

SPINNOVA®

WELCOME

Thank you, Mr. Chairman!

And hello to everyone – in the room and online.

The AGM is one of the most important dates in the Spinnova calendar. It's an opportunity for us to meet with you and hear directly from you – and to answer your questions as best we can.

This is my first time attending the AGM as CEO after the recently announced change. I would like to emphasize that our strategy, long-term targets, and business operations continue as planned. We have a talented team in place, with diverse skillsets and backgrounds, united in our shared mission to revolutionize the global textile industry.

TEAM

A big part of 2022 was about investing in the right people, adding key resources to the Spinnova. People are key to company success.

Today we are ready for future growth and I'm very pleased to be leading this strong team as we continue to execute the company's strategy.

I'm happy to also have the full support from the competent management team and the Board.

The number of permanent employees increases from 58 to 75. The team is now mostly in place, and we do not expect the same level of hiring in 2023.

EXTERNAL ENVIRONMENT AND SPINNOVA DIFFERENTIATION

Despite two years of the pandemic, the heart-rending situation in Ukraine and an increasing challenging financial market,

our target market is growing, and we estimate it to be approximately EUR 240 billion in 2030.

The long-term key market trends and drivers are that apparel demand continue strong, but short term there might be some impact.

So called “Fast fashion” is increasing.

Regulation is increasingly going towards sustainable materials.

And global brands need a solution for apparel materials.

Brands want to work with Spinnova because Spinnova is the only scalable player using natural-based feedstock with a mechanical process.

We expect to see increased interest as we can produce more volume as the Woodspin factory ramps up.

BUSINESS STRATEGY

The final demand for Spinnova® fibre comes from the apparel industry and other industries where textile fibre is used, including interior textiles, healthcare, and composites.

Spinnova’s business model to address this demand is firstly based on our fibre technology platform.

Spinnova is the owner and developer of the technology needed to produce Spinnova® fibre and in return we receive technology fees from our technology customers.

Spinnova also works with fibre production and sales, currently via our joint ventures.

Multiple raw materials can be used in the Spinnova process to produce fibre.

Woodspin, our joint venture with Suzano, will produce wood-based fibre.

Respin, our joint venture with Ecco, will produce fibre made from leather waste.

In the future we may also use textile waste and agricultural or other waste streams as raw materials.

We will also sell our own fabrics made from Spinnova® fibre. These fabrics are produced by leading industrial fabric makers.

That means that we have multiple earnings streams that will contribute to Spinnova's profits in the future.

HIGHLIGHTS OF 2022

At the end of February, in our latest financial results, we reported a record high top-line.

This is mainly attributable to technology sales from the construction of Woodspin's first factory.

The construction work was completed in 2022 and started producing fibre in February 2023 – the ramp-up of production will continue at least throughout this year.

We had many great product launches in 2022 – with adidas, H&M's Arket, Bestseller's JACK&JONES, Marimekko and Halti.

Safety is also very important to us, so I am pleased to say that we had no lost time incidents in 2022.

WOODSPIN

The Spinnova pilot plant has been producing fibre for several years using alternative wood based raw material.

This has been used by many brands in different applications and product launches.

Now the brands are waiting for Woodspin to ramp up fibre production to commercial volumes using Suzano raw material (MFC). Suzano is at the same time ramping up the production of MFC to supply Woodspin.

The Woodspin plant produced fibre for the first time in February and is on track for the planned ramp up schedule this year.

The feasibility planning for the second factory is progressing.

Optimal size and sites are evaluation. We are evaluating both Finland and Brazil as possible locations.

Of course, both us and Suzano are also waiting to see the the first Woodspin factory plant ramp up before making the next investment decision.

We expect the second Woodspin plant to be completed after 2024.

RESPIN

The Respin pilot line has been producing fibre in 2022 and we have together with ECCO decided to proceed to the next step.

The first commercial factory is planned to be located in the Netherlands, and we are working now on a feasibility study for this.

OTHER RAW MATERIALS

Simultaneously in 2022, we tested successfully other material sources.

We see big potential in recycled cotton,

and we continued to evaluate applications beyond apparel, for example in composites.

You might have seen the PUSU skies that are made by Pusu&Spinnova.

RECORD HIGH REVENUE

In 2023 Spinnova showed record high revenues.

Most of the EUR 24.3 million revenue was derived from the technology delivery to Woodspin's 1000-tonne factory,

and delivery of a technology proof-of-concept project to Respin.

The operating result was EUR -12.3 million.

The increase in loss, despite the increase in revenue, was primarily due to the increase in personnel expenses and in operating expenses as the company built an organization to support the anticipated future growth.

Investments totalled EUR 17.7 million and comprised mainly of investments into Woodspin, and to development investments.

The net cashflow was -EUR 24.3 million.

Assets totalled EUR 115 million. Equity totalled EUR 100 million and liabilities 15 million, loans from financial institutions and trade payables.

Our net cash position was strong at the end of 2022 and totalled EUR 76 million.

CONCLUSION

Thank you for sticking with us through a period of profound challenge and change.

In 2021, we set our strategic targets and listed the company.

In 2022, we organized the company for the future growth.

In 2023 we are fully focused on delivery

- Ramping up Woodspin 1
- Working towards the investment decision for the next Woodspin plant
- Working towards the investment decision for Respin
- Continuing R&D into alternative raw materials

Thank you,

and now I will open the floor for any questions!