

PRESS RELEASE
EMBARGO until
25 February, 2021, 3 pm EET

SUSTAINABLE TEXTILE FIBRE PRODUCER SPINNOVA AND LARGEST WOOD PULP PRODUCER SUZANO TO OPEN COMMERCIAL SCALE FACTORY IN 2022

Partners to invest 50% each, H&M Group joins Spinnova's partners

Material innovation company Spinnova and the world's largest wood pulp producer Suzano will make an estimated 22 million euro investment to build the first commercial scale SPINNOVA® production facility in Finland. The total investment, including all needed infrastructure such as real estate, is estimated to be some 50 million euros. Spinnova's sustainable fibre, created out of wood and waste without the use of harmful chemicals, will be available for global textile brands in 2022.

The new, industrial scale production unit will be located in Jyväskylä, Finland, home of Spinnova's R&D hub and pilot facility. Production will be managed and operated by a new joint venture company owned 50/50 by Spinnova and their partner and investor, Suzano.

The joint venture investment is estimated to be 22 million euros in size. According to Spinnova, the total investment, encompassing all needed infrastructure such as real estate, is some 50 million euros. The real estate will be built and rented for the joint venture by the Jyväskylä real estate development company Jykia.

"Every leading textile brand is looking for ways to minimise their emissions and ecological footprint, and build a circular material foundation for their products," says Spinnova's CEO and co-founder **Janne Poranen**. "We feel humble and proud that soon we will be able to provide brands our new, disruptively sustainable fibre and fabrics."

Suzano is a world leader in the production of eucalyptus pulp and has expanded its operations to create sustainable and innovative solutions derived from trees to the challenges faced by society. In the joint venture, Spinnova will be the exclusive technology provider, while Suzano will ensure the supply of sustainably produced micro-fibrillated cellulose obtained from eucalyptus planted by Suzano in Brazil. The fibre produced will be sold under the SPINNOVA® trademark.

"Suzano uses only planted trees in its production processes. This renewable raw material is being combined with Spinnova's technology for producing fibres that are more sustainable than the options currently available in the textile industry, which is aligned with the demands of contemporary society", says **Fernando Bertolucci**, Chief Technology and Innovation Officer of Suzano.

With a process that uses no harmful chemicals and 99% less water than the cotton value chain, the SPINNOVA® fibre can be considered the most sustainable textile fibre there is. Fibre produced this way creates minimal CO₂ emissions, is quickly biodegradable and contains no microplastics. The fact that these fibres can be recycled into a new fibre again and again makes the SPINNOVA® fibre disruptively circular. The Spinnova technology enables textile fibre production out of wood but also from textile waste or agricultural waste such wheat or barley straw.

H&M Group in collaboration with Spinnova

Spinnova materials have been developed in collaboration with leading fashion brands such as Danish clothing company Bestseller, Finnish fashion house Marimekko, and Norwegian outdoor brand Bergans. Today, the H&M Group announces it has joined this group of brands in a partnership with Spinnova.

"The H&M Group's ambition is to become fully circular, and we are continuously testing and actively looking to further integrate the use of sustainable materials through our group's brands. We see Spinnova as having great potential to address several of the sustainability challenges we face today," comments **Mattias Bodin**, H&M Group's Circular

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Innovation Lab Lead.

Most leading apparel brands are committed to become climate neutral or even climate positive. Since Spinnova materials' cradle to gate emissions are considerably less than those of cotton, it's a radical improvement to existing textile fibres. Spinnova's fibre already works well in blends with other natural fibres, especially cotton. In big volumes, Spinnova blends alone can have a big positive environmental impact.

Spinnova will be announcing a number of new brand collaborations and products later this year. The company expects to fill the new factory's production capacity during this year.

"We believe that the SPINNOVA® fibre will be the breakthrough that the textile and fashion industry has been waiting for," Poranen adds. "We have all the needed components in place: a good quality product that can replace cotton in end products, proof of concept from our production pilot, scalable technology and ample, sustainable raw material supply."

To speed up the company's further growth, Spinnova is now actively exploring multiple substantial financing alternatives.

Further information:

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Spinnova – The Sustainable Textile Material Company.

Spinnova transforms the way textiles are manufactured globally. Based in Finland, Spinnova has developed breakthrough technology for making textile fibre out of wood or waste, such as textile or food waste, without harmful chemicals. The patented SPINNOVA® fibre creates 0% waste or side streams, 0% microplastics and has minimal CO₂ emissions and water use. SPINNOVA® materials are the most biodegradable and circular in the world. Spinnova is committed to using only sustainable raw materials such as FSC certified wood.

Spinnova has been awarded World Changing Idea as well as Innovation by Design by the Fast Company, Sustainability Achievement by the ISPO and received the Scandinavian Outdoor Award twice.

Suzano

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Suzano is committed to being a global reference in the sustainable use of natural resources. The world's leading producer of eucalyptus pulp and one of Latin America's largest paper producers, Suzano exports to more than 80 countries and, through its products, plays a part in the lives of over two billion people. Suzano has more than 35,000 direct and indirect employees and for over 90 years has invested in innovative solutions based on eucalyptus cultivation that enable it to substitute the use of fossil-based materials with renewable bio-based materials. The company adopts the highest standards of corporate governance on the exchanges where its stock is traded, namely the B3 in Brazil and the NYSE in the United States.