

The SPINNOVA logo is positioned at the top center of the image. It consists of the word "SPINNOVA" in a bold, white, sans-serif font, followed by a registered trademark symbol (®). The background of the entire image is a close-up of a white fabric, possibly a t-shirt, which is draped over a dark, textured surface, creating strong shadows and highlights that emphasize the fabric's texture and the underlying material's grain.

Half-year 2024 results

22 August 2024

Speaking today



Tuomas Oijala

CHIEF EXECUTIVE OFFICER



Ben Selby

CHIEF FINANCIAL OFFICER, DEPUTY
CEO



Virva Vesanen

DIRECTOR, MARKETING,
COMMUNICATIONS AND INVESTOR
RELATIONS

Updated strategy in place

TECHNOLOGY SALES

Spinnova focuses on technology sales and delivering the technology together with its partners, which is expected to be the fastest way to ramping up production capacity of SPINNOVA® fibre..

TECHNOLOGY DEVELOPMENT

Spinnova continues its development efforts on advancing the use of various raw materials while reducing production cost and CAPEX per tonne.

FIBRE MARKET DEVELOPMENT

Spinnova will participate in market development to promote fibre adoption in the value chain together with retail brands and their supply chain partners.

FOCUS ON CASH GENERATION

Spinnova's updated strategy aims to lead to positive cash flows and EBIT without the need for additional funding.

Spinnova's business

Value chain operators

SPINNOVA®

SPINNOVA'S MISSION

We are on a mission to transform the raw material base of the global textile ecosystem with our technology. We innovate and engineer the most sustainable textile fibre in the world. We do this for the benefit of the planet, because that is what matters most.

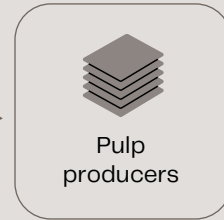
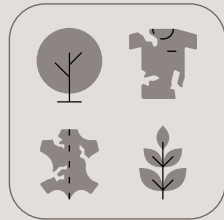
SPINNOVA ASPIRATIONS LEADING TO 1 MILLION TONNES OF FIBRE PRODUCTION CAPACITY

Spinnova technology is the preferred option for new fibre production investments

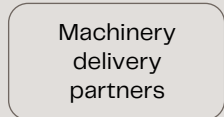
Highly profitable and cash generative, with a significant proportion of recurring revenues

Lean organisation with world-class experts

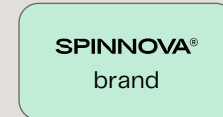
RENEWABLE RAW MATERIAL STREAMS



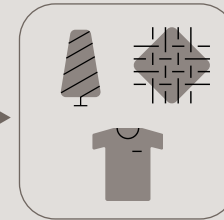
SPINNOVA'S CORE BUSINESS



JVs



DOWNSTREAM INDUSTRY

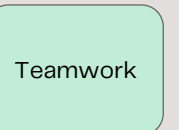
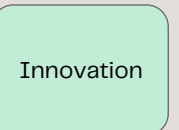
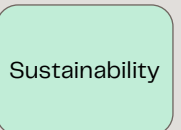
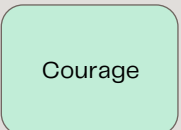
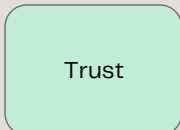


TEXTILE RECYCLING

SPINNOVA'S CORE COMPETENCES



SPINNOVA'S VALUES



MEGATRENDS



THE NATURAL FIBRE GAP



CLIMATE CRISIS



WASTE PROBLEM AND LACK OF RECYCLING

SPINNOVA SOLUTION



FIBRE PRODUCT WITH NATURAL LOOK AND FEEL



LESS CO₂ EMISSIONS



LESS WATER CONSUMPTION



NO HARMFUL CHEMICALS



RENEWABLE AND CIRCULAR PROCESS AND PRODUCT

The SPINNOVA logo is rendered in a bold, white, sans-serif typeface. It is positioned in the upper center of the frame, set against a background of a white fabric draped over a dark, textured rock surface. The lighting creates strong shadows, highlighting the texture of both the fabric and the rock.

SPINNOVA®

Half-Year results

JANUARY-JUNE 2024

22 August 2024

Highlights in H1/2024

- Letter of Intent (LOI) with **Suzano** regarding plans for the next wood-based factory
- LOI with **Ecco** regarding the future plans for the Respin joint venture
- Exclusive partnership agreement with **Valmet** for delivering process equipment for Spinnova's customers
- Spinning line started operating in Portugal
- Strategy and targets updated – focus on technology sales
- Changes in the Management Team to align roles according to the updated strategy
- Organization restructured to support the effective execution of the updated strategy and to reduce fixed costs to achieve profitability targets
- Financial guidance for 2024 unchanged



In 2024 Spinnova's focus areas and priorities are:

Fibre development to an industrial level through product validation together with retail brand partners and supply chain partners

Sufficient industry adoption for the fibre

First technology sale outside of the existing Joint Ventures

Development of non-wood technology sales projects

Cost savings program

Progress during H1/2024

Good results in fibre quality with Suzano MFC raw material. Work continues on validation by supply chain partners in H2/2024.

Product launches with fashion brands including Jack & Jones, Vero Moda and Rukka. Positive feedback on product quality and use cases for fibre. Next steps are to develop longer-term plans with the industry on fibre adoption.

LOIs with Suzano and Ecco. Good collaboration with Suzano, expectation to commence pre-engineering in H2/2024.

Partnership with Valmet to strengthen technology development and deployment, strengthening of technology sales team on-going.

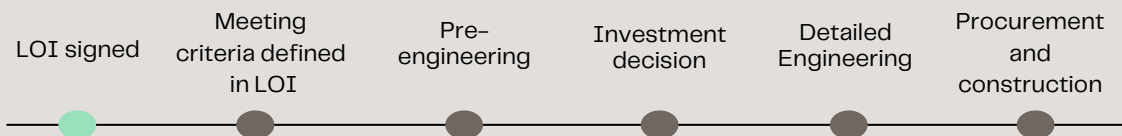
Savings targets are on track in both external expenses and personnel costs.

In March we signed a Letter of Intent (LOI)* with Suzano

- According to the LOI Suzano is planning a potential new production facility for wood-based SPINNOVA® fibre.
- Initial target capacity of 20 thousand tonnes of fibre per year, and it is likely to be located near an existing Suzano pulp mill.
- Spinnova and its partners will deliver the fibre production technology to Suzano, who will be the owner and operator of the new production facility.
- We are currently working towards meeting the criteria set in the LOI to move on to the pre-engineering phase.



INDICATIVE TIMELINE FOR THE NEXT WOOD-BASED SPINNOVA® FACTORY



Respin future plans

- Spinnova Plc and ECCO Investment Corporation signed a Letter of Intent (LOI) regarding the future plans for their 50/50 owned joint venture company Respin Oy.
- According to the LOI, both parties are committed to scaling up operations and will work together to achieve a final decision, at the latest by the end of Q1/2025 on how to proceed with the production scaling and commercialisation of Respin.
- Product launch by Ecco with Respin's fibre expected to take place in Q1/2025.

SPINNOVA® | ECCO



Exclusive Partnership Agreement with Valmet

- Spinnova and Valmet entered an exclusive Partnership Agreement for the delivery of process equipment for Spinnova's customers.
- Valmet is a long-term partner of Spinnova and supports Spinnova in developing the fibre production technology's cost-competitiveness.
- Valmet collaboration opens up a portfolio of new potential technology customers in material processing and pulping industries.
- The agreement is initially for four years with termination options based on project progress.
- Includes an exclusivity fee based on realized project deliveries. First fees are expected to realise earliest in 2025.



Product launches continued with brand partners

BESTSELLER

- JACK & JONES launched t-shirts in April 2024. The first consumer product made from SPINNOVA® fibre produced at Woodspin facility.
- SPINNOVA® fibres included in three JACK & JONES and VERO MODA t-shirts, which were part of the official collections for the Danish Olympic and Paralympic athletes for Olympics 2024.

LUHTA

- Luhta Sportswear Company released the first Rukka product containing SPINNOVA® fibres. The t-shirt is part of Rukka's 2024 Olympic collection.

SOFIA ILMONEN

- Finnish designer Sofia Ilmonen revealed 10 new outfits from SPINNOVA® fibres at Fashion in Helsinki event. The collection was also showcased in the Copenhagen Fashion Week New Talent showroom.

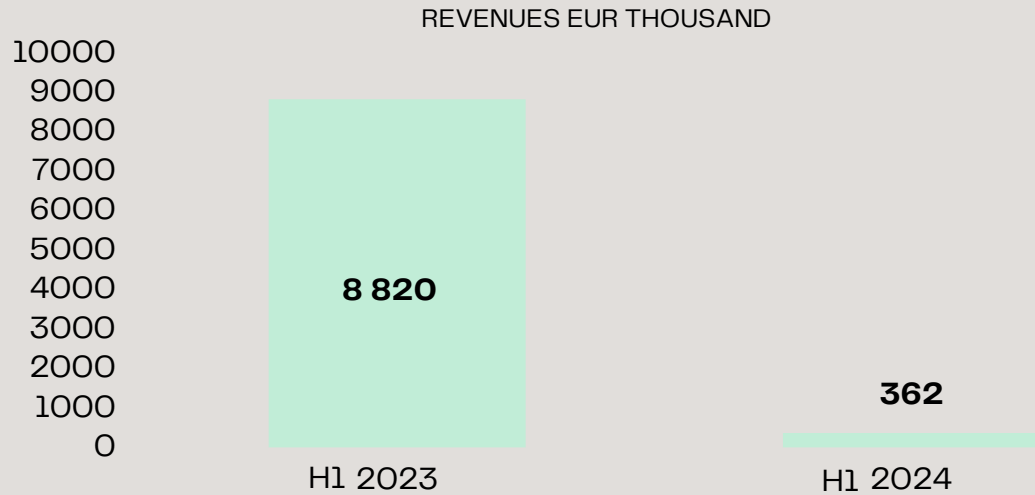


Key Financials (IFRS)

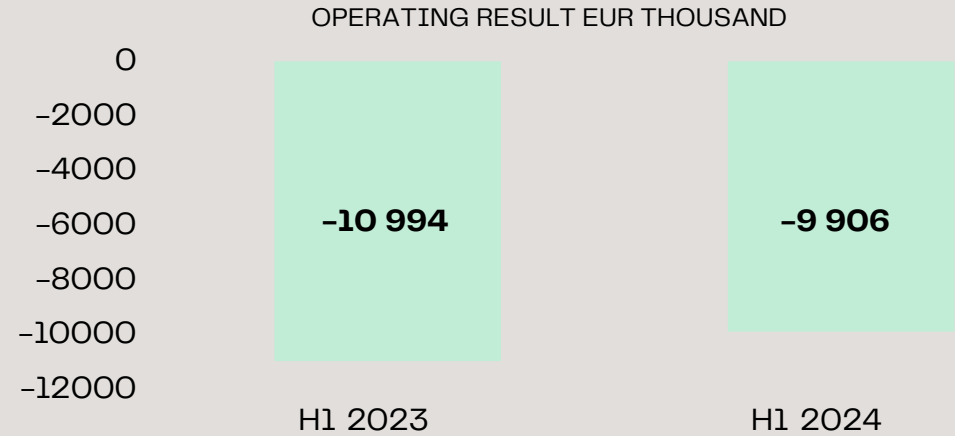


Summary of key financials

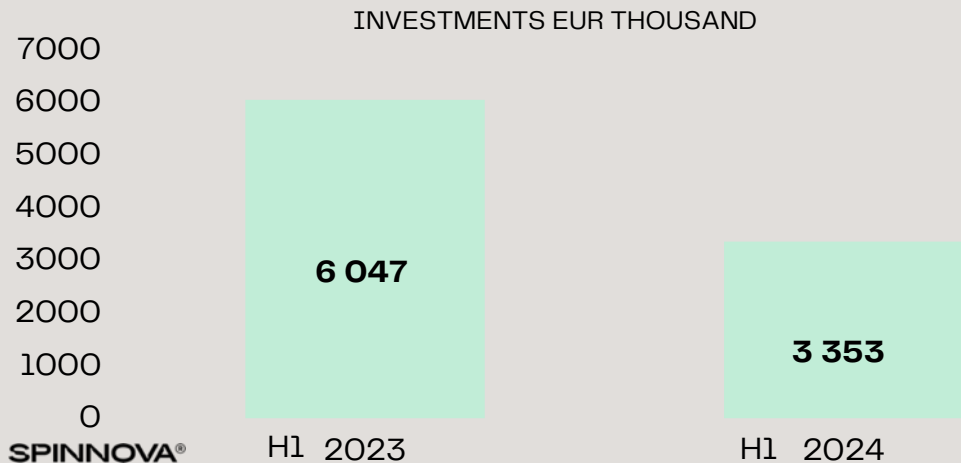
Revenues generated by technology services to Woodspin and Respin



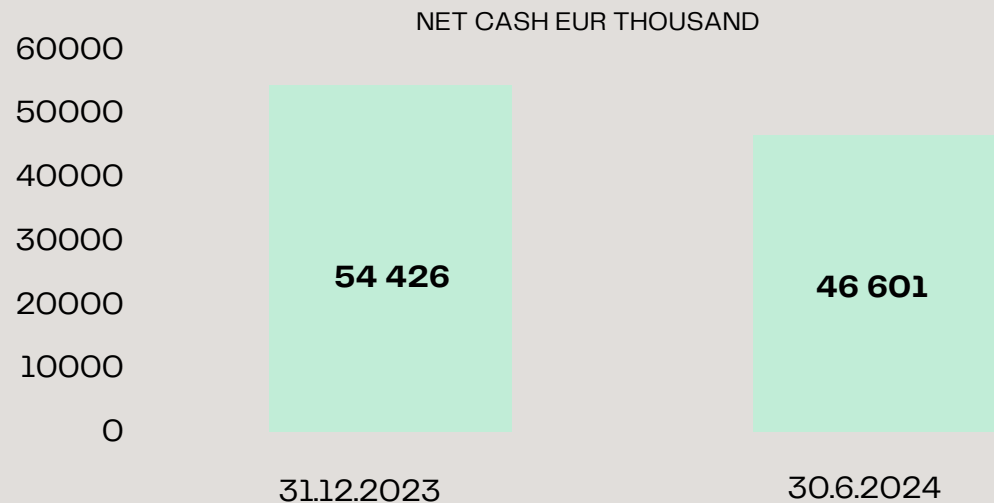
Operating result improved due to lower personnel costs and other operating costs



Investments were lower and continued to be to Woodspin



Net cash position remains strong



Consolidated Statement of Profit and Loss and Other Comprehensive Income

EUR (thousand)	1-6/2024	1-6/2023	1-12/2023
Revenue (net sales)	362	8 820	10 640
Other operating income	514	220	749
Materials and services	-44	-8 730	-9 849
Personnel expenses	-5 107	-6 189	-10 637
Depreciation, amortisation, and impairment losses	-1 342	-1 258	-2 504
Other operating expenses	-2 132	-2 302	-5 779
Share of result in joint ventures	-2 159	-1 557	-3 544
Operating Result (EBIT)	-9 906	-10 994	-20 926
Financial income	1 015	718	1 937
Financial expenses	-86	-173	-304
Result before taxes	-8 977	-10 450	-19 293
Income tax	-176	-113	-303
Result for the period	-9 153	-10 563	-19 596
Attributable to Equity holders of the parent	-9 153	-10 563	-19 596
Total comprehensive income for the period	-9 153	-10 563	-19 596
Attributable to Equity holders of the parent	-9 153	-10 563	-19 596
Earnings per share, EUR			
Earnings per share, diluted & undiluted	-0.18	-0.20	-0.38

The decrease in the operating loss was driven by:

- Positive impact from other operating income, which was EUR 514 thousand (EUR 220 thousand) consisting primarily of Business Finland grants.
- Lower level of personnel costs due to:
 - a) A smaller number of employees
 - b) Lower cost impact of stock option programmes caused by lower number of employees
- Lower level of other operating expenses due to cost savings programme.
- Negative impact from the loss in joint ventures, totalling EUR -2 159 thousand (EUR -1 557 thousand).
 - Woodspin operational ramp up from H1/2023 to H1/2024
 - Full impact of depreciation felt in 2024

Cost savings programme progressing according to plan

- In H1/2024 Spinnova initiated a cost-savings programme including external spending and personnel costs.
- Change negotiations held in April 2024 resulted in permanent reduction of 8 positions.
- The annual run-rate savings directly from the change negotiations and changes in the Management Team are approximately EUR 1.6 million excluding share-based compensation.
- The majority of the run-rate savings will be effective by the beginning of 2025.
- External spending cost programme proceeding as planned. Reduction in other operating costs is already visible in H1/2024 figures.
- Net cash position remains strong at EUR 47 million.
- As stated in our updated strategy, Spinnova does not expect to need additional external financing in order to reach its strategy targets.



Financial guidance for 2024 unchanged

In 2024, revenues are estimated to be lower than in 2023. The timing of revenues is linked to the timing of technology sales and delivery of the next production facility.

The operating result is expected to improve from 2023 but to continue to be negative.

The total of Spinnova's personnel expenses and other operating expenses is expected to be lower in 2024 than in 2023.



H1 summary

- Good progress with the updated strategy with key agreements signed with partners
- Financial guidance 2024 unchanged
- On track for moving to the next phase with Suzano in H2/2024 and driving technology sales business in 2025



A person in a dark suit and light-colored trousers stands with their back to the camera on a black sand beach. They are looking out at the ocean under a cloudy sky. The person's shadow and footprints are visible on the sand.

Thank you

Q&A

Contact us at: ir@spinnova.com

Appendix

- Group Income Statement January-June 2024
- Group Balance Sheet 30 June 2024
- Group Cash Flow Statement January-June 2024



Consolidated Statement of Profit and Loss and Other Comprehensive Income

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Other operating expenses	-2 132	-2 302	-5 779
Share of result in joint ventures	-2 159	-1 557	-3 544
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Consolidated Statement of Financial Position

EUR (thousand)	30 June 2024	30 June 2023	31 Dec. 2023
Assets			
Non-current assets			
Intangible assets	10 980	12 775	11 697
Property, plant and equipment	2 002	1 557	1 958
Right-of-use assets	1 612	1 597	1 184
Investments in joint ventures	19 883	17 968	18 891
Other non-current receivables	135	135	135
Deferred tax assets	7	6	7
Total non-current assets	34 620	34 039	33 872
Current assets			
Trade Receivables	182	5 914	2 301
Other current receivables	330	165	257
Prepayments & accruals	1 148	441	725
Investments	47 299	50 162	46 285
Cash and cash equivalents	6 311	16 571	15 174
Total current assets	55 269	73 253	64 742
Total assets	89 889	107 293	98 614

EUR (thousand)	30 June 2024	30 June 2023	31 Dec. 2023
Equity and liabilities			
Equity			
Share capital	80	80	80
Reserve for invested unrestricted equity	135 055	135 013	135 014
Retained earnings / accumulated deficit	-56 204	-39 836	-47 765
Equity attributable to shareholders of the parent	78 931	95 256	87 328
Total equity	78 931	95 256	87 328
Non-current liabilities			
Borrowings	4 500	5 316	4 466
Lease liabilities	748	831	563
Deferred tax liabilities	856	489	680
Total non-current liabilities	6 104	6 636	5 709
Current liabilities			
Borrowings	859	1 000	1 350
Lease liabilities	902	797	655
Trade payables	394	1 312	1 574
Accrued expenses	1 864	1 797	1 600
Other current liabilities	835	494	398
Total current liabilities	4 854	5 401	5 577
Total liabilities	10 958	12 036	11 286
Total equity and liabilities	89 889	107 293	98 614

Consolidated Statement of Cash Flows

EUR (thousand)	1-6/2024	1-6/2023	1-12/2023
Operating activities			
Result for the period	-9 153	-10 563	-19 596
Adjustments to reconcile result to net cash flows for the period:			
Income tax expense	176	113	303
Depreciation and impairment	1 342	1 258	2 504
Finance income and expenses	74	-87	-100
Net result on financial instruments at fair value through profit or loss	-1 003	-458	-1 533
Share-based payment expense	714	1 296	2 402
Share of profit from associates and joint ventures	2 159	1 557	3 544
Change in working capital:			
Increase (-) / decrease (+) in current non-interest-bearing receivables	1 623	-78	3 160
Increase (+) / decrease (-) in current non-interest-bearing liabilities	-383	-4 283	-4 507
Net change in working capital	1 240	-4 362	-1 348
Interest received and paid	-40	-139	-175
Income tax paid	-	-	-
Net cash flow from operating activities (A)	-4 492	-11 385	-5 228
Net cash from investing activities			
Purchase of tangible and intangible assets	-299	-901	-935
Purchase of financial instruments	-11	-11	-21
Proceeds from the sale of investments	0	61	5 103
Investments to associates and joint ventures	-3 150	-5 500	-8 300
Net cash from investing activities (B)	-3 459	-6 351	-4 153

EUR (thousand)	1-6/2024	1-6/2023	1-12/2023
Net cash from financing activities			
Share issue	42	1 641	1 641
Repayment of principal portion of lease liabilities	-497	-470	-952
Proceeds from borrowings	43	413	413
Repayments of borrowings	-500	-500	-1 000
Net cash from financing activities (C)	-912	1 085	103
Net change in cash and cash equivalents (A+B+C) increase (+) / decrease (-)	-8 863	-16 651	-18 048
Cash and cash equivalents in the beginning of the period	15 174	33 222	33 222
Cash and cash equivalents at the end of the period	6 311	16 571	15 174
	30 June 2024	30 June 2023	31 Dec. 2023
Cash and cash equivalents	6 311	16 571	15 174
Current investments	47 299	50 162	46 285
Total net liquid funds	53 610	66 733	61 459

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.