

REGENERATING WATER AND VALUE

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INVESTMENT PRESENTATION

191212



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REGENERATING WATER AND VALUE

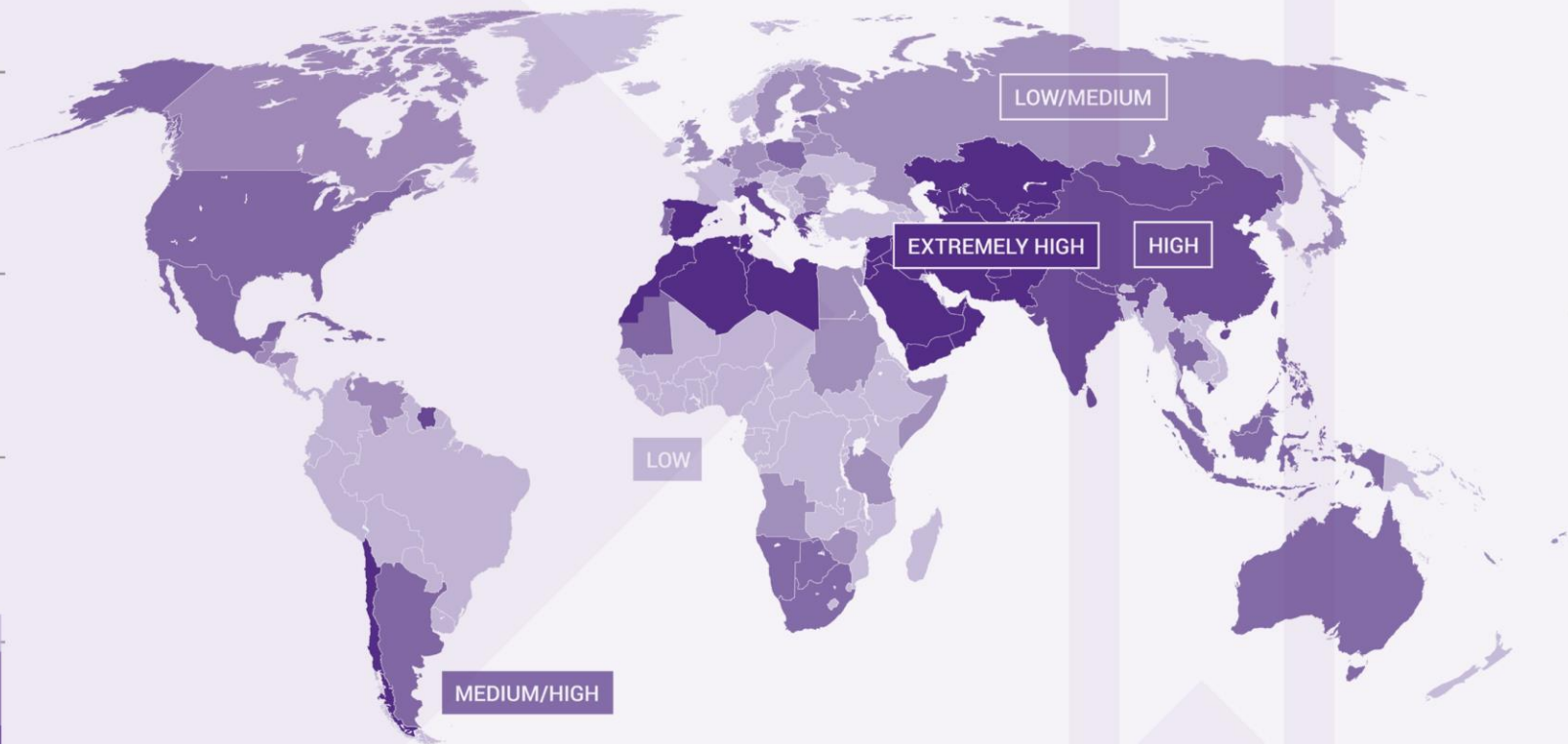
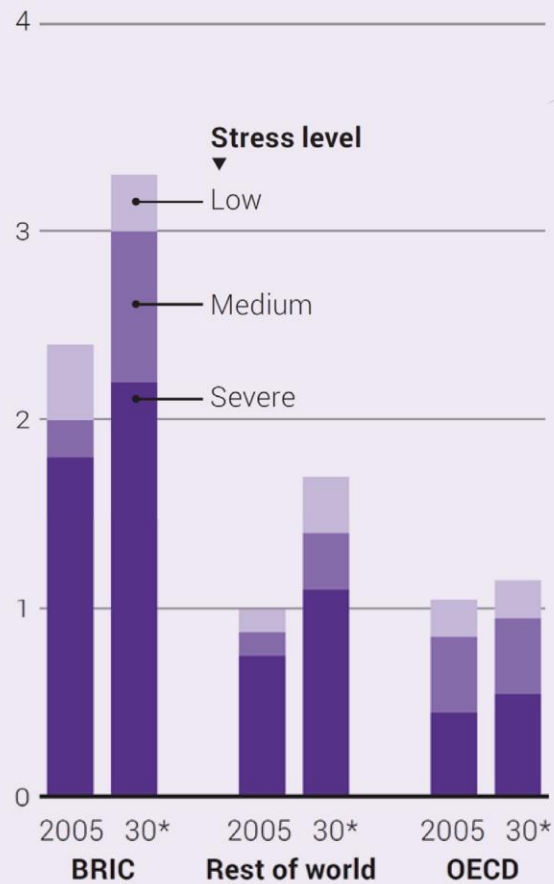
- ✓ Urgent need for sustainable water management
- ✓ Untapped potential in the underserved global water purification market
- ✓ AxoPur[®] as an innovative answer to the existing problems
- ✓ Team know-how to meet customer needs
- ✓ First generation of automated standard product ready for delivery
- ✓ From product development to sales and delivery



POSITIVE MARKET OUTLOOK AND DRIVING FORCES

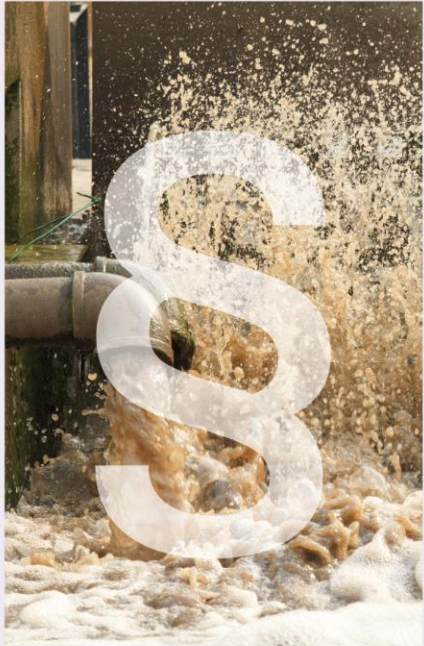
PROJECTION OF WATER WITHDRAWAL IN RELATION TO SUPPLY BY 2040

People living in areas of water stress, bn



Source: OECD; World Resources Institute

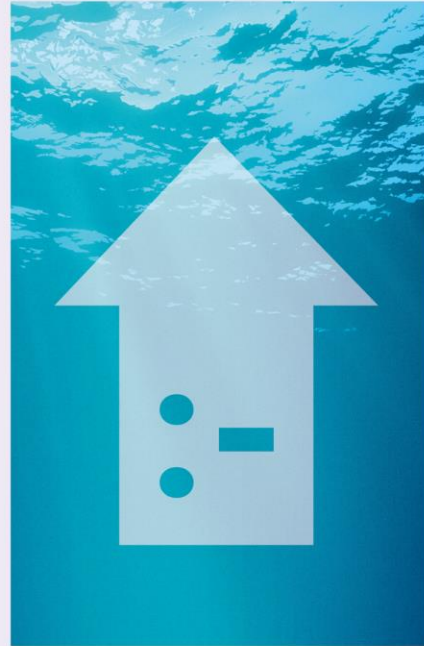
EXISTING INDUSTRIAL WATER CHALLENGES



No discharge permit?



Too dirty effluent?



Costs too high?

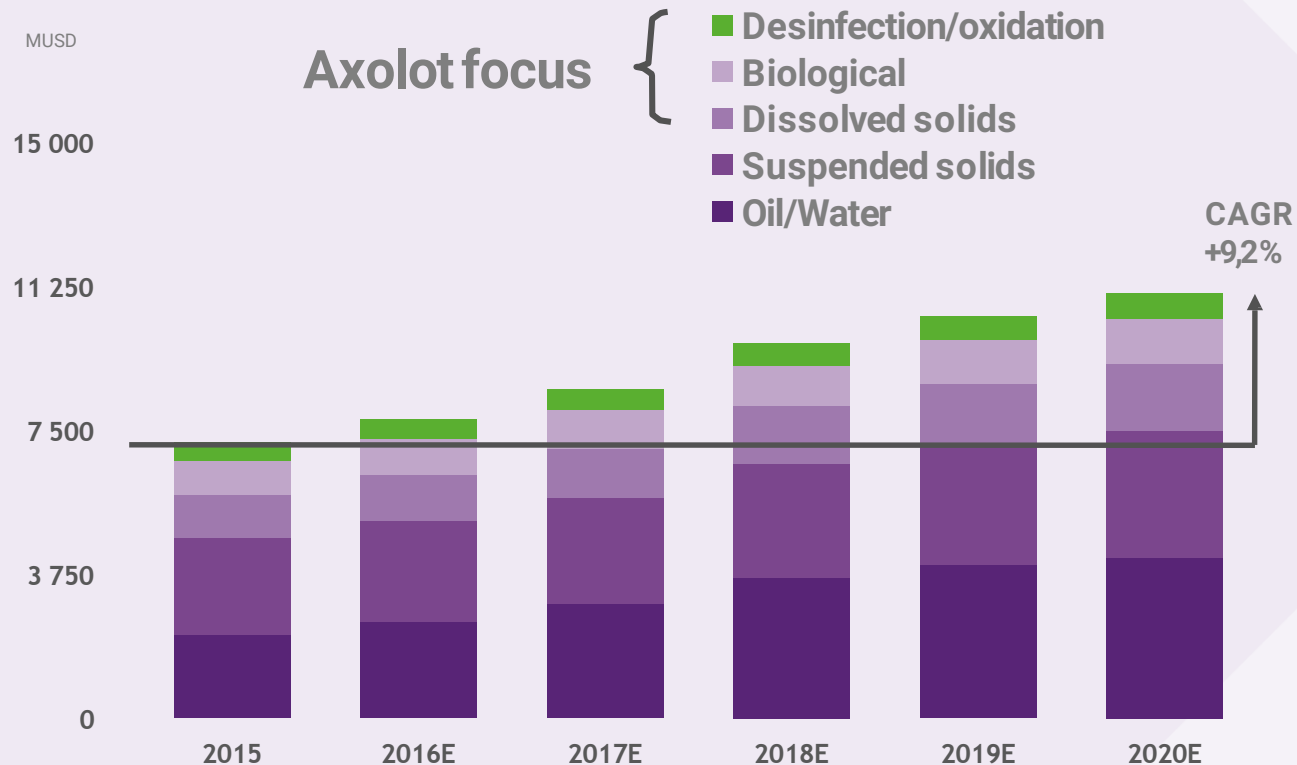


Limited area for waste water treatment?



Limited productivity?

INCREASED GLOBAL SPEND ON INDUSTRIAL WATER PURIFICATION AROUND THE GLOBE



Source: GWI Industrial Water Technology Markets 2015

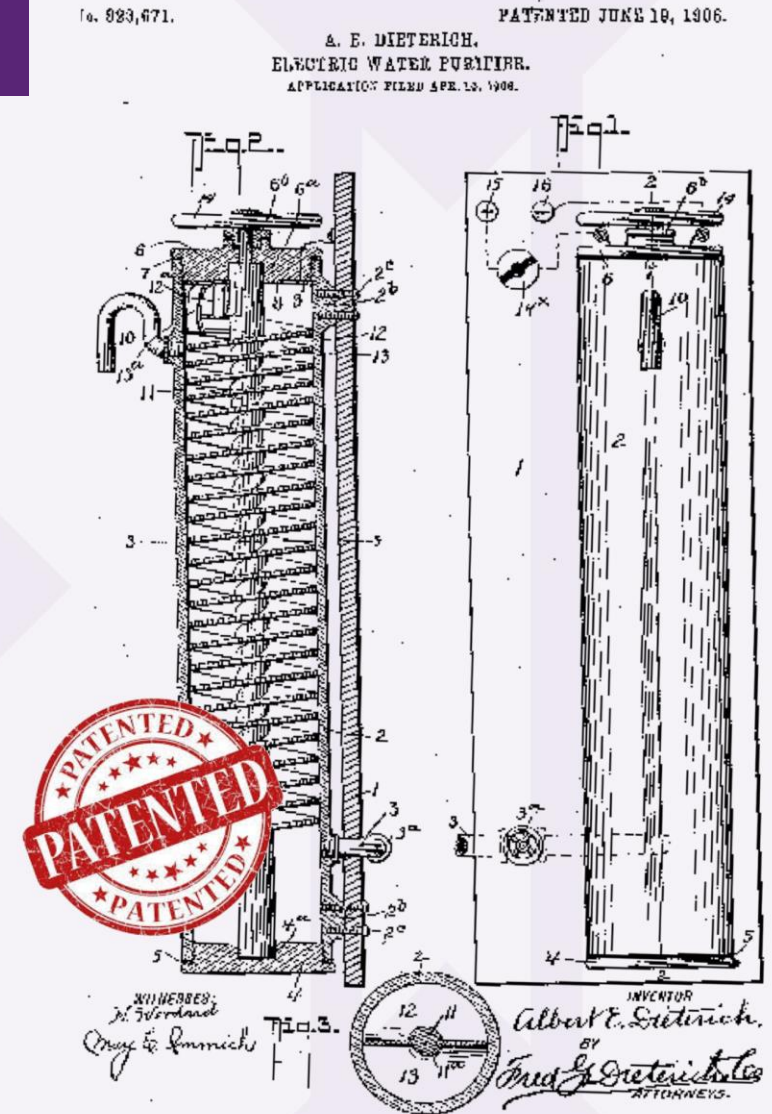
Key drivers of market growth

- Increasingly scarce water resources
- Tighter regulations for waste water
- Challenge to maintain industrial production

AN INNOVATIVE WATER PURIFICATION SOLUTION

BASED ON WELL-PROVEN PRINCIPLES

- We provide technologies for water purification – first and foremost our proprietary AxoPur® technology
 - AxoPur® is based on the principles for Electrocoagulation
 - The principles were patented in 1906 by Albert E. Dietrich in the USA
- We have built a technical system based on the AxoPur® reactor and optional modules, utilizing modern process technology and automated operation
- We work actively with patents to protect our inventions
- We provide customer specific and sustainable solutions
- Specifically addressing the growing concern and awareness on water purification needs in the industry



WE COMBINE THE BEST OF WORLDS



Mechanical processes (Filter/Membrane)

- Fast
- Compact

Physicochemical/ Biological processes

- Broad cleaning spectrum
- Possible to tailor against cleaning needs

Added value

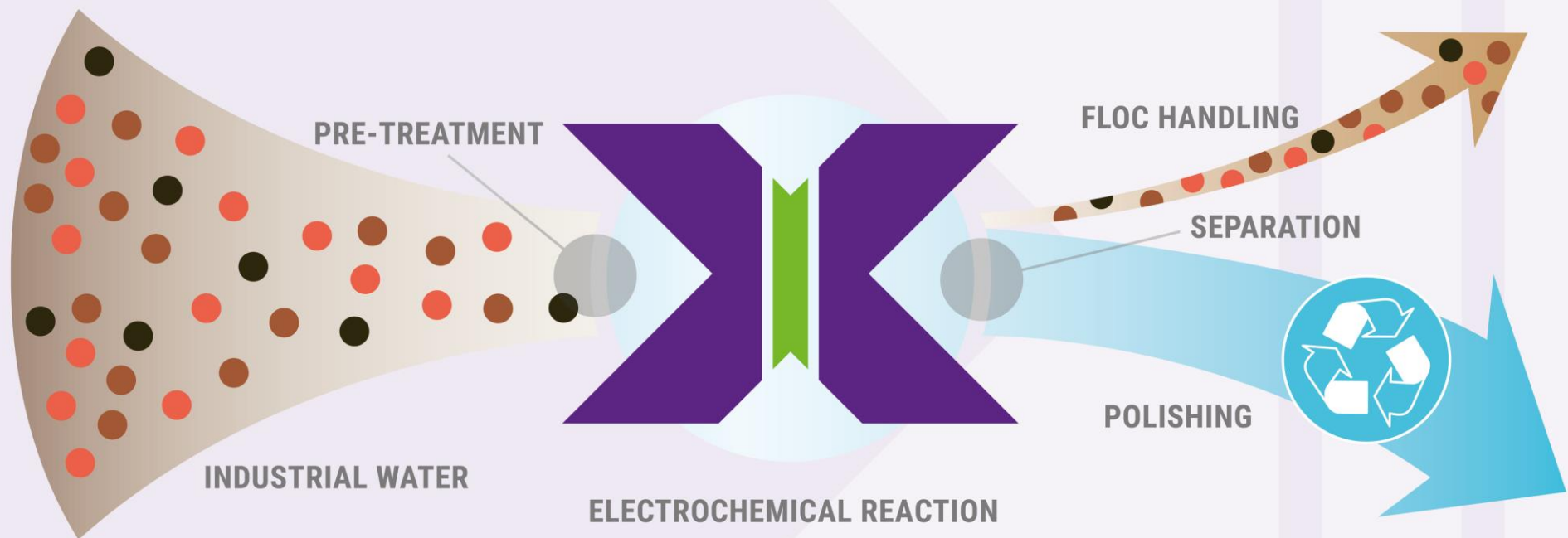
- Cost-effective
- Destabilising emulsions
- Coagulates living matter
- Impurities form a floc instead of a sludge

WHY AXOLOT SOLUTIONS?

1. Cost-effective purification/separation
2. Broad cleaning spectrum
3. Rapid process and compact physical footprint
4. Easy recovery (water, energy, material)
5. Knowhow to meet customer needs



ENABLING RECIRCULATION



WHERE WE ARE TODAY

OUR STORY

2014
Axolot Solutions
is founded
Technical
development
starts

Dec 2016
Patent portfolio
acquired

July 2018
Startup of first
commercial
reference
(pre-series)

Nov 2018
Listed on the
Nasdaq
First North
Growth Market

Oct 2019
AxoPur[®] System 1.0
ready for delivery

LESSONS LEARNT 2014-2019

- Continuous development of the technical capabilities of our technology
- First generation of automated standard product ready for delivery
- Increase in market analysis and customer processing
- Significantly increased awareness in target industries



ACCOMPLISHMENTS 2019

- ✓ Accelerated commercial activity
 - ✓ Increased number of customer contacts
 - ✓ Sales resource recruitment completed in Sweden
 - ✓ Additional prospecting resource in Finland
- ✓ Review and update of commercial tools
 - ✓ CRM-system choice and implementation
 - ✓ New commercial agreements and updated insurance
 - ✓ Updated sales presentation
 - ✓ Defined business and pricing model
- ✓ Locked technical concept and first generation of automated standard product ready for delivery



ACCELERATED CUSTOMER ACTIVITY

Axolot Solutions tecknar avtal med större tillverkare av förpackningspapper



MÅ, SEP 02, 2019 10:45 CET

Axolot Solutions har tecknat avtal med en större tillverkare till företagets returmassalinje.

Försöken kommer att genomföras under oktober månad och på sikt att få till stånd en ökad grad av systemslutning, och därmed

Axolot Solutions har tecknat nytt provkörningsavtal med Vafos Pulp A/S

Axolot Solutions har tecknat ytterligare ett provkörningsavtal med slipmassatillverkaren Vafos Pulp A/S i Norge

Avtalet omfattar fortsatt arbete med att finna en lösning för att reducera slipmassaproduktionens utsläpp av suspenderade och syreförbrukande ämnen. Den nya studien är en fristående fortsättning på den provkörning som Axolot genomförde på plats i Vafos under september månad. Axolots förhoppning är att kunna stödja Vafos hela vägen tills bruket fått en långsiktigt hållbar lösning för sitt avloppsvatten på plats.

Axolot Solutions has signed a trial agreement with a customer in England

Axolot Solutions AB has signed a trial agreement with a chemical manufacturer in the South-East of England.

The purpose of the trial is to assist with processing of recycle streams.

Axolot Solutions AB signs a new trial agreement with a paper manufacturer in Norway, Hellefoss A/S.

The objective of the trial is to perform initial water purification trials in order to find a solution for the reduction of suspended and oxygen consuming material in process water from their production unit in Hokksund. The new study is a standalone continuation of the trials completed by Axolot Solutions earlier this year for Vafos A/S, in the same company group as Hellefoss Paper. The study will be performed in December and will support future investment decisions.

UNIQUE CUSTOMER CASE

- A chemical manufacturer in South-East England
- Axolot Solutions is assisting the customer in processing of recycling streams
- The recovered material is in the floc and not in the water
- The value of the recovered material in the recovery streams is assessed to as much as 600-700 EUR/m³
- Two lab trials in Landvetter already completed with great results (> 98% recovery)
- A bench scale study completed first week of December
- Additional onsite trials in England planned in February 2020
- Core modular design and add-ons to meet customer requirements



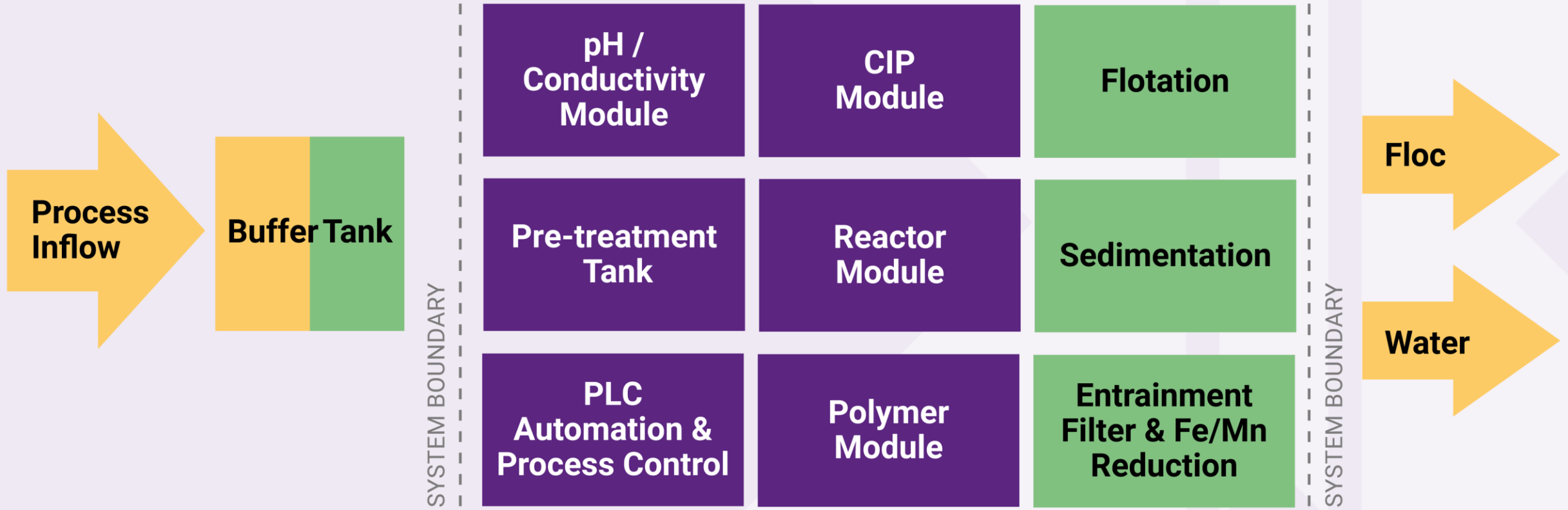
BUSINESS MODEL NOW DEFINED

Commercial full scale system implementation

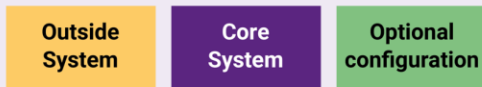
- Lease/Buy of the equipment (including a licence to use the AxoPur® cells)
- Maintenance & Service agreement
 - Fixed maintenance over time
 - On-call duty model



LOCKED AxoPur[®] SYSTEM DESIGN



Colour keys



LOOKING AHEAD



TARGET MARKET & IDEAL CUSTOMER

- Our target market is industries and waste owners
- Key objective is removal of one or several of our technical specialties
 - Oil/Fat emulsions
 - Phosphorous-containing compounds
 - Transitional metal ions
 - Large organic compounds
 - Suspended material
- Flow size aligned with current capabilities (3-50 m³/h)
 - Annual flow from ~20,000 m³ to 400,000 m³
- Smaller companies are more likely to be buying customers (as opposed to larger companies with more formal procurement processes)

AXOLOT CAPABILITIES



High removal rate with AxoPur®

- Suspended solids
- Most dissolved solids/organic compounds of reasonable size
- Emulsified oils and fat
- Transitional metal ions
- Phosphorus-containing compounds



Special attention/ Inhouse additional processes

- Nitrogen-containing compounds
- Sulfate (and other oxosulfur ions)
- Specific organic molecules

AMBITION 2020

- To accomplish a commercial start in a few selected market niches
- At all times have an extensive pipeline of leads
- To establish a fully functional, robust and scalable system
- Lower priority on product development

→ Focus on sales and delivery!



KEY FINANCIALS



AXOLOT SOLUTIONS GROUP - KEY FINANCIALS

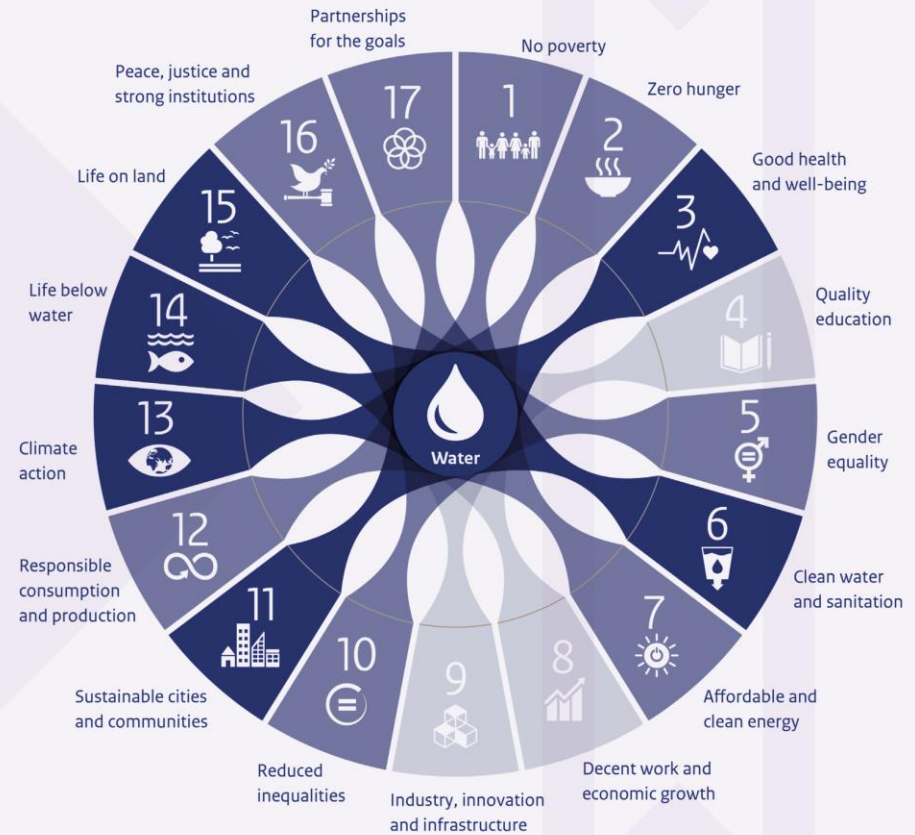
tsek	Year	2019			Accum.
	2018	Q1	Q2	Q3	Q1-Q3
Net sales	1 451	169	607	485	1 261
Activated development costs	1 697	236	754	774	1 764
Other revenues	105	0	107	3	110
Earnings before interest, tax and depreciation	-15 956	-4 838	-6 768	-4 391	-15 997
Earnings before interest and tax	-18 238	-5 669	-7 604	-5 506	-18 779
Net earnings	-18 186	-5 669	-7 604	-5 506	-18 779
Net earnings per share (sek) *	-1,61	-0,21	-0,29	-0,21	-0,71
Cash flow before financing activities	-20 825	-6 667	-7 787	-6 250	-20 704
Liquid funds at the end of the period	48 864	42 197	34 410	28 452	28 452
Equity at the end of the period	62 478	56 812	49 202	43 972	43 972
Number of employees at the end of the period	6	7	9	9	9

- At the end of September 2019, Axolot had a cash position of 28.5 MSEK
- Investments in Q1-Q3 were 6 MSEK, one third for product development (AxoPur System), and two thirds for pilot equipment (trials)
- The current spend rate is approximately 2 MSEK/month
- The organisation is set for commercial expansion

CONTRIBUTING TO A BRIGHTER WATER FUTURE



THE GLOBAL GOALS For Sustainable Development





THANK YOU!

The company name Axolot was chosen out of the fascination over the critically endangered mexican walking fish – the Axolotl, whose name in the aztek language nahuatl means 'water god'.