



Press release  
Lund 2014-02-19

## Nexam enters into a three year exclusive supply agreement with Armacell

**Nexam enters into a three year exclusive supply agreement with Armacell, the world's largest producer of PET foam. Armacell has exclusivity on the use of Nexam's products to PET foam, provided they purchase a minimum volume during the contract period. The agreed minimum volumes for Armacell to retain their market exclusivity are 10 tons in 2014, 75 tons in 2015 and 150 tons in 2016.**

Armacell is the world's leading producer of PET foam and is headquartered in Germany. The PET foam operations are based in Belgium.

As described in previous quarterly reports, an unnamed leading producer in the market for PET foam has developed a new modified foam containing Nexam's patent-pending crosslinker. Through the agreement now signed, it can be made public that this producer is Armacell. After approximately 18 months of development, Armacell has now achieved such positive test results with Nexam's products that the parties now have decided to enter into a 3-year supply agreement with exclusivity.

Global use of PET foam is approximately 80 000 tons per year and the market is growing strongly. PET foam is a relatively new material in the market and has been used commercially for about 10 years. The main use of PET foam is as core material in so-called sandwich constructions, where the foam acts as load carrier between two hard surfaces. The largest application areas for PET foam today are in blades for wind turbines and materials for the automotive / transport sector and the construction industry.

*"We are very pleased to announce that Armacell and Nexam have concluded an exclusive supply agreement over the next three years. Armacell and Nexam have after approximately one and a half years of close development decided to take the next step towards launching PET foam containing Nexam's products. As a sign of the close cooperation between our company and our common desire to commercialize the material developed, Armacell has received an exclusivity conditioned upon that they buy a minimum volume of Nexam products. The volumes agreed for Armacell to retain its market exclusivity is equivalent to Nexam sales of about 10 million in 2014, 60 million in 2015 and SEK 120 million in 2016, based on current prices. This agreement is the second commercial agreement of substantial size concluded by Nexam recently. For us, this is further confirmation that we are about to go from a pure development company to a commercial operation.",* says Per Palmqvist Morin, CEO of Nexam.

The market for engineering polyesters currently amounts to approximately 2 million tons per year. Nexam is working with crosslinkers for polyesters outside of PET foam, such as for other PET and PBT. Nexam is currently collaborating with several other manufacturers and users of engineering polyesters.



**For more information, please contact:**

Lennart Holm, Chairman of the Board: +46 (0)706 30 8562  
Per Palmqvist Morin, CEO, +46 (0)706 55 55 82

*Nexam is a Swedish company with a world-leading technology within its area for heat-activated crosslinking of plastics and polymers. The company develops, manufactures and markets unique heat-activated crosslinkers to the plastics market. A company description and more information about the business will be found on [www.nexam.se](http://www.nexam.se). The company's Certified Adviser is Remium Nordic AB.*

*Note: This press release has been translated from Swedish. The Swedish text shall govern for all purposes and prevail in case of any discrepancy with the English version.*