



# SPINNOVA®

THE SUSTAINABLE TEXTILE FIBRE

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



# Webcast 31 August 2023

Presentations & Q&A



# New CEO appointed

- Tuomas Oijala
- Born 1985
- M.Sc. (Tech.)
- Starts 1 January 2024 at the latest
- Tuomas has had a long and successful career at KONE Corporation in strategy, commercial and business development roles
- More recently he was the managing director for KONE in Denmark
- Currently Senior Vice President for the global New Building Solutions business



# CFO Ben Selby appointed deputy CEO

- Ben will continue as interim CEO until Tuomas starts.
- Thereafter Ben will continue as deputy CEO and CFO.







# SPINNOVA®

STRATEGY REVIEW

31 August 2023



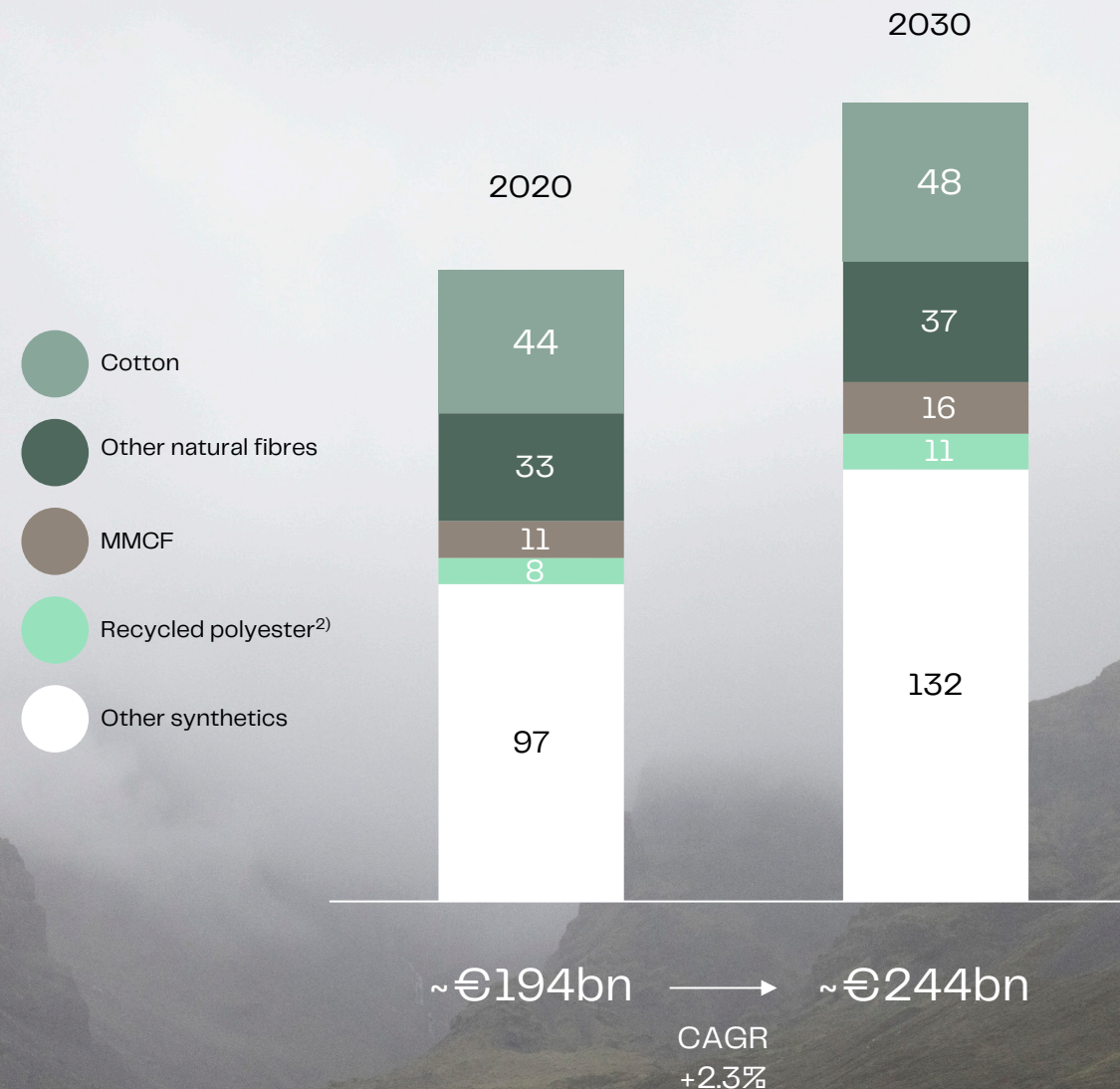
# KEY MARKET TRENDS AND DRIVERS ARE UNCHANGED

- 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

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, Emerging Textiles

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





# Sustainable by nature

0%

WASTE\*

AND WE LEAVE NO TRACE

74%

LESS CO<sub>2</sub> EMISSIONS\*\*

AND WE GO BEYOND CARBON  
NEUTRALITY

100%

RECYCLABLE

AND WE MAINTAIN QUALITY IN  
RECYCLING



# SPINNOVA® FIBRE DIFFERENTIATORS

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"

Regenerating chemical process	Mechanical process without harmful chemicals
	
	

Man-made  
cellulosic  
fibres

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





# Strategy Review initiated

Review of strategic  
focus areas

Technology licensing  
opportunity

Leadership in  
circularity

FOCUS ON FASTEST TIME TO GENERATE POSITIVE CASH FLOW



A close-up photograph of a green fabric, likely a textile, showing a fine, woven texture. The lighting is dramatic, with strong highlights and deep shadows, creating a sense of depth and texture. The fabric is draped, with folds and creases visible.

**SPINNOVA®**

# Half-Year Report

JANUARY-JUNE 2023

31 August 2023



# Highlights

- Successful technology handover to Woodspin.
- Spinnova and Tearfil agreed on an R&D yarn-spinning line.
- Halti's Cyclus unisex parka, using SPINNOVA® fibre, hit the stores.
- EUR 1.9 million Business Finland grant to develop new raw materials.





OUR 50/50 JOINT VENTURE WITH SUZANO  
AS OUR STRATEGIC PARTNER.

# Woodspin

- Spinnova completed technology installations in spring.
- No lost time incidents during the construction.
- Factory operated by Woodspin since May.
- Ramp-up ongoing, gradually increasing production run-rate of the machinery.
- While Suzano develops its MFC process it is expected that the first Woodspin facility will mainly be used for R&D to test new MFC batches and that commercial production volumes will be limited in the short term.
- Spinnova and Suzano are gathering the learnings from the first Woodspin plant to support the decision making for the next Woodspin factory investment.

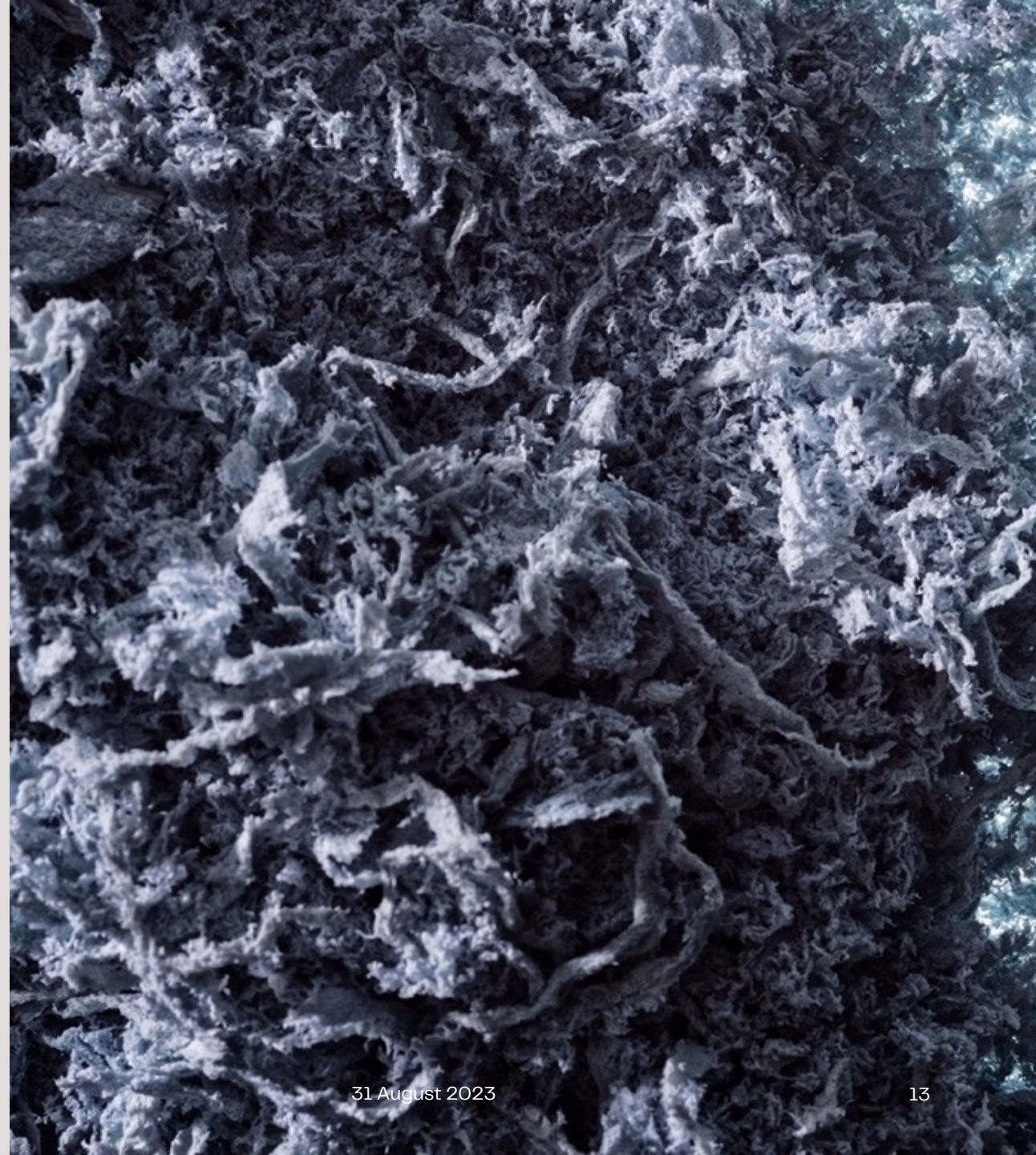




OUR 50/50 JOINT VENTURE WITH ECCO  
AS OUR STRATEGIC PARTNER.

## Respin

- Spinnova agreed with ECCO to proceed towards commercialising the product and we have started a feasibility study of the first commercial factory, which is planned to be located in the Netherlands.





## Other raw materials

- Spinnova sees great potential in other raw materials including textile waste and agricultural waste.
- EUR 1.9 million grant from Business Finland awarded in July for developing SPINNOVA® fibre from new raw materials.





# Halti

- Finnish outdoor clothing and equipment brand Halti Cyclus unisex parka hit the stores in April.
- The parka is made from environmentally friendly SPINNOVA® fibre and cotton and dyed using Imogo's sustainable technology from Sweden.





# Yarn-spinning

- Spinnova entered into a yarn development cooperation agreement with the Portuguese company Tearfil.
- The yarn-spinning line is intended for product development and will be located in Portugal.
- Tearfil is a visionary spinning mill, recognized for their key role in the textile sector.
- This will improve Spinnova's access to global textile markets.

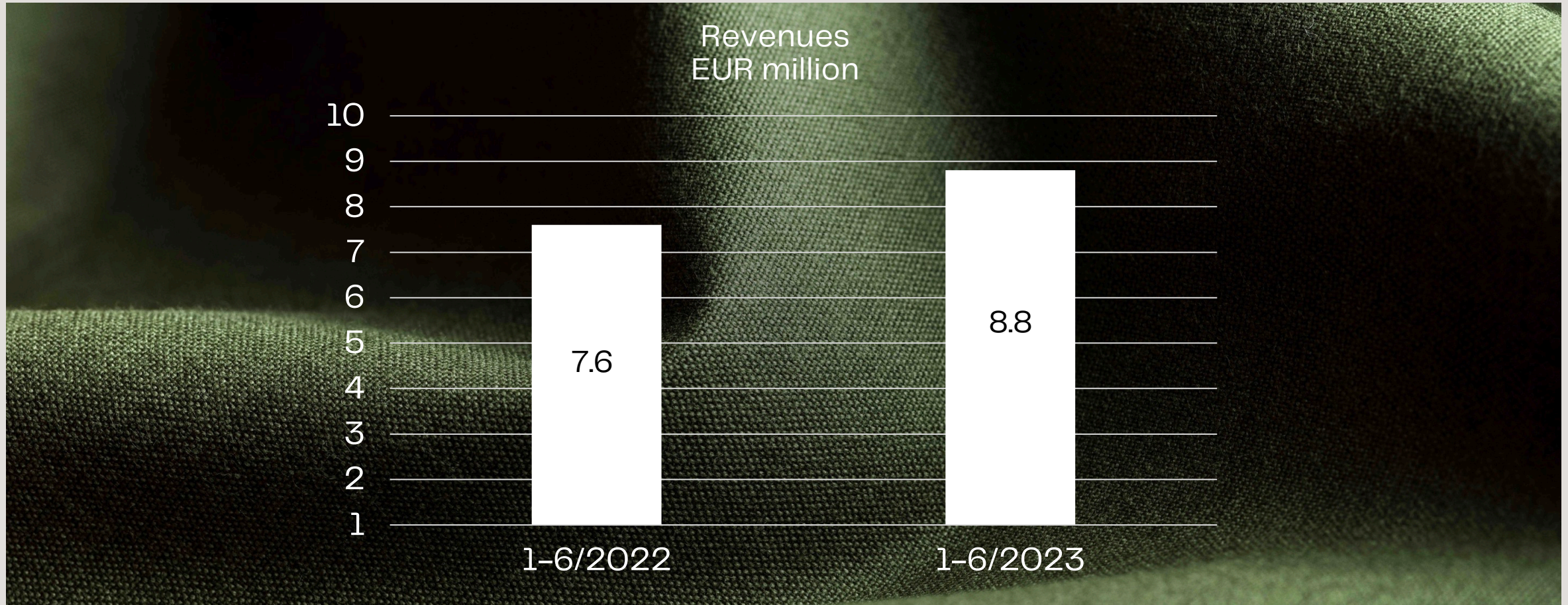




# Key Financials (IFRS)

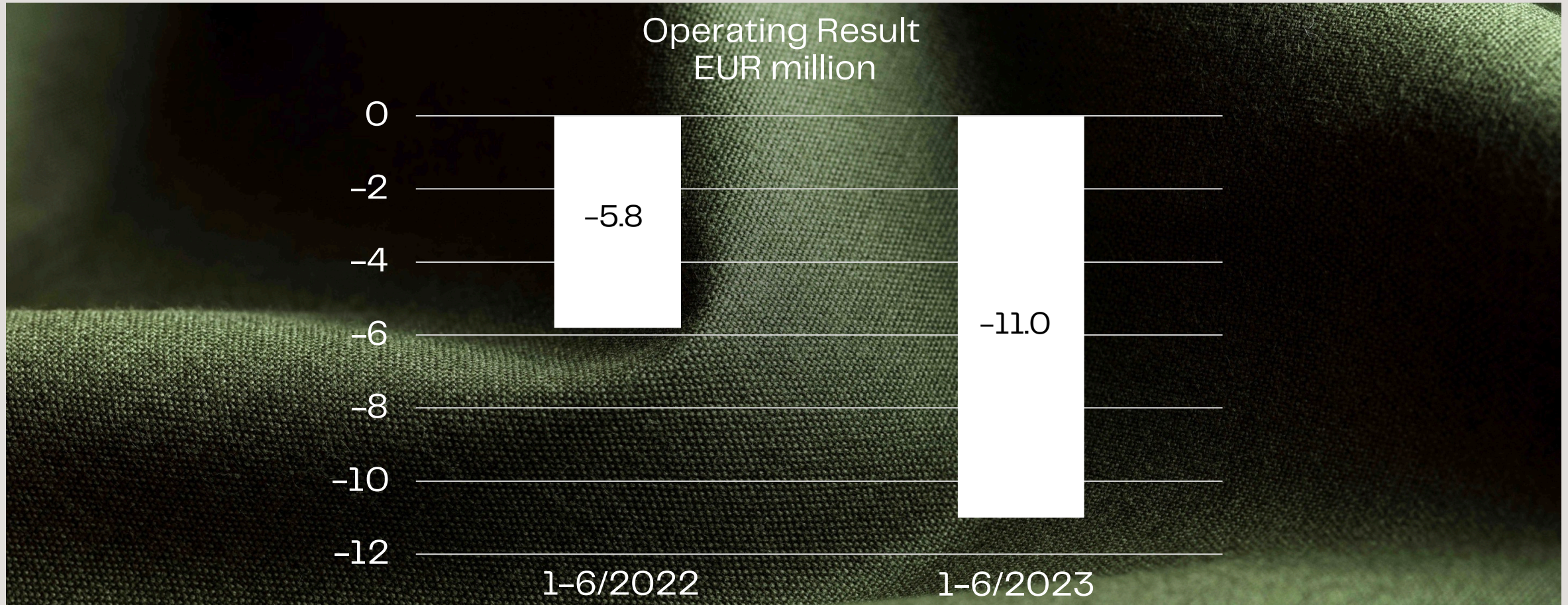


# Revenues increased due to higher technology sales



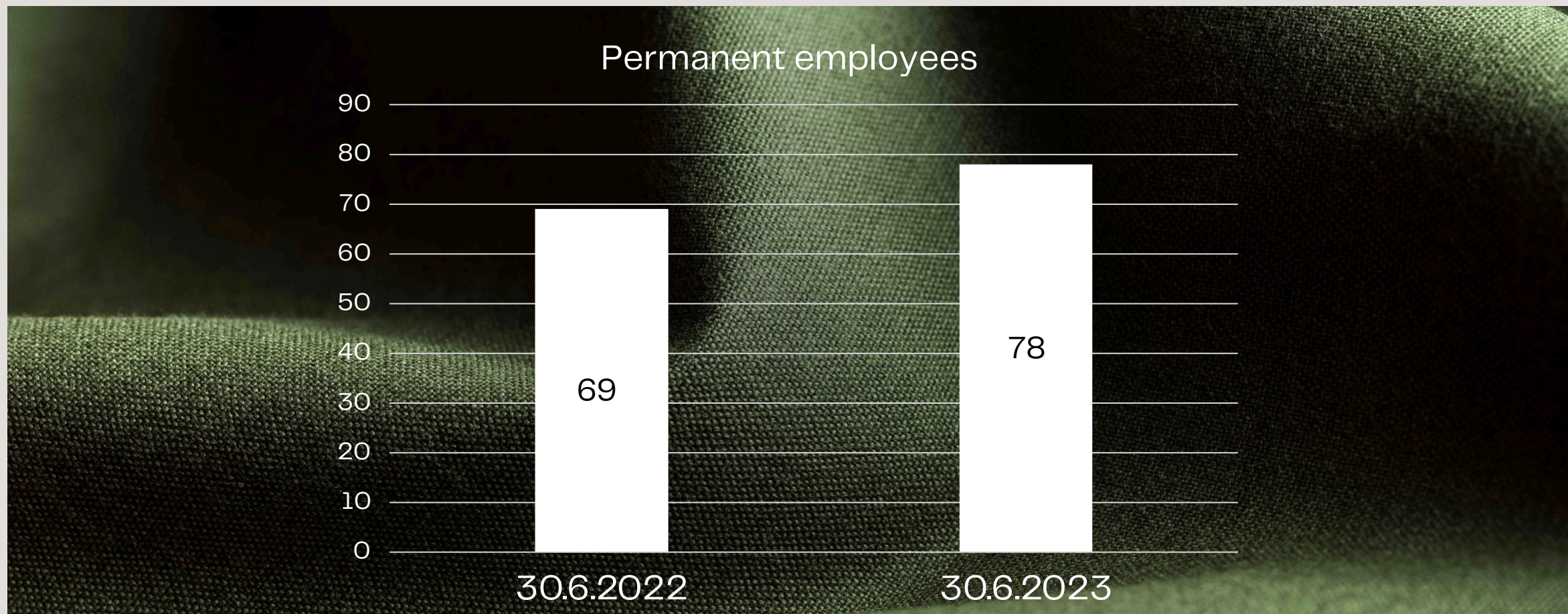


Operating result decreased as expected, as Spinnova and its JVs ramped up operations



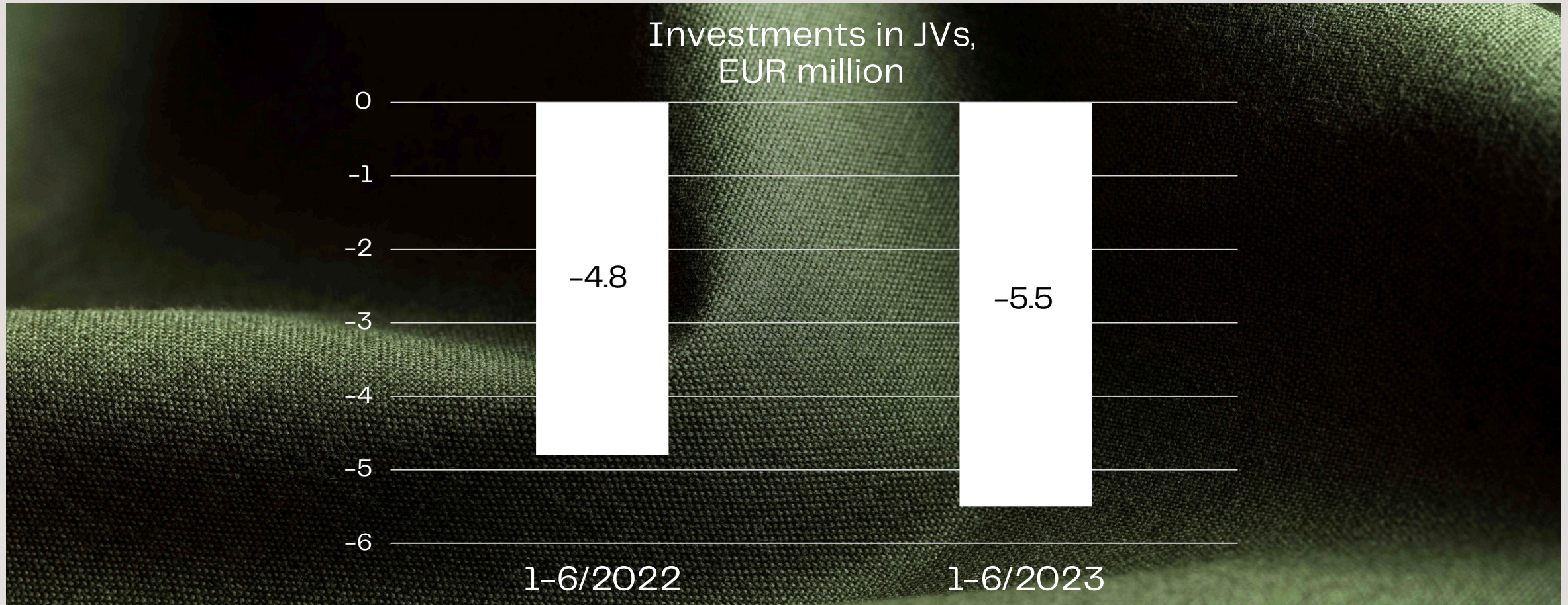


# Our team is ready for the scale-up



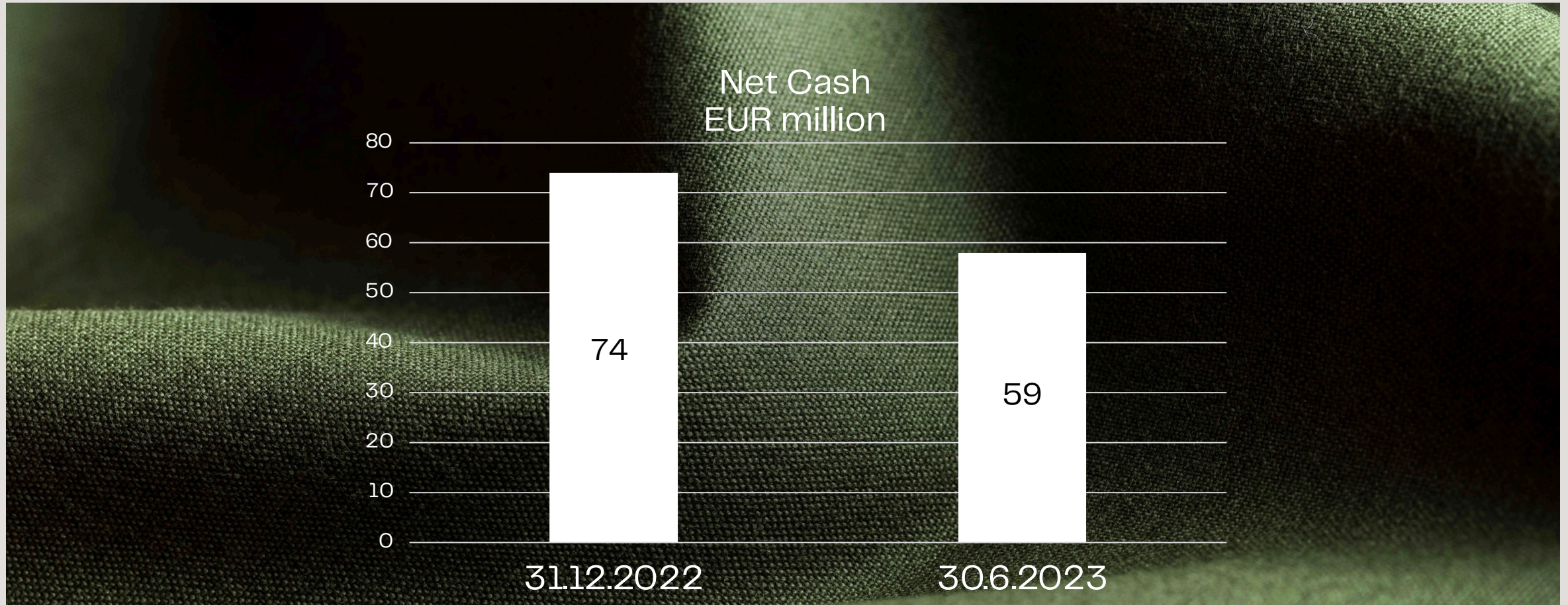


# Investments comprised mainly of investments into the Woodspin joint venture





## Net Cash position remained strong





# Summary and Outlook



## Financial guidance 2023

- In 2023, revenues are estimated to be lower than in 2022, impacted by expected phasing of technology sales fees.
- The loss will increase during 2023 as the company is ramping up operations.





# H1 summary

- Revenues increased.
- Operating result decreased, as expected.
- Net cash position remained strong.
- Successful technology handover to the Woodspin joint venture.
- Spinnova and Tearfil agreed on an R&D yarn-spinning line.
- Spinnova received a Business Finland grant of EUR 1.9 million.





# Thank you

Q&A





# Appendix

- Group Income Statement January-June 2023.
- Group Balance Sheet 30 June 2023.
- Group Cash Flow Statement January-June 2023.





# Consolidated Statement of Profit and Loss and Other Comprehensive Income

EUR (thousand)	1-6/2023	1-6/2022	1-12/2022
<b>Revenue (net sales)</b>	8 820	7 635	24 279
Other operating income	220	46	92
Materials and services	-8 730	-7 022	-23 116
Personnel expenses	-6 189	-3 881	-8 714
Depreciation, amortisation, and impairment losses	-1 258	-780	-1 628
Other operating expenses	-2 302	-1 818	-3 414
Share of result in joint ventures	-1 557	52	-649
<b>Operating Result (EBIT)</b>	<b>-10 994</b>	<b>-5 766</b>	<b>-13 149</b>
Financial income	718	1	0
Financial expenses	-173	-1 750	-1 867
<b>Result before taxes</b>	<b>-10 450</b>	<b>-7 515</b>	<b>-15 061</b>
Income tax	-113	-36	-107
<b>Result for the period</b>	<b>-10 563</b>	<b>-7 551</b>	<b>-15 123</b>
Attributable to Equity holders of the parent	-10 563	-7 551	-15 123
<b>Total comprehensive income for the period</b>	<b>-10 563</b>	<b>-7 551</b>	<b>-15 123</b>
Attributable to Equity holders of the parent	-10 563	-7 551	-15 123
<b>Earnings per share, EUR</b>			
Earnings per share, diluted & undiluted	-0.20	-0.15	-0.29



# Consolidated Statement of Financial Position

EUR (thousand)	30 June 2023	30 June 2022	31 Dec. 2022
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	12 775	12 131	13 080
Property, plant and equipment	1 557	1 664	1 517
Right-of-use assets	1 597	924	1 838
Investments in joint ventures	17 968	7 337	14 137
Other non-current receivables	135	91	135
Deferred tax assets	6	139	52
<b>Total non-current assets</b>	<b>34 039</b>	<b>22 287</b>	<b>30 758</b>
<b>Current assets</b>			
Trade Receivables	5 914	1 940	5 558
Other current receivables	165	294	267
Prepayments & accruals	441	389	618
Investments	50 162	74 117	49 495
Cash and cash equivalents	16 571	27 384	33 222
<b>Total current assets</b>	<b>73 253</b>	<b>104 125</b>	<b>89 160</b>
<b>Total assets</b>	<b>107 293</b>	<b>126 412</b>	<b>119 918</b>

EUR (thousand)	30 June 2023	30 June 2022	31 Dec. 2022
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	80	80	80
Reserve for invested unrestricted equity	135 013	133 160	133 372
Retained earnings / accumulated deficit	-39 836	-23 832	-30 570
<b>Equity attributable to shareholders of the parent</b>	<b>95 256</b>	<b>109 408</b>	<b>102 883</b>
<b>Total equity</b>	<b>95 256</b>	<b>109 408</b>	<b>102 883</b>
<b>Non-current liabilities</b>			
Borrowings	5 316	5 443	5 403
Lease liabilities	831	718	1 032
Deferred tax liabilities	489	437	421
<b>Total non-current liabilities</b>	<b>6 636</b>	<b>6 597</b>	<b>6 856</b>
<b>Current liabilities</b>			
Borrowings	1 000	1 000	1 000
Lease liabilities	797	222	827
Contract liabilities	0	20	34
Trade payables	1 312	7 782	6 501
Accrued expenses	1 797	1 237	1 634
Other current liabilities	494	146	184
<b>Total current liabilities</b>	<b>5 401</b>	<b>10 407</b>	<b>10 179</b>
<b>Total liabilities</b>	<b>12 036</b>	<b>17 004</b>	<b>17 035</b>
<b>Total equity and liabilities</b>	<b>107 293</b>	<b>126 412</b>	<b>119 918</b>



# Consolidated Statement of Cash Flows

EUR (thousand)	1-6/2023	1-6/2022	1-12/2022
<b>Operating activities</b>			
Result for the period	-10 563	-7 551	-15 123
Adjustments to reconcile result to net cash flows for the period:			
Income tax expense	113	36	107
Depreciation and impairment	1 258	780	1 628
Finance income and expenses	-87	1 723	1 841
Net result on financial instruments at fair value through profit or loss	-458	26	26
Share-based payment expense	1 296	681	1 516
Share profit from associates and joint ventures	1 557	-52	649
Change in working capital:			
Increase (-) / decrease (+) in current non-interest-bearing receivables	-78	2 667	-1 200
Increase (+) / decrease (-) in current non-interest-bearing liabilities	-4 283	6 545	5 592
<b>Net change in working capital</b>	<b>-4 362</b>	<b>9 212</b>	<b>4 393</b>
Interest received and paid	-139	-124	-206
Income tax paid	-	-	-
<b>Net cash flow from operating activities (A)</b>	<b>-11 385</b>	<b>4 730</b>	<b>-5 228</b>
<b>Net cash from investing activities</b>			
Purchase of tangible and intangible assets	-901	-3 312	-4 551
Purchase of financial instruments	-11	-25 005	-30 005
Proceeds from the sale of investments	61	-49 021	-78 686
Investments to associates and joint ventures	-5 500	-4 750	-12 250
<b>Net cash from investing activities (B)</b>	<b>-6 351</b>	<b>15 953</b>	<b>31 879</b>
<b>Net cash from financing activities</b>			
Share issue	1 641	118	334
Repayment of principal portion of lease liabilities	-470	-235	-540
Proceeds from borrowings	413	0	460
Repayments of borrowings	-500	-500	-1 000
<b>Net cash from financing activities (C)</b>	<b>1 085</b>	<b>-616</b>	<b>-746</b>
<b>Net change in cash and cash equivalents (A+B+C) increase (+) / decrease (-)</b>	<b>-16 651</b>	<b>20 067</b>	<b>25 906</b>
Cash and cash equivalents in the beginning of the period	33 222	7 317	7 317
<b>Cash and cash equivalents at the end of the period</b>	<b>16 571</b>	<b>27 384</b>	<b>33 222</b>

EUR (thousand)	30 June 2023	30 June 2022	31 Dec. 2022
Cash and cash equivalents	16 571	27 384	33 222
Current investments	50 162	74 117	49 495
<b>Total net liquid funds</b>	<b>66 733</b>	<b>101 501</b>	<b>82 716</b>



# DISCLAIMER

Certain statements in this communication may constitute forward looking statements. These statements are based on assumptions that are believed to be reasonable at the time they are made and are subject to risks and uncertainties. You should not rely on these forward-looking statements as predictions of future events. Our actual results may differ materially and adversely from any forward-looking statements discussed on this call due to several factors.