



**SPINNOVA®**

SEB SMALL & MID CAP DAY

20 SEPTEMBER 2022

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



# OUR MISSION

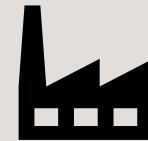
**We produce the most sustainable textile materials in the world for the benefit of the environment and humanity.**

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

# WE ARE SOLVING THE TEXTILE CHALLENGE



The fashion & apparel industry alone accounts for 4% of global greenhouse gas (GHG) emissions.



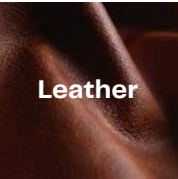
100 fashion brands committed to cut GHG emissions by 30% by 2030.

# Disruptive Technology Innovation

Renewable raw material streams



Wood



Leather



Agri waste



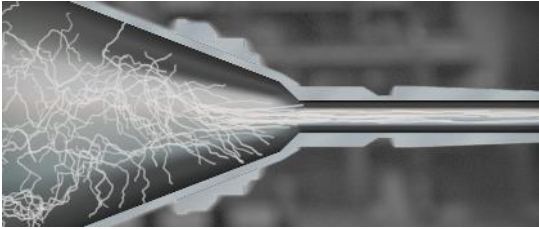
Textile waste

## SPINNOVA® Process

Natural micro fibre suspension



Spinning (patented technology)



Drying



Production output



Fibre



Fabric

0% harmful chemicals

Closed process for water use

Heat recovery and reuse

0% waste

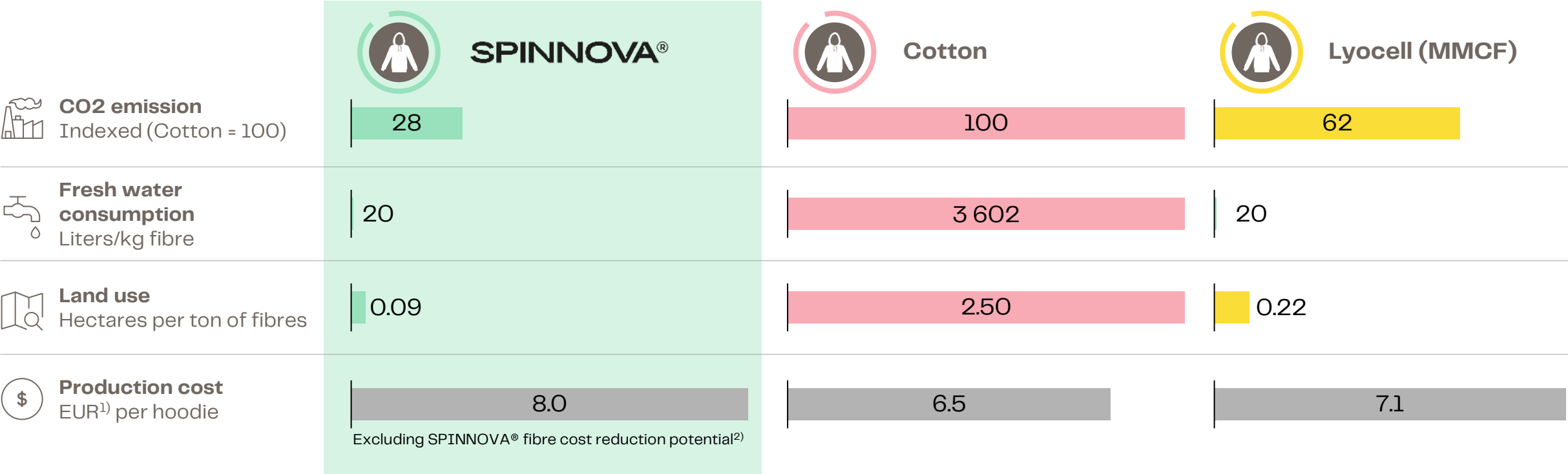
fibre 100% recyclable

# Spinnova as an Investment

- Scalable unique technology and strong partners on-board for ramp-up with Suzano to more than **1 million tonnes of Spinnova fibre per annum in the next 10-12 years**
- Addressing the very large and growing, **EUR 200 billion annual** textile fibre market
- The same Spinnova clean technology can process **multiple feedstocks**

# Value Proposition & Market

# SPINNOVA® Environmental Benefits



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 2.15 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

# SPINNOVA® Fibre Differentiators

Man-made  
cellulosic fibres

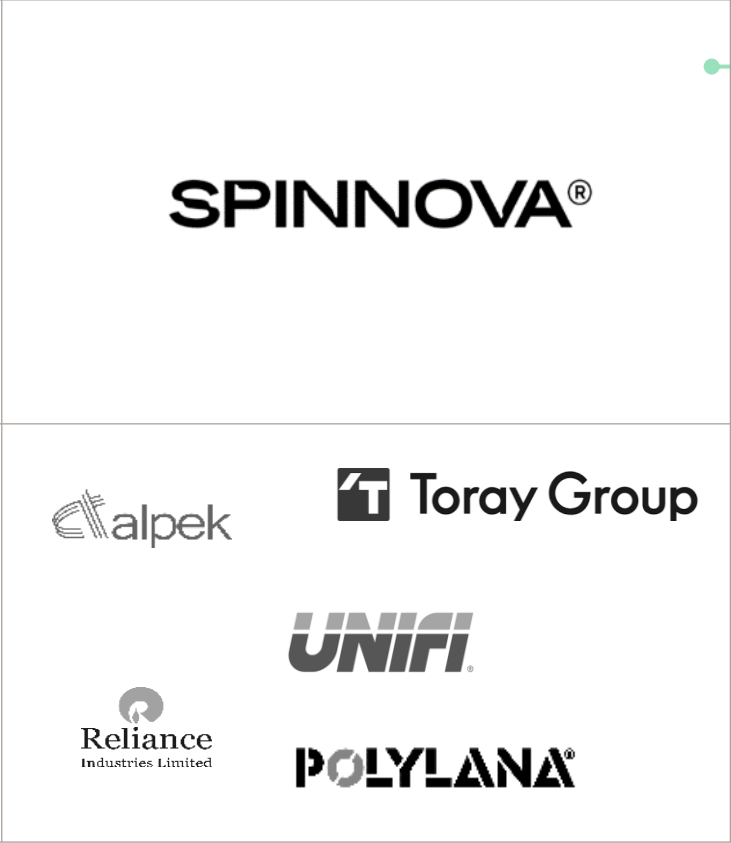
REGENERATING CHEMICAL  
PROCESS



Synthetic, oil-  
based fibres<sup>1)</sup>



MECHANICAL PROCESS WITH NO  
HARMFUL CHEMICALS



Spinnova is the **only** scalable player using natural-based feedstock with a mechanical process.

The fibre & materials industry’s most influential non-profit, The Textile Exchange, classifies SPINNOVA® as an “Other plant-based fibre”

Note: 1) Includes also bio-based polyesters.



“Spinnova has a process we found no one in the industry has which is why it was so important for us to partner up.”

**MARWIN HOFFMAN,**  
Vice President Marketing,  
Global Outdoor

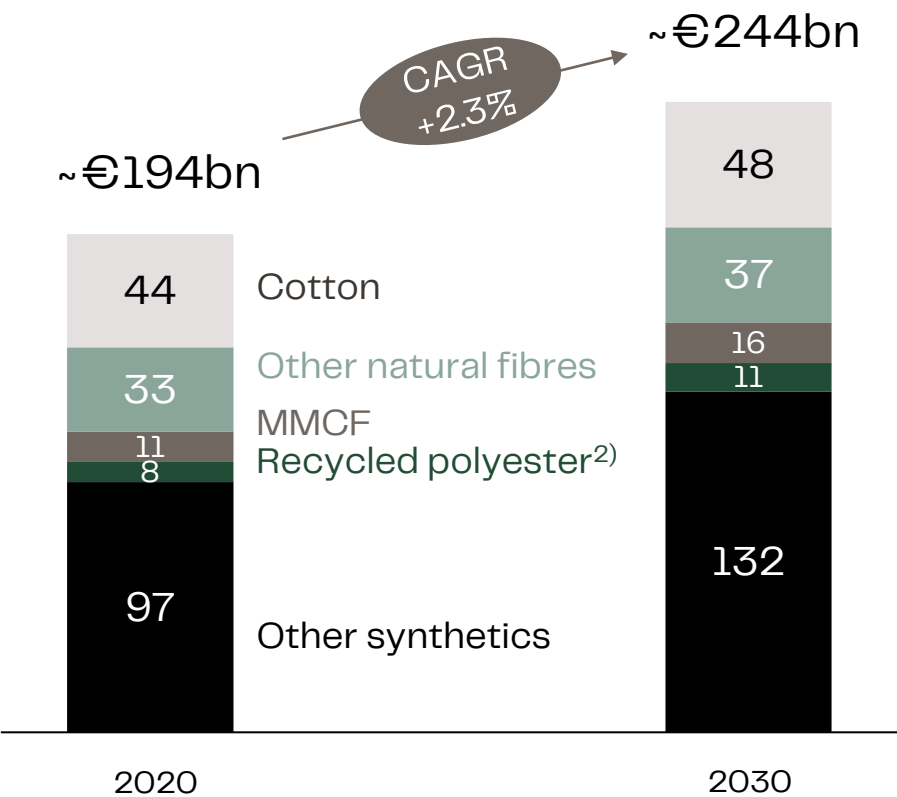


“The Spinnova fibre can play a very, very important role going into the future.”

**ANNE NEBENDAHL,**  
Design Director,  
Global Outdoor

# Large Target Market


## SPINNOVA'S TARGET MARKET – SUPPLY SIDE <sup>1)</sup>



## KEY MARKET TRENDS AND DRIVERS

- 1 Apparel demand grows faster than global GDP
- 2 Clothing lifecycle shortening – “fast fashion” increasing
- 3 Increasing regulation towards sustainable materials
- 4 Cotton has environmental and production capacity issues
- 5 Global brands need a solution for apparel materials

**Note: 1).** Calculated based on 2019 fibre prices and includes the following fibre categories: Cotton: preferred cotton, regular cotton; MMCF: Viscose, Lyocell, and other MMCF; Other natural fibres: wool, other animal-based fibres, other plant-based fibres; Synthetics: virgin polyester, recycled polyester, polyamid, other synthetics; 2) Estimated based on synthetics to recycled polyester ratio in 2019.  
Source: Textile Exchange, The fibre Year report 2020, United Nations; World Population Prospect, The cellulose gap (The future of cellulose fibres), Environmental Science, by F.M: Haemmerle et al. 2011; Textile Exchange; Preferred fibre & Materials Market Report 2020, ITC statistics, EmergingTextiles



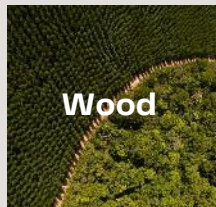
# Strategy & Focus

# Business Strategy

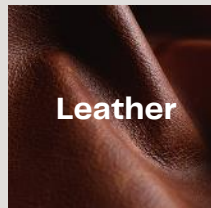
## RAW MATERIALS

Raw materials via existing JVs:

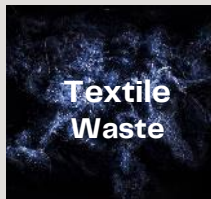
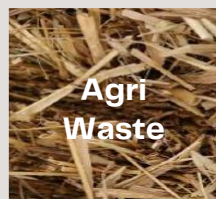
WOODSPIN



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

ecco

H&M Group

Bergans  
OF NORWAY

marimekko

icebreaker BESTSELLER®

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Interior textiles

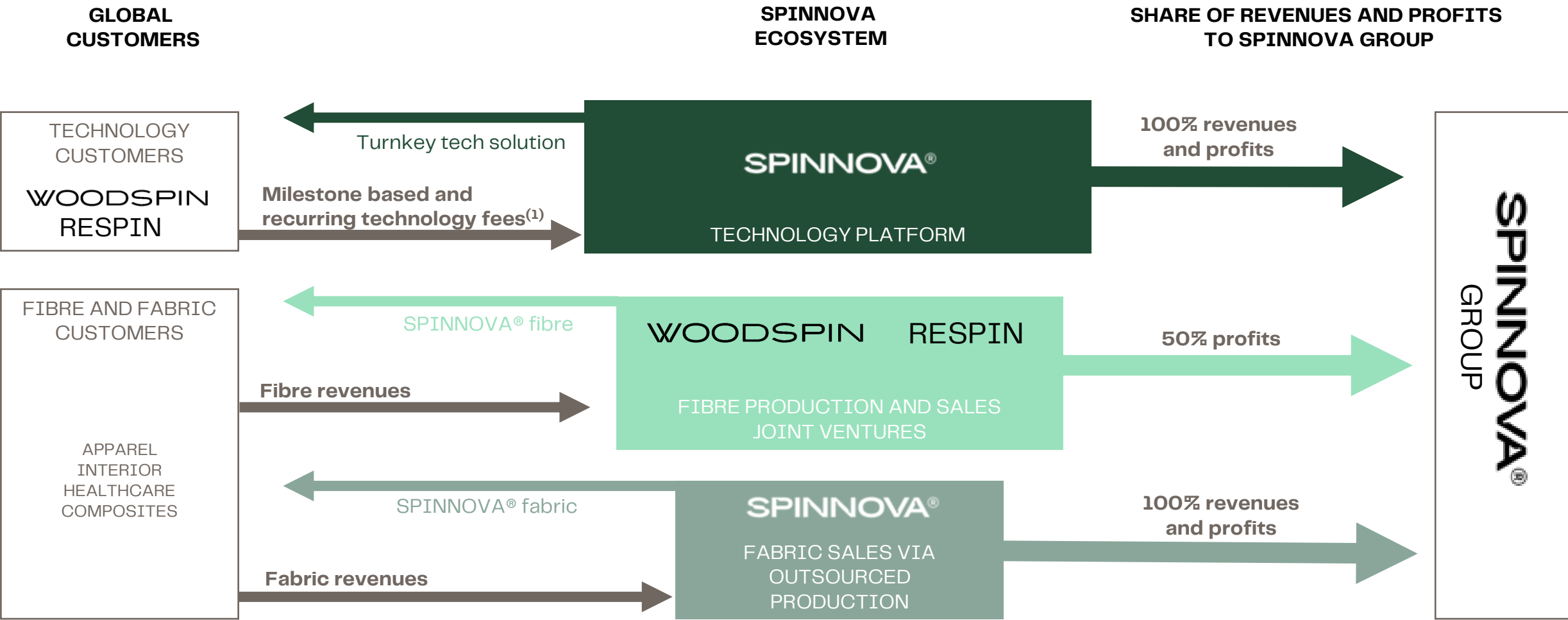
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Healthcare

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Composites

# Multiple Earnings Streams to Spinnova Group Starting from Spinnova Technology Platform



(1) Recurring technology fees only for Woodspin

# Business targets and progress

## COMMERCIAL

## PRODUCTION

## BUSINESS

### Progress against business targets

- ✓ 3 products launched with Marimekko
- ✓ Launch of hoody with adidas
- ✓ Launch of signature overshirt with ARKET (H&M)
- ✓ Multiple products with Bergans

marimekko

adidas

ARKET

Bergans  
OF NORWAY

- ✓ Pilot plant operational for 3 years
- ✓ 1kT plant on track for completion by the end of 2022
- ✓ 50kT plant in feasibility planning and technology concept pre-engineering phase

- ✓ EUR 7.6 million sales in H1/2022, majority from technology sales
- ✓ Sales Outlook for 2022 higher than 2021 (EUR 6 million)

### Medium term targets (2025-2027)

Up to 20 commercial textile brand partnerships, which have SPINNOVA® materials in their product lines

150 thousand tonnes of SPINNOVA® fibre production capacity

EBIT positive

### Long term targets (2031-2033)

Up to 80 commercial textile brand partnerships, which have SPINNOVA® materials in their product lines

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

# Woodspin Update

# 50/50 Joint Venture with Suzano

## WOODSPIN



- Exclusive provider of sustainably, locally produced micro-fibrillated cellulose for the SPINNOVA® fibre production
- Fixed maximum MFC price of 2,000€/tonne (18 mos after startup)
- Scale-up of the MFC production volume to a commercial scale (1 million tonnes within 10 years)



- Delivers Spinnova technology and resources to the JV to be able to complete the construction of 1<sup>st</sup> factory
- Exclusive provider of SPINNOVA® fibre technology to all JV's production units
- Continuous technology, product, brand and customer relationship development
- Fibre sold with the SPINNOVA® trademark

# Woodspin – 1<sup>st</sup> factory proceeding to plan




Construction and technology installations proceeding **according to plan**. Factory to be completed by year-end 2022.

Woodspin capex budget increased in June to enhance **sustainability** and **R&D capabilities** and to account for cost inflation

Change in Woodspin capex budget, June 2022

EUR  
22  
million



EUR  
31  
million



Woodspin Factory, September 2022

# 50kt Woodspin factory

- Planning for the 50k Woodspin factory has already started
  - Spinnova: Pre-engineering of technology concept
  - Woodspin: Feasibility study
  - Final investment decision: H1 2023
- Location planning with JV partner Suzano ongoing
- Interest from domestic energy companies to invest in heat pump infrastructure
- Commercial negotiations of fibre sales ongoing
- EUR ~375 million technology capex



# Location drivers for the next 50 kt plant

Driver	Finland	Brazil	Southern Europe
<b>Net renewable energy cost and availability</b>	<ul style="list-style-type: none"><li>Heat pump solution would reduce net energy cost and enable climate positive production</li></ul>	<ul style="list-style-type: none"><li>Integration to pulp mill allows use of energy side streams</li></ul>	<ul style="list-style-type: none"><li>Good availability of solar and wind energy</li></ul>
<b>Availability of public and private sector funding and support</b>	<ul style="list-style-type: none"><li>Finnish and European public sector funding to be evaluated</li></ul>	<ul style="list-style-type: none"><li>Brazilian state and federal support</li><li>LATAM and other development bank support</li></ul>	<ul style="list-style-type: none"><li>European public sector funding to be evaluated</li></ul>
<b>Logistical synergies</b>	<ul style="list-style-type: none"><li>Proximity to European textile markets</li></ul>	<ul style="list-style-type: none"><li>Integration to pulp mill</li></ul>	<ul style="list-style-type: none"><li>Proximity to European textile markets</li></ul>



# H1/22 Highlights

# Highlights in H1/22

- First commercial products launched with key brand partners
- Technology and production scaling on plan
- Adding key competences to the organization
- Sales increased to EUR 7.6 million (EUR 0.4 million) driven by technology deliveries

**adidas**   **ARKET**   **marimekko**



# 2022 Product Launches

## Ingredient brand strategy realizing

- adidas TERREX HS<sup>1</sup> hoody
- ARKET signature overshirt
- Marimekko jacket, pants and bag



ORGANIC COTTON  
Boxy-Fit Overshirt € 99

SIZE | [SIZE GUIDE](#)

46	48	50	52	54
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[ADD TO BAG](#)

FREE SHIPPING ON ORDERS OVER 100 EUR

ID 1059601-001  
MADE IN Turkey  
[SUPPLIER INFORMATION](#)  
[CARE INSTRUCTIONS](#)

Woven from a blend of cotton and an innovative cellulose-based fibre, Spinnova®, this overshirt has been made using less water, energy and chemical substances. It has a boxy fit with a nod to utilitarian aesthetics and is detailed with two chest pockets.

- Corozo buttons, made from tagua nuts – a renewable vegetable material known for its exceptional durability and scratch resistance
- This garment is made with an innovative natural fibre produced in Finland from certified wood. Creating the fibre involves minimal water use and emissions and results in zero waste. Used as a more sustainable alternative to cotton, Spinnova® fibres can be recycled over and over again without losing



# Experienced and highly skilled management team leading Spinnova's sustainable growth



**Kim Poulsen**  
Chief Executive Officer



**Allan Andersen**  
Chief Sales Officer



**Teemu Lindberg**  
EVP, Production Scaling



**Shahriar Mahmood**  
Chief Sustainability Officer



**Petri Poranen**  
Chief Operating Officer



**Juha Salmela**  
Chief Technology Officer & Co-founder



**Ben Selby**  
Chief Financial Officer



**Lasse Holopainen**  
General Counsel and Board Secretary

New appointments  
to the executive  
management in  
May

## Allan Andersen appointed as Chief Sales Officer

- 20 years of experience from sporting goods industry.
- Several commercial lead and executive positions at Under Armour, Adidas Latin America and Adidas Nordic.

## Teemu Lindberg joins Spinnova to lead Production Scaling (as of 15 August 2022)

- Solid industrial experience in scaling new technologies to industrial scale in forest and biofuel industries.
- Several production and technology management and executive positions most recently UPM.

# H1/22 Financials

Unaudited

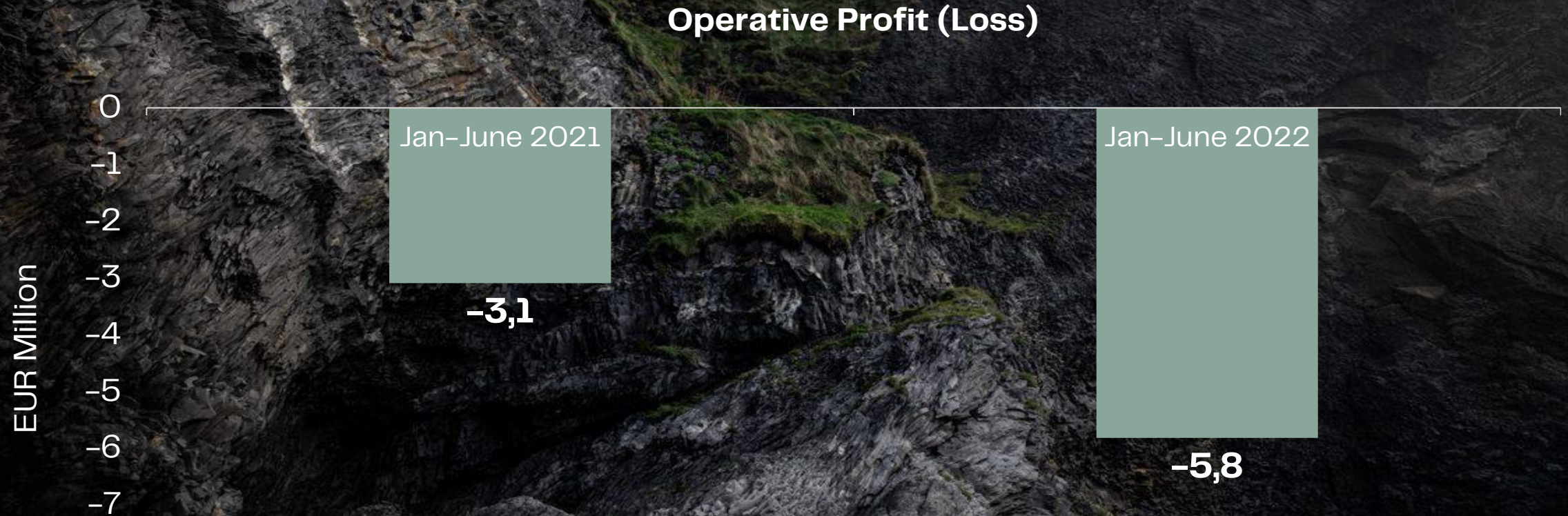
# Revenues increased driven by technology deliveries



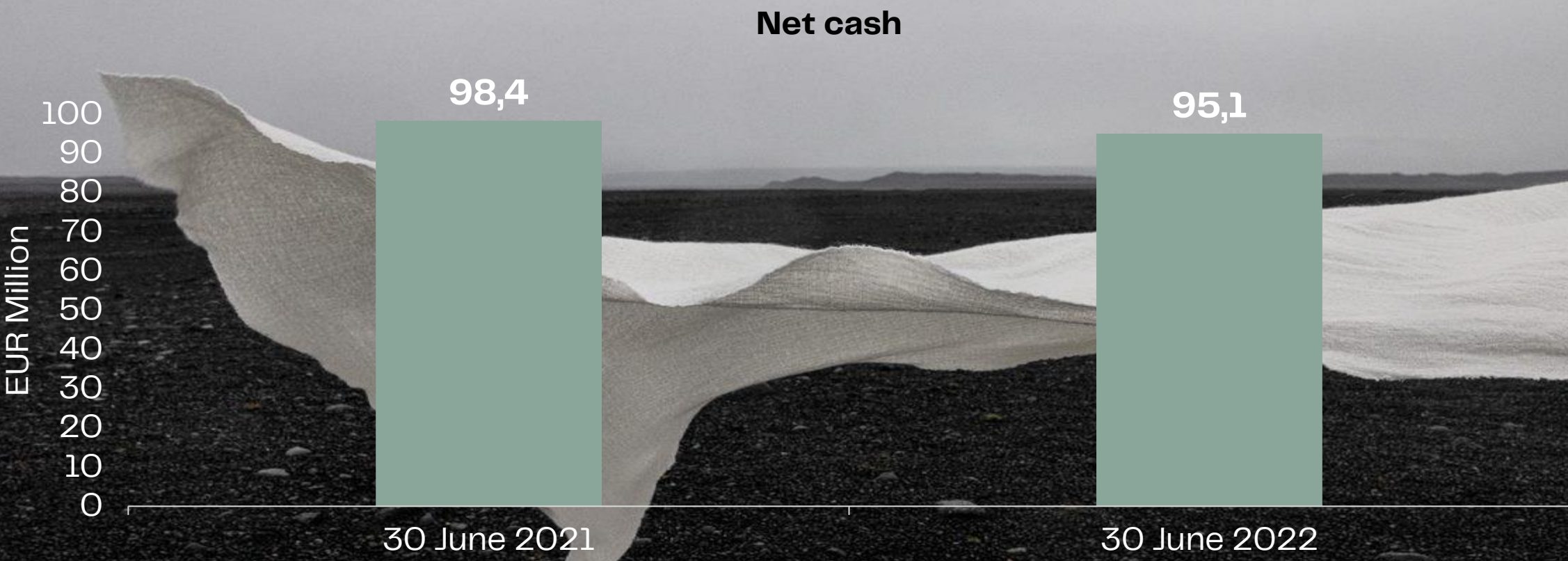
# We are building the organization for future growth



# Operating loss increased with ramp-up of the business



# Strong Cash Position



# Outlook for 2022 (unchanged)

- 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.





# Q&A Session



# Group Income Statement January–June 2022

EUR (Thousand)	1-6/2022	1-6/2021	1-12/2021
<b>REVENUE</b>	7 635	370	6 063
Materials and services	-7 022	-270	-5 020
Personnel expenses	-3 880	-1 815	-4 500
Depreciation, amortisation and impairment losses	-478	-404	-809
Other operating expenses	-2 008	-974	-2 691
Share of profit (loss) in associated companies	-73	0	-215
<b>OPERATING PROFIT / LOSS</b>	<b>-5 825</b>	<b>-3 093</b>	<b>-7 172</b>
Financial income and expenses			
Other interest and financial income	27	0	1
Interest and other financial expenses	-1 737	-7 294	-8 251
<b>Total financial income and expenses</b>	<b>-1 710</b>	<b>-7 294</b>	<b>-8 251</b>
<b>PROFIT / LOSS BEFORE APPROPRIATIONS AND TAXES</b>	<b>-7 536</b>	<b>-10 387</b>	<b>-15 423</b>
<b>PROFIT / LOSS FOR THE PERIOD</b>	<b>-7 536</b>	<b>-10 387</b>	<b>-15 423</b>

# Group Balance Sheet June 2022 (Assets)

EUR (Thousand)	30 June 2022	30 June 2021	31 Dec 2021
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Intangible assets			
Development expenses	6 481	5 888	6 899
Intangible rights	548	496	593
<b>Total intangible assets</b>	<b>7 029</b>	<b>6 384</b>	<b>7 492</b>
Tangible assets			
Machinery and equipment	99	109	113
Assets under construction	4 485	1 903	1 800
<b>Total tangible assets</b>	<b>4 583</b>	<b>2 011</b>	<b>1 913</b>
Investments			
Shares in associated companies	6 499	1 750	1 749
<b>Total Investments</b>	<b>6 499</b>	<b>1 750</b>	<b>1 749</b>
<b>NON-CURRENT ASSETS TOTAL</b>	<b>18 111</b>	<b>10 145</b>	<b>11 155</b>

EUR (Thousand)	30 June 2022	30 June 2021	31 Dec 2021
<b>CURRENT ASSETS</b>			
Receivables			
Other receivables	91	91	91
<b>Total long-term receivables</b>	<b>91</b>	<b>91</b>	<b>91</b>
Short-term receivables			
Trade receivables	163	1 082	575
Receivables from associated companies	1 778	0	4 432
Other receivables	294	190	311
Prepayments and accrued income	389	1 220	54
<b>Total short-term receivables</b>	<b>2 624</b>	<b>2 492</b>	<b>5 372</b>
<b>Total receivables</b>	<b>2 715</b>	<b>2 583</b>	<b>5 463</b>
Investments	74 117	30 000	99 719
Cash and cash equivalents	27 384	75 223	7 317
<b>TOTAL CURRENT ASSETS</b>	<b>104 216</b>	<b>107 806</b>	<b>112 499</b>
<b>TOTAL ASSETS</b>	<b>122 327</b>	<b>117 951</b>	<b>123 654</b>

# Group Balance Sheet June 2022 (Equity and Liabilities)

EUR (Thousand)	30 June 2022	30 June 2021	31 Dec 2021
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	80	80	80
Reserve for invested unrestricted equity	139 653	124 530	139 599
Retained earnings (loss)	-25 786	-10 363	-10 363
Profit (loss) for the period	-7 534	-10 387	-15 423
<b>TOTAL EQUITY</b>	<b>106 414</b>	<b>103 860</b>	<b>113 893</b>

EUR (Thousand)	30 June 2022	30 June 2021	31 Dec 2021
<b>LIABILITIES</b>			
Non-current liabilities			
Loans from financial institutions	5 443	5 869	5 943
<b>Total non-current liabilities</b>	<b>5 443</b>	<b>5 869</b>	<b>5 943</b>
Current liabilities			
Loans from financial institutions	1 000	1 000	1 000
Advances received	20	2 533	329
Trade payables	7 782	4 116	1 125
Other liabilities	146	95	189
Accruals and deferred income	1 523	478	1 176
<b>Total current liabilities</b>	<b>10 471</b>	<b>8 222</b>	<b>3 818</b>
<b>TOTAL LIABILITIES</b>	<b>15 914</b>	<b>14 091</b>	<b>9 761</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>122 327</b>	<b>117 951</b>	<b>123 654</b>

# Group Cashflow Statement January–June 2022

EUR (Thousand)	1-6/ 2022	1-6/ 2021	1-12/ 2021
<b>Net cash from operating activities</b>			
Profit (loss) before appropriations and taxes	-7 536	-10 387	-15 423
Adjustments:			
Depreciation and amortisation	478	404	809
Financial income and expenses	1 710	7 294	8 251
Group eliminations	75	0	217
<b>Cash flow before changes in working capital</b>	<b>-5 273</b>	<b>-2 689</b>	<b>-6 146</b>
<b>Changes in working capital</b>			
Increase (-) / decrease (+) in current non-interest-bearing receivables	2 667	-1 843	-4 638
Increase (+) / decrease (-) in current non-interest-bearing liabilities	6 545	2 760	1 508
<b>Cash flow before financial items and taxes</b>	<b>3 939</b>	<b>-1 773</b>	<b>-9 277</b>
Interest paid and payments for other operating financial expenses	-124	-3 984	-184
Interest received from operating activities	0	0	1
<b>Net cash from operating activities (A)</b>	<b>3 816</b>	<b>-5 756</b>	<b>-9 460</b>

EUR (Thousand)	1-6/ 2022	1-6/ 2021	1-12/ 2021
<b>Net cash from investing activities</b>			
Investments in tangible and intangible assets	-2 632	-1 089	-2 577
Investments in associated companies	-4 750	-1 750	-1 752
Proceeds from the sale of investments	-1 191	0	0
Re-valuations	-396	0	-281
<b>Net cash from investing activities (B)</b>	<b>-8 969</b>	<b>-2 839</b>	<b>-4 610</b>
<b>Net cash from financing activities</b>			
Proceeds from paid-in increases in equity	118	105 578	120 578
Transaction costs from the share issues	0	0	-7 787
Proceeds from long-term loans	0	619	1 193
Repayments of long-term loans	-500	-500	-1 000
<b>Net cash from financing activities (C)</b>	<b>-382</b>	<b>105 697</b>	<b>112 984</b>
<b>Net change in cash and cash equivalents (A+B+C) increase (+) / decrease (-)</b>	<b>-5 535</b>	<b>97 101</b>	<b>98 914</b>
Cash and cash equivalents in the beginning of the period	107 036	8 122	8 122
Cash and cash equivalents at the end of the period	<b>101 501</b>	<b>105 223</b>	<b>107 036</b>



# Thank you.

Stay in touch at **[ir@spinnova.com](mailto:ir@spinnova.com)**

IR Website: [www.spinnovagroup.com](http://www.spinnovagroup.com)