

This is a non-official translation of the Swedish original wording. In case of discrepancies between the English translation and the Swedish original, the Swedish text shall prevail.

Mr. Chairman, esteemed shareholders and AGM participants,

2015 was the HEXPOL Group's best year to date, and a year with high activity related to integration of our acquired units and new acquisitions.

I will now present a relatively brief description of what we achieved during 2015 – our growth, our acquisitions, the integration of our acquired units, our growth strategies coupled with favourable margins and strong operating cash flows, as well as our future priorities. Finally, I will also present our report for the first quarter of 2016, which we published today at noon.

As noted, 2015 was our best year to date and a year with strong growth, +26 per cent, and a lot of work with acquisitions (new acquisitions and integration of acquired units).

During 2015, we increased our volumes and improved our market positions. We witnessed strong growth in earnings with further improved margins and an operating profit of 1,964 MSEK, an increase of 35 per cent.

We also had a very strong balance sheet, with an equity/assets ratio of a full 72 per cent at year-end 2015, which is satisfactory considering the turbulent situation worldwide and our acquisition agenda. Throughout 2015, we had strong operating cash flows, thanks to favourable earnings and continued good management of our working capital.

Our earnings per share rose 33 per cent to 4.05 SEK per share during 2015.

I am relatively satisfied and proud of our earnings but most importantly that we again further improved our market positions during 2015. We are undoubtedly world leading in external Rubber Compounds and are now a strong European player in TPE (Thermoplastic Elastomer) compounds. We have further broadened our compounding operations with new, exciting materials and end users through the acquisition of RheTech.

We have also consolidated our position as the global number one in gaskets for plate heat exchangers. In addition, we are one of the few globally active wheel manufacturers for truck producers. And all of this within our core operations!

Our strategy is to expand in growth markets – and we have achieved this. We also continue our focus on capacity expansion in Mexico and within TPE Compounding.

During 2015, we wisely and responsibly integrated four major acquired units in our focus area, Polymer Compounding.

During 2015, we acquired four additional operations within Thermoplastic Compounding.

HEXPOL is expanding – as noted, we increased our volumes in all principal markets during 2015. Our strategy is to grow organically and through acquisitions in known areas, but always with healthy margins and a strong operating cash flow. In 2001, our sales totalled almost 500 MSEK and now in 2015 it reached 11.2 billion SEK. This represents substantial growth, both organically and with acquisitions in known areas. We also raised our margins considerably during this growth.

We have a solid business concept and business model, and a vision that supports them. For example, we coped with the automotive and financial crises in 2009 in a good way.

We also have a vision that guides us. This remains unchanged and being market leader is a central concept for us. Our markets are highly fragmented and include many local competitors, offering us considerable potential.

As I have already said, we have strong global positions and a favourable and advantageous distribution in terms of sales and production. Our strategy, which is based on in-depth and broad-based polymer and application expertise, is successful and well anchored. We combine our solid business model, which results in strong operating cash flows, with organic and acquired growth. Our growth strategy is based on product development, new customers, new markets and new applications.

We are also active in expanding customer segments. The automotive industry is growing globally although the situation has varied during 2015. We are also noting growth in the engineering industry and in other segments too. We see favourable potential for products targeted at the materials handling industry which favour demand for our wheels. Our HEXPOL Wheels product area is also one of few global players in its market. In TPE compounds, we are also noting attractive and expanding applications, such as in the hygiene and medtech areas.

HEXPOL is an international group with approximately 97 per cent of its sales outside Sweden, along with production in 38 locations in ten countries.

Our industrial history can be traced back to Gislaved AB in the province of Småland, Sweden, where we acquired Gislaved Gummi AB in 1994. Gislaved Gummi AB pursued operations in three product areas – rubber compounds, gaskets and wheels. We have already globalised these three product areas through acquisitions and organic growth (including Greenfield) and created the current HEXPOL Group.

As stated, 2015 was a really good year for us. We exceeded our updated financial targets in terms of equity/assets ratio, margins and growth. In recent years, we have experienced strong growth, which has consistently been accompanied by healthy margins and solid operating cash flows, and we acquired companies that we are familiar with and in areas that we command.

Our figures historically confirm this.

Our growth, with favourable margins and strong cash flows, provides the background to the Board's proposal of a dividend of 1.70 SEK per share (1.20), equivalent to an increase of 42 per

cent. We are working in a focused manner to create value, and our share price increased 24 per cent during 2015.

The HEXPOL Group currently has some 3,900 competent employees in eleven countries and we are organised on the basis of two business areas and a number of products and market areas. The head office is located in Malmö. We are a qualified supplier/development partner of technological input goods and components featuring in-depth proprietary technology in respect of materials, processes and applications.

Sustainable development is part of HEXPOL's strategic approach (and budget work) and is a priority area. HEXPOL has a strategy that involves proactive environmental programs, as well as social responsibility, to ensure that we make a contribution to the sustainable development of our society. We have collated all our strategies, and report the results and action programs in a detailed and transparent manner in our Sustainability Report, which is available on our website. Among other measures, we continued to focus on energy savings during the year and continued the introduction of certified environmental management systems. As in previous years, we are reporting our performance in sustainable development in line with the globally accepted reporting norm at the GRI-B level. Additionally we also report in line with the updated GRI-G4 level.

Allow me also to comment on the priorities I outlined a year ago. I promised that we should wisely and responsibly integrate our acquired units, should continue to be oriented towards acquisitions, continue to focus on margins, continue our skills enhancement and continue our sustainable development efforts. In my opinion, we achieved all of this during 2015.

Looking to 2016, we shall continue our skills and management development, focusing on growth through increased and targeted market and development initiatives, focusing on margins as well as sustainable development efforts. We will also continue to be acquisition oriented.

I would like to conclude with a comment on our results for the first quarter of 2016, which we published at noon today. Another strong quarter.

Finally, I would once again like to thank all colleagues for their extraordinary input during 2015, and also thank our customers, suppliers and, not least, our shareholders for your confidence and favourable cooperation during 2015. We are determined and promise to work hard – both strategically and operationally – to develop the HEXPOL Group in a positive direction and continue our value-creating work. We have a solid platform for meeting the future.

THANK YOU!