

PRESENTING:

**Tuomas Oijala**, CEO

**Ben Selby**, CFO, Deputy CEO

MODERATOR:

**Sophie Jolly**, Interim Head  
of IR and Comms

**SPINNOVA**®

Technology sales strategy and key  
partnerships progressed. Revenues and  
operating result in line with guidance

JANUARY-DECEMBER 2024

13 February 2025

## Focus areas in 2024:

**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 programme**

## Progress:

- Good results in fibre quality with Suzano microfibrillated cellulose (MFC) raw material
- The fibre quality was also validated by supply chain partners during H2 of 2024

- Product launches with fashion brands, including JACK & JONES, Vero Moda, and Rukka
- Positive feedback on product quality and use cases for fibre
- Letter of intent (LOI) with Puma was agreed

- LOI with Suzano
- Verified that the core technology concept works however we were not yet able to validate end-to-end process efficiency metrics to move to the next phase of the project

- LOI with Ecco
- Demonstrated fibre production from non-wood materials including textile waste at Spinnova's pilot, and investments into own MFC refining capability
- Investments into technology sales team and pipeline building

- Savings targets were met in both external expenses and personnel costs



# Group Key Figures 2024

<b>EUR (thousands)</b>	<b>7-12/2024</b>	<b>7-12/2023</b>	<b>1-12/2024</b>	<b>1-12/2023</b>
Revenue (net sales)	400	1 820	762	10 640
Operating result (EBIT)	-8 443	-9 931	-18 349	-20 926
Net cash	40 881	54 426	40 881	54 426
Number of permanent employees, end of period	57	76	57	76



We are advancing  
towards our targets



# Strategy focusing on technology sales

## **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 strategy targets, updated in March 2024

	<b>Short-term (2025–2026)</b>	<b>Medium-term (2028–2030)</b>	<b>Long-term (2034–2036)</b>
<b>Cumulative technology sales</b> <sup>1</sup>	30 thousand tonnes	130 thousand tonnes	450 thousand tonnes
<b>Financial</b>	No additional external financing required	EBIT-positive	More than EUR 100 million EBIT per year  More than 30% of revenues recurring <sup>2</sup>

<sup>1</sup> Total cumulative annual fibre production capacity committed to be built by Spinnova technology customers or by Spinnova through own investments

<sup>2</sup> Royalty and service fees

# Factors that may affect Spinnova's strategy targets

## Upside potential to strategy targets

- Acceleration of the timing of investment decisions for new plants by our technology customers
- Increased adoption of sustainable materials by consumers and brands
- Further regulation of raw materials in the textile industry
- Faster than anticipated ramp-up of alternative raw material pulp suppliers

## Downside potential to strategy targets

- Potential delays to investment decisions by our technology customers
- Potential delays to delivery of our technology projects to customers
- Slower than anticipated development of reductions in capex or opex per tonne of Spinnova's technology
- Slower than expected development of SPINNOVA® fibre properties which would reduce the size of the addressable fibre market for our technology customers



# Suzano partnership update

- Spinnova and Suzano have been joint venture partners since 2020 in Woodspin, whose first production facility producing wood-based SPINNOVA® fibre opened in 2023 in Jyväskylä, Finland
  - The Woodspin factory acts as an industrial demonstration of Spinnova's technology and Suzano's textile MFC technology and is used for qualifying the process and fibre output to support the investment decision for a new facility
- According to the non-binding LOI signed in 2024, Suzano is planning a potential new production facility for wood-based SPINNOVA® fibre. The project did not proceed to the pre-engineering phase during 2024, as originally planned, because reaching the targeted process metrics required to move to the next phase was delayed
  - Alternative plans continue to be pursued together with Suzano for the fastest way to validate end-to-end process efficiency metrics to move to the next phase of the project
  - Spinnova has invested a total of EUR 27.3 million into the Woodspin joint venture as of 31 December 2024





# Exclusive Partnership Agreement with Valmet accelerates our development

- Valmet will be the exclusive partner to supply process equipment to Spinnova's technology customers
- Valmet is a long-term partner of Spinnova and supports Spinnova in increasing the competitiveness of fibre production technology by lowering the capital and operational costs of fibre production
- The collaboration opens a portfolio of new potential technology customers in the material processing and pulping industries
- The partnership agreement is valid for four years, with termination options based on project progress
- Includes an exclusivity fee based on realised project deliveries – The first exclusivity fees are expected in 2025 at the earliest
- Spinnova expects to communicate the size and timing of the exclusivity fee in more detail after a binding agreement on a technology delivery is signed



## Joint venture Respin's future plans

- Spinnova Plc and ECCO Investment Corporation signed a LOI regarding the future plans for their 50/50 owned joint venture company Respin Oy
- Both parties are committed to scaling up operations and will work together to reach a final decision on how to proceed with the production scaling and commercialisation of Respin
- At this stage, it is unlikely that there will be a product launch during Q1 2025. We will update the market on the next steps of the Respin collaboration by the end of Q1 2025



## The SPINNOVA® fibre is visible in the end consumer market

- Spinnova and PUMA will collaborate to develop products from SPINNOVA® fibre for future collections, particularly in products of PUMA's Sportstyle category. PUMA and Woodspin signed a LOI to secure access to fibre volumes for several years
- Bestseller launched t-shirts under their JACK & JONES brand, marking the first commercial product made with SPINNOVA® fibre produced at the Woodspin joint venture factory and the largest production volume of a commercially available SPINNOVA® product to date
- JACK & JONES, Vero Moda, and Rukka produced Summer Olympics 2024 collections for Danish and Finnish athletes, including products with SPINNOVA® fibre
- Spinnova teamed up with ASK Scandinavia, a premium brand based in Helsinki, to create a limited-edition work tote bag inspired by Nordic design



# We are building our capability to demonstrate our technology bale-to-bale, and beyond



- Wood, agriwaste, textile, and leather waste tested at pilot scale
- Wood pulp tested at scale at Woodspin

- Pilot production environment built in 2019
- Woodspin production successfully produced fiber with Suzano MFC
- Spinnova's own MFC production pilot is in progress

- Our R&D spinning line at Tearfil allows quick tests
- Strong partnerships with textile companies in Asia support end-to-end testing

ALL SUPPORTED BY STATE-OF-THE-ART LABORATORY FACILITIES TO TEST ALL PHASES OF PRODUCTION

# Focus areas and priorities in 2025:

**Demonstrating that Spinnova technology works at competitive fibre cost level**

**Implementing a fast, lean and future-proof piloting process and capability**

**Level-up our ability to give technology customers confidence in selling SPINNOVA® fibre**

**Build and execute a pipeline of technology sales**

**End the year with a strong cash position**

# What we will be aiming:

- Taking the next leaps in technology development to bring down capex and opex per tonne of fibre production, as outlined in our CMD
- Demonstrating the process efficiency metrics needed to enable the next big technology sale
- Completing our own MFC refining environment
- Ramp-up our own pulp-to-fibre testing process for tech customers
- Building on our recent success with brands to agree more LOIs and market traction
- Continuing to improve fibre properties to increase addressable market
- Building a strong pipeline of customer cases in project evaluation stage, including for textile waste projects
- Generating revenues from technology sales
- Continuing cost control to benefit from actions taken in 2024

# Group Key Financials and Guidance 2025

# Summary of key financials

Revenue decreased significantly as the technology project to Woodspin's production facility was completed in 2023



Decrease in operating loss was driven by a smaller number of employees, a lower cost impact of stock options and cost savings programme



Decline in investments was mainly due to the investment into the in-house R&D yarn-spinning machinery made in 2023



Net cash position remained strong



# Consolidated Statement of Profit and Loss and Other Comprehensive Income

- Revenue decreased significantly as the technology project to Woodspin's production facility was completed in 2023
- Decrease in operating loss was driven by a smaller number of employees, a lower cost impact of stock options and cost savings programme
- Profitability was also positively affected by other operating income, consisting primarily of grants from Business Finland
- Depreciation was higher than in 2023 due to a higher level of fixed assets
- The external savings programme resulted in a lower underlying level of external expenses. However, in 2024 Spinnova purchased EUR 1.6 million, of testing services from Woodspin to support Spinnova's R&D activities.
- 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
  - Most of the run-rate savings are effective by the beginning of 2025
  - The external spending cost programme proceeded as planned

EUR (thousand)	7-12/2024	7-12/2023	1-12/2024	1-12/2023
<b>Revenue (net sales)</b>	<b>400</b>	<b>1 820</b>	<b>762</b>	<b>10 640</b>
Other operating income	595	528	1 109	749
Materials and services	-12	-1 119	-56	-9 849
Personnel expenses	-2 815	-4 448	-7 922	-10 637
Depreciation, amortisation, and impairment losses	-1 392	-1 247	-2 733	-2 504
Other operating expenses	-3 876	-3 477	-6 008	-5 779
Share of result in joint ventures	-1 344	-1 987	-3 502	-3 544
<b>Operating Result (EBIT)</b>	<b>-8 443</b>	<b>-9 931</b>	<b>-18 349</b>	<b>-20 926</b>
Financial income	966	1 219	1 982	1 937
Financial expenses	-67	-131	-153	-304
<b>Result before taxes</b>	<b>-7 544</b>	<b>-8 843</b>	<b>-16 521</b>	<b>-19 293</b>
Income tax	-136	-190	-312	-303
<b>Result for the period</b>	<b>-7 680</b>	<b>-9 033</b>	<b>-16 833</b>	<b>-19 596</b>
<b>Earnings per share, EUR</b>				
Earnings per share, diluted & undiluted	-0.15	-0.17	-0.32	-0.38



## Financial guidance for 2025

At this time,

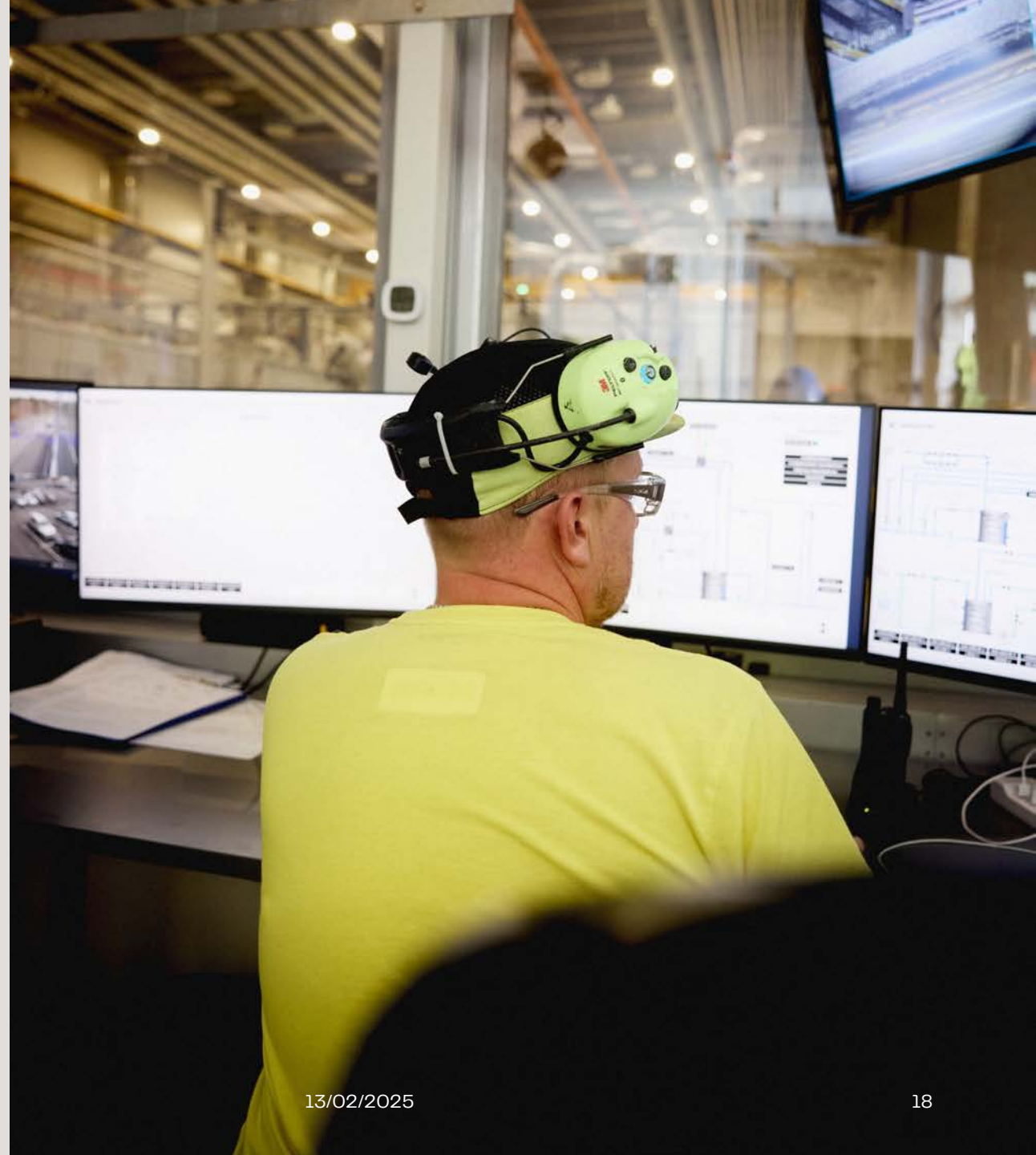
Spinnova is not providing financial guidance for 2025, because the outlook is dependent on the ongoing planning with Suzano on the fastest way to validate end-to-end process efficiency metrics of the Spinnova technology. This validation is needed in order to move to the next phase of the scale-up of wood-based SPINNOVA® fibre production.

Our aim is to update financial guidance for 2025 in the coming months.



## Summary

- The markets still need new fibres – we have secured important LOIs and more are on the way
- We continue to see high level of interest from customers, including Suzano, and are continuing to double-down on our technology development targets to make scaling possible
- We are financially well-poised to deliver on our strategy



# Q&A

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# Appendix

- Group Income Statement January–December 2024
- Group Balance Sheet 31 December 2024
- Group Cash Flow Statement January–December 2024



# Consolidated Statement of Profit and Loss and Other Comprehensive Income

EUR (thousand)	7-12/2024	7-12/2023	1-12/2024	1-12/2023
<b>Revenue (net sales)</b>	<b>400</b>	<b>1 820</b>	<b>762</b>	<b>10 640</b>
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Income tax	-136	-190	-312	-303
<b>Result for the period</b>	<b>-7 680</b>	<b>-9 033</b>	<b>-16 833</b>	<b>-19 596</b>
Attributable to Equity holders of the parent	-7 680	-9 033	-16 833	-19 596
<b>Total comprehensive income for the period</b>	<b>-7 680</b>	<b>-9 033</b>	<b>-16 833</b>	<b>-19 596</b>
Attributable to Equity holders of the parent	-7 680	-9 033	-16 833	-19 596
<b>Earnings per share, EUR</b>				
Earnings per share, diluted & undiluted	-0,15	-0.17	-0.32	-0.38

# Consolidated Statement of Financial Position

EUR (thousand)	Note	31 Dec. 2024	31 Dec. 2023	EUR (thousand)	Note	31 Dec. 2024	31 Dec. 2023
<b>Assets</b>				<b>Equity and liabilities</b>			
<b>Non-current assets</b>				<b>Equity</b>			
Intangible assets	2.	10 297	11 697	Share capital		80	80
Property, plant, and equipment	2.	1 841	1 958	Reserve for invested unrestricted equity		135 090	135 014
Right-of-use assets		1 226	1 184	Retained earnings / accumulated deficit		-64 002	-47 765
Investments in joint ventures	5. & 6.	20 909	18 891	<b>Equity attributable to shareholders of the parent</b>		<b>71 168</b>	<b>87 328</b>
Other non-current receivables		108	135	<b>Total equity</b>		<b>71 168</b>	<b>87 328</b>
Deferred tax assets		6	7				
<b>Total non-current assets</b>		<b>34 388</b>	<b>33 872</b>	<b>Non-current liabilities</b>			
				Borrowings	3.	4 579	4 466
<b>Current assets</b>				Lease liabilities	3.	478	563
Trade Receivables		429	2 301	Deferred tax liabilities		992	680
Other current receivables		708	257	<b>Total non-current liabilities</b>		<b>6 050</b>	<b>5 709</b>
Prepayments & accruals		525	725				
Investments	4.	45 262	46 285	<b>Current liabilities</b>			
Cash and cash equivalents	4.	1 981	15 174	Borrowings	3.	525	1 350
<b>Total current assets</b>		<b>48 905</b>	<b>64 742</b>	Lease liabilities	3.	780	655
<b>Total assets</b>		<b>83 293</b>	<b>98 614</b>	Trade payables		2 591	1 574
				Accrued expenses		1 487	1 600
				Other current liabilities		693	398
				<b>Total current liabilities</b>		<b>6 076</b>	<b>5 577</b>
				<b>Total liabilities</b>		<b>12 125</b>	<b>11 286</b>
				<b>Total equity and liabilities</b>		<b>83 293</b>	<b>98 614</b>

# Consolidated Statement of Cash Flows

EUR (thousand)	Note	7-12/2024	7-12/2023	1-12/2024	1-12/2023
<b>Operating activities</b>					
Result for the period		-7 680	-9 033	-16 833	-19 596
Adjustments to reconcile result to net cash flows for the period:					
Income tax expense		136	190	312	303
Depreciation and impairment		1 392	1 247	2 733	2 504
Finance income and expenses		-102	-14	-28	-100
Net result on financial instruments at fair value through profit or loss		-798	-1 074	-1 801	-1 533
Share-based payment expense		-118	1 109	596	2 402
Share of profit from associates and joint ventures		1 344	1 987	3 502	3 544
Change in working capital:					
Increase (-) / decrease (+) in current non-interest-bearing receivables		25	3 238	1 648	3 160
Increase (+) / decrease (-) in current non-interest-bearing liabilities		1 641	-224	-1 258	-4 507
Interest received and paid		-17	-36	-57	-175
Income tax paid		-	-	-	-
<b>Net cash flow from operating activities (A)</b>		<b>-4 177</b>	<b>-2 613</b>	<b>-8 668</b>	<b>-13 998</b>
<b>Net cash from investing activities</b>					
Purchase of tangible and intangible assets	2.	-24	-34	-323	-935
Purchase of financial instruments		-11	-10	-22	-21
Proceeds from the sale of investments		3 001	5 042	3 001	5 103
Investments to associates and joint ventures	5.	-2 370	-2 800	-5 520	-8 300
<b>Net cash from investing activities (B)</b>		<b>595</b>	<b>2 198</b>	<b>-2 864</b>	<b>-4 153</b>
<b>Net cash from financing activities</b>					
Share issue		35	0	76	1 641
Repayment of principal portion of lease liabilities	3.	-528	-482	-1 025	-952
Proceeds from borrowings	3.	-5	0	38	413
Repayments of borrowings	3.	-250	-500	-750	-1 000
<b>Net cash from financing activities (C)</b>		<b>-748</b>	<b>-982</b>	<b>-1 660</b>	<b>103</b>

EUR (thousand)	Note	7-12/2024	7-12/2023	1-12/2024	1-12/2023
<b>Net change in cash and cash equivalents (A+B+C) increase (+) / decrease (-)</b>		<b>-4 330</b>	<b>-1 397</b>	<b>-13 192</b>	<b>-18 048</b>
Cash and cash equivalents in the beginning of the period		6 311	16 571	15 174	33 222
<b>Cash and cash equivalents at the end of the period</b>		<b>1 981</b>	<b>15 174</b>	<b>1 981</b>	<b>15 174</b>
<b>EUR (thousand)</b>	<b>Note</b>	<b>31 Dec. 2024</b>		<b>31 Dec. 2023</b>	
Cash and cash equivalents	4.		1 981		15 174
Current investments	4.		45 262		46 285
<b>Total net liquid funds</b>			<b>47 243</b>		<b>61 459</b>