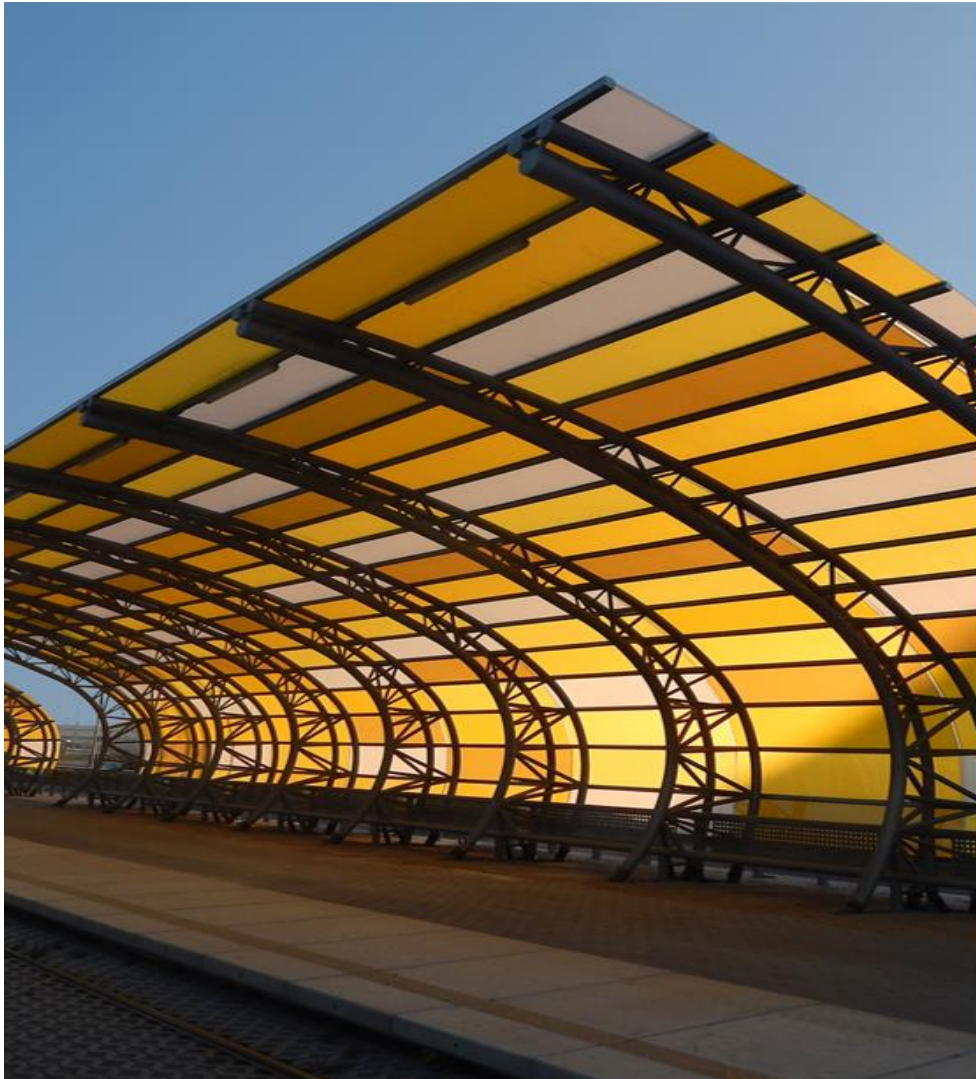




Presentation Q2 2022

18 August 2022

HIGHLIGHTS Q2 2022



- Our perception is that volumes for the entire industry in Europe continued to decline, our market share is unchanged
 - Demand for pandemic related sales has decreased
 - Demand from application areas such as the travel industry and the automotive industry has increased modestly
- Raw material prices have continued to increase, but at a slower pace
- Tough comparable quarter as Q2 2021 still was positive affected by pandemic related sales
- Price competition, in combination with high raw material prices, higher energy prices and shipping costs, has negatively affected gross and operating margins
- High costs level and the general economy development have a strong impact and create uncertainty in the market
- Dividend payout of SEK 30 million in May
- After the end of the quarter, we have acquired Alphaplex GmbH in Germany

Note: 1) Source: Arla Plast Interim report January – June 2022

Acquisition of Alphaplex GmbH



- After the end of the period, all shares in Alphaplex GmbH in Germany were acquired
- It's a strategic acquisition for us, we strengthen our position in the German market, supports our ambition to increase our footprint in Austria and Switzerland. Alphaplex is already a strong partner to Arla Plast
- With this acquisition we advance our position in the value chain, strengthen our sustainability ambitions and adding value to our existing customers
- Sales are primarily within Germany, Additional Net Sales for the group is estimated on annual basis to approximately SEK 60 million
- Net sales are EUR 10.1 millions, corresponding to approximately SEK 102.2 millions, operating margin approximately 8.2 percent
- Preliminary purchase price is approximately EUR 4.1 million, corresponding to approximately SEK 43.2 million, on a cash and debt-free basis, IFRS effects excluded
- In addition, a conditional earn-out payment of a maximum of EUR 1.3 million, based on the next three years EBIT, paid after the end of the three-year period
- The acquisition is financed through Arla Plast's credit facilities, acquisition costs estimated to approximately SEK 1.5 million, charged in the third quarter of 2022
- Consolidated into Arla Plast Group from 1 August 2022, reported in the new operating segment Germany in Q3
- If Alphaplex was consolidated in 2021, earnings per share would have increased by approximately SEK 0.25, before dilution, excluded acquisition costs and IFRS effects

Note: 1) Source: Arla Plast Interim report January – June 2022

Financial overview – Group financials



- Tough comparable quarter as Q2 2021 still was positive affected by pandemic related sales
- Our perception is that volumes for the entire industry in Europe continued to decline - Arla Plast's market share is unchanged
- Volumes down 12%, Net sale up 8%, organically up 5%
- Raw material prices have continued to increase during Q2, but at a slower pace
- Increasing cost structure and price competition limit the possibilities to fully compensate for the higher costs
- Gross and operating margins down

SEKm	Q2 2022	Q2 2021	Δ, %	Q1-Q2 2022	Q1-Q2 2021	Δ, %	RTM ¹⁾
SALES VOLUME, TONNES	5,371	6,100	(12%)	10,312	12,281	(16%)	20,677
NET SALES	267.1	246.3	8%	493.8	465.2	6%	956.1
ADJUSTED OPERATING PROFIT	13.5	26.4	(49%)	24.9	57.3	(56%)	59.9
ADJUSTED OPERATING MARGIN	5.0%	10.7%	(53%)	5.0%	12.3%	(59%)	6.3%

Note: 1) Source: Arla Plast Interim report January – June 2022
 Note: 2) Rolling Twelve Months – the period Q3 2021 – Q2 2022

Financial overview – Segment Sweden



Volume

- Q2: down 9%
- Q1-Q2: down 16%

- challenging comparable quarter and demand from other applications not yet fully recovered

Net Sales

- Q2: up 7%
- Q1-Q2: up 2%

- price adjustments due to that higher cost of raw material was partly compensating lost volumes

Operating margin

- Q2: 4.7%
- Q1-Q2: 4.9%

- increased competition, higher cost of raw-materials affecting gross and operating margins



SEKm	Q2 2022	Q2 2021	Δ, %	Q1-Q2 2022	Q1-Q2 2021	Δ, %	RTM ¹⁾
SALES VOLUME, TONNES	3,456	3,891	(9%)	6,878	8,150	(16%)	13,599
NET SALES	175.7	163.6	7%	323.7	318.9	2%	623.3
OPERATING PROFIT	8.2	23.5	(65%)	15.9	49.2	(68%)	37.2
OPERATING MARGIN	4.7%	14.3%	(67%)	4.9%	15.4%	(68%)	6%

Note: 1) Source: Arla Plast Interim report January – June 2022

Note: 2) Rolling Twelve Months – the period Q3 2021 – Q2 2022

Financial overview – Segment Czech Republic



Volume

- Q2: down 16%
- Q1-Q2: down 18%

- challenging comparison quarter that was heavily impacted by pandemic-related sales

Net sales

- Q2: up 9%, organically 1%
- Q1-Q2: up 12%, organically up 4%

- increased as the high raw material prices compensated lost volume

Operating margin

- Q2: 4.9%
- Q1-Q2: 4.6%

- higher cost situation partly compensate through price increases towards the customers



SEKm	Q2 2022	Q2 2021	Δ, %	Q1-Q2 2022	Q1-Q2 2021	Δ, %	RTM ¹⁾
SALES VOLUME, TONNES	2,098	2,500	(16%)	3,838	4,703	(18%)	8,064
NET SALES	100.7	92.2	9%	182.7	162.8	12%	363.5
OPERATING PROFIT	5.0	2.7	85%	8.4	7.5	12%	21.5
OPERATING MARGIN	4.9%	2.9%	69%	4.6%	4.6%	- %	5.9%

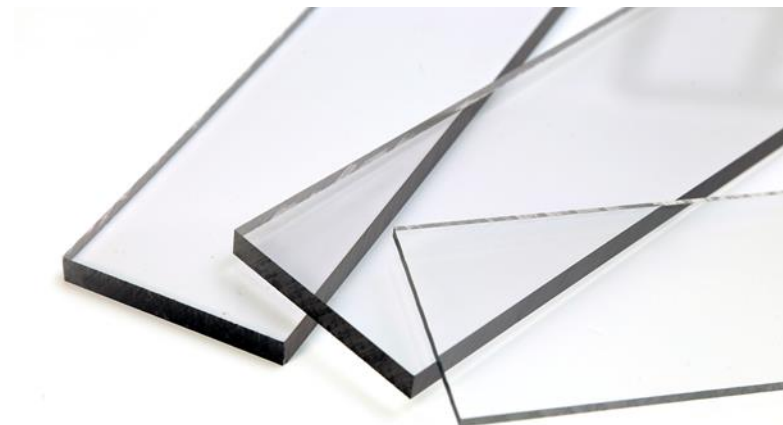
Note: 1) Source: Arla Plast Interim report January – June 2022

Note: 2) Rolling Twelve Months – the period Q3 2021 – Q2 2022

Financial overview – Geographical markets



- Germany – strong comparable quarter effected by pandemic related sales, changes in customer portfolio
- Czech Republic – persistent sales to applications within home and garden in combination with change in product mix
- Positive sales development outside the European market



SEKm	Q2 2022	%	Q2 2021	%	Q1-Q2 2022	%	Q1-Q2 2021	%	RTM ¹⁾	%
SWEDEN	32.0	12%	34.8	14%	58.6	12%	61.0	13%	119.3	13%
GERMANY	42.2	16%	49.5	20%	80.4	16%	101.3	22%	153.8	16%
CZECH REPUBLIC	55.9	21%	34.6	14%	102.4	21%	69.6	15%	169.4	18%
POLAND	33.3	12%	28.5	12%	58.9	12%	49.7	11%	115.8	12%
REST OF EUROPE	82.0	31%	87.0	35%	160.5	32%	161.5	34%	336.8	35%
REST OF WORLD	21.7	8%	11.9	5%	32.9	7%	22.0	5%	60.9	6%
TOTAL	267.1	100%	246.3	100%	493.7	100%	465.1	100%	956.0	100%

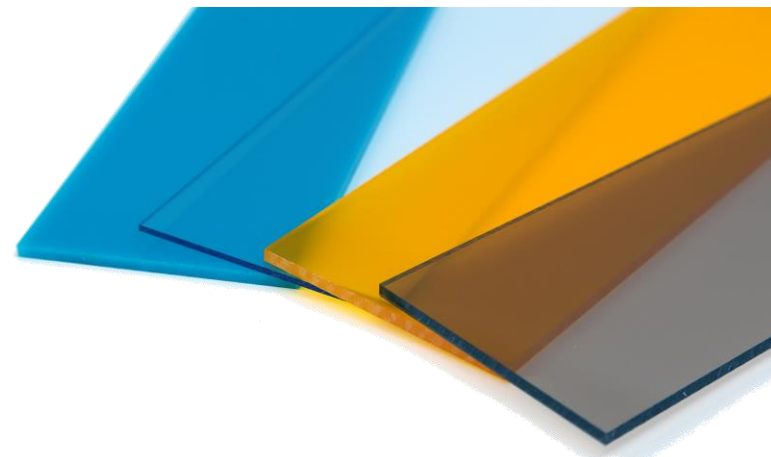
Note: 1) Source: Arla Plast Interim report January – June 2022

Note: 2) Rolling Twelve Months – the period Q3 2021 – Q2 2022

Financial overview – Product range



- TPC – Our view is that our volumes declined linearly with the market
- OPC – Demand increased from the majority of application areas
- MWPC – Price adjustments compensated the lower volumes
- ABS – Increasing demand, the automotive industry increased slightly, but still waiting
- PETG – Demand for pandemic-related barrier products has diminished



SEKm	Q2 2022	%	Q2 2021	%	Q1-Q2 2022	%	Q1-Q2 2021	%	RTM ¹⁾	%
TPC	118.3	44%	115.8	47%	222.0	45%	230.0	49%	419.2	44%
OPC	38.7	15%	30.5	12%	71.7	15%	53.9	12%	141.9	15%
MWPC	60.6	23%	58.5	24%	110.3	22%	98.4	21%	223.3	23%
ABS	35.3	13%	23.7	10%	62.9	13%	45.2	10%	116.6	12%
PETG	14.2	5%	17.8	7%	26.8	5%	37.6	8%	55.0	6%
TOTAL	267.1	100%	246.3	100%	493.7	100%	465.1	100%	956.0	100%

Note: 1) Source: Arla Plast Interim report January – June 2022

Note: 2) Rolling Twelve Months – the period Q3 2021 – Q2 2022

Financial overview – Cash flow and balance sheet



- Cash flow from operating activities was negatively affected by lower operating profit, higher in inventory value and accounts receivable
- Net debt has increased due to increased borrowings and reduced cash
- Dividend payout of SEK 30 million in May
- New loan of SEK 50.1 million, re-payment of loan SEK 15.5 million
- Strong equity/asset ratio 64,4%



SEKm	Q2 2022	Q2 2021	Q1-Q2 2022	Q1-Q2 2021	FY2021
CASH FLOW FROM OPERATING ACTIVITIES	-18.1	42,6	-17.1	44,4	47,7
CASH FLOW FROM INVESTING ACTIVITIES	-5.8	-8.9	-9.9	-21.4	-34.6
CASH FLOW FOR THE PERIOD	-10.7	23.2	1.3	29.5	-6.0
NET DEBT (+) / NET CASH (-)	107.1	16.0	107.1	16.0	44.5
RETURN ON CAPITAL EMPLOYED	10.9	22.4	10.9	22.4	18.8
EQUITY / ASSET RATIO	64.4	66.8	64.4	66.8	72.6

Note: 1) Source: Arla Plast Interim report January – June 2022

Note: 2) Rolling Twelve Months – the period Q3 2021 – Q2 2022

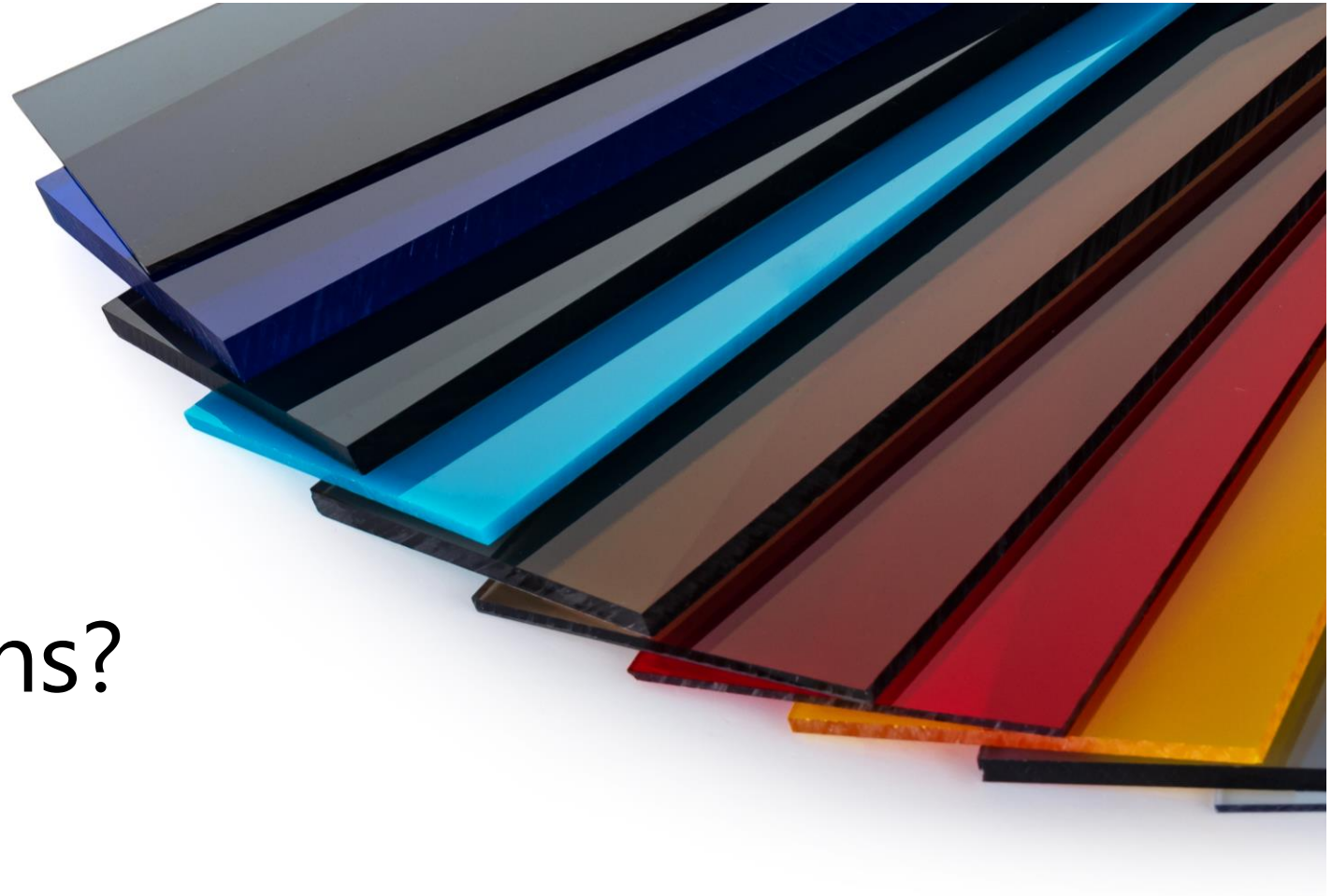
Summary and outlook



- Our perception is that volumes for the entire industry in Europe continued to decline, our market share is unchanged
- Raw material prices have continued to increase, but at a slower pace, the expected price decrease is still ahead of us
- Tough comparable quarter as Q1 2021 was positive affected by pandemic related sales
- Price competition, in combination with the high-cost situation, affects the gross and operating margins negatively
- High costs level and the general economy development have a strong impact and create uncertainty in the market
- We have continued the work on strengthening our marketing and sales organization, of which the acquisition of Alphaplex is a part
- Our ambition is to increased the circularity in the value chain and thereby help our customers on the journey towards a lower co2 footprint
- We are in a challenging period, but our goal is to never stop develop ourselves and continuously create value to the market



Note: 1) Source: Arla Plast Interim report January – June 2022



Questions?



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