

Online event for the shareholders of Exel Composites Plc, 23 March 2021

Resolutions by the Annual General Meeting

➤ Presentation by President and CEO Riku Kytömäki

Questions & Answers





Exel Composites in business and market environment

Exel Composites in brief

➤ In 2020, we celebrated Exel’s 60th anniversary

At Exel Composites, we use over 60 years’ experience to solve challenges and help customers save resources.

Our forward-thinking composite solutions made with continuous manufacturing technologies serve customers in a wide range of industries around the world.

You can find our products used in applications from wind power and transportation to building and infrastructure.

Our collaborative approach and global footprint set us apart from our competition.

We use our expertise to help customers reduce weight, improve performance and energy efficiency and decrease total lifetime costs.

We want to be the first choice for sustainable composite solutions globally.

Company values



Customer focused



Integrity



One Exel



Caring



Innovation

**EUR 108.6 million
(103.8)**
REVENUE
Full year 2020 (2019)

**EUR 9.7 million
(7.2)**
ADJUSTED OPERATING PROFIT
Full year 2020 (2019)

**665
(660)**
EMPLOYEES
Average 2020 (2019)

Manufacturing in 6 countries
Customers in over 50 countries



In 2020, we updated our vision and purpose statements

➤ Why composites?

Trends driving our future

Rapid urbanization:

smarter cities and infrastructure

Increasing sustainability:

circular economy, climate change, and energy efficiency

Longer life cycles:

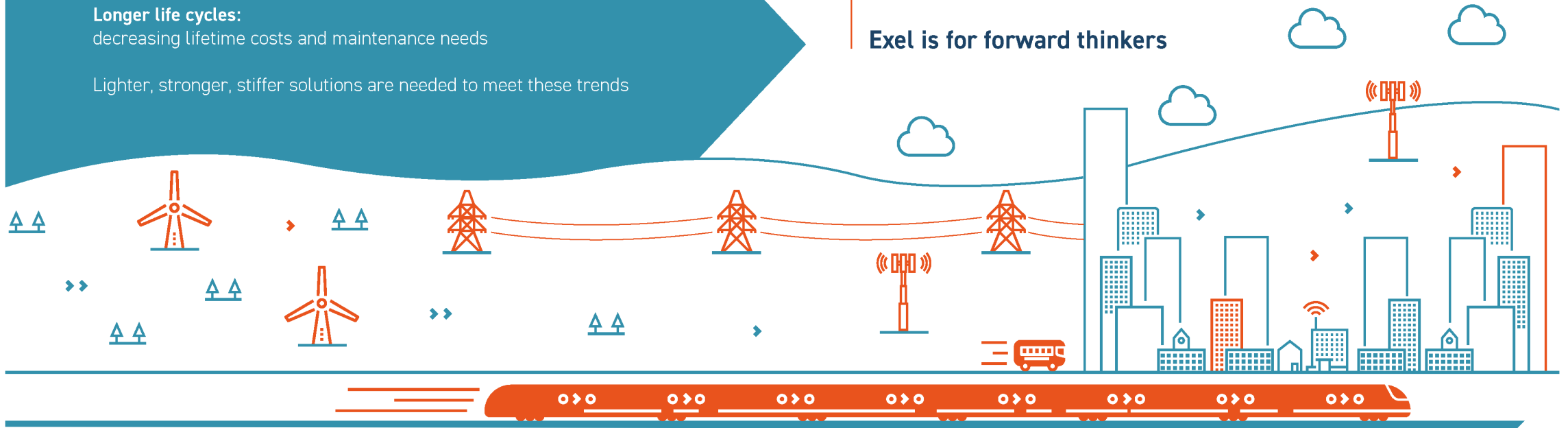
decreasing lifetime costs and maintenance needs

Lighter, stronger, stiffer solutions are needed to meet these trends

Our purpose is to solve challenges and save resources with composites

Our vision is to be the first choice for sustainable solutions globally

Exel is for forward thinkers



Exel Composites' strategy to 2022 is based on five pillars

Vision:

TO BE THE FIRST CHOICE FOR SUSTAINABLE COMPOSITE SOLUTIONS GLOBALLY

FOCUSED GROWTH AREAS



Protect and grow strongholds

- Multiply existing applications to new customers
- Gain knowledge and improve efficiency in focus applications



Create true global footprint

- Establish sales coverage in new areas
- Grow supply and service to new market areas
- Utilize global footprint as value add



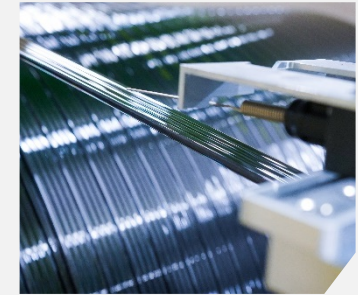
Build leadership in China

- Increase domestic and export sales
- Create value offering for mid-segment
- Expand R&D and manufacturing capacity



Penetrate growing / new applications

- Solutions for wind power, transportation, building and infrastructure
- Penetrate mid-segment



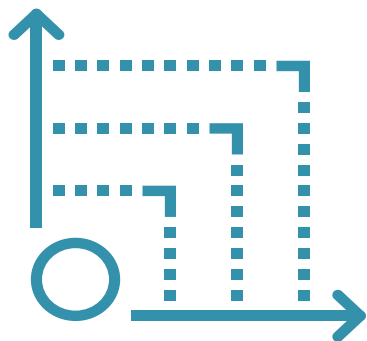
Growth in new technologies

- Increase secondary processing and vertical integration offering
- Invest in new composite technologies

Foundation built on company values:

CUSTOMER FOCUSED ♦ INTEGRITY ♦ ONE EXEL ♦ CARING ♦ INNOVATIVE

Exel Composites as an investment



Optimally positioned within a growing market

With our efficient, continuous production technologies, we answer to the growing demand for composite materials. This demand is driven by global megatrends, such as sustainability, urbanization and total life cycle cost management.



Technology leadership creates competitive advantage

Our leading expertise in a variety of composite production technologies and raw materials allows us to solve our customers' challenges. We continuously perfect our offering with over 60 years of R&D experience.



Global operations enable global customers

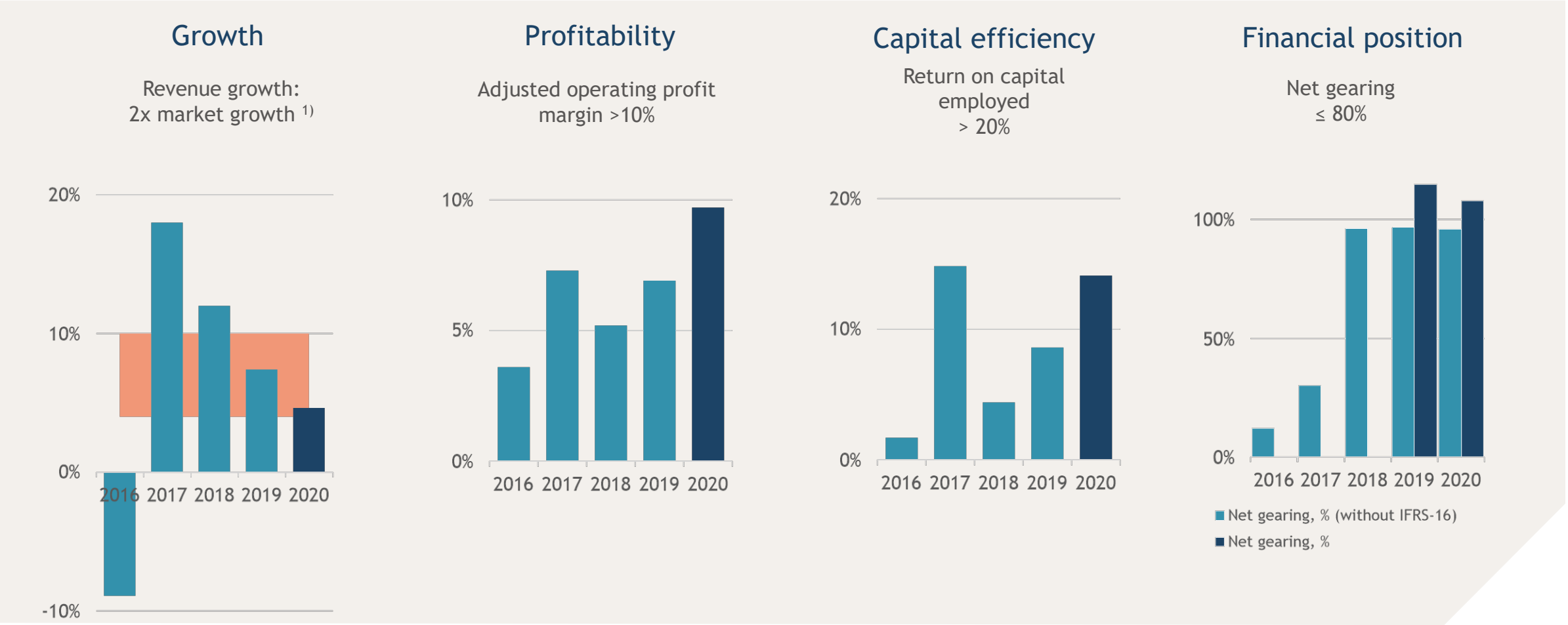
We are the only company within our industry with manufacturing, R&D and sales presence in all main market areas. This sets us ahead of our competitors.



Diversified business portfolio reduces risk

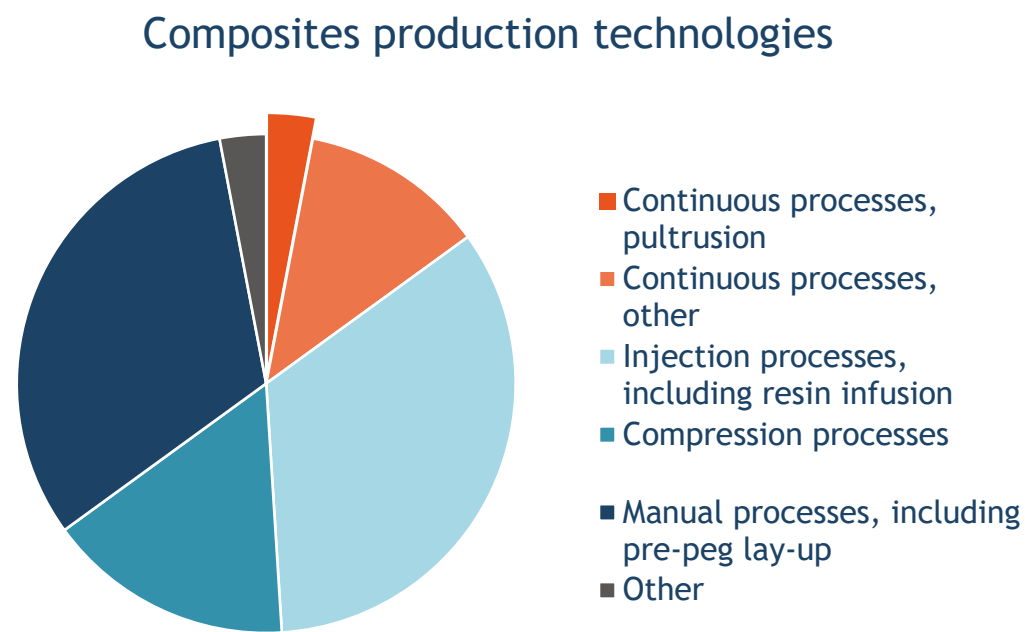
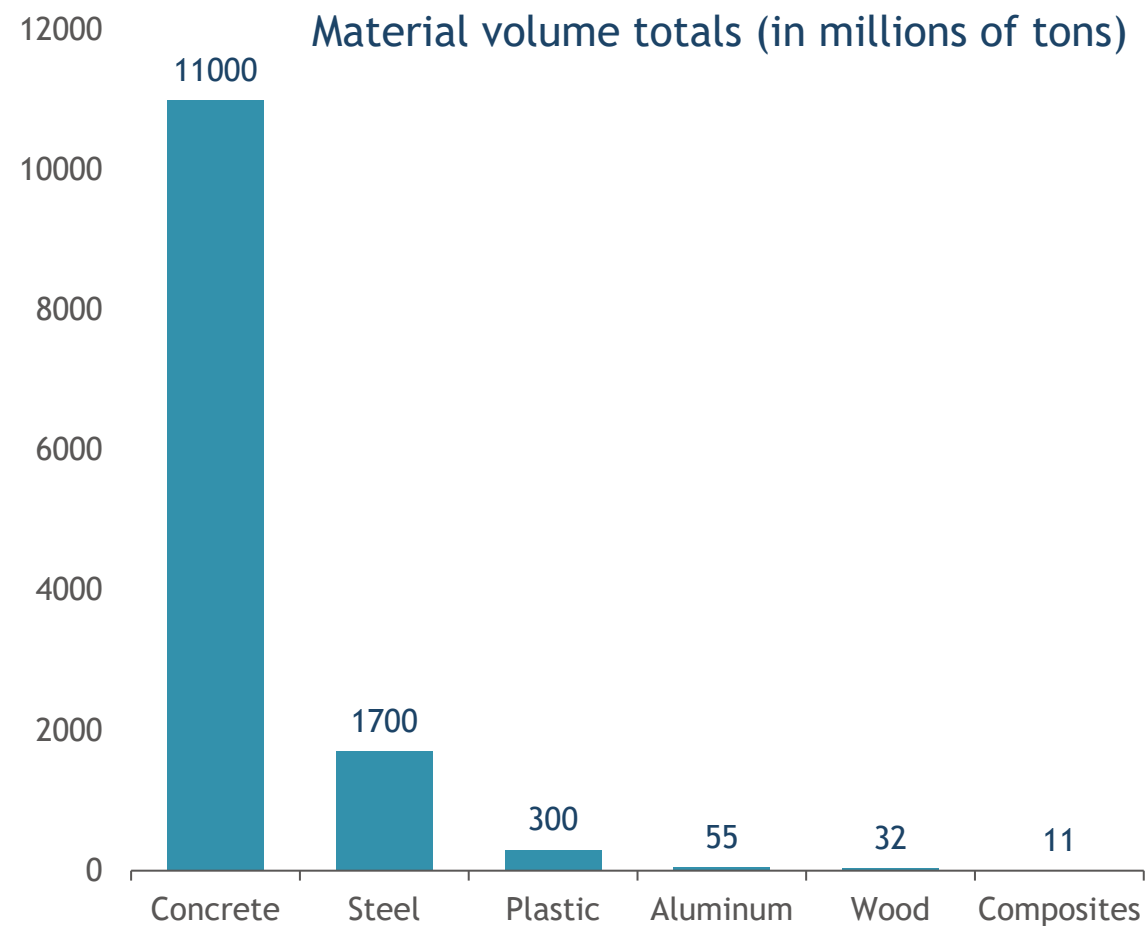
Diversified customer industries and regional presence reduces the volatility of our sales. Our business model, based on tailored products, supports customer commitment. Typically, our customer relationships span over a decade.

Our long-term target is profitable growth



¹⁾ The average annual growth rate estimated for the global composites market is, according to customer industry, region and source, between 2%-5% in volume in the coming years.

Annual growth rate for the global composites market estimated 2%-5% in the coming years



We see growth potential for composites as a material as well as for pultrusion as a production technology within the composites market.

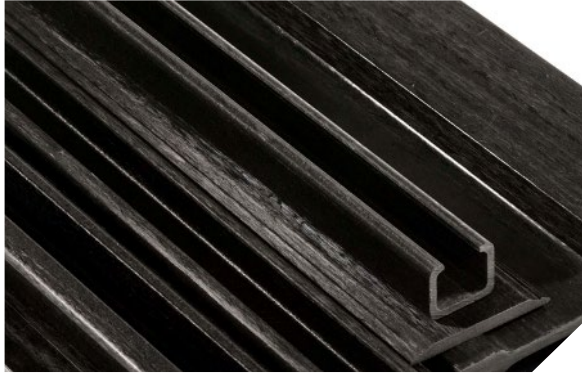
Largest markets are North America, North Asia and Europe

Exel's manufacturing, R&D and sales network covers all main markets.



Source: JEC, Overview of the global composites market 2018-2023

We offer tailored composites for a wide range of applications across several customer industries



PROFILES

Blade reinforcements for wind turbines
Window and door frames
Telecommunication radomes
Side panels for vehicles



TUBES

Camouflage net support poles
Camera tripod legs
Handles for cleaning devices



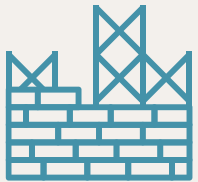
LAMINATES

Tractor trailer flooring
Archery bow stiffeners
Building materials



PRODUCTS AND SYSTEMS

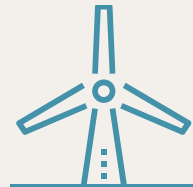
Frangible masts and poles
Telescoping poles
Handrail systems



Buildings and
infrastructure



Equipment and
other industries



Wind power



Machinery and
electrical



Transportation



Defense



Telecommunications

We help create more efficient wind power

Wind energy is a high growth industry, where increasing demand is driven by regulations that aim to reduce the impact of climate change and favoring sustainable energy sources.

The high strength and stiffness of composites combined with their low weight and design flexibility make them a perfect material for turbines. You can find composites in blade reinforcements, blade laminates, blade root joints, for example. Composites are also used in access structures (such as ladders and platforms), as well cable management systems and even as in the generator itself as insulation solutions.



Long-term product development for improved power transmission capacity

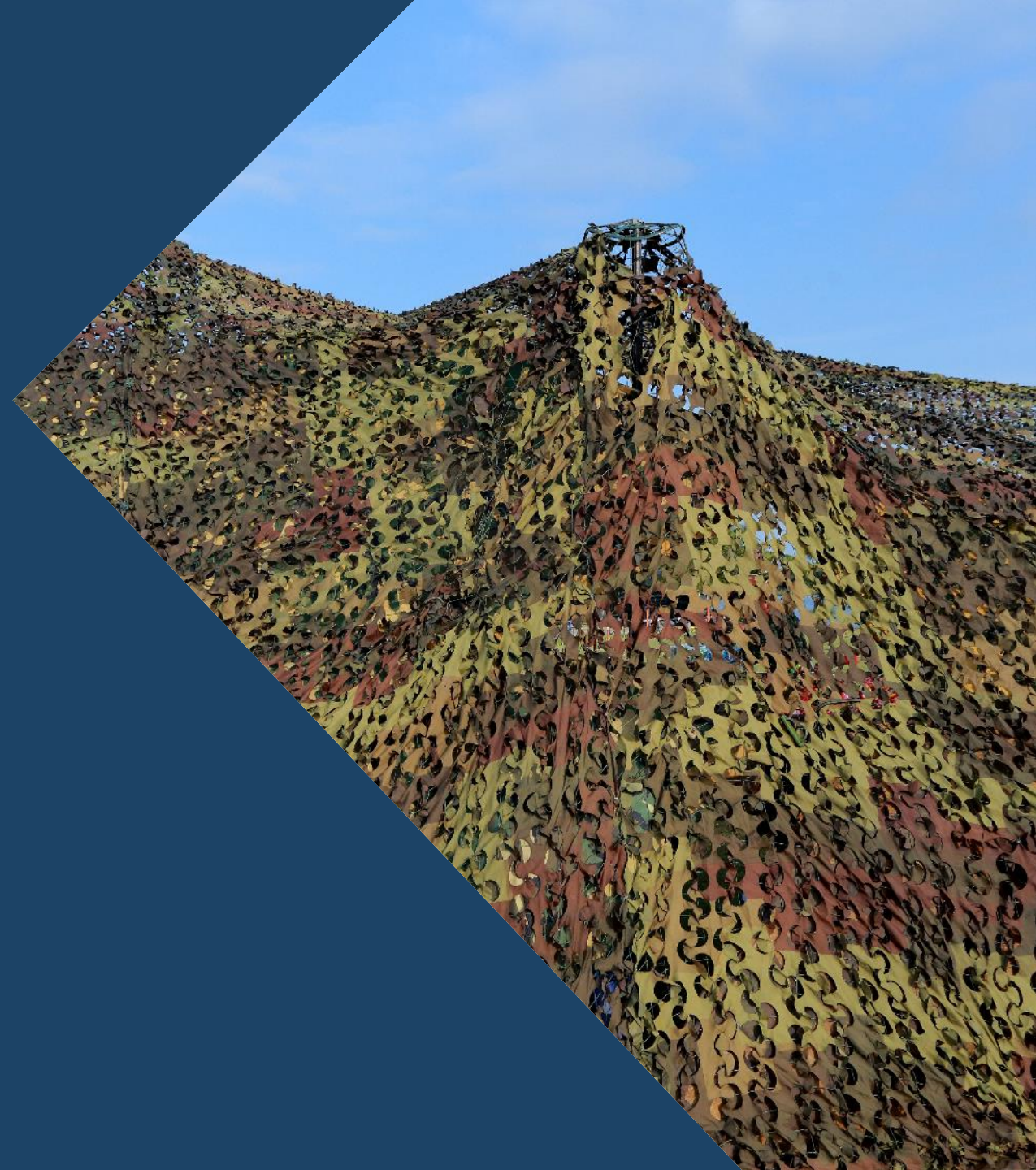
With an increasing need for power and infrastructure limitations, solutions like our carbon fiber conductor core rods both support the conductor's load and reduce overall weight to accommodate more conductor. This helps send more amperage down the lines reusing existing pylons and other T&D infrastructure. Our continuous manufacturing technology means we can spool a contiguous product several kilometers long on one spool.



Telescoping poles for defense

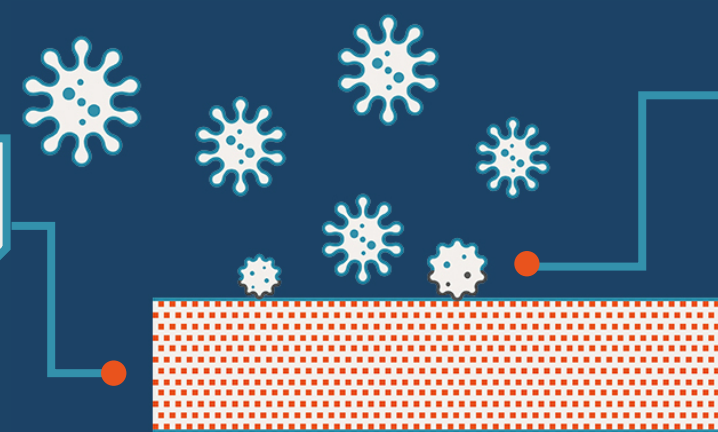
Composites offer many advantages for defense applications, from helping to save carry weight to providing high strength solutions which tolerate a lifecycle of being thrown in the back of a truck to dragged across rocks.

An example of applications for defense are the camouflage net support poles.




Exel Protector™ antiviral composites

Exel is proud to introduce our antiviral Protector™ solution which can be incorporated into both fiberglass and carbon fiber composite profiles. The solution permeates the composite material itself, providing a durable solution that lasts the life of the composite. This provides possibilities for adding additional viral / Covid-19 defenses in a wide range of areas, including public transportation, door frames, or even in mop and broom handles.



The diagram illustrates the application of the antiviral composite. A rectangular block with a red and white checkered pattern represents the composite material. Above the block, several white, spiky virus-like particles are shown. A blue line with a red dot at its end points from the text box to the composite material, indicating the permeation of the solution.

Protector™ is evenly distributed throughout the composite



A close-up photograph of a hand gripping a blue, textured handle, likely made of composite material. The handle is part of a larger object, possibly a broom or mop, which is shown in a diagonal orientation. The background is a plain, light-colored surface.

Reduction of viral load by 99.44% after **one hour**, and 99.99% after **24 hours**

KONE UltraRope - true innovation

KONE and Exel research and development (R&D) engineers worked closely together to develop a concept that incorporated flat carbon profiles that would be encased in a soft plastic to form a belt. This was developed into elevator rope prototypes before being rigorously tested and ultimately patented under the product name KONE UltraRope®.

UltraRope weighs around one-seventh of that of traditional steel elevator rope, meaning it can provide significant energy efficiencies across the elevator mechanical process. It is also more durable and less susceptible to wear and abrasion than steel rope counterparts.



Bus profiles help reduce emissions in Finland

Our Chinese factory supplied Yutong with fiberglass profiles for 33 electric buses which have been delivered to Helsinki.

Light weight fiberglass reduces operating costs and helps increase energy efficiency and environmental sustainability. The composite profiles are also resistant to deformation, chemicals and harsh road environments. Repairing fiberglass is straightforward and can be done in depot, meaning that the overall lifetime and operational maintenance costs of the buses is decreased.



2020 highlights

2020 was another year of profitable growth despite the impacts of the Covid-19 pandemic on many fronts

Strong order intake and order backlog at the end of the year.

Revenue growth driven by volume increase.

Adjusted operating profit improved to EUR 9.7 million (7.2).

Successful execution of strategy.

Strategy implementation in 2020

CREATE TRUE GLOBAL FOOTPRINT

- New manufacturing facility completed in Austria
- Stabilizing profitability of the business unit in the United States
- Technological and know-how transfer between manufacturing units
- Global M&A screening

PENETRATE GROWING / NEW APPLICATIONS

- Wind power growing as largest customer industry
- Conductor core applications for improved power transmission

PROTECT AND GROW STRONGHOLDS

- Multiplying and cross-selling of successful applications globally, e.g. camouflage net support poles

BUILD LEADERSHIP IN CHINA

- Consolidation of organization in China
- Improvements in manufacturing capacity, efficiency and quality

GROWTH IN NEW TECHNOLOGIES

- Expansion of vertical processing capabilities
- Continued initiatives to extend capabilities in product design and composite production, e.g. the conductor core application
- Evaluation of synergistic new technologies

Impacts of the Covid-19 pandemic in 2020



Impacted Exel's operations during the year. Towards the end of the year, our factories operated close to normal within the limits of the implemented safety measures.

Focus on ensuring the safety of our employees and keeping operations running (reduced external visits, keeping safety distances, use of facial masks, emphasized cleaning, re-organization of shifts, etc.)

Due to preventive and mitigating actions, no significant shortfalls in staffing or materials due to the pandemic.

Order intake suffered from Covid-19 related uncertainty and cautiousness, but underlying demand improved.

Liquidity and cash situation is good.

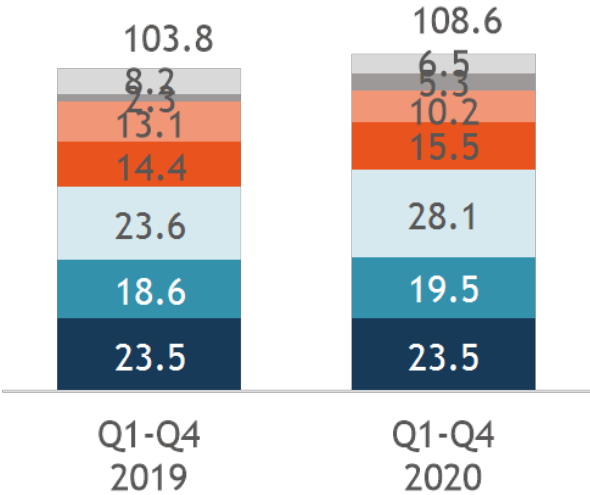
Impairment testing, conducted in Q4 2020, did not result in change of valuation in goodwill and intangible assets.

Close and continuous interaction with customers, suppliers and business partners.

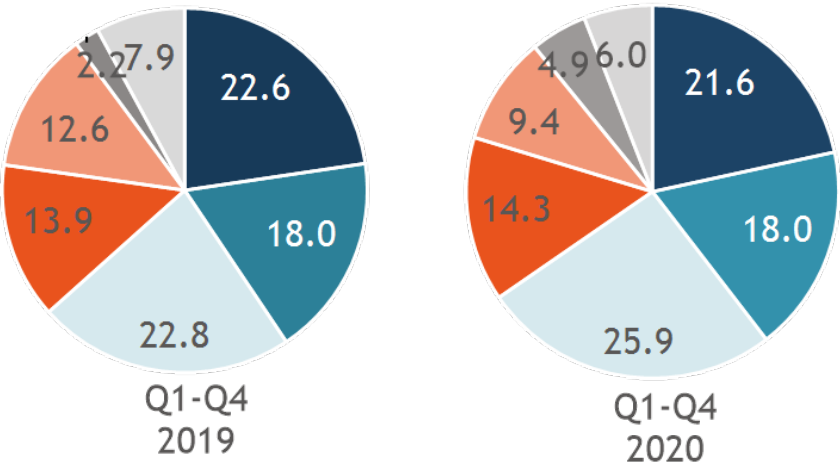
Continue to monitor the situation very closely.

In 2020, revenue increased driven by Defense and Wind Power customer industries

Revenue by customer industry,
EUR million

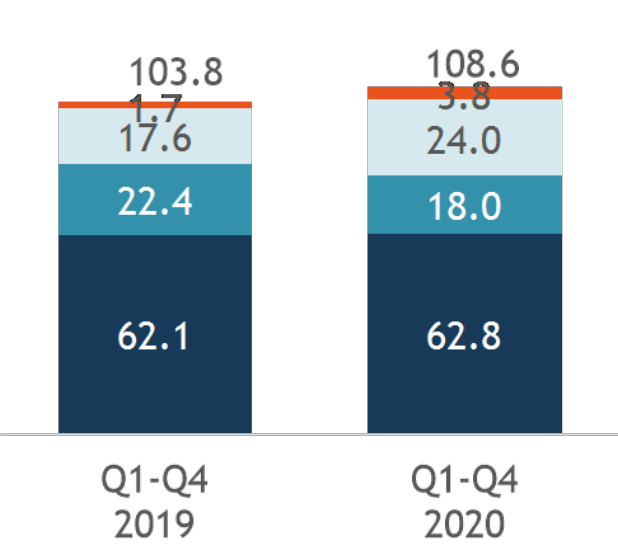


Revenue share by customer industry,
%



Region Asia-Pacific showed strong growth in 2020

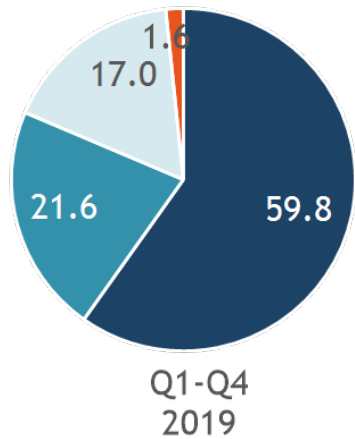
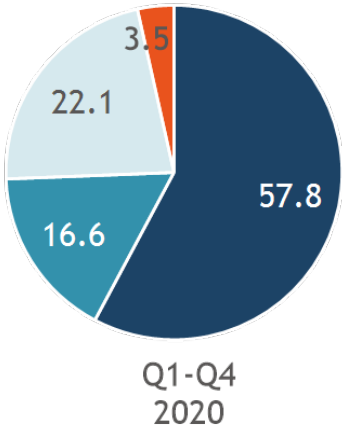
Revenue by region*,
EUR million



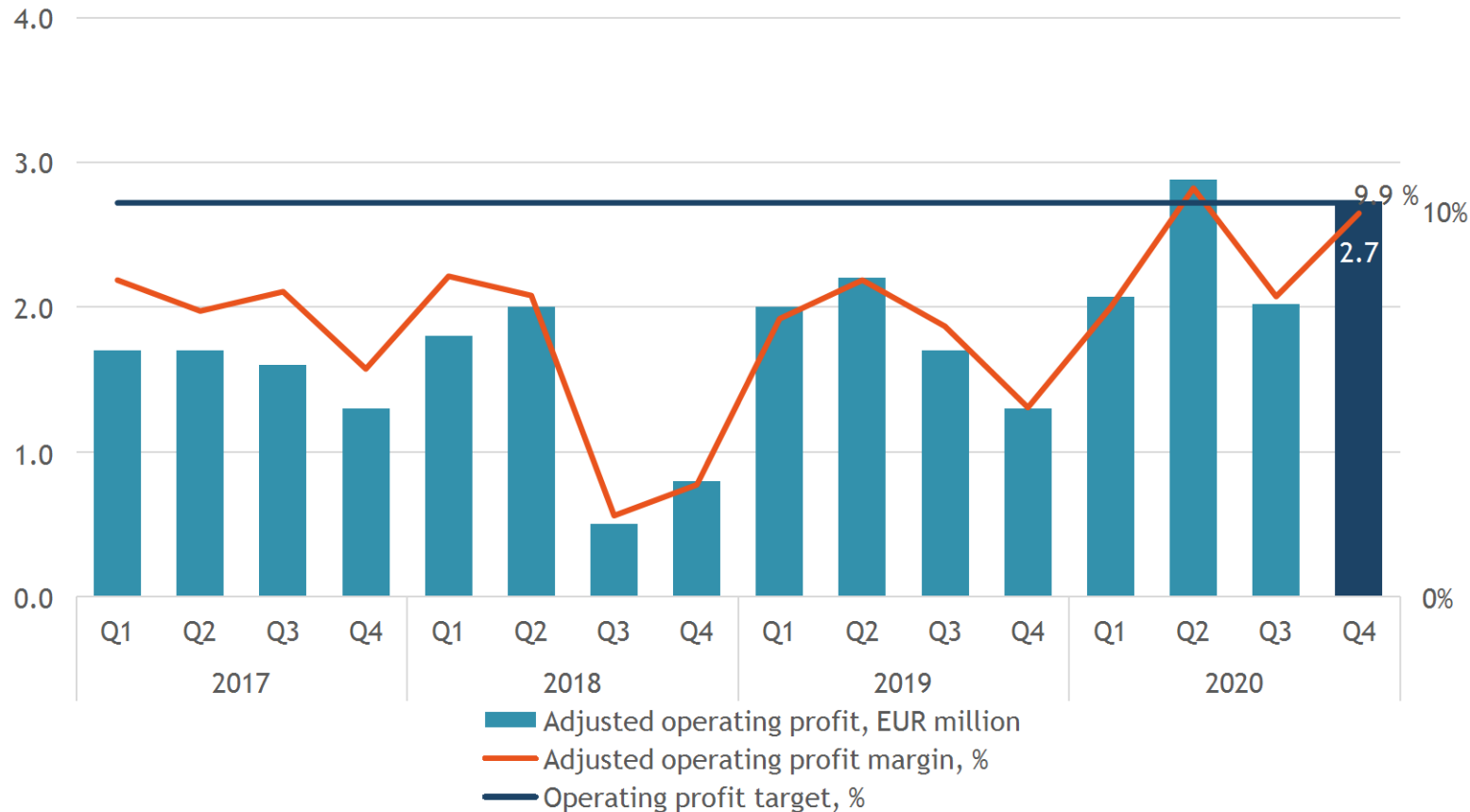
Europe
 North America
 Asia-Pacific
 Rest of the world

* Revenue by customer location, not by the location of the manufacturing Exel Composites business unit.

Revenue share by region*,
%

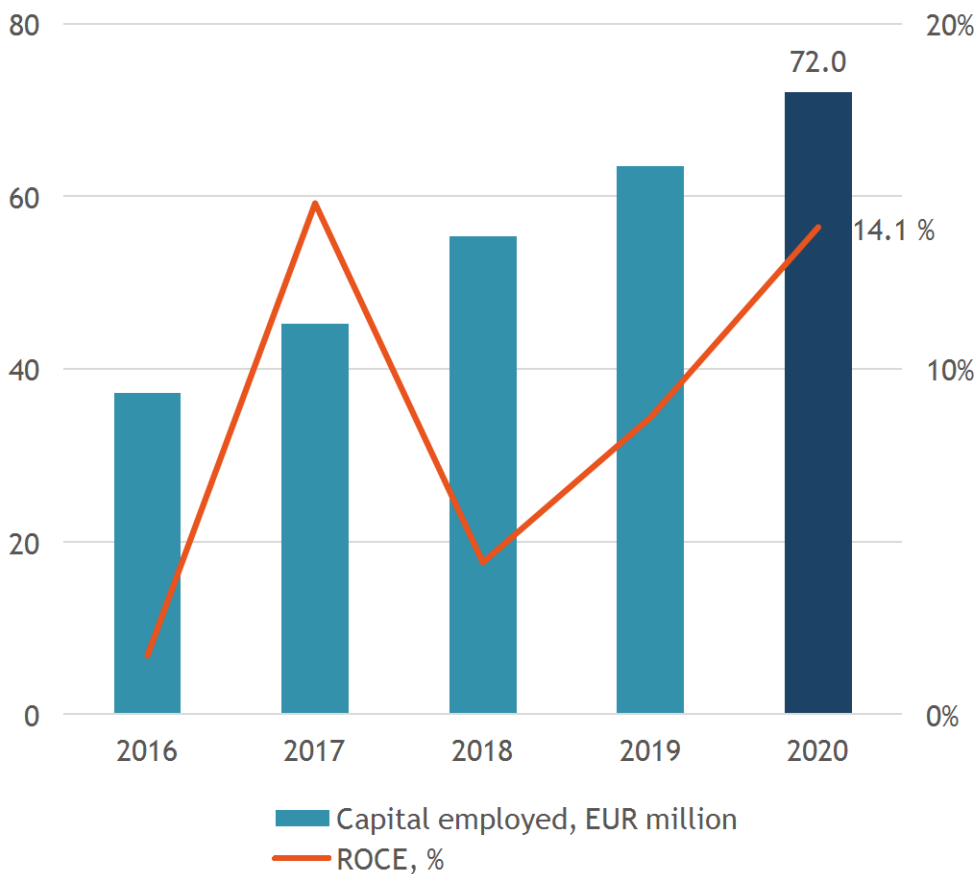


Adjusted operating profit increased by 36% in 2020 and was EUR 9.7 million



➤ The profit impact of the cost savings program completed in 2019, an overall favorable sales mix and operational efficiency improvements across the Group were main factors behind the improvement.

Return on capital employed at 14.1% in 2020

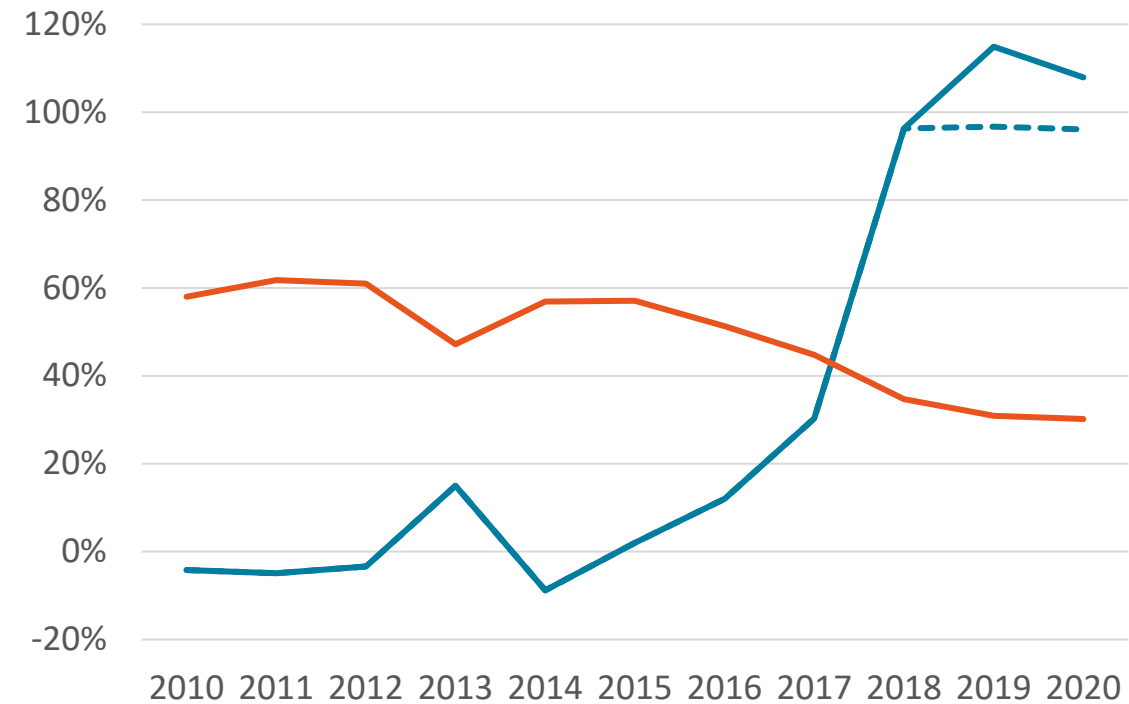


19.5
Return on equity, %

14.1
Return on investment, %

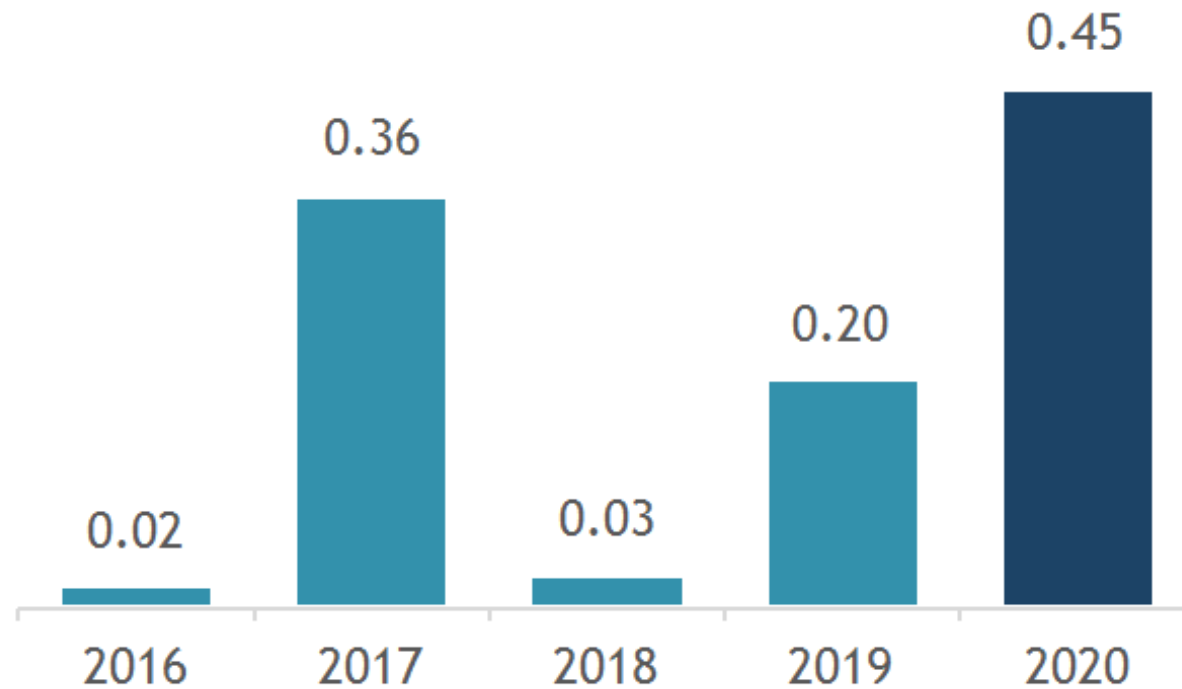


Net gearing decreased to 107.9% in 2020

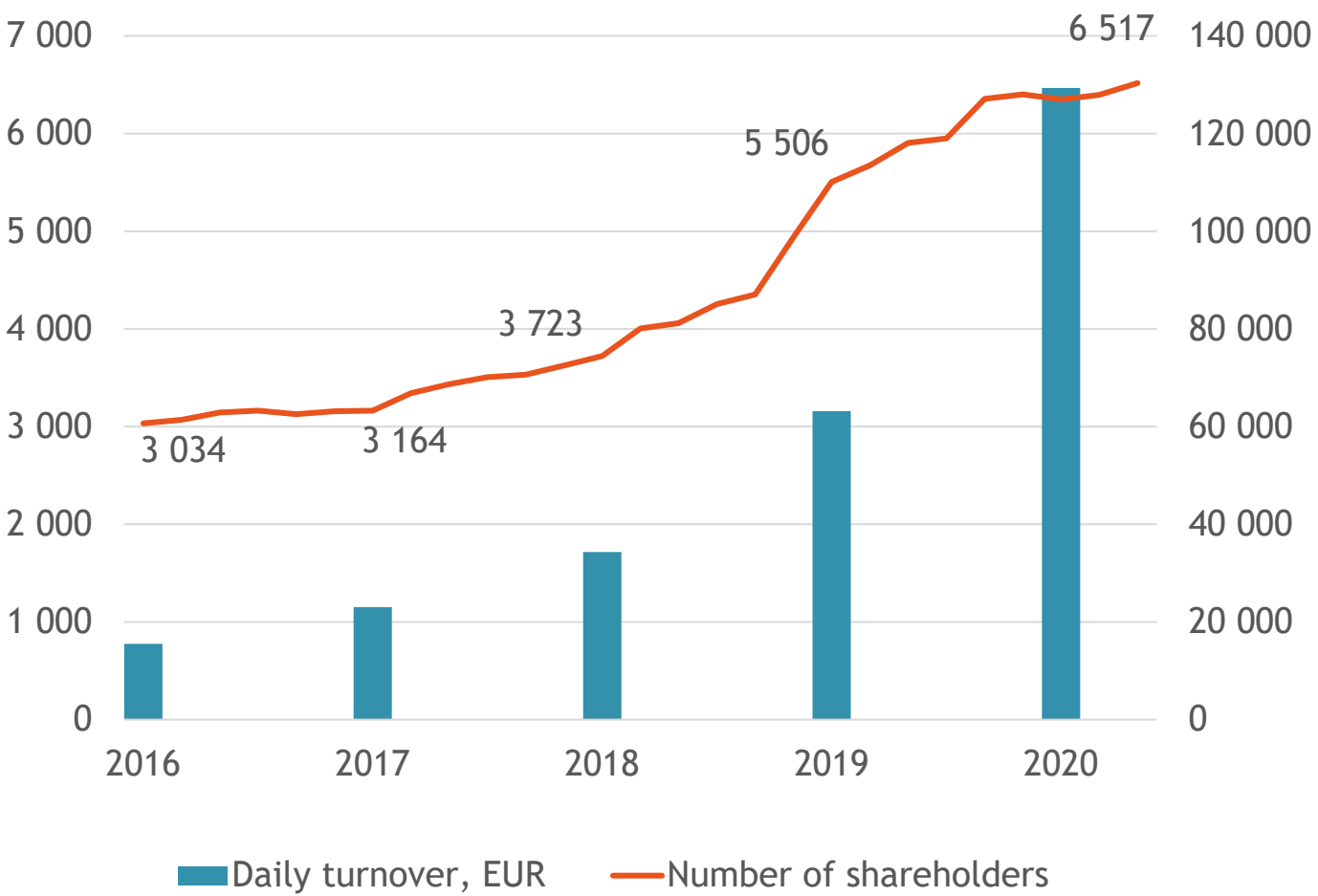


- Net gearing, % (applying IFRS 16)
- - - Net gearing, % (without IFRS 16)
- Equity ratio, %

Earnings per share more than doubled to 0.45 in 2020



Number of shareholders more than doubled since 2016



Guidance for 2021

Exel Composites expects revenue and adjusted operating profit in 2021 to increase compared to 2020.

