



Avant Wood

Series A

Investor Information

July 2021



Industry Challenges

Avant Wood is a leading Finnish Wood Modification technology company that well positioned to address the severe changes and challenges faced by the global timber industry:

Sustainability

Climate Change and tropical deforestation as well as tighter regulation are pushing towards higher sustainability standards

Timber and Degradation across ecosystems



Resource-efficiency

Carbon neutrality and lower waste commitments require economically viable solutions for low-value wood other than burning for bioenergy

Net Zero Carbon Emission target

Google has begun construction of its first 'mass timber' building in Sunnyvale, CA

Product Innovation

Mass timber is the use of solid wood panels for construction instead of concrete and steel. More cost effective and sustainable, demand for it is surging



World's tallest mass timber building in Norway

The Team:



Marko Savolainen

Chief Executive Officer (CEO)

Marko has vast experience in business development as well as successful investment Exits and M&As



Pekka Ritvanen

Chief Technology Officer (CTO)

Pekka is highly technically-skilled, with more than 30 years of management and entrepreneurial experience

Heikki Sonninen

Chairman

Avant Wood's mission is to leverage technology in order to **provide a global solution for the entire timber value chain**



Proof of Concept: Loyly Sauna and Restaurant in Helsinki, built using AvantWood's technology and named one of the World's Best Places in 2018 by Time Magazine



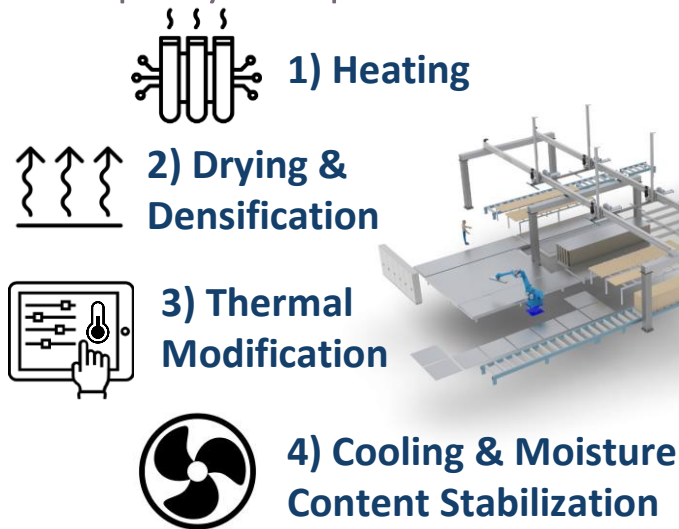
The Solution

Avant Wood's patented technology (TMTM™) **improves wood properties in a sustainable and cost-effective manner**

Thermo-Mechanical Timber Modification is an integrated process of drying, densification and thermo modification to enhance timber properties

In a **time-efficient way**, TMTM™ uses a **wide array of wood species, including low-value small diameter timber**

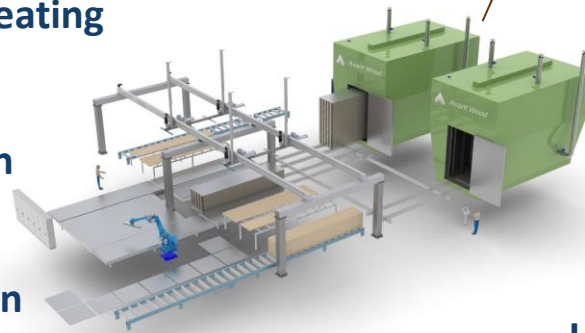
TMTM™ Process Step-by-step:



One week from standing tree to ready-to-use timber



Batch loading



Batch unloaded



High performance timber with a wide array of applications



Furniture



Interior



Flooring



Panels



Logistics



Exterior



Business Model

Avant Wood's process is **all-encompassing solution for the entire timber value chain**, being capable of adding value to **both upstream and downstream timber operators**.

Avant Wood Solution for Sawmill Operators:

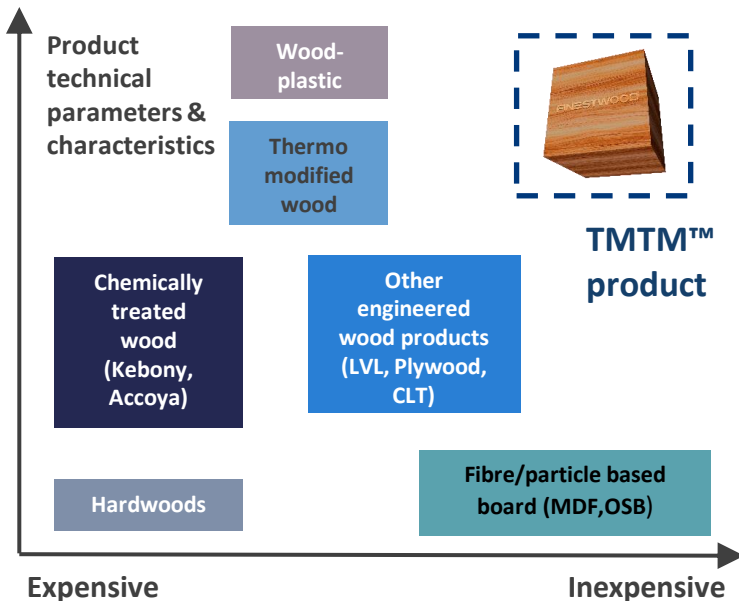
TMTM™ sawn wood treatment prior to sale/export allows for both a **faster drying** as well as **higher added value to the material**



Avant Wood Solution for Industry Operators:

TMTM™ allows significant wood enhancing capabilities addressed to a wide array of finished products, with **faster drying**, **greater diversification of raw materials** and **higher sustainability standards**

Competitive Advantage:



Products and Services:

Manufacturing and selling of turn-key machinery projects based on its patented TMTM™ technology

Licensing of TMTM™ technology

Continuous customer support with maintenance, software updates, add-on sales and consultancy

Continuous product and TMTM™ process R&D

Potential clients in both upstream and downstream timber

Diversified streams of revenue with high growth potential

Applicable to several different types of timber across industries and geographies



Current Traction and Global Opportunity

7 units up and running around the world, with different industries, applications and timber species, showing that Avant Wood's solution is both versatile and scalable



Finland: 4 industry operators



Australia: 1 industry operator

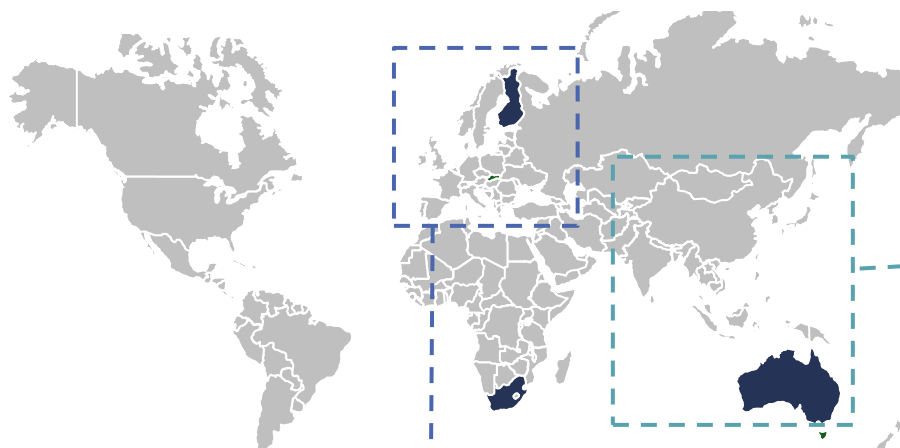


Slovakia: 1 industry operator



South Africa: 1 industry operator

■ Countries with TMTM™ units



European Market Opportunity:

The European Market presents a great opportunity for Avant Wood, such as mass timber going mainstream, as well as sustainable furniture. Furthermore, Net Zero Carbon Commitments and Tropical Timber Import Restrictions by the EU are also significant drivers of growth for Avant Wood



R&D project negotiations with Europe's largest window/door manufacturer.



Several R&D projects under way with major Finnish forest company- LOI/ Partnership

Asian Market Opportunity and Current Traction:

The world's fastest growing, the Asia-Pacific market has a large space for growth and development, since it still is the largest importer of sawn-wood in the world and has a rising demand for value-added wood products

ASIA-Pacific was a net importer of 55 million m³ of sawn wood, if 10% of that is converted into TMTM™, demand for new TMTM™ units is 1.000 with 5.000 m³ annual capacity per unit. The potential market estimate is € 1-1,5 billion by 2022



Two projects (3-4 M€) and a distribution agreement in **China**



Joint government funded project with LUKE for R&D unit and several customer projects in **Vietnam**
600k€ + many customer contacts



Two LOI signed with **Malaysian** clients (1,2M€), several new ongoing, will start testing samples of Oil Palm Trunks (OPTs) in 2H 2021



Discussion with Fairventures Worldwide gmbH, a German company with projects in **Indonesia**



Tests completed with the customer in **NZ**, Radiata pine (opportunity 4M€), LOI to be signed



Future

Series C

- Implementation of Company exit scenarios
- Listing the Company
- Selling to an industrial buyer, or venture capitalist.
- AvantWood aims to be exited by the end of 2025

60-80M €

Series B

- Next unit volume production
- Full scale Product launch
- Strengthening of distribution and customer care network
- NZ, Australia, Americas S&M network
- Exit planning

Series A

- 2 M€ (matched with public funding)
- Strengthening sales and distribution network
- Product commercialization and prune
- Next Gen unit design and implementation
- R&D pilot plant in SEA region
- IPR completion
- Sourcing network improvement
- Palm oil wood

40-45M €

Seed Round

- 0.8 M€ (matched with public funding)

Valuation: 5.8M €

Funding: 0.8M €

10-12M €

2.0M €

10.0M €

20.0M €

Seed Round
Q3 / 2020

Series A
2H / 2021

Series B
2H / 2022

Series C
2023-24



Investment Proposal

Avant Wood aims to raise € 2 million in this Series A

The funds will be used in both capital and operational expenditure

Series A

Valuation (pre-money) € 10.000.000

Series A Funding € 2.000.000

Use of Funds:

CAPEX € 1.300.000

OPEX € 700.000

Valuation (post-money) € 12.000.000

Shareholder Structure before Series A:

<i>Founders & Management</i>	<i>53%</i>
<i>Finlandia Finance Oy</i>	<i>12%</i>
<i>Fintrade-Mercer Group</i>	<i>11%</i>
<i>Nextimber Oy</i>	<i>8%</i>
<i>Karuna Capital Pte Ltd</i>	<i>3%</i>
<i>Individual Investors*</i>	<i>13%</i>

Total Equity 100%

*207 other individual investors whose equity share is less than 1%

Shareholder Structure after Series A:

<i>Founders & Management</i>	<i>44%</i>
<i>Investor</i>	<i>17%</i>
<i>Finlandia Finance Oy</i>	<i>10%</i>
<i>Fintrade-Mercer Group</i>	<i>9%</i>
<i>Nextimber Oy</i>	<i>7%</i>
<i>Karuna Capital Pte Ltd</i>	<i>2%</i>
<i>Individual Investors*</i>	<i>11%</i>

Total Equity 100%

