

Capital Markets Day 2023

Composite volume business drives the growth

Kari Loukola

Senior Vice President, leading Wind program

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.

Volume application business



Multiple production lines - Efficiency

- Run continuously the same product
- "24/7 - 365" manufacturing with high yield - Continuous improvement



Optimization of operations with standard operation procedures

- Well defined product specifications
- R&D partnership with customers



Supply chain management

- Right price, payment terms, inventories, availability
- Link between customer and raw material vendor agreements



Customer Interface - Key Account Management

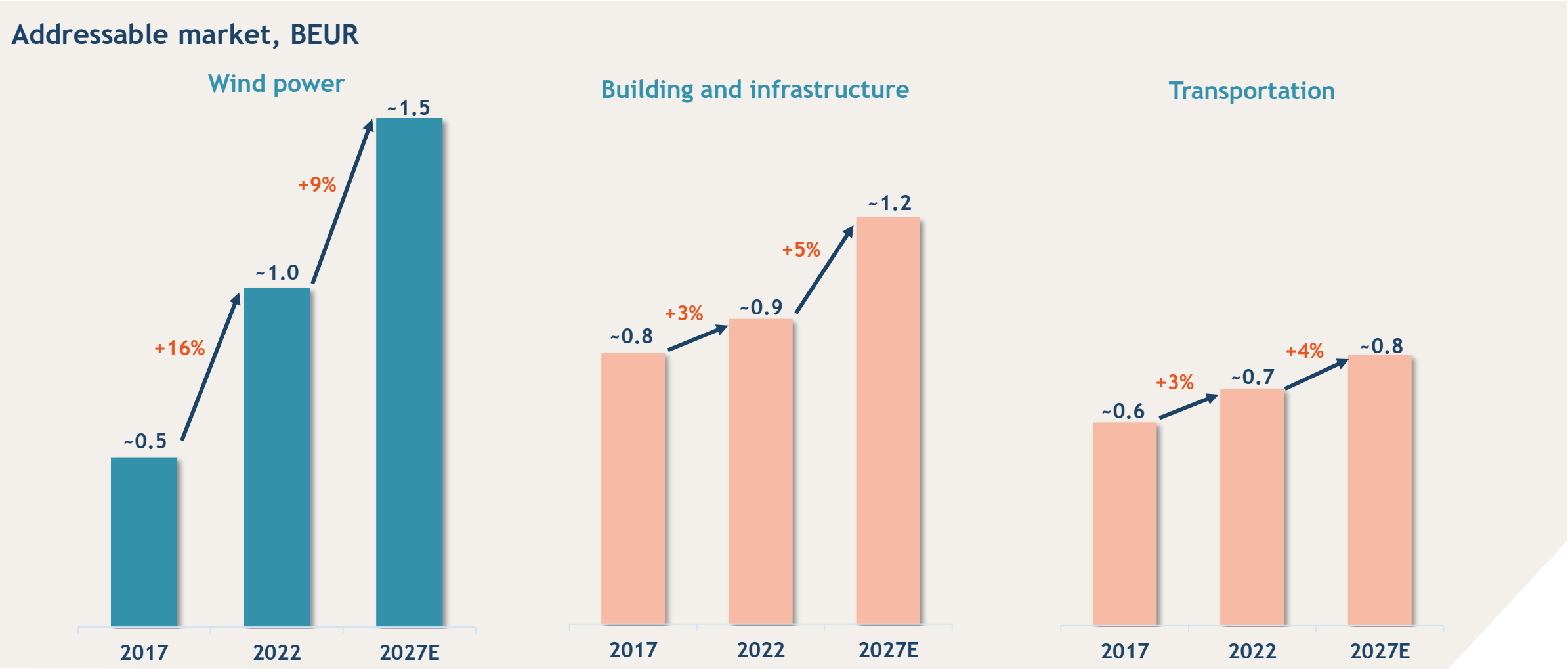
- Frame contracts with volume forecasting processes



Applications examples

- Spar caps for windmill blades
- Conductor cores for electrical distribution

Pultrusion growth opportunities for volume business

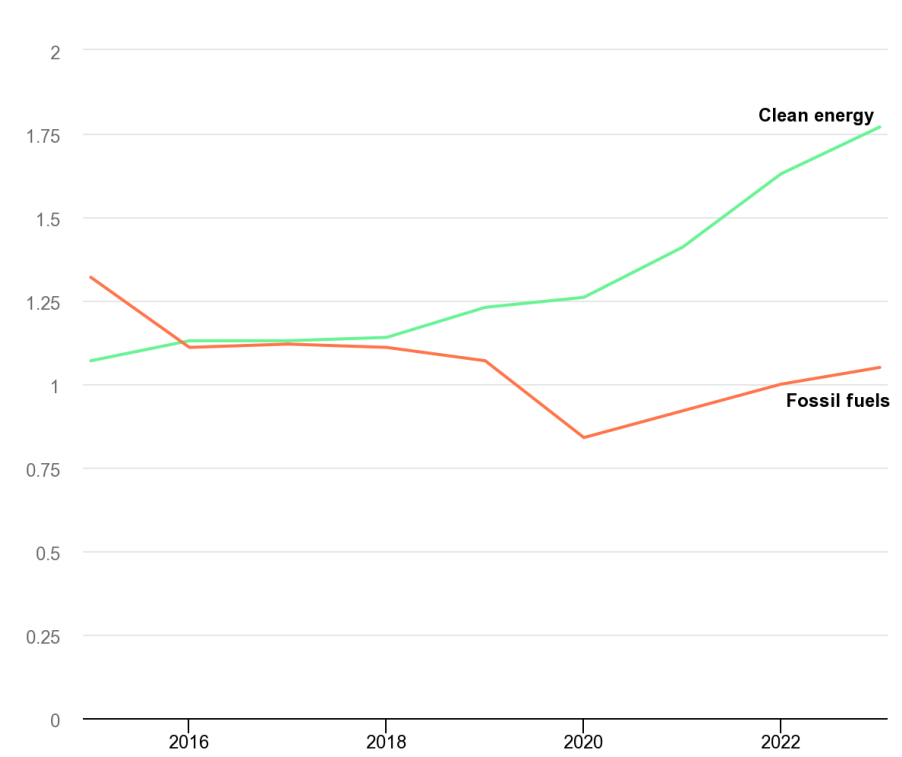


Source: IHS; The World Bank; Statista; Global Data; Global Wind Energy Council; U.S. Department of Energy, 3rd party market study

Exel starts the volume application business model with wind market

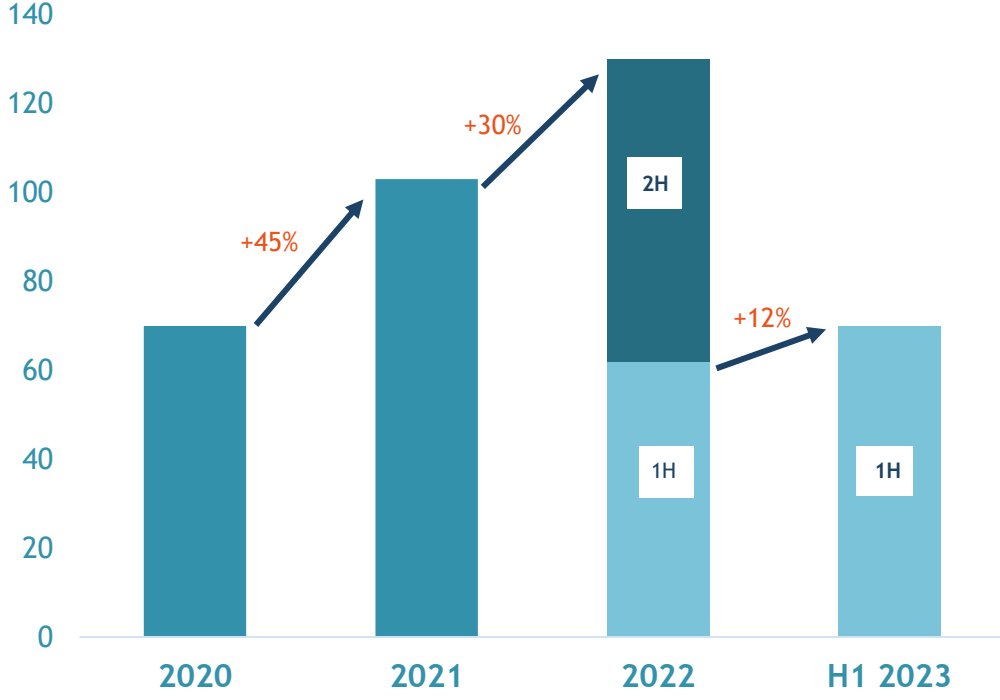
- Wind market order volume is growing and expected to grow

T USD Annual investment in fossil fuels and clean energy



IEA, Annual investment in fossil fuels and clean energy, 2015-2023, IEA, Paris
<https://www.iea.org/data-and-statistics/charts/annual-investment-in-fossil-fuels-and-clean-energy-2015-2023>, IEA. Licence: CC BY 4.0

(GW) Global wind turbine orders



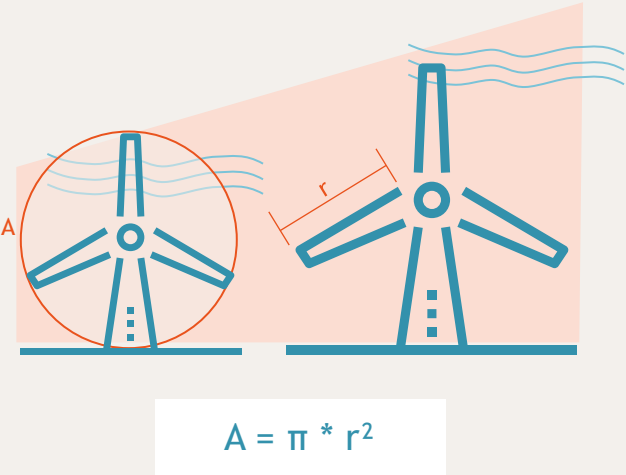
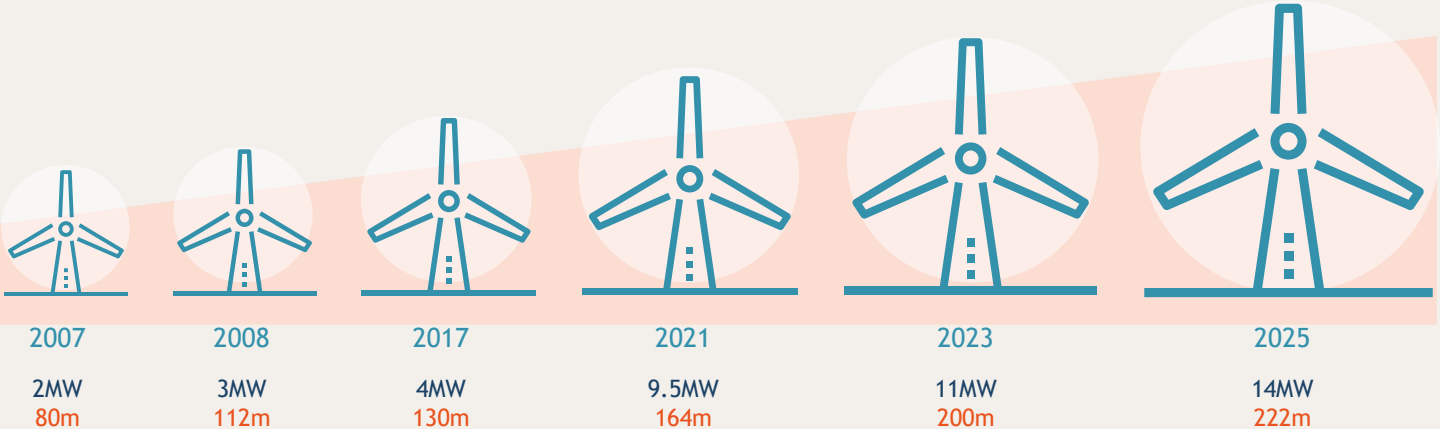
Source: Wood Mackenzie and REVE



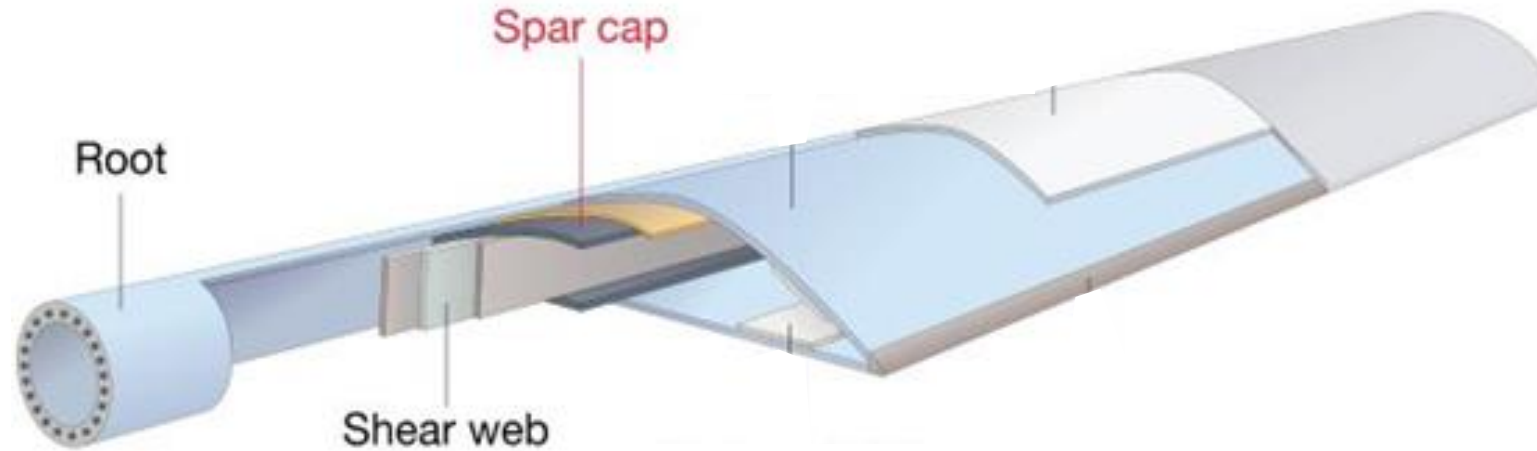
Wind turbine blades are getting longer

Power has direct relation to the “swept area” of a wind turbine

If blade length would be +10%,
the theoretical power would be +21%



Volume business offering for enabling longer wind turbine blades



1) Spar caps

Give stiffness to long blades

In long wind blades carbon fiber product

2) Shear web profile

Structural element inside a wind blade

Glass fiber product

3) Root joints

Attach main bolts to a wind blade

Glass fiber product

Image source: Dow Akso

India is a global wind blade manufacturing HUB

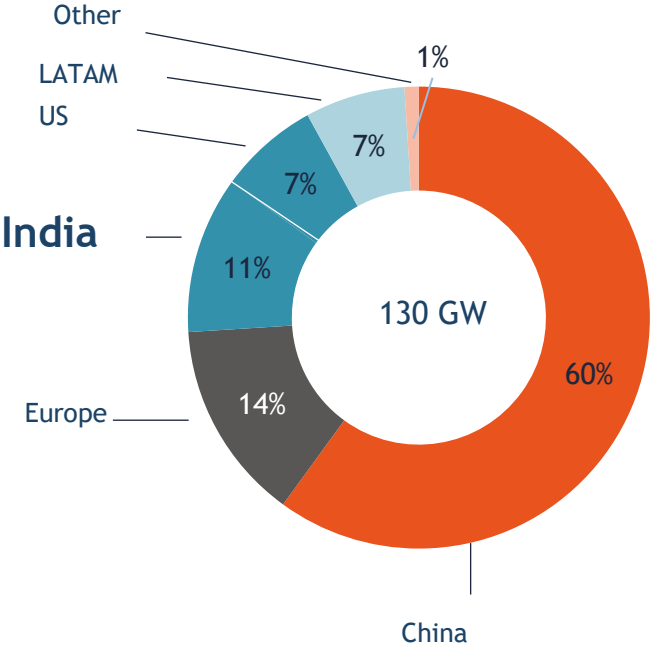
India is one of the major wind manufacturing hubs

- ◆ India is a major exporter of wind blades
- ◆ Wind blades requires lot of manual labor
- ◆ India domestic market is also growing

Indian carbon flat industry is building up

- ◆ Chinese import has been a major player
- ◆ Local manufacturing is appreciated
 - market share re-allocation

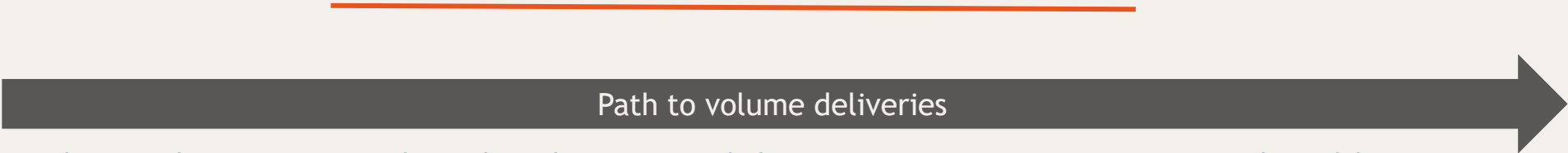
Global WTG blade manufacturing capacity in 2022



Source: GWEC Market Intelligence

Wind project in India proceeding as planned

- ◆ LOI's signed with two wind blade manufactures with multi-year scope
- ◆ Product testing with multiple carbon fiber options proceeding well
- ◆ PPAP agreed with a customer, test production in Q1 2024
- ◆ Testing ongoing in existing production site. Volume deliveries can be started from existing facility
- ◆ New India factory to be ready for volume production during 2024



Product samples:
Initial tests

Thorough product testing including
fatigue testing

PPAP tests*

Volume deliveries

- *PPAP tests
 - Acceptance of volume delivery capabilities
 - Salable products produced and will be installed to salable wind blade
 - Product quality
 - Volume production
 - Audit of production and quality processes

PPAP = Production Part Approval Process

Composite volume business drives the growth

1. High volume business model will increase both topline and profit
2. Wind segment is the first focus area of volume business unit
3. India wind production ramp-up project is proceeding well



exel | FOR
FORWARD
THINKERS