

A close-up photograph of two hands holding a thin, white, fibrous strand. The hands are positioned on the left and right sides of the frame, with the fingers gently gripping the fiber. The fiber itself is a fine, continuous thread that extends from the hands towards the right side of the image. The background is a soft, out-of-focus grey, suggesting a laboratory or industrial setting. The lighting is even, highlighting the texture of the skin and the fine structure of the fiber.

# SPINNOVA®

HALF-YEAR REPORT PRESENTATION, JANUARY-JUNE 2021

16 SEPTEMBER, 2021

[WWW.SPINNOVA.COM](http://WWW.SPINNOVA.COM)

# Our mission

We produce the most sustainable textile materials in the world for the benefit of the environment and humanity.

By doing so we will transform the raw material base of the entire global textile industry for the better.



# Spinnova as an investment

- Addressing the very large and growing, **200 bn euro** textile fibre market
- Scalable technology and strong partners on-board for ramp-up with Suzano to more than **1mt p/a in the next 10-12 yrs**
- The same clean technology can process **multiple feedstocks**



Bergans anorak made with fresh & post-consumer SPINNOVA®



# Disruptive technology innovation

Renewable raw material streams

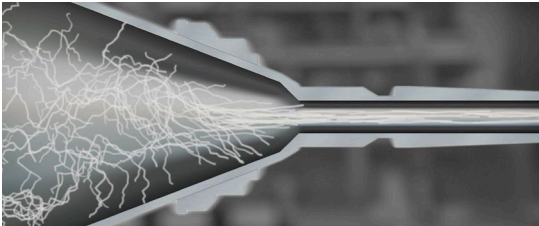


## SPINNOVA® Process

Natural micro fibre suspension



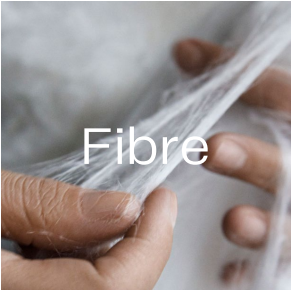
Spinning (patented technology)



Drying



Production output



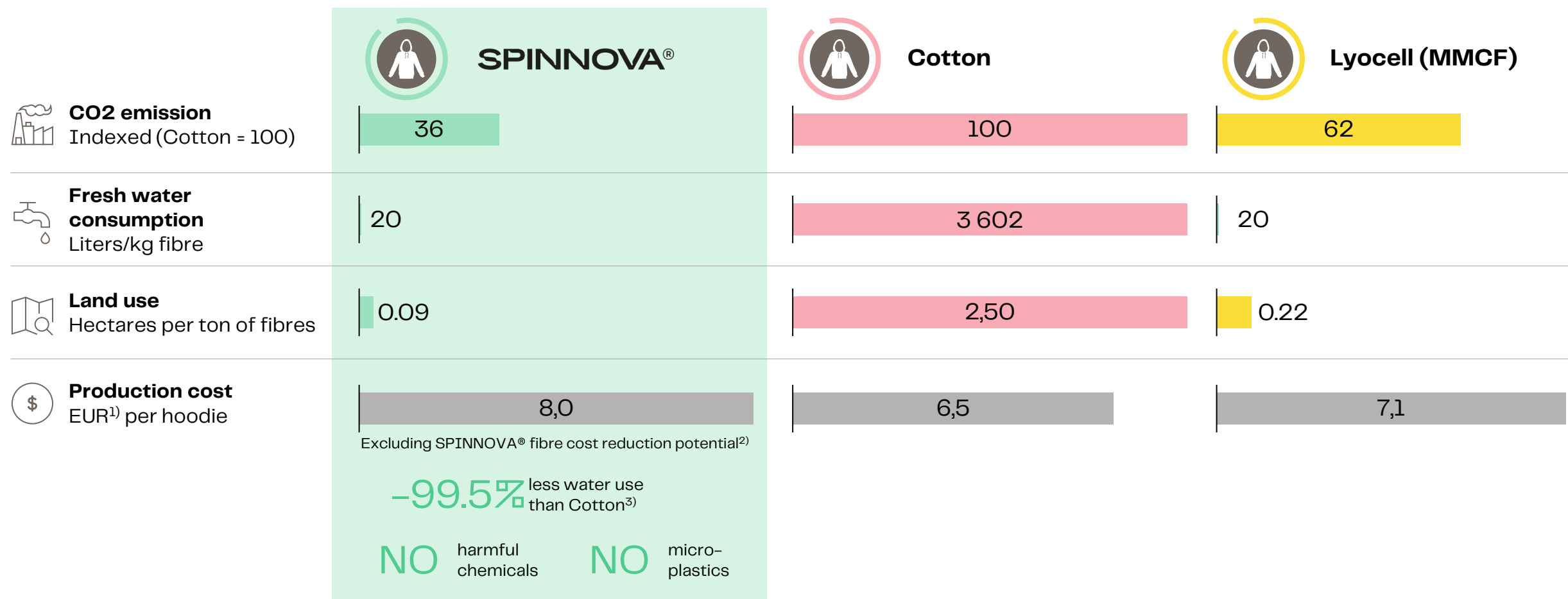
Closed process  
for water use

0% harmful  
chemicals

0% waste

fibre 100% recyclable

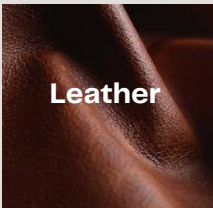
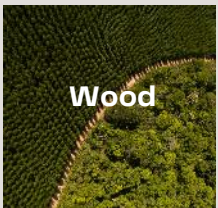
# SPINNOVA®'s CO<sub>2</sub> emissions ~40–65% less than alternatives



Note: 1) Estimated based on the t-shirt production cost calculation logic from Hasan et al. 2020, assuming that production of a cotton t-shirt costs 215 EUR and requires ~200g undyed fabric, a hoodie requires ~600g undyed fabric (excluding zippers etc.). Cost of yarn production and all other costs assumed to remain constant for the same weight of fabric used (~86% of cost of cotton hoodie). FX: USD to EUR, 2019 = 0.893; 2) Future cost reduction potential likely driven by decrease in price of raw material, optimized energy efficiency and price, optimized process, and economies of scale; 3) Calculated based on index value of water usage where cotton = 100 and Spinnova = 0.5. 99.5% smaller footprint is based on calculation where artificial irrigation of cotton is included to the water usage and eucalyptus uses no artificial irrigation. Source: ICAC, Hasan et al. 2020 "Addressing Social Issues in Commodity Markets", Environmental impact comparison by 3rd party Simreka 2020 (ordered by Spinnova), Shen and Patel "Life Cycle Assessment of man-made cellulose fibres" (2010), Emerging textiles

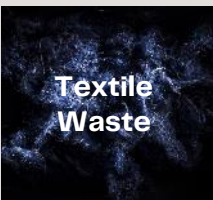
# Business strategy

## Joint Ventures



**SPINNOVA®** **SPINNOVA®**

## Multiple options



# SPINNOVA®

### Fibre technology platform

- Own and develop the technology
- Technology concept provider
- Technology fee

### Fibre production and sales

- Joint venture (JV) partner
- Multiple other options

### Fabric sales

- Spinnova's own sales and marketing organization



**BESTSELLER**

Apparel & Footwear

Interior textiles

Healthcare

Composites



A close-up photograph of a spinning machine. Five red bobbins are visible, each with a silver-colored metal ring at the top and a silver-colored metal base at the bottom. White yarn is being spun around the bobbins, creating a blurred effect. The background is dark and out of focus.

# H1/21 Highlights



# New brand partners in H1

- adidas and the H&M Group joined the group of committed Spinnova brand partners
- adidas and ECCO invested in Spinnova's initial public offering
- adidas intends to secure access to significant volumes of SPINNOVA® material in the future
- H&M Group see Spinnova as having great potential to address several of their sustainability challenges

**adidas**    H&M Group



@adidas



# New brand partner after H1

- Spinnova and outdoor apparel giant The North Face entered into a partnership
- Development agreement signed in August on new, sustainable, high-performance textile materials
- Journey towards access to first commercial volumes of SPINNOVA® fibre
- The North Face could be a significant contributor to Spinnova's market entry



@The North Face

# Pilot: Proof of Concept

- The 100 tonnes production facility in Jyväskylä has proven technology viable
- SPINNOVA® fibre quality approved by several global brands in ongoing collaborations
- Production has been running for 2+ years with the same proven concept
- Pilot operating continuously (weekdays), producing fibre for product development with brand partners
- Everything of industrial standard (CE marked technology)



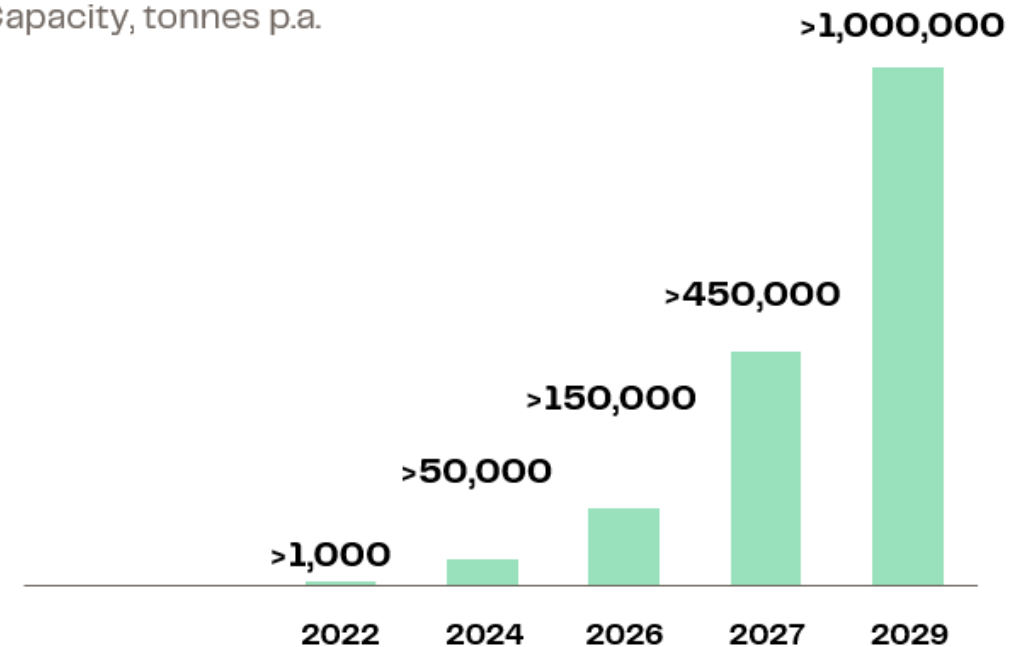
Spinnova's pilot production line.

# Woodspin – A joint venture for scale



- A 50/50 joint venture between Spinnova and Suzano
- Spinnova and Suzano committed to a joint global scaling ambition to more than 1MT per year by 2031
- 1st commercial facility being built in Jyväskylä, Finland by a EUR 22 million investment split 50/50
- Spinnova is the exclusive technology provider for the 1st and all future Woodspin facilities
- Suzano will ensure supply of sustainably produced micro-fibrillated cellulose
- Fibre produced sold under the SPINNOVA® trademark

Capacity, tonnes p.a.





# Building 1<sup>st</sup> commercial factory

- 1st commercial Woodspin facility being built in Jyväskylä, Finland
- Estimated to be completed at the end of 2022
- Will include fibre production, microfibrillated cellulose refinery by Suzano and Spinnova's HQ
- Valmet a global leader in pulp and paper technology, chosen to supply a drying component
- Leading construction company SRV chosen as main contractor for real-estate developer Jykia
- Clean, energy-efficient facility will run on renewable and recovered thermal energy
- Evaporated water only production side stream; no need for an environmental permit
- Advance payments for technology delivery received in H1/2021



@Arkkitehtipalvelu Oy



# Respin – Building a pilot

- A 50/50 joint venture between Spinnova and KT Innovations, leather partner to global premium-quality shoe brand ECCO
- Utilizes leather tannery waste as feedstock
- Same clean SPINNOVA® process as for wood feedstock
- Introduces a new category of sustainable and circular textiles, setting new standards for the industry
- Pilot line being built in Finland, operational on estimate at the end of 2021
- Technology sales revenue recognized in H1

**SPINNOVA®**

**ECCO®**



Leather waste based SPINNOVA® fibre.



# IPO enables growth

- Successful initial public offering raised EUR 115 million
- Brand partners adidas and ECCO also participated
- Suzano, Lenzing and all previous shareholders continued as major owners
- Spinnova (SPINN) listed on the Nasdaq Helsinki First North Growth Market on 24 June
- Approximately 20,000 investors joined our journey

Thank you all and welcome new shareholders!



Photograph taken on first day of trading  
at Helsinki Stock Exchange  
From top left: Juha Salmela, Timo  
Soininen, Ben Selby and Harri Sundvik  
From bottom left: Lotta Kopra, Janne  
Poranen and Petri Poranen.





The background of the slide is a close-up, high-resolution image of a blue, ribbed fabric, likely a sweater or turtleneck, with a strong diagonal crease running from the top left towards the bottom right. The lighting is soft, highlighting the texture of the knit.

# Earnings model & Business targets



# Multiple earnings streams

## 1) TECHNOLOGY SALES

Turn-key solution, exclusive technology supplier



Payments from JV  
for technology  
project delivery

Recurring  
technology fee  
based on the  
JV's cash flow\*

## 2) FIBRE SALES

Joint ventures responsible for wood and leather  
fibre sales



50% of the JV's profit

## 3) FABRIC SALES

Fabric sales to brands, fabric co-branded



Profits based on sold fabric volumes

\* Only applies to Woodspin.

# Business targets set in H1 2021

	PRODUCTION TARGETS	BUSINESS TARGETS	COMMERCIAL TARGETS
Medium term (4–6 years)	150 thousand tonnes of SPINNOVA® fibre production capacity	EBIT positive	Up to 20 commercial textile brand partnerships, which have SPINNOVA® materials in their product lines
Long term (10–12 years)	1 million tonnes of SPINNOVA® fibre production capacity	<p>More than €200 million EBIT p.a. from share of profits from JVs, recurring technology fees and service maintenance fees</p> <p>Cumulative more than €1 billion cash margin from technology sales</p>	Up to 80 commercial textile brand partnerships, which have SPINNOVA® materials in their product lines
Dividend policy (Spinnova Group)	Short to medium term: no dividends		



An aerial photograph of a dense, lush green forest. A narrow, winding dirt path or streambed cuts through the center of the image, starting from the bottom and curving upwards. The forest is composed of many tall, thin trees, creating a textured canopy of green. The lighting is bright, casting soft shadows and highlighting the vibrant green of the foliage.

# H1/21 Financials

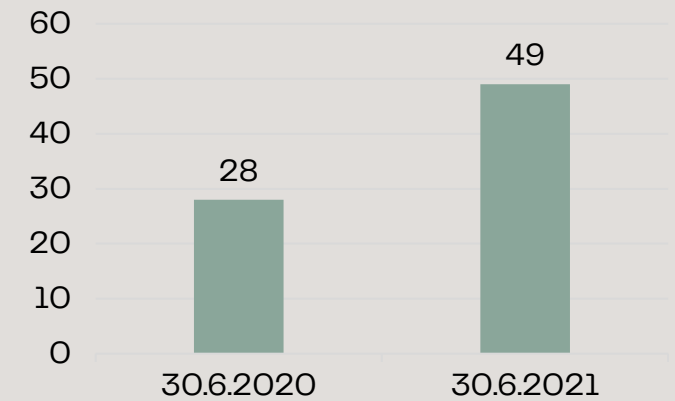
Unaudited



# Financial highlights January–June 2021

EUR Thousand	1-6/2021	1-6/2020	1-12/2020
Revenue	370	87	254
Operating profit / loss	-3 093	-1 993	-5 473
Total investments	2 949	2 287	3 641
Net debt	- 98 354	-3 010	-1 372
Number of permanent employees (at end of period)	49	28	40

**Permanent Employees**



# Group income statement January–June 2021

EUR (Thousand)	1-6/2021	1-6/2020	1-12/2020
<b>REVENUE</b>	370	87	254
Other operating income	0	0	77
Materials and services	-270	-70	-128
Personnel expenses	-1 815	-977	-2 318
Depreciation, amortisation and impairment losses	-404	-355	-714
Other operating expenses	-974	-679	-2 644
<b>OPERATING PROFIT / LOSS</b>	<b>-3 093</b>	<b>-1 993</b>	<b>-5 473</b>
Financial income and expenses			
Interest and other financial expenses	-7 294	-69	-172
<b>Total financial income and expenses</b>	<b>-7 294</b>	<b>-69</b>	<b>-171</b>
<b>PROFIT / LOSS BEFORE APPROPRIATIONS AND TAXES</b>	<b>-10 387</b>	<b>-2 062</b>	<b>-5 644</b>
<b>PROFIT / LOSS FOR THE PERIOD</b>	<b>-10 387</b>	<b>-2 062</b>	<b>-5 644</b>

- Majority of revenues in H1 2021 from technology delivery to Respin Oy
- Advanced payment for technology delivery to Woodspin Oy not yet recognised as revenue
- Other revenues from R&D services and development projects for customers and partners
- Operating loss increased mainly due to increased personnel expenses as Spinnova strengthened the R&D, commercial and management teams
- Majority of financial expenses related to IPO



# Key balance sheet and cashflow items January–June 2021

Balance Sheet	EUR Thousand	30.6.2021	30.6.2020	31.12.2020
	Total assets	117 951	20 078	16 961
	Cash and cash equivalents	105 223	10 260	8 122
	Net debt	– 98 354	–3 010	–1 372
Investments	EUR Thousand	1-6/2021	1-6/2020	1-12/2020
	Investments into new technology development	1 199	2 287	3 641
	Investments into joint ventures	1 750	0	0
	Total investments	2 949	2 287	3 641
Cash Flow	EUR Thousand	1-6/2021	1-6/2020	1-12/2020
	Net cash from operating activities	–5 756	–1 630	–3 519
	Net cash from investing activities	–2 839	–2 206	–1 955
	Net cash from financing activities	105 697	1350	850
	Net change in cash and cash equivalents	97 101	–2 486	–4 623

- Cash and cash equivalents increased significantly due to net proceeds from IPO
- Additional EUR 15m gross proceeds received from exercise of IPO over-allotment option after the period
- Technology development investments comprised mainly capitalised development investment
- Investment to joint venture related to investment into Woodspin for construction of first commercial factory
- Cash flow from operating activities affected by IPO expenses, higher personnel expenses and received advance payments for technology projects with JVs





Thank you.