

A close-up photograph of two hands holding a long, thin, white fiber. The hands are positioned on either side of the fiber, with fingers gently gripping it. The background is blurred, showing more of the same fiber and some dark, textured material. The lighting is soft, highlighting the texture of the skin and the fine strands of the fiber.

SPINNOVA®

HALF-YEAR REPORT PRESENTATION, JANUARY-JUNE 2022

8 SEPTEMBER 2022

WWW.SPINNOVA.COM

Today on stage & Agenda

H1/22 Highlights Discussion

Q&A

11.00



Kim Poulsen
Chief Executive Officer



Ben Selby
Chief Financial Officer



Virva Vesanen
Head of Investor Relations

11.20

End 12.00



OUR MISSION

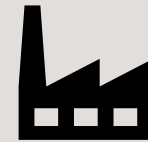
We produce the most sustainable textile materials in the world for the benefit of the environment and humanity.

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

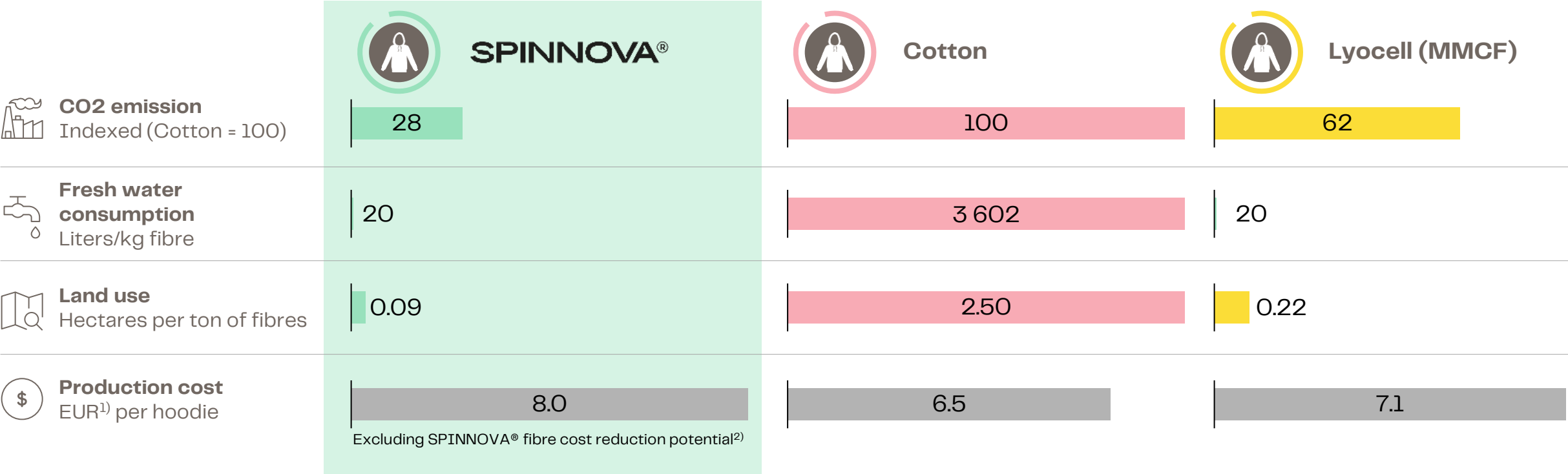


The fashion & apparel industry alone accounts for 4% of global greenhouse gas (GHG) emissions.



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

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 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

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**



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

adidas TERREX
HS¹ hoody

ARKET signature
overshirt

Marimekko jacket,
pants and bag



ORGANIC COTTON
Boxy-Fit Overshirt € 99

SIZE | [SIZE GUIDE](#)

46 48 50 52 54

ADD TO BAG

FREE SHIPPING ON ORDERS OVER 100 EUR

ID 1059601-001

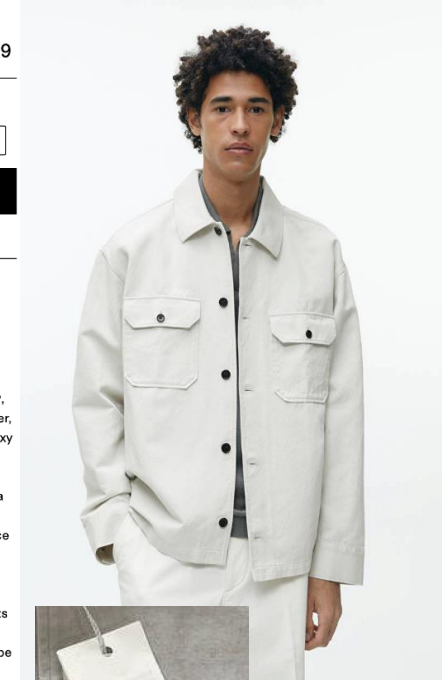
MADE IN Turkey

[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




Production scaling proceeding to plan

Construction and technology installations proceeding **according to plan**

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

Key capabilities added



Teemu Lindberg
appointed
EVP, Production
Scaling



Allan Andersen
appointed
Chief Sales Officer



Kim Poulsen
appointed
CEO



Co-founder **Janne Poranen** appointed
Chair of the Board
of Directors

H1/22 Financials

Unaudited

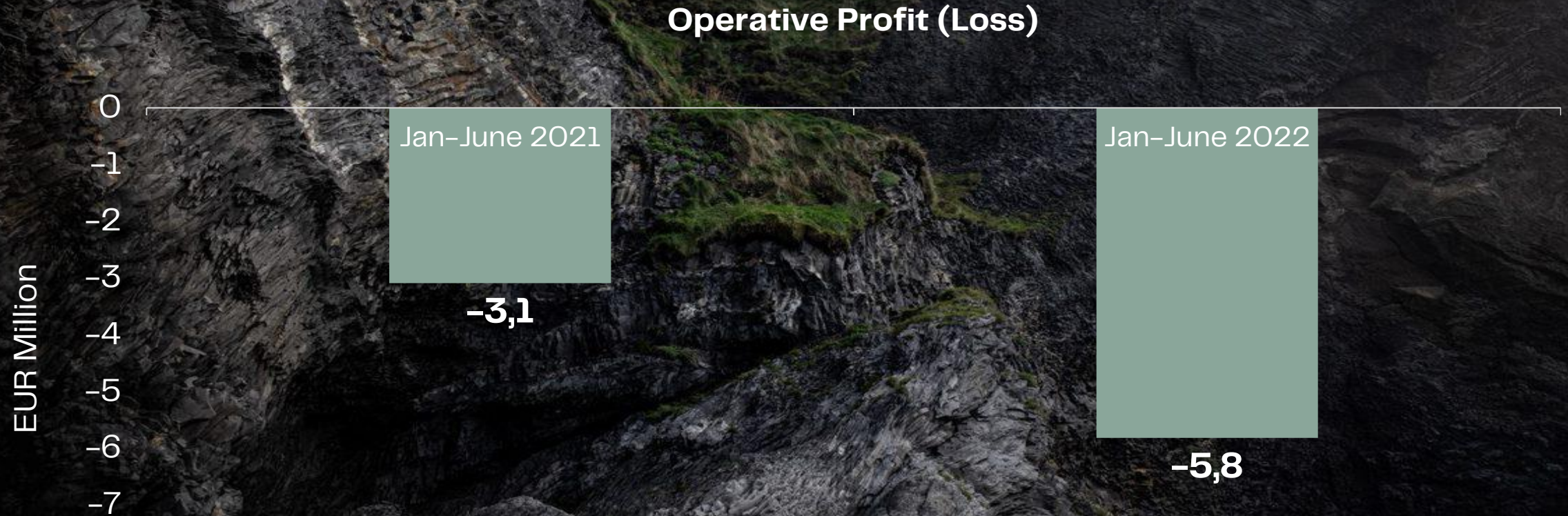
Revenues increased driven by technology deliveries



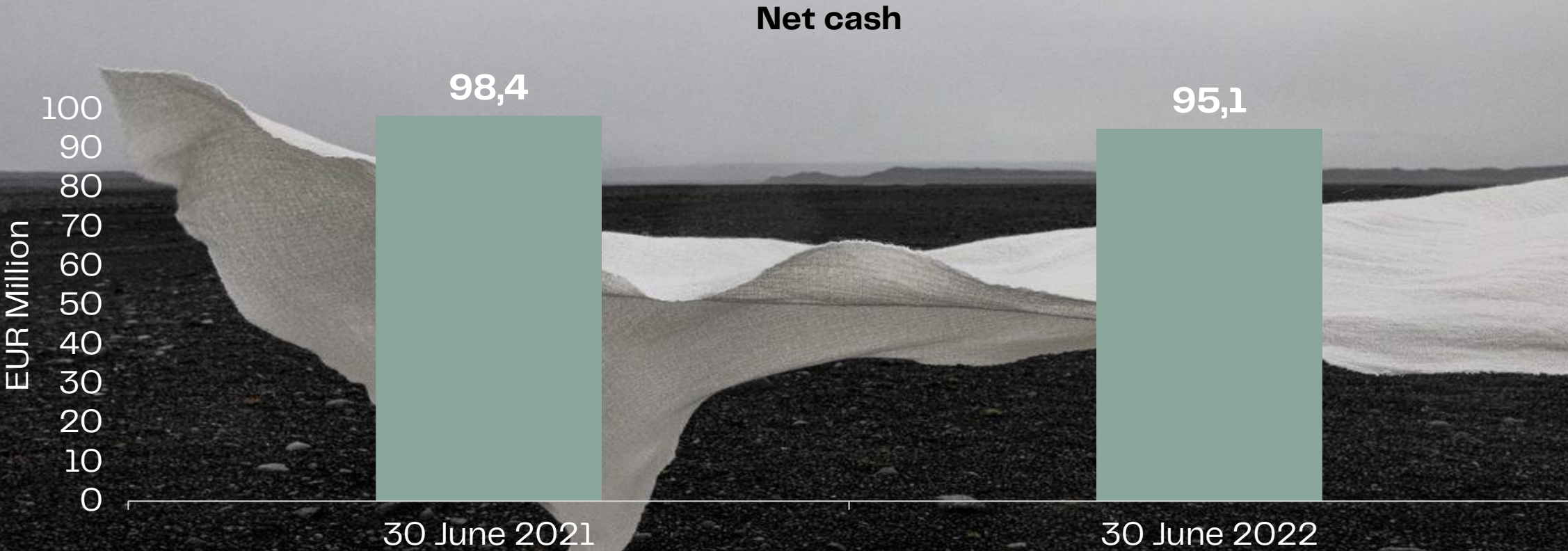
We are building the organization for future growth



Operating loss increased with ramp-up of the business



Strong Cash Position



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

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
REVENUE	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
OPERATING PROFIT / LOSS	-5 825	-3 093	-7 172
Financial income and expenses			
Other interest and financial income	27	0	1
Interest and other financial expenses	-1 737	-7 294	-8 251
Total financial income and expenses	-1 710	-7 294	-8 251
PROFIT / LOSS BEFORE APPROPRIATIONS AND TAXES	-7 536	-10 387	-15 423
PROFIT / LOSS FOR THE PERIOD	-7 536	-10 387	-15 423

Group Balance Sheet June 2022 (Assets)

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

EUR (Thousand)	30 June 2022	30 June 2021	31 Dec 2021
CURRENT ASSETS			
Receivables			
Other receivables	91	91	91
Total long-term receivables	91	91	91
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
Total short-term receivables	2 624	2 492	5 372
Total receivables	2 715	2 583	5 463
Investments	74 117	30 000	99 719
Cash and cash equivalents	27 384	75 223	7 317
TOTAL CURRENT ASSETS	104 216	107 806	112 499
TOTAL ASSETS	122 327	117 951	123 654

Group Balance Sheet June 2022 (Equity and Liabilities)

EUR (Thousand)	30 June 2022	30 June 2021	31 Dec 2021
EQUITY AND LIABILITIES			
EQUITY			
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
TOTAL EQUITY	106 414	103 860	113 893

EUR (Thousand)	30 June 2022	30 June 2021	31 Dec 2021
LIABILITIES			
Non-current liabilities			
Loans from financial institutions	5 443	5 869	5 943
Total non-current liabilities	5 443	5 869	5 943
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
Total current liabilities	10 471	8 222	3 818
TOTAL LIABILITIES	15 914	14 091	9 761
TOTAL EQUITY AND LIABILITIES	122 327	117 951	123 654

Group Cashflow Statement January–June 2022

EUR (Thousand)	1-6/ 2022	1-6/ 2021	1-12/ 2021
Net cash from operating activities			
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
Cash flow before changes in working capital	-5 273	-2 689	-6 146
Changes in working capital			
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
Cash flow before financial items and taxes	3 939	-1 773	-9 277
Interest paid and payments for other operating financial expenses	-124	-3 984	-184
Interest received from operating activities	0	0	1
Net cash from operating activities (A)	3 816	-5 756	-9 460

EUR (Thousand)	1-6/ 2022	1-6/ 2021	1-12/ 2021
Net cash from investing activities			
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
Net cash from investing activities (B)	-8 969	-2 839	-4 610
Net cash from financing activities			
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
Net cash from financing activities (C)	-382	105 697	112 984
Net change in cash and cash equivalents (A+B+C) increase (+) / decrease (-)	-5 535	97 101	98 914
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	101 501	105 223	107 036