



SPINNOVA®

FINANCIAL STATEMENTS BULLETIN, JAN-DEC 2021

24 FEBRUARY, 2022

WWW.SPINNOVA.COM

The Challenge

- The fashion & apparel industry alone accounts for 4% of global GHG emissions.
- Majority of current textile materials based on fossil fuels (polyester) or water & chemical intensive fibres, for example cotton & viscose.
- Cotton represents ~20% of the world's insecticide use and 10% of all pesticide use.
- Heavy irrigation deteriorates table waters and soil.
- 100 fashion brands committed to cut greenhouse gas (GHG) emissions by 30% by 2030.



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.



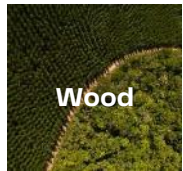
Spinnova as an Investment

- 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**

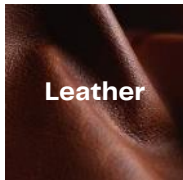


Disruptive Technology Innovation

Renewable raw material streams



Wood



Leather



Agri waste



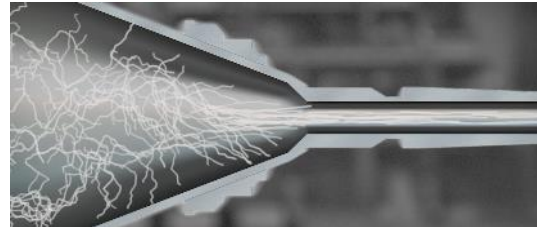
Textile waste

SPINNOVA® Process

Natural micro fibre suspension



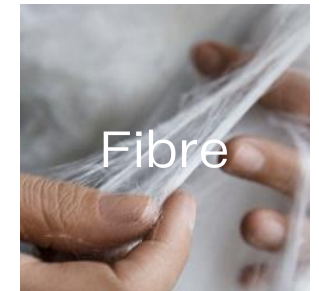
Spinning (**patented technology**)



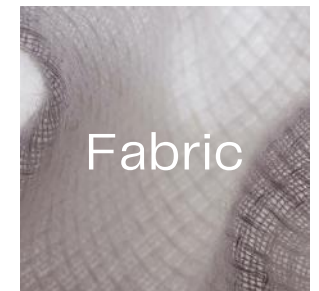
Drying



Production output



Fibre



Fabric

Closed process
for water use

0% harmful
chemicals

0% waste

fibre 100% recyclable

adidas TERREX HS¹ unveiled

- The first adidas product made with SPINNOVA®.
- Made with Nature; cellulosic fibre only, no harmful chemicals.
- Undyed knit fabric to further save chemicals and water.
- Available globally on adidas.com and in selected TERREX retail outlets from July.

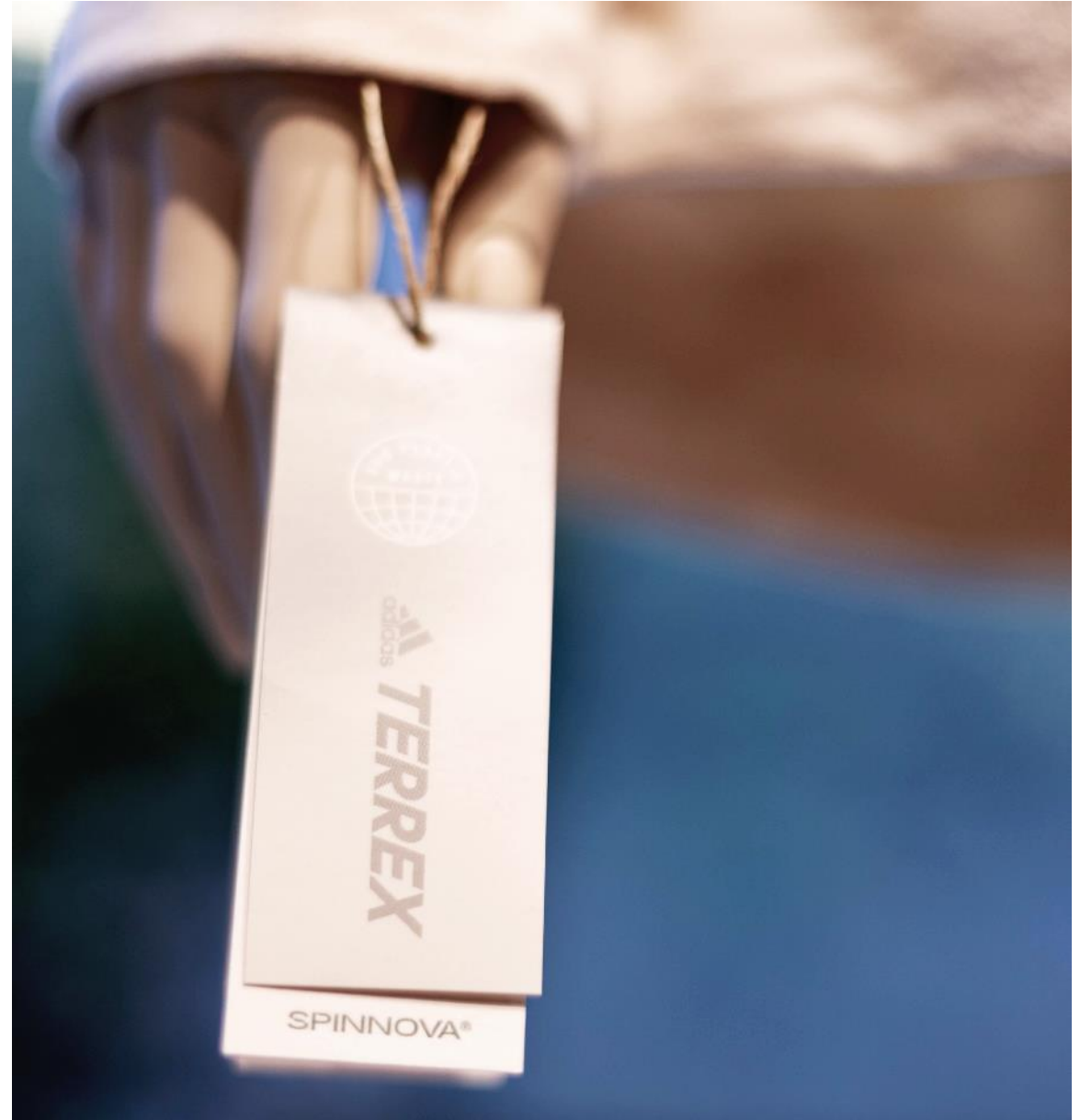
SPINNOVA® fibre

- No harmful chemicals, no microplastics
- 65% less CO2 than cotton
- 99% less water use than cotton
- 100% recyclable, biodegrades in a few months



Ingredient Brand Vision

- Brand vision is to be a leading ingredient brand in sustainable textiles and other applicable materials; “The GoreTex of sustainability”.
- Big, global brands want to co-brand with Spinnova.
- SPINNOVA® brand is trademark protected.

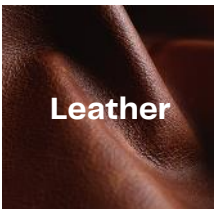
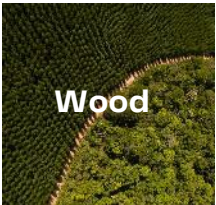


Business Strategy

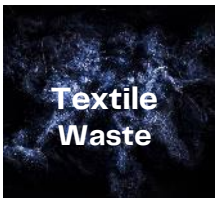
Joint Ventures

WOODSPIN

Respin



Multiple raw material and business model options



Business Models

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

Partners & Industries

Apparel & Footwear



adidas



H&M Group



marimekko



BESTSELLER

Interior textiles

Healthcare

Composites

A close-up photograph of a spinning machine. Five red bobbins are visible, each with a silver-colored metal spring. White yarn is being spun onto the bobbins, creating a blurred effect due to motion. The background is dark and out of focus.

H2 / 2021 Highlights

Highlights in H2/21

- **The North Face** agreement on high-performance outdoor apparel signed.
- **Icebreaker** partnership on circular SPINNOVA®-merino wool blends announced.
- Debut in **composites** with ski manufacturer PUSU.
- Decision on investing in industrial scale in-house **yarn spinning** facility.
- **Woodspin upscaling** and **Respin pilot** proceeded to plan



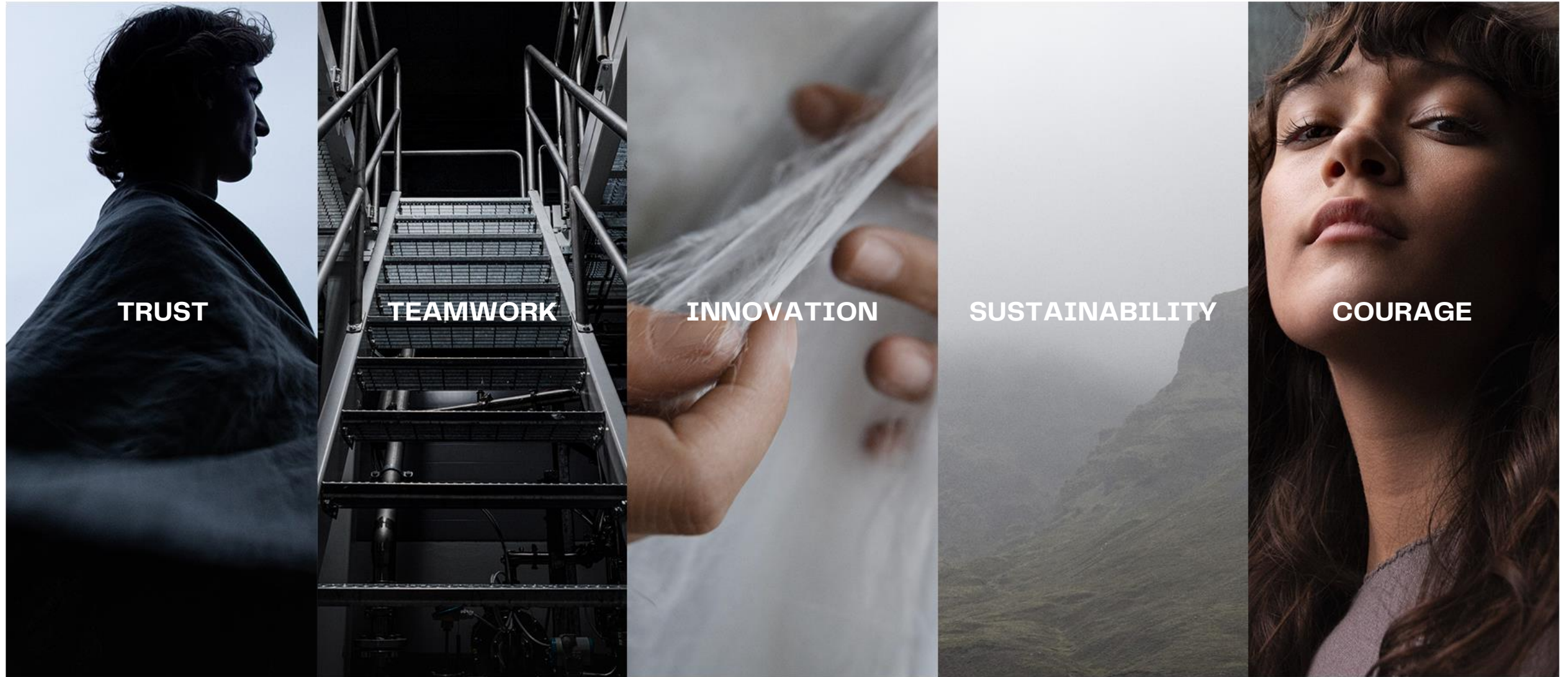
@TheNorthFace

Our People

- The team performed incredibly well in 2021, reaching all major targets.
- We attracted top **global** talent.
- Team currently consists of **seven** nationalities.
- Personnel total at **64** incl. part-time staff at year-end.
- Employee **wellbeing** a top management priority.
- Spinnova's **values** were defined in an inclusive process with the entire staff over H2/21.



Spinnova's Values



Respin pilot completed

- 50/50 joint venture between Spinnova and ECCO's leather partner KT Trading.
- Utilizes leather tannery waste as feedstock.
- Same clean SPINNOVA® fibre process as for wood feedstock.
- Spinnova finished building a pilot production line for Respin in December 2021.
- Proof of concept project lasts ~one year.
- Respin has started working towards commercializing SPINNOVA® leather waste fibre.



Leather waste based SPINNOVA® fibre, yarn and knit.

SPINNOVA® **ECCO®**

Woodspin Factory on Track

- Construction project and Spinnova's technology delivery proceeding on the original schedule.
 - Production space estimated to be ready for technology installations at the end of summer of 2022.
 - Factory to be completed by year-end 2022.
- Fibre produced sold under the SPINNOVA® brand.
- One of Spinnova's long-term business targets within 10-12 years is to reach one million tonnes of SPINNOVA® fibre production capacity.

WOODSPIN



Woodspin site in Jyväskylä, Finland on 16 February, 2022

50k tonne Woodspin factory

- Planning for the 50k Woodspin factory has already started.
- Location and financing planning with JV partner Suzano ongoing.
- Technology concept detailed planning ongoing with key technology partners.
 - On track for capex per tonne and energy efficiency improvements outlined in IPO prospectus.
- Commercial negotiations ongoing.

WOODSPIN



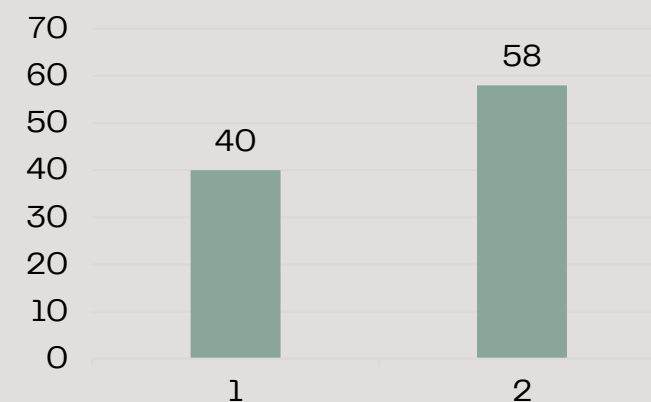
An aerial photograph of a dense, lush green forest. A narrow, winding dirt path or streambed cuts through the center of the image, starting from the bottom and curving upwards. The trees are thick and vibrant green, with some taller trees standing out against the canopy. The lighting suggests a bright day, with some areas of the forest appearing slightly brighter than others.

FY 2021 Financials

Financial Highlights Jan-Dec 2021

EUR (thousand)	7-12/2021	7-12/2020	1-12/2021	1-12/2020
Revenue	5 661	168	6 063	254
Operating profit (loss)	-4 079	-3 480	-7 172	-5 473
Earnings per share (EUR, diluted and undiluted)	-0.10	-0.11	-0.36	-0.17
Net debt	-100 093	-1 372	-100 093	-1 372
Equity ratio	92 %	54 %	92 %	54 %
Number of personnel (average)	53	34	49	34

**Permanent Employees
at the end of the period**



Group Income Statement Jan-Dec 2021

EUR (thousand)	7-12/2021	7-12/2020	1-12/2021	1-12/2020
REVENUE	5 661	168	6 063	254
Other operating income	0	77	0	77
Materials and services	-4 750	-58	-5 020	-128
Personnel expenses	-2 685	-1 342	-4 500	-2 318
Depreciation and amortisation	-405	-360	-809	-714
Other operating expenses	-1 717	-1 965	-2 691	-2 644
Share of profit (loss) in associated companies	-183	0	-215	0
OPERATING PROFIT (LOSS)	-4 079	-3 480	-7 172	-5 473
Total financial income and expenses	-957	-102	-8 251	-171
PROFIT (LOSS) BEFORE APPROPRIATIONS AND TAXES	-5 036	-3 582	-15 423	-5 644
PROFIT (LOSS) FOR THE PERIOD	-5 036	-3 582	-15 423	-5 644

- Vast majority of revenue from technology sales to joint ventures.
- Other revenues from R&D services and development projects for brand partners.
- Increase in materials and services mainly due to delivery of the technology projects.
- Operating loss increased primarily due to increase in personnel expenses and depreciation and amortization, partly offset by increased revenue.

Key balance sheet and cashflow items Jan–Dec 2021

Balance Sheet	EUR Thousand	31.12.2021	31.12.2020
	Total assets	123 654	16 961
	Cash and cash equivalents and investments	107 036	8 122
	Net debt	-100 093	-1 372

Investments	EUR Thousand	1-12/2021	1-12/2020
	Investments in tangible and intangible assets	2 614	3 673
	Investments into associated companies	1 752	0
	Total investments	4 366	3 673

Cash Flow	EUR Thousand	1-12/2021	1-12/2020
	Net cash from operating activities	-9 460	- 3 519
	Net cash from investing activities	-4 610	-1 955
	Net cash from financing activities	112 984	850
	Net change in cash and cash equivalents	98 914	-4 623

- Cash and cash equivalents increased significantly in 2021 primarily due to net proceeds from IPO
- Additional EUR 15 million of gross proceeds from the IPO over-allotment option was received in July
- Investments in tangible and intangible assets mainly into technology development
- Investments to associated companies mainly related to investment into Woodspin for construction of first commercial factory

The background of the slide is a close-up, high-resolution image of a blue, ribbed fabric, likely a sweater or turtleneck, with a visible knit pattern. The lighting is soft, creating subtle gradients of blue and highlighting the texture of the material.

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 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	More than €200 million EBIT p.a. from share of profits from JVs, recurring technology fees and service maintenance fees Cumulative more than €1 billion cash margin from technology sales	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		

Outlook for 2022

- Spinnova will continue to work towards its targets and execute its strategy according to plan.
- Target market is growing, and the demand for sustainable textile materials is very strong.
- Spinnova expects to complete the building of the first Woodspin factory on time and for it to be operational at the end of 2022.
- Spinnova expects to continue to launch commercial editions of products with its brand partners.
- During 2022, Spinnova's revenues are expected to grow in comparison to 2021, driven primarily by higher technology sales of the project deliveries to Woodspin and Respin.
- During 2022, whilst Spinnova focuses on investing in growth and production scaling, the company is not expected to be profitable.





Thank you.