HeiQ AeoniQ's Game-Changing Potential

HeiQ AeoniQ "game-changing" decarbonizing yarn endorsed by HUGO BOSS and The LYCRA Company

HUGO BOSS became a front-runner in the race to adopt HeiQ AeoniQ yarns by putting a US$5M equity investment in HeiQ AeoniQ LLC and additional contingent US$4M based on performance milestone arrangements. The LYCRA Company has also become the exclusive distributor for HeiQ AeoniQ yarn by making a significant, undisclosed investment and by committing to develop the technology for broad application in textiles.

As part of its 'CLAIM 5' growth strategy, HUGO BOSS (MDAX: BOSS) – one of the leading companies in the global premium apparel market – executed its first sustainability-linked investment for a US$5M shareholding in HeiQ AeoniQ LLC, a fully owned subsidiary of London listed HeiQ Plc (LSE: HEIQ). HUGO BOSS is the first company that has joined the race to adopt HeiQ AeoniQ and to have secured its stake in HeiQ AeoniQ equity. The investment is supplemented by an additional US$4M arrangement, which is subject to the achievement of agreed goals. The strategic partnership will help HUGO BOSS meet its ambitious sustainability targets which include the aim for climate neutrality within its own area of responsibility by 2030, and throughout the entire value chain by 2045. In addition, the company puts particular emphasis on establishing an end-to-end circular business model. The investment therefore perfectly fits in with HUGO BOSS' goal to strongly increase the proportion of more sustainable materials over the coming years. Over the mid to long term, HUGO BOSS is focused on the potential to materially complement and substitute the currently used polyester and nylon fibers with the cellulosic HeiQ AeoniQ fibers.

"Our exciting partnership with HeiQ on HeiQ AeoniQ represents yet another important milestone on our journey towards becoming the leading premium tech-driven fashion platform worldwide. Consistent with our bold mission statement 'We Love Fashion, We Change Fashion', this game-changing collaboration with HeiQ enables us to further push innovation and sustainability across our brands' offerings, thereby driving measurable impact for environment and society alike," says **Daniel Grieder, CEO of HUGO BOSS**.

Prior to HUGO BOSS' equity investment, The LYCRA Company agreed to be the exclusive distributor for HeiQ AeoniQ yarn through payment of a milestone-driven technology fee and a commitment to leverage its deep textiles knowledge and market channel access to prepare this new technology for broad use in apparel applications.

"Sustainability continues to be a core tenet of The LYCRA Company's strategy as we are focused on providing value-added technologies to help our customers create and develop exceptional fabric and garment offerings while reducing the environmental footprint, without sacrificing comfort or performance," said **Julien Born, CEO at The LYCRA Company**. *"Through our close collaboration with HeiQ, we are working together to fast-track the commercialization of HeiQ's AeoniQ yarn and are excited by the impact this ground-breaking innovation will have on the apparel industry."*

"The financial commitments by such prestigious companies as HUGO BOSS and The LYCRA Company are strong endorsements of HeiQ AeoniQ's game-changing potential. This also demonstrates our ability to commercialize our HeiQ AeoniQ IP, now with an implied valuation of US$200M. HeiQ AeoniQ yarn is a versatile alternative to polyester and nylon and its climate positive qualities create a very exciting market opportunity for HeiQ, as fashion brands and retailers come under increasing pressure to do their part in decarbonizing their products and reduce their environmental footprints," says **Carlo Centonze, co-founder & Group CEO of HeiQ**.

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The primary use of the raised proceeds would be to scale up and commercialize this disruptive technology. In this context, HeiQ AeoniQ LLC will build its first commercial giga factory in Central Europe by end of 2024, and is currently scaling-up its pilot commercialization plant for fiber production, scheduled for Q2 2022.

HeiQ AeoniQ cellulosic yarn made of climate positive raw materials

HeiQ AeoniQ (Aeon: striving for eternal circularity) – a continuous cellulosic filament yarn with the potential to compete with polyester and nylon fibers – constitutes a revolutionary, first-to-market and scalable proprietary apparel technology, which will allow the manufacturing of a sustainable, cellulosic yarn designed for circularity and closed-loop recycling that could ultimately substitute oil-based fibers.

HeiQ AeoniQ yarns are made out of cellulosic biopolymers that during growth bind carbon from the atmosphere. HeiQ AeoniQ yarn is designed to substitute existing oil-based filament yarns, such as environmentally persistent polyester and nylon, which constitute over 60% of global annual textile output of 111 M metric tons. The global polyester and nylon fiber market is worth an estimated US$135 billion USD with a CAGR of >3.5% over the next decade (Statista). For every ton of polyester & nylon substituted by HeiQ AeoniQ, potentially up to 5 tons of CO2 can be reduced.

When compared to conventional polyester, nylon, cotton and conventional regenerated cellulosic products, the production of HeiQ AeoniQ yarns has the potential to transform the environmental impact of fiber production, as it is designed to be circular, uses 100% renewable energy for manufacturing, features a closed-loop recycling of more than 99.5% of productive factors, uses no toxic chemicals, and does not draw on arable land, pesticides or fertilizers for its feedstock.



HeiQ AeoniQ cellulosic yarn. (Photo from HeiQ)

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