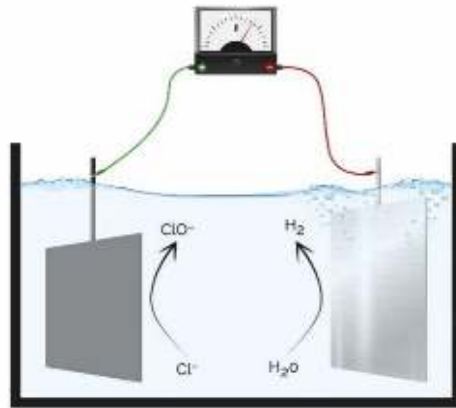
1) Estimate based on installed systems up to and including 2019. 2) Estimated accumulated energy savings on systems delivered since 1971. Stockholm County's energy consumption from Statistics Sweden (SCB).

Electrochemical processes are used everywhere

Electrochemical processes ...

An electrochemical cell uses **energy to create electrochemical reactions on anode and cathode**

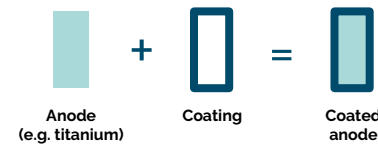
Electrochemical process



... are enhanced by catalytic coatings ...

Catalytic coatings facilitates the electrochemical reactions making the electrochemical process **more effective**

Catalytic coating



- ✓ Lower energy consumption
- ✓ Reusable anodes
- ✓ Reduced number of maintenance stops

... and vital for a vast number of processes

Electrochemical processes is **vital for a vast number of processes**

Example processes:



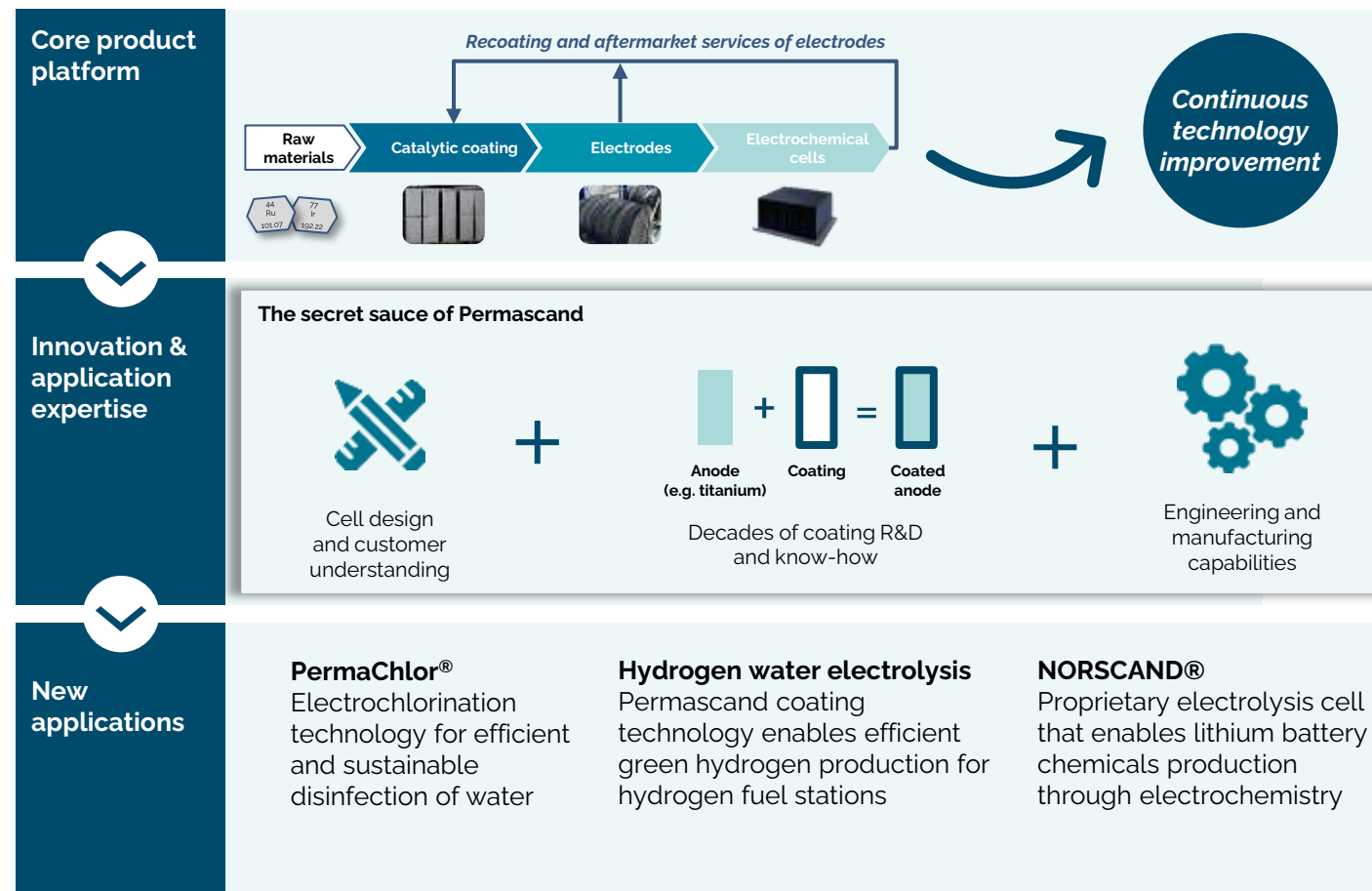
Permascand's focus areas

PERMASCAND SOLUTIONS - AT THE HEART OF ELECTROCHEMICAL PROCESSES

Proposition based on deep experience, know-how and R&D accumulated since 1971

50 years of continuous investments in innovation and incremental improvements

R&D key part of company DNA



- ✓ Modern on-site test facility in Ljungaværk
- ✓ Over 35 patents covering ~30 countries
- ✓ PhD collaboration with leading universities
- ✓ 15% of organisation focusing on R&D

Long know how of base technology and manufacturing consistently under improvement to meet future demand

Dedicated customer-centric R&D since inception

NORAM

CHEMETRY GLENCORE

Permascand adopting existing core technology to new applications

Clear strategic initiatives to continue expanding across all segments

Continuous manufacturing improvements through automation and robotisation

WATER TREATMENT		ELECTRIFICATION & RENEWABLES		INDUSTRIAL SOLUTIONS	
BALLAST WATER TREATMENT SYSTEMS		LITHIUM	HYDROGEN	CHLORATE & CHLORALKALI	
Capitalise on retrofitting driven by regulations		Customise attractive retrofit and aftermarket services	Capture increased demand for lithium extraction	Capitalise on ongoing green hydrogen projects	
				Gain market share in North America through physical presence and superior service	Increase performance and strengthen customer support

Growing aftermarket services and winning new customers across all segments

OPERATIONAL HIGHLIGHT IN Q4:

New master supply agreement within Industrial Solutions



North America expansion

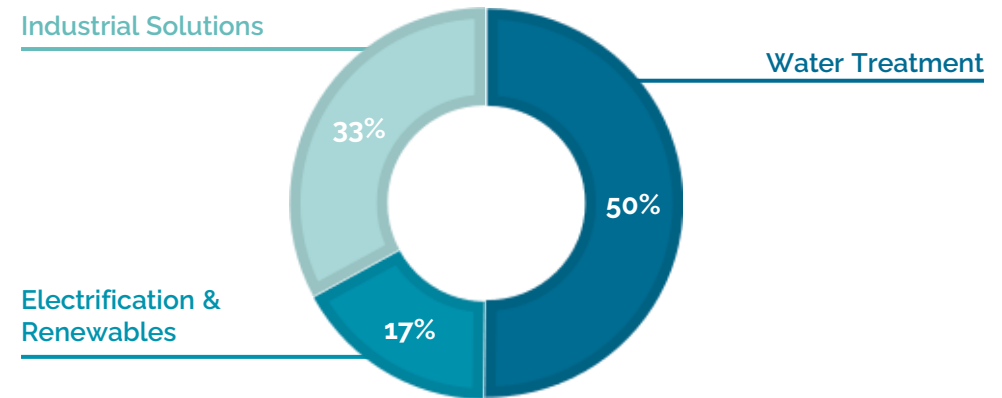
- Estimated value of the agreement is in the range of SEK 30-50 million per year for a period of three years.
- The client is one of the largest global players in the chlorine and caustic soda market
- In line with our growth plan with focus on the North American market while contributing to the global green transition
- First orders to be delivered during 2022

Continued strong profitability despite supply chain disruptions

Q4 2021

- **Continued high gross margin due to strategic investments in efficiency improvements**
 - Order intake -10% to SEK 74m (82)
 - Revenues +10% to SEK 130m (118)
 - All-time-high gross profit, SEK 47m (36) corresponding to a gross margin of 36% (30)
 - Operating margin of 23% (19)
- Order intake and revenue growth dampened by market uncertainty and postponed investment decisions from customers
- Strong underlying market demand in all segments
 - New opportunities within Greenfields and customer development projects
 - Continued to invest in opex and capex for future growth platform

SHARE OF SALES PER BUSINESS SEGMENT, %



KEY METRICS Q4 2021

SEK 74m

Order intake

SEK 130m

Sales

25%

Adj. EBIT margin

SEK 451m

Order book value

SEK 33m

Cash flow from operating activities

SEK 0,35

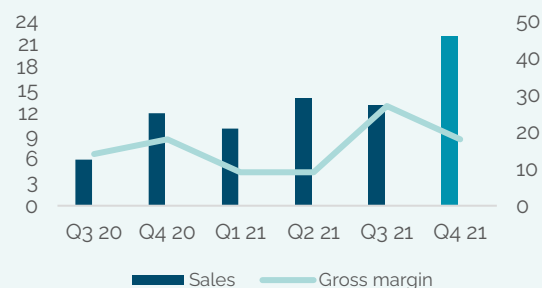
EPS

Segment results Q4 2021

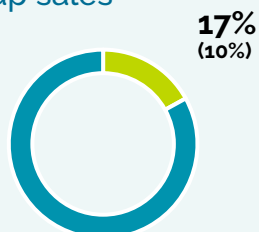
Electrification & Renewables

- Order intake of SEK 14m (24)
- Sales of SEK 22m (12)
- Gross margin 18% (18%)

Sales & gross margin



Share of Group sales



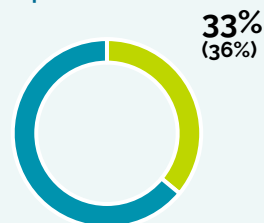
Industrial Solutions

- Order intake of SEK 55m (56)
- Sales of SEK 43m (40)
- Gross margin 47% (38%)

Sales & gross margin



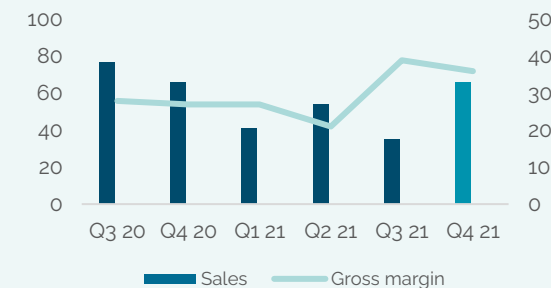
Share of Group sales



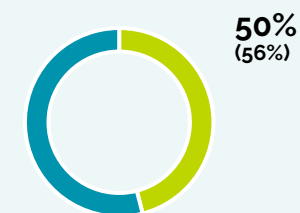
Water Treatment

- Order intake of SEK 5m (1)
- Sales of SEK 66m (66)
- Gross margin 36% (27%)

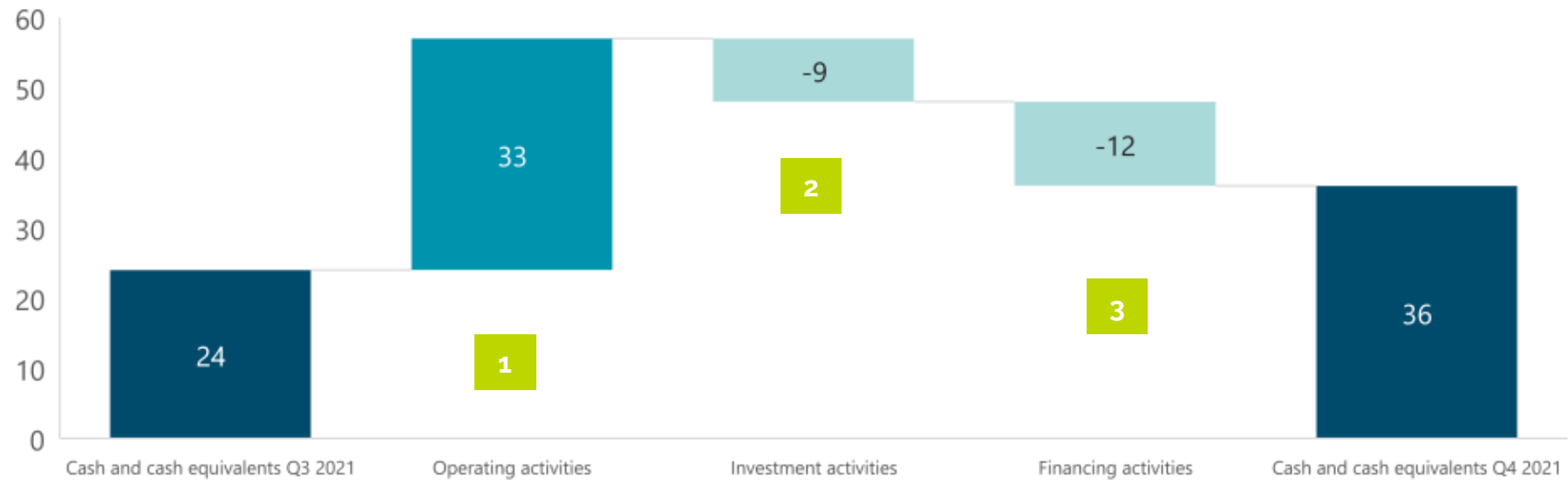
Sales & gross margin



Share of Group sales



Cash flow bridge Q3 2021 vs Q4 2021



1

Strong operational cash flow
driven by profitability

2

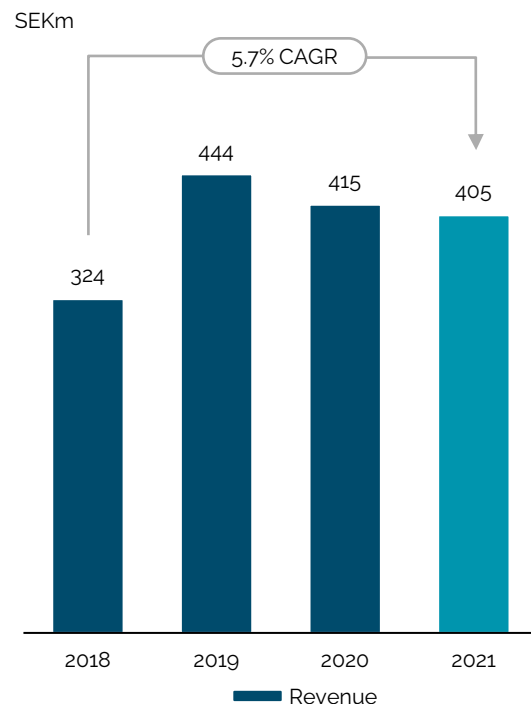
Continued investments in
CAPEX mainly attributable
to green hydrogen

3

Repayment of non-current
liabilities and decrease in
current borrowings

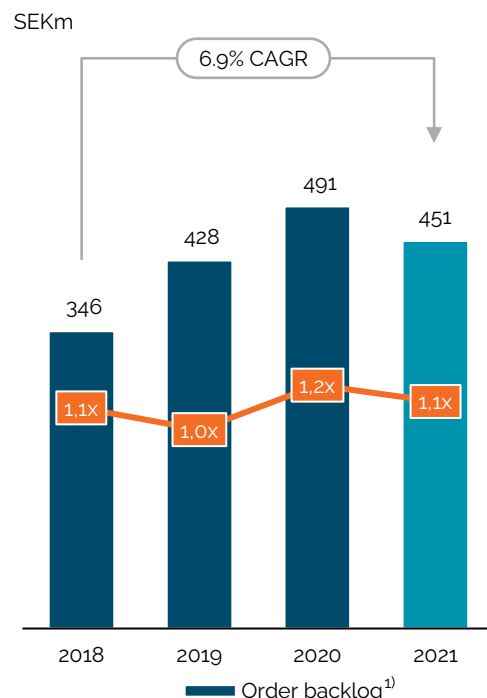
Strong order backlog and positive gross margin development

Revenue development



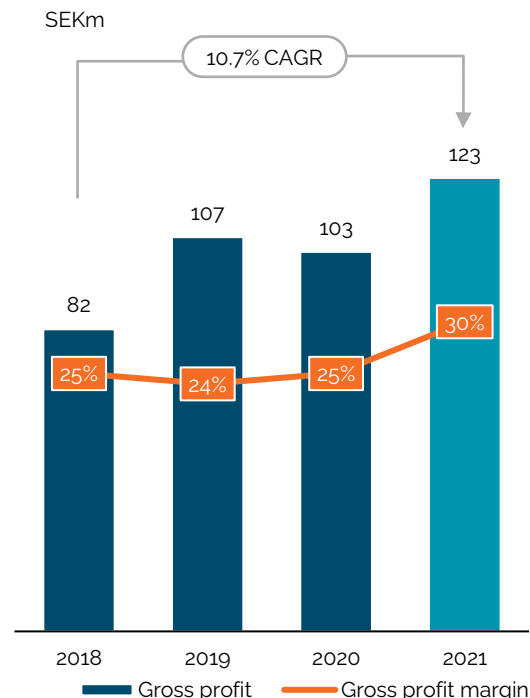
- Demonstrated ability to grow since repositioning towards clean-tech applications in 2015
- 2019 revenue boosted by large build-up of inventory among BWTS integrators
- Revenue development 2020-2021 negatively affected by postponements in delivery and installations

Order backlog development



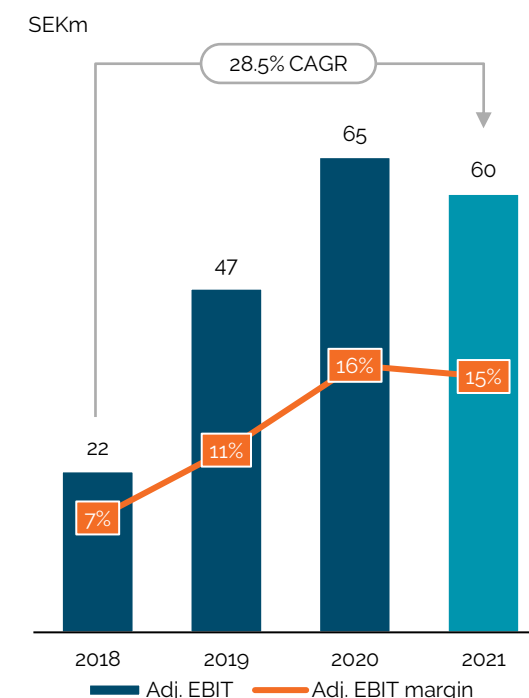
- Strong order book within all segments driven by sustainability megatrends and recoating aftermarkets
- Order intake affected by supply chain disruptions has lead to customers postponing investment decisions

Gross margin development



- Successful integration of automation in the production process drove improvements in gross margins
- Gross margin of 36% in Q4 drove profitability for full year

Adj. EBIT development



- Resilient margin profile
- Increased capex as a result from investments in resources for future growth platform dampens growth in EBIT margin

¹⁾ Order backlog ratio defined as order backlog / revenue

Statement of financial position

- Assets largely comprise non current assets in the form of robots for automated manufacturing processes and efficient coating methods
- Total current assets increase mainly driven by inventory build-up due to changed deliveries
- Equity increasing through share issue in connection with IPO in Q2 2021 and positive results
- Repayment of bank loan of SEK 250m in connection with IPO

MSEK	2021-12-31	2020-12-31
<i>Total intangible assets</i>	73	68
<i>Total tangible assets</i>	146	143
<i>Total non current assets</i>	221	214
Total current assets	233	199
Total Assets	455	413
Total equity	283	-16
Total non-current liabilities	47	291
Total current liabilities	125	138
Total equity and Liabilities	455	413

Key takeaways

- 1 Challenging market conditions continue to dampen short-term growth, as volatile price and delivery terms on material and transportation leads to postponed customer investment decisions
- 2 Efficiency improvements and automation investments continue to result in high gross margin
- 3 High pipeline activity within all segments demonstrates strong underlying demand
- 4 Perfectly positioned for strong profitable growth driven by sustainability megatrends
- 5 Financial targets remain unchanged

Q&A