



SPINNOVA®

Financial Statements Bulletin

JANUARY–DECEMBER 2023
14 March 2024

Spinnova Plc's Financial Statements Bulletin January–December 2023

Finalizing the successful technology delivery to Woodspin and ramping up operations resulted in decreased revenues and operating result, as expected.

JANUARY–DECEMBER 2023 HIGHLIGHTS

(Comparison figures in parentheses are for the same period in 2022 if nothing else is communicated)

- Revenue was EUR 10 640 thousand (EUR 24 279 thousand).
- Operating result for the period was EUR –20 926 thousand (EUR –13 149 thousand).
- Total investments were EUR 8 963 thousand (EUR 16 973 thousand).
- Net cash at the end of 2023 was EUR 54 426 thousand (EUR 74 454 thousand).
- The number of permanent employees at the end of the period was 76 (75).
- Successful technology handover of the first factory producing wood-based SPINNOVA® fibre to the joint venture Woodspin.
- Halti parka jacket made of SPINNOVA® fibre and cotton was launched.
- Spinnova received a grant of maximum EUR 1.9 million, for its research and development (R&D) work for textile and agricultural waste streams, from Business Finland.
- Spinnova entered into a yarn development co-operation agreement with Tearfil.
- Spinnova announced a strategy review.
- Spinnova and Swedish textile recycling innovator Renewcell announced their cooperation to develop textile waste-based fibre.
- CEO Kim Poulsen stepped down as CEO 21 April, and CFO Ben Selby was appointed as interim CEO.
- Tuomas Oijala was appointed CEO and Ben Selby deputy CEO on 31 August. They started in their roles on 11 December 2023.
- Santeri Heinonen was appointed Chief Human Resources Officer and management team member on 1 March 2023

JULY– DECEMBER 2023

- Revenue was EUR 1 820 thousand (EUR 16 644 thousand).
- Operating result for the period was EUR –9 931 thousand (EUR –7 383 thousand).
- Total investments were EUR 2 916 thousand (EUR 8 859 thousand).

SIGNIFICANT EVENTS AFTER THE PERIOD

- Spinnova and Suzano signed a non-binding Letter of Intent regarding plans for a new wood-based fibre production factory on 7 March 2024. Suzano plans to own and operate the factory at their own site. The targeted annual capacity of the factory is 20 thousand tonnes of fibre.
- Strategy review was finalized and the updated strategy was announced on 14 March 2024. The strategy will be presented in more detail in the Capital Markets Day on 14 March 2024.
- Spinnova made changes in the management team on 14 March 2024. The management team members and roles will be: Tuomas Oijala, CEO, Ben Selby, CFO and Deputy CEO, Santeri Heinonen, Chief Operating Officer, Lasse Holopainen, Chief Revenue Officer, Shahriar Mahmood, Chief Product and Sustainability Officer and Juha Salmela, Chief Technology Officer. Chief Sales Officer Allan Andersen and Executive Vice President, Production Scaling Teemu Lindberg will leave the Management Team. In addition, Chief Operations Officer Petri Poranen decided to step down from the Spinnova Management Team due to health reasons.
- To support the effective execution of the updated strategy and to achieve the profitability targets, Spinnova started change negotiations affecting the entire organisation except the management team on 14 March 2024

IFRS KEY FIGURES¹⁾

EUR (thousand)	7-12/2023	7-12/2022	1-12/2023	1-12/2022
Revenue (net sales)	1 820	16 644	10 640	24 279
Operating result (EBIT)	-9 931	-7 383	-20 926	-13 149
Profit for the period	-9 033	-7 572	-19 596	-15 123
Earnings per share (EUR, diluted and undiluted) ¹⁾	-0.17	-0.15	-0.38	-0.29
Net cash	54 426	74 454	54 426	74 454
Equity ratio, %	89 %	86 %	89 %	86 %
Number of permanent employees, end of period	76	75	76	75
Number of permanent employees, average	76	70	77	67

¹⁾ The company's potential dilutive instruments consist of stock options. As the company's business has been unprofitable, stock options would have an anti-dilutive effect and therefore they are not taken into account in measuring the dilutive loss per share. Thus, there is no difference between the undiluted and diluted loss per share.

The number of shares used in the key performance indicators table are found in the Appendix on page 23.

This Financial Statements Bulletin has been prepared in accordance with the requirements in IAS 34 (Interim Financial Reporting) standard. Information concerning the Group full year 2022 is based on the audited IFRS financial statements for 2022 that were published on 17 August 2023.

OUTLOOK

Financial Guidance for 2024

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.



COMMENTS ABOUT YEAR 2023 BY CEO TUOMAS OIJALA



I joined Spinnova as CEO on 11 December 2023. For me, this is a unique and challenging opportunity to commercialise Spinnova's sustainable technology innovation. The current tough economic climate is not the easiest for scaling a growth company. During my first months, I have got to know our operations and people with the aim to bring clarity, focus and prioritisation. We are making progress step by step on our journey to increase the production volumes of Spinnova fibre and to bring the fibre to the market in product applications through our committed supply chain and brand partners. It is clear to me that macroeconomic trends, constraints in the global fibre supply chain, and the need for the textile industry to meet its sustainability targets present us with a significant and inspiring opportunity to capture.

Our top priority in 2023 was finalizing the technology delivery and the construction of Woodspin's first factory. We worked throughout the year closely together with our joint venture partner Suzano and Woodspin on ramping up the factory. The ramp-up has progressed somewhat slower than originally anticipated, and therefore, fibre volumes have been limited so far. Suzano's work related to the efficiency and specifications of the eucalyptus-based micro fibrillated cellulose (MFC) raw material process has progressed with good results.

At the same time, Spinnova continues to further develop its technology concept to reduce the operational expenses and capital expenditure per tonne of fibre produced. The next step in our scaling is working towards the start of the pre-engineering phase of the next wood-based factory, planned to be owned and operated by Suzano. This includes the technology process design package work, which can also be applied to the planning of other future plants.

On 31 August, we announced that we would start a strategy review, in which we focused during the second half of the year. The aim was to prioritise those parts of the strategy that, in the short- to medium-term, are expected to deliver the fastest time to positive cashflow generation and that create the most value for the company's stakeholders. The outcome of the strategy review has been announced today and will be presented in detail in the Capital Markets Day today.

Spinnova will focus on technology sales and delivering the technology together with its partners. Technology sales will be targeted at where it creates the most value, with upstream raw material partners or downstream textile manufacturers. As we continue to make significant steps in the fibre, expanding its addressable market, as well as in the cost profile of technology investments, we will be able to offer an attractive solution for technology customers.

Other achievements during 2023 included the testing of textile waste as raw material in the Spinnova process with promising preliminary results. Moreover, we entered into a R&D yarn spinning line partnership with our supply chain partner Tearfil. A highlight of commercial and material development work was the launch of a denim blend at the Kingpins trade fair in October 2023. Denim development continues and the aim is to launch commercial denim products in the future. Joint Venture Respin's development advanced last year and the first product from leather waste, a pair of shoes, has been made successfully.

If the global textile industry wants to shift its material base from conventional materials, such as cotton and polyester, to more sustainable alternatives, we need all the players in the textile value chain on board. Bringing a new material innovation like Spinnova to the market in larger volumes requires investments, incentives and long-term commitments from investors, textile industry players and policymakers.

Our revenues during 2023 totalled EUR 10.6 million, driven by the technology delivery to Woodspin's first factory and the operating result was approximately EUR -20.9 million. The operating result was expected as we continued to ramp up our own and our joint venture operations. During 2023 our investments totaled EUR 9.0 million and continued to be primarily into the Woodspin joint venture.

I want to thank our dedicated team and partners for all their hard work during 2023. I look forward to working together to take the next steps on our exciting journey and to execute the new strategy for Spinnova.

Tuomas Oijala
CEO

STRATEGY REVIEW

On 31 August 2023, Spinnova announced a review of its strategy and medium- and long-term business targets. The global demand drivers and resulting opportunity for Spinnova continue to be very strong. Spinnova's ambition level to transform the global textile material industry remains unchanged. Spinnova has decided to prioritise actions which – in the short- to medium-term – deliver the fastest time to positive cashflows, and create the most value for the company's stakeholders.

The outcome of the strategy review has been announced today and will be presented in our Capital Markets Day on 14 March 2024.

Spinnova has set the following strategy targets:

	Short term (2025–2026)	Medium term (2028–2030)	Long term (2034–2036)
Cumulative technology sales*	30k tonnes	130k tonnes	450k tonnes
Financial	No additional external financing required	EBIT positive	More than EUR 100 million EBIT per year More than 30% of revenues recurring**

**Total cumulative annual fibre production capacity committed to be built by Spinnova technology customers or by Spinnova through own investments*

***Royalty and service fees*

As Spinnova is implementing its technology sales strategy and does not plan to make its own investment into fibre production in the short to medium term, Spinnova does not expect to need additional external financing in order to reach its strategy targets.

Upside potential to Spinnova's strategy targets is expected to be driven by 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 and faster than anticipated ramp up of alternative raw material pulp suppliers.

Downside potential to Spinnova's strategy targets may include 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, and slower than expected development of SPINNOVA® fibre properties which would reduce the size of the addressable fibre market for our technology customers.

MARKET ENVIRONMENT

The overall market outlook for Spinnova continues to be favourable. The demand for sustainable fibres and materials is growing and growth is expected to continue. The textile industry must cut GHG emissions by 45% by 2030 to be in line with the Paris Agreement and keeping global warming to a 1.5°C pathway¹. The value of the global textile fibre market is estimated to be some EUR 200 billion and is expected to grow to approximately EUR 245 billion by 2030². Global fibre production volume is expected to grow from 116 million tonnes in 2022 to 147 million tonnes by 2030 if business continues as usual³. The market growth and efforts to reduce environmental impacts are expected to drive demand also for Spinnova's fibre technology. However, the current challenging macroeconomic environment may affect demand for sustainable fibres and Spinnova's fibre technology in the short term.

To increase the share of sustainable materials in products, the whole textile industry value chain from fibre innovators and producers to yarn, fabric and garment makers and to brands must move onwards from sustainability targets to deepening their cooperation. Furthermore, the transition to a more sustainable material base is not only demand driven, but production capacity increases require investments into new technology and production capacity takes time to build. Textile Exchange, Boston Consulting Group and Quantis have estimated that there could be a 133 million tonne "preferred materials" gap in 2030 if investments into sustainable materials are not done in time¹.

Spinnova monitors closely market trends, legislation and environmental initiatives related to the textile industry. 2023 was a year of record-breaking heat waves affecting textile material production supply chains globally. The climate challenge in the industry is urgent and it is putting pressure on new legislation. The EU aims by 2030 textile products in EU to be long-lived and recyclable, to a great extent made of recycled fibres, free of hazardous substances and produced respecting social rights and the environment⁴. In the EU as many as 16 pieces of legislation are currently under discussion, with the first coming to force in 2024⁵.

More than 85% of leading brands (by sales) have publicly declared decarbonization targets for their supply chains.¹ Brands have for example committed to Science Based Targets and introduced sustainable materials into their collections. Spinnova continues to look for partners who are willing to take action and pioneer the change into sustainable materials in a larger scale, beyond sustainable capsule collections.

¹Textile Exchange, Boston Consulting Group and Quantis: Sustainable Raw Materials Will Drive Profitability for Fashion and Apparel Brands, October 2023 at: <https://www.bcg.com/publications/2023/driving-profitability-with-raw-materials-in-fashion> and Textile Exchange at: <https://textileexchange.org/climate-vision/>

²Company management and third-party sources mentioned in Spinnova IPO Offering Circular 10 June 2021.

³Textile Exchange: Materials Market Report, December 2023

⁴EU Strategy for Sustainable and Circular Textiles, 30 March 2022.

⁵McKinsey & Company, Business of Fashion: The State of Fashion 2024

*Preferred materials according to BCG and Textile Exchange mean sustainably sourced recycled or renewable raw materials.

Impact of global geopolitical situation

Spinnova has seen no material direct impacts on its business relating to the uncertain global geopolitical situation during the reporting period. The company is closely monitoring the situation and will adjust its operations and plans if needed.

FINANCIAL REVIEW FOR SPINNOVA GROUP

1 JULY – 31 DECEMBER 2023

REVENUE AND RESULTS

Spinnova's revenue was EUR 1 820 thousand (EUR 16 644 thousand) for the six-month reporting period from 1 July to 31 December 2023. The decrease in revenues compared to 2022 was due to phasing of the technology sales to Woodspin's first factory and other services provided to Woodspin. Most of the technology delivery to Woodspin took place in 2022 and H1/2023 while H2/2023 has been ramp-up time of the facility.

For the six-month reporting period the operating result was EUR –9 931 thousand (EUR –7 383 thousand). The increased loss for the reporting period compared to 2022 was mainly driven by increased other operating expenses and the loss in our joint venture Woodspin. Spinnova's share of result in associated companies was EUR –1 987 thousand in the second half of 2023 compared to EUR –701 thousand in the second half of 2022.

Financial income for the six-month period ending 31 December 2023 was EUR 1 219 thousand (EUR 0 thousand) and financial expenses were EUR 131 thousand (EUR 117 thousand) consisting mainly of positive current investment returns and interest costs related to the company's long-term loans.

CASHFLOW

Spinnova's net cash flow from operating activities in July–December 2023 was EUR –2 614 thousand (EUR –9 958 thousand).

Net cash flow from investing activities was EUR 2 198 thousand (EUR 15 926 thousand), which was positively affected by proceeds from the sale of financial instruments. Investments to joint ventures totaled EUR 2 800 thousand (EUR 7 500 thousand).

Net cash flow from financing activities was EUR –982 thousand (EUR –130 thousand), which consisted of repayments of borrowings and lease liabilities.

INVESTMENTS

Spinnova's investments in machinery and development of new technology were EUR 116 thousand (EUR 1 359 thousand) in the six months' period.

In July–December 2023 Spinnova invested a total of EUR 2 800 thousand (EUR 7 500 thousand) into joint venture companies, EUR 2 550 thousand into Woodspin and EUR 250 thousand into Respin.

EMPLOYEES

Spinnova's number of permanent employees grew to an average of 76 during July–December 2023 as compared to an average of 70 during the same period in 2022.

1 JANUARY – 31 DECEMBER 2023

REVENUE

Spinnova's revenue was EUR 10 640 thousand (EUR 24 279 thousand) for the year ended 31 December 2023. During the period, most of the revenue was derived from the technology delivery projects to Woodspin's 1 thousand tonne production facility and to Respin. The remainder of the revenue during the period consisted primarily of R&D services and development projects provided to Spinnova's partners.

PROFITABILITY

Spinnova's operating result was EUR –20 926 thousand (EUR –13 149 thousand) for January–December 2023. The increase of the operating loss was primarily driven by the overall ramp-up of the business, larger number of employees and higher cost impact of stock option programmes compared to January–December 2022. In addition, Woodspin's ramp-up increased the share of loss from joint ventures compared to 2022.

Spinnova's materials and services expenses were EUR 9 849 thousand (EUR 23 116 thousand) for the year ended 31 December 2023. The decrease compared to the previous year was due to timing of technology delivery to Woodspin's production facility where majority of the project delivery was completed during 2022.

Spinnova's personnel expenses were EUR 10 637 thousand (EUR 8 714 thousand) for the year ended 31 December 2023. The increase in personnel expenses was primarily due to the higher amount of personnel, salary inflation and higher cost impact of Spinnova's stock option programmes compared to year 2022.

Depreciation and amortisation were EUR 2 504 thousand (EUR 1 628 thousand) for the year ended 31 December 2023. The increase was driven by a higher level of fixed assets at the beginning of the year, mainly capitalised development expenses and right-of-use assets, compared to 2022.

Other operating expenses were EUR 5 779 thousand (EUR 3 414 thousand) for the year ended 31 December 2023. Overall other operating expenses increased as the company ramped up its business and completed critical one-off business and corporate development projects.

The share of results in joint ventures was EUR -3 544 thousand (EUR -649 thousand) for the year ended 31 December 2023. The increased loss was mainly related to Woodspin and its operations establishing a new organisation and ramping-up production at the new production facility. In addition, the loss at Woodspin increased due to purchasing alternative MFC raw material from Scandinavia.

Financial income was EUR 1 937 thousand (EUR 0 thousand) for the year ended 31 December 2023 due to positive development of the company's current investments. Financial expenses were EUR -304 thousand (EUR -1 867 thousand) for the period ended 31 December 2023. Financial expenses in 2023 consisted mainly of paid interest related to the company's interest-bearing borrowings. In 2022 financial expenses consisted mainly of write-downs of company's investments in money market funds driven by the financial market environment.

FINANCIAL POSITION AND CASH FLOW

Spinnova's total assets at the end of the review period were EUR 98 614 thousand (EUR 119 918 thousand). Equity was EUR 87 328 thousand (EUR 102 883 thousand). Cash and cash equivalents and current investments amounted to EUR 61 459 thousand (EUR 82 716 thousand). The cash position at the end of the reporting period was negatively impacted by the loss of the reporting period.

Spinnova's net cash flow from operating activities in January–December 2023 was EUR -13 998 thousand (EUR -5 227 thousand). The net cash flow from operating activities was driven by the loss of the period and change in working capital due to decrease in current non-interest-bearing-liabilities and decrease in trade receivables from Woodspin. The change in net working capital for the period was EUR -1 348 thousand (EUR 4 391 thousand).

Cash flow from investing activities was EUR -4 153 thousand (EUR 31 879 thousand). The majority of negative cash flow from investing activities related to investments into Woodspin.

Cash flow from financing activities was EUR 103 thousand (EUR -746 thousand) during the period ended 31 December 2023 mainly affected by higher share issues related to option programmes and higher repayments of lease liabilities, compared to the same period in 2022.

INVESTMENTS AND RESEARCH AND DEVELOPMENT

Spinnova's investments in tangible and intangible assets total EUR 663 thousand (EUR 4 723 thousand), of which investments in patents and development of new technology was EUR 165 thousand (EUR 3 488 thousand) and investments in machinery and equipment were EUR 498 thousand (EUR 1 235 thousand) for the period ended 31 December 2023. The decline in investments compared to the same period in 2022 was due to a EUR 1 366 thousand investment into the in-house R&D yarn-spinning machinery made in 2022 and technology development projects in 2022. During 2023 Spinnova's R&D teams focused on the commissioning and ramp-up of the first Woodspin factory and therefore technology development investments were lower.

In the period ended 31 December 2023 the company invested a total of EUR 8 300 thousand (EUR 12 250 thousand) to its joint ventures. During 2023 Woodspin's technology project cost increased to EUR 36 million, up from EUR 31 million projected in 2022. The co-investors Spinnova and Suzano each pay half of the investments to Woodspin. Spinnova has invested into the Woodspin joint venture a total of EUR 22.05 million by 31 December 2023.

On 31 December 2023 Spinnova's commitments and guarantees to joint ventures consists of EUR 1 250 thousand investments into Respin if the company proceeds to commercial phase, and EUR 418 thousand absolute guarantee for Woodspin's premise lease agreement.

PERSONNEL

Spinnova's number of permanent employees was 76 (75) at the end of the period January–December 2023, and on average 77 (67) for the period. The total number of Spinnova's employees was 81 (81) on 31 December 2023, including 5 (6) fixed term employees.

CHANGES IN GROUP MANAGEMENT

1 March 2023, Santeri Heinonen was appointed Chief Human Resources Officer and management team member. He started in his position on 2 May 2023.

21 April 2023, CEO Kim Poulsen stepped down as CEO, and the company's Board of Directors appointed CFO Ben Selby as interim CEO. The search for a new permanent CEO commenced immediately. Mr. Selby started as interim CEO as of 21 April 2023. He simultaneously continues in his position as CFO.

31 August 2023, Tuomas Oijala was appointed CEO of Spinnova Plc and Ben Selby deputy CEO, effective as of 1 January 2024 at the latest. Mr. Oijala and Mr. Selby started in their roles on 11 December 2023.

SHARES AND SHAREHOLDERS

Spinnova's share is listed on the Nasdaq First North Growth Market Finland. Spinnova's share capital is EUR 80 thousand. Spinnova has one series of shares. All the shares have one vote in the general meeting of shareholders and have equal rights to dividends. The ISIN code of the shares is FI4000507595, and the trading code is SPINN.

As of 31 December 2023, Spinnova had 36 066 (35 900) shareholders. Of the shares, 25.18 (26.97) percent were held by nominee registered shareholders. The company does not currently hold any of its own shares.

The following table presents Spinnova's ten largest registered shareholders by number of shares based on the shareholders' register maintained by Modular Finance Ab and Euroclear Finland Ltd as of 31 December 2023.

Shareholder	Number of shares	Of all shares and votes, %
Suzano S.A	9 808 530	18.78
Besodos Investors Oy	4 048 680	7.75
Maki.vc Fund I Ky	3 540 300	6.78
Beata Domus Ab	3 348 238	6.41
Janne Poranen	2 663 030	5.10
Holdix Oy Ab	2 187 510	4.19
Lenzing AG	2 173 642	4.16
Juha Salmela	1 960 322	3.75
Aktia Asset Management	1 535 013	2.94
Timo Soininen	1 356 794	2.60
Ten largest registered shareholders, total	32 622 059	62.46
Other shareholders, total	19 606 626	37.54
In total	52 228 685	100.00

Spinnova shares on Nasdaq First North Growth Market

January–December 2023	No. of shares traded	Average daily turnover EUR	High EUR	Low EUR	Average ¹ EUR	Last EUR
SPINN	12 354 901	179 999	7.38	1.492	3.657	2.395

¹Volume weighted average.

Market capitalisation at the end of December 2023 totalled approximately EUR 125 million.

THE ANNUAL GENERAL MEETING AND THE BOARD OF DIRECTORS

Spinnova Plc's Annual General Meeting was held on 4 May 2023 at 2.00 p.m. EET at Sanomatalo, Töölönlahdenkatu 2, FI-00100 Helsinki, Finland.

The Annual General Meeting approved the financial statements for 2022, discharged the members of the Board of Directors and the CEO from liability for the financial year 2022 and approved the Company's Remuneration Report for governing bodies.

The Annual General Meeting resolved that no dividend be distributed on the basis of the balance sheet to be adopted for the financial year 1 January 2022– 31 December 2022, and that the loss from the financial year be recorded in the Company's retained earnings.

The Annual General Meeting resolved that the remuneration of the Board of Directors would be a fixed monthly fee of EUR 2 000 for each Board Member. No separate meeting fees or committee member fees is to be paid.

Members of the Board of Directors

The Annual General Meeting resolved that the number of members of the Board of Directors for the term ending at the close of the Annual General Meeting 2024 is seven (7).

Janne Poranen, Hanna Liiri, Juha Salmela and Harri Sundvik were re-elected as members of the Board of Directors, and Petri Kalliokoski, Julio Ramundo and Kirsi Sormunen were elected as new members of the Board of Directors.

The Board members are independent of the company, except for Janne Poranen and Juha Salmela, due to their employment or service relationship with the company, and Julio Ramundo due to belonging to the operative management of Suzano S.A., which has a close cooperation relationship with Spinnova. All the Board members who are independent of the company are also independent of the company's significant shareholders. Spinnova's definition of Board members' independence complies with the Finnish Corporate Governance Code (2020).

The Board elected Janne Poranen as the Chair and Harri Sundvik as the Vice Chair of the Board. In addition, the Board elected members of the Board of Directors' Audit Committee and the Remuneration Committee. The members and duties of the Board Committees are further described at <https://spinnovagroup.com/board-of-directors/board-committees/>.

STOCK OPTIONS

Spinnova has established stock option programmes covering, among others, employees, and the members of the Board of Directors and the Management Team of the company. Based on the option programmes, a total of 6 245 620 shares can be subscribed, taking into account deducted forfeited options. Of this amount 3 828 930 options (each entitling to 1 share) were allocated and not yet exercised on 31 December 2023, which corresponds to a maximum approximately 6.8 percent of the diluted share amount.

During 1 January – 31 December 2023, holders of the options subscribed to 690 450 shares, which were registered in the Trade Register. For subscriptions made with the stock options the entire subscription price of EUR 1 642 thousand has been entered in the reserve for invested unrestricted equity.

Instrument	Number of options	Number of subscribed shares	Subscription price	Subscription price, total
Option Plan 2018	5 167	155 010	1.13	175 161.30
Option Plan 2020A	3 655	109 650	2.74	300 441.00
Options Plan 2020B	14 193	425 790	2.74	1 166 664.60
Total	23 015	690 450	-	1 642 266.90

The Annual General Meeting in 2023 authorised to resolve on the issuance of shares and special rights entitling to shares. The total number of shares that may be issued under the authorisation for purposes other than incentive schemes may not exceed 5 150 000 shares, which corresponds to approximately 10 percent of all shares in the Company. In addition, a maximum of 800 000 shares, corresponding to approximately 1.6 percent of the total number of shares in the Company, may be issued for the purposes of incentive schemes. Shares may be issued directly or via special rights. The authorisation cancels the authorisation granted by the Annual General Meeting 2021 to resolve on the issuance of shares and special rights entitling to shares. The authorisation is valid until 30 June 2024.

Expense recognised for employee services received

EUR (thousand)	7-12/2023	7-12/2022	1-12/2023	1-12/2022
Option Plan 2020	-108	-349	-343	-993
Option Plan 2022	-1 033	-457	-2 067	-488
Option Plan 2022 for Board Members	35	-29	8	-35
Total expense arising from share-based payment transactions	-1 106	-835	-2 402	-1 516

Cancellation of non-vested stock options

The options and established share-based long-term commitment programme granted by the Board, to the company's former CEO Kim Poulsen as well as the stock options issued to Sari Pohjonen, a former member of Spinnova's Board of Directors, and options of employees who have left the company, were cancelled in 2023.

Additional information on incentive programmes can be found at: <https://spinnovagroup.com/corporate-governance/remuneration/>

AUDITORS

The Annual General Meeting 2023 re-elected Authorised Public Accountants, as the auditor of the Company for a term of office ending at the end of the next Annual General Meeting.

Mr. Markku Launis, APA, acted as the principally responsible auditor until September 2023. PricewaterhouseCoopers Ltd, designated Certified Public Accountant (CPA) Jukka Torkkeli as Spinnova's Responsible Auditor as of 25 September 2023.

The remuneration for the auditor will be paid against the auditor's reasonable invoice.

SHORT-TERM RISKS AND UNCERTAINTY FACTORS

Spinnova's risk management provides a framework to consistently assess the company's risks in a changing environment. Spinnova is exposed to strategic, operational, financial or compliance risks that might negatively impact business activities, the group's financial situation, or its assets.

The risk categories are described below and remain valid in the current reporting period.

The ability of Spinnova to earn revenues and profits from technology sales, and for Spinnova's technology customers to earn revenues and profits from SPINNOVA® fibre sales is dependent on Spinnova's ability to scale its fibre production technology and for its customers to increase the production capacity of SPINNOVA® fibre. There is a risk that Spinnova is not able to scale its technology whilst lowering production costs and capex per tonne. If Spinnova is not able to do this, it may not be possible for Spinnova to meet its strategy targets.

The majority of Spinnova's revenues are expected to be derived from technology sales to technology customers. The timing of these technology sales is directly linked to the timing of the planned production capacity increases at technology sales customers. As production capacity increases are not planned in every calendar year, this may affect year-to-year comparisons of Spinnova's revenues and profitability. Decision-making in technology sales customers may be slower than anticipated. If there are any delays to planned production capacity increases, this would negatively impact Spinnova's revenues and profitability.

Spinnova may not be able to attract customers at the needed volumes to meet its strategy targets. The company may not be able to meet the fibre property and quality requirements of fibre customers, which in turn could negatively impact Spinnova's technology sales and the sales of SPINNOVA® fibre from technology customers. If competitors are able to produce high quality fibres with the same or better sustainability properties at competitive prices, this could negatively affect Spinnova's technology sales. If apparel brands and other buyers adopt sustainable materials more slowly than anticipated, this could negatively affect Spinnova's technology sales.

Delivery of the Group's technology projects may be delayed and may not be completed according to budget, which could negatively impact the Group's results. Delays and additional costs could be caused by amongst other factors: insufficient or inadequate definitions of the production and technology concept, contracting risk with partners and suppliers, delays in construction, supply chain delays and cost inflation, inadequate resources to deliver large projects or insufficient financing of technology customers.

The results of the Group's joint ventures will affect the results of the Group. If raw materials, including micro-fibrillated cellulose, are not available to the Group's joint ventures at the required quality and cost level, this may affect their operations and results negatively. If electricity prices rise significantly, this may have a negative effect on the results of the joint ventures. Spinnova's ability to affect decision-making in joint ventures is limited to the 50 percent ownership it currently holds in Woodspin and Respin.

The Spinnova Group has been operating at a loss, with no proof so far of being able to sustainably cover its costs with revenues without additional external funding. If the Group and its joint ventures are unable to access sufficient financing sources, they may be unable to continue to execute the expansion plans and strategy. Other risks associated with the Group's financial position mainly comprise of credit and counterparty risks.

Spinnova has an ingredient brand strategy for the Spinnova brand to become a recognised consumer-facing brand alongside apparel brands. Its brand ambition is to be known by consumers worldwide for its high-quality materials and as a guarantee of sustainability. Any negative media reports about Spinnova, in particular related to the company's sustainability practices and the performance of its materials, whether real or otherwise, could harm the

company's reputation and impact the Group's results. Such reputational risks could stem from the Group and/or its joint ventures and/or its suppliers and customers.

The current general macroeconomic environment and geopolitical situation remains challenging and uncertain. This may negatively affect the availability, timing and terms of financing required for increasing production capacity of SPINNOVA® fibre. If consumer confidence remains low or decreases this may have a negative impact on consumer demand for products containing SPINNOVA® fibre. This could negatively impact Spinnova's and its technology sales customers' business and may negatively impact the size and timing of investments into increased production capacity.

The Group is at risk of IT security breaches. Cyber security requires comprehensive information and assessment of physical and digital security threats. Therefore, Spinnova invested in additional corporate IT resources in 2022 and has created an IT risk mitigation plan.

If the company does not protect its intellectual property, it may face limitations in its freedom to operate or potential demands for royalties.

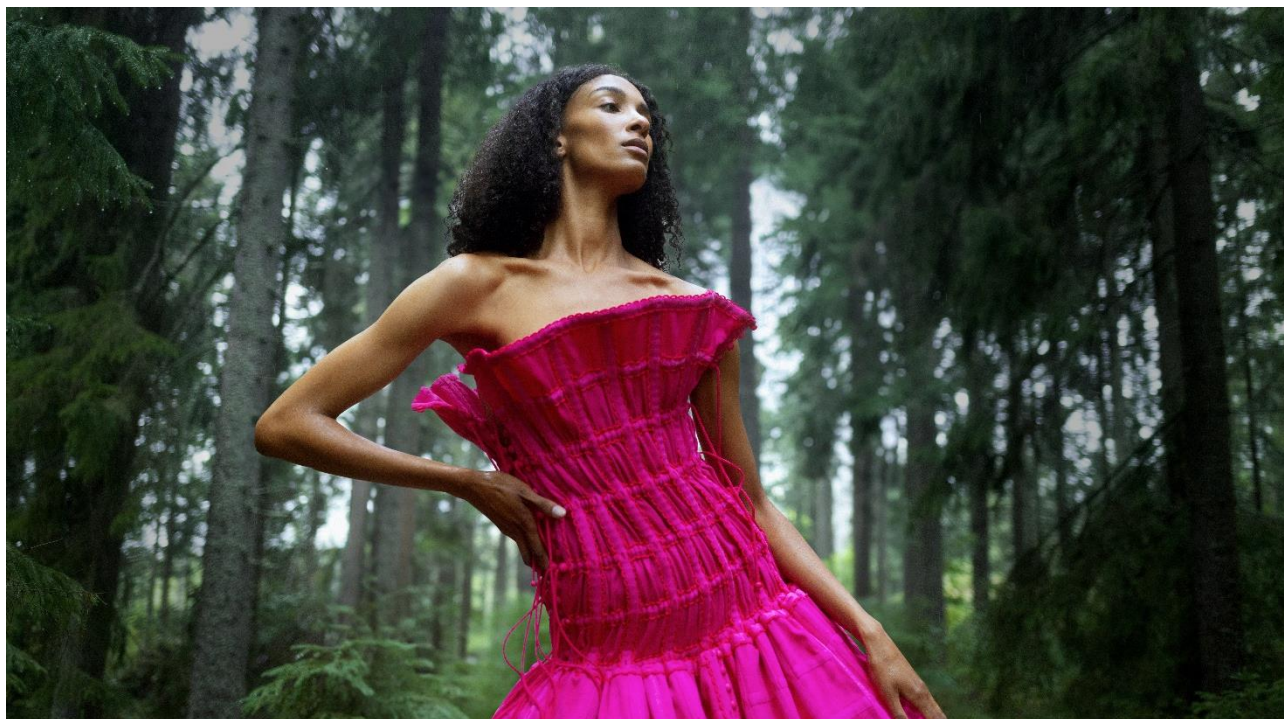
If the Group and its joint ventures are unable to attract and retain skilled and talented employees, this may impact the ability to meet the strategy targets. Global pandemics may impact demand from the Group's and its joint ventures' customers and may negatively impact the Group's and its joint ventures' supply chains and employees and hence ability to operate according to the strategy.

THE BOARD OF DIRECTORS' PROPOSAL FOR THE DISTRIBUTION OF PROFITS

In the medium term, Spinnova focuses on growth and the company does not expect to distribute a dividend in the short to medium term. The distributable unrestricted equity of Spinnova Plc on 31 December 2023 was EUR 79 129 thousand, of which the result of the period was EUR – 14 627 thousand. The Board of Directors proposes to the Annual General Meeting that no dividend be distributed for the financial year January–December 2023, and that the loss of the financial year is recorded in the retained earnings.

In Jyväskylä, 14 March 2024

Spinnova Plc
Board of Directors



CONDENSED FINANCIAL INFORMATION JULY–DECEMBER 2023 AND JANUARY–DECEMBER 2023 (IFRS)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

EUR (thousand)	Note	7-12/2023	7-12/2022	1-12/2023	1-12/2022
Revenue (net sales)	1.	1 820	16 644	10 640	24 279
Other operating income		528	46	749	92
Materials and services		-1 119	-16 094	-9 849	-23 116
Personnel expenses		-4 448	-4 833	-10 637	-8 714
Depreciation, amortisation, and impairment losses		-1 247	-848	-2 504	-1 628
Other operating expenses		-3 477	-1 596	-5 779	-3 414
Share of result in joint ventures		-1 987	-701	-3 544	-649
Operating Result (EBIT)		-9 931	-7 383	-20 926	-13 149
Financial income		1 219	0	1 937	0
Financial expenses		-131	-117	-304	-1 867
Result before taxes		-8 843	-7 501	-19 293	-15 016
Income tax		-190	-72	-303	-107
Result for the period		-9 033	-7 572	-19 596	-15 123
Attributable to Equity holders of the parent		-9 033	-7 572	-19 596	-15 123
Total comprehensive income for the period		-9 033	-7 572	-19 596	-15 123
Attributable to Equity holders of the parent		-9 033	-7 572	-19 596	-15 123
Earnings per share, EUR					
Earnings per share, diluted & undiluted		-0,17	-0,15	-0,38	-0.29

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR (thousand)	Note	31 Dec. 2023	31 Dec. 2022
Assets			
Non-current assets			
Intangible assets	2.	11 697	13 080
Property, plant and equipment	2.	1 958	1 517
Right-of-use assets		1 184	1 838
Investments in joint ventures	5. & 6.	18 891	14 137
Other non-current receivables		135	135
Deferred tax assets		7	52
Total non-current assets		33 872	30 758
Current assets			
Trade Receivables		2 301	5 558
Other current receivables		257	267
Prepayments & accruals		725	618
Investments	4.	46 285	49 495
Cash and cash equivalents	4.	15 174	33 222
Total current assets		64 742	89 160
Total assets		98 614	119 918

EUR (thousand)	Note	31 Dec. 2023	31 Dec. 2022
Equity and liabilities			
Equity			
Share capital		80	80
Reserve for invested unrestricted equity		135 014	133 372
Retained earnings / accumulated deficit		-47 765	-30 570
Equity attributable to shareholders of the parent		87 328	102 883
Total equity		87 328	102 883
Non-current liabilities			
Borrowings	3.	4 466	5 403
Lease liabilities	3.	563	1 032
Deferred tax liabilities		680	421
Total non-current liabilities		5 709	6 856
Current liabilities			
Borrowings	3.	1 350	1 000
Lease liabilities	3.	655	827
Contract liabilities		0	34
Trade payables		1 574	6 501
Accrued expenses		1 600	1 634
Other current liabilities		398	184
Total current liabilities		5 577	10 179
Total liabilities		11 286	17 035
Total equity and liabilities		98 614	119 918

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR (thousand)	Note	7-12/2023	7-12/2022	1-12/2023	1-12/2022
Operating activities					
Result for the period		-9 033	-7 572	-19 596	-15 123
Adjustments to reconcile result to net cash flows for the period:					
Income tax expense		190	72	303	107
Depreciation and impairment		1 247	848	2 504	1 628
Finance income and expenses		-14	118	-100	1 841
Net result on financial instruments at fair value through profit or loss		-1 074	0	-1 533	26
Share-based payment expense		1 109	835	2 402	1 516
Share of profit from associates and joint ventures		1 987	701	3 544	649
Change in working capital:					
Increase (-) / decrease (+) in current non-interest-bearing receivables		3 238	-3 867	3 159	-1 200
Increase (+) / decrease (-) in current non-interest-bearing liabilities		-224	-954	-4 507	5 592
Interest received and paid		-36	-138	-175	-262
Income tax paid		-	-	-	-
Net cash flow from operating activities (A)		-2 613	-9 958	-13 998	-5 228
Net cash from investing activities					
Purchase of tangible and intangible assets	2.	-34	-1 239	-935	-4 551
Purchase of financial instruments		-10	-5 000	-21	-30 005
Proceeds from the sale of investments		5 042	29 665	5 103	78 686
Investments to associates and joint ventures	5.	-2 800	-7 500	-8 300	-12 250
Net cash from investing activities (B)		2 198	15 926	-4 153	31 879
Net cash from financing activities					
Share issue		0	216	1 641	334
Repayment of principal portion of lease liabilities	3.	-482	-305	-952	-540
Proceeds from borrowings	3.	0	460	413	460
Repayments of borrowings	3.	-500	-500	-1 000	-1 000
Net cash from financing activities (C)		-982	-130	103	-746
Net change in cash and cash equivalents (A+B+C) increase (+) / decrease (-)		-1 397	5 839	-18 048	25 906
Cash and cash equivalents in the beginning of the period		16 571	27 384	33 222	7 317
Cash and cash equivalents at the end of the period		15 174	33 223	15 174	33 222

EUR (thousand)	Note	31 Dec. 2023	31. Dec. 2022
Cash and cash equivalents		15 174	33 222
Current investments	4.	46 285	49 495
Total net liquid funds		61 459	82 716

The funds included in the current investments are an integral part of Spinnova's cash management. They are highly liquid instruments and can be sold at current market prices quickly when needed.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

7-12/2023		Attributable to the equity holders of the parent		
EUR (thousand)	Share capital	Fund for unrestricted equity	Retained earnings	Total
Equity on 1 Jul. 2023	80	135 013	-39 838	95 255
Profit for the period			-9 033	-9 033
Other comprehensive income				0
Total comprehensive income	0	0	-9 033	-9 033
Transactions with owners				
Share-based payments			1 105	1 105
Share issue		1		1
Equity on 31 Dec. 2023	80	135 014	-47 765	87 328

7-12/2022		Attributable to the equity holders of the parent		
EUR (thousand)	Share capital	Fund for unrestricted equity	Retained earnings	Total
Equity on 1 Jul. 2022	80	133 160	-23 832	109 408
Profit for the period			-7 572	-7 572
Other comprehensive income				0
Total comprehensive income	0	0	-7 572	-7 572
Transactions with owners				
Share-based payments			835	835
Share issue		212		212
Equity on 31 Dec. 2022	80	133 372	-30 570	102 883

31 Dec. 2023		Attributable to the equity holders of the parent		
EUR (thousand)	Share capital	Fund for unrestricted equity	Retained earnings	Total
Equity on 1 Jan. 2023	80	133 372	-30 570	102 882
Profit for the period			-19 596	-19 596
Other comprehensive income				0
Total comprehensive income	0	0	-19 596	-19 596
Transactions with owners				
Share-based payments			2 402	2 402
Share issue		1 641		1 641
Equity on 31 Dec. 2023	80	135 014	-47 765	87 328

31 Dec. 2022		Attributable to the equity holders of the parent		
EUR (thousand)	Share capital	Fund for unrestricted equity	Retained earnings	Total
Equity on 1 Jan. 2022	80	133 106	-16 962	116 223
Profit for the period			-15 123	-15 123
Other comprehensive income				0
Total comprehensive income	0	0	-15 123	-15 123
Transactions with owners				
Share-based payments			1 516	1 516
Share issue		267	0	267
Equity on 31 Dec. 2022	80	133 372	-30 570	102 883

NOTES TO THE FINANCIAL REPORT

GENERAL INFORMATION

The business ID of Spinnova Plc (Oyj) is (2653299-6) and the company headquarters are located at Palokärjentie 2-4, 40320 Jyväskylä. This Financial Statements bulletin consists of the parent company Spinnova Plc and its joint venture companies Woodspin Oy and Respin Oy and subsidiary Spinnova Holdings Oy.

Spinnova Oy is a publicly listed company on Nasdaq First North Growth Market Finland. Spinnova is incorporated and domiciled in Finland. The registered office is in Jyväskylä, Finland.

BASIS OF PREPARATION

This Financial Statements Bulletin has been prepared in accordance with the requirements in IAS 34 (Interim Financial Reporting) standard. Information concerning the full year 2022 is based on the audited IFRS financial statements for 2022 that were published 17 August 2023.

The figures are presented in euros and all values are rounded to the nearest thousand, except when otherwise indicated. Consequently, the sum of individual numbers may deviate from the presented sum figure due to rounding differences. The comparative year information is presented in a separate column after the information for the current financial year.

The Financial Statements Bulletin is not audited.

ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS APPLIED IN THE PREPARATION OF THE FINANCIAL STATEMENTS AND HALF-YEAR REPORTS

The preparation of Spinnova's consolidated financial statements and half-year reports requires the management to use judgement, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that differ from the used estimates and assumptions. The judgement, estimates and assumptions of management used in preparation of the half-year information are similar that were used in the preparation of the consolidated group financial statement for the financial year ending 31 December 2023.

The financial information presented here does not include all the notes presented in the annual financial statements and the financial information must be read in conjunction with the financial statements for the financial year ended 31 December 2023.

STRUCTURAL AND FINANCIAL ARRANGEMENTS

In 2023 Spinnova Plc received a grant of a maximum of EUR 1.9 million for its research and development work from Business Finland for 15 April 2023 – 14 April 2025. The grant amount represents 50 percent of the project's total cost estimate of EUR 3.9 million.

In 2022 Spinnova Plc received a grant of a maximum of EUR 1.6 million for its research and development work from Business Finland for 1 October 2022 – 31 December 2024. The grant amount represents 50 percent of the project's total cost estimate of EUR 3.2 million.

Between 1 January and 31 December 2023, a total of 690 450 Spinnova Plc's new shares were subscribed for with the company's stock options.

The AGM held on 4 May 2023 authorised to resolve on the issuance of shares and special rights entitling to shares. The total number of shares that may be issued under the authorisation for purposes other than incentive schemes may not exceed 5 150 000 shares, which corresponds to approximately 10 percent of all shares in the Company. In addition, a maximum of 800 000 shares, corresponding to approximately 1.6 percent of the total number of shares in the Company, may be issued for the purposes of incentive schemes. Shares may be issued directly or via special rights. The authorisation cancels the authorisation granted by the Annual General Meeting 2021 to resolve on the issuance of shares and special rights entitling to shares. The authorisation is valid until 30 June 2024.

1. REVENUES FROM CONTRACTS WITH CUSTOMERS

1.1. Geographical markets

EUR (thousand)	7-12/2023	7-12/2022	1-12/2023	1-12/2022
Finland	1 668	16 625	10 423	24 226
Others	151	20	217	53
Total	1 820	16 644	10 640	24 279

1.2. Timing of revenue recognition

EUR (thousand)	7-12/2023	7-12/2022	1-12/2023	1-12/2022
Services transferred over time	1 820	16 644	10 640	24 279
Total	1 820	16 644	10 640	24 279

2. CHANGES IN INTANGIBLE AND TANGIBLE ASSETS

2.1. Intangible assets

EUR (thousand)	Patents and Trademarks	Development costs	Assets under development	Total
Cost				
1 Jan. 2022	922	10 076	1 600	12 599
Additions	0	680	1 319	1 999
Reclassifications	0	0	0	0
30 Jun. 2022	922	10 756	2 919	14 598
Additions	0	0	1 489	1 489
Reclassifications	260	4 073	-4 333	0
31 Dec. 2022	1 183	14 830	75	16 087
Additions	0	0	483	483
Reclassifications	0	0	0	0
30 Jun. 2023	1 183	14 830	557	16 570
Additions	0	0	47	47
Reclassifications	325	-85	-604	-364
31 Dec. 2023	1 508	14 745	0	16 252
Amortisation and impairment				
1 Jan. 2022	-329	-1 597	0	-1 926
Amortisation	-45	-495	0	-540
30 Jun. 2022	-375	-2 092	0	-2 466
Amortisation	-45	-495	0	-540
31 Dec. 2022	-420	-2 586	0	-3 006
Amortisation	-47	-742	0	-789
30 Jun. 2023	-467	-3 328	0	-3 795
Amortisation	-47	-713	0	-760
31 Dec. 2023	-514	-4 041	0	-4 555
Book value, EUR (thousand)				
31 Dec. 2023	993	10 704	0	11 697
31 Dec. 2022	763	12 243	75	13 080

2.2. Property, plant and equipment

EUR (thousand)	Machinery & equipment	Assets under construction	Total
Acquisition cost			
1 Jan. 2022	418	200	618
Additions	0	1 366	1 366
30 Jun. 2022	418	1 566	1 984
Additions	78	-208	-130
31 Dec. 2022	496	1 358	1 853
Additions	65	0	65
30 Jun. 2023	561	1 358	1 918
Additions	187	246	433
31 Dec. 2023	747	1 604	2 351
Depreciation and impairment			
1 Jan. 2022	-305	0	-305
Depreciation charge for the year	-14	0	-14
30 Jun. 2022	-319	0	-319
Depreciation charge for the year	-17	0	-17
31 Dec. 2022	-337	0	-337
Depreciation charge for the year	-24	0	-24
30 Jun. 2023	-361	0	-361
Depreciation charge for the year	-33	0	-33
31 Dec. 2023	-394	0	-394
Book value, EUR (thousand)			
31 Dec. 2023	354	1 604	1 958
31 Dec. 2022	159	1 358	1 517

2.3. Leases

EUR (thousand)	Right-of-use assets, buildings	Right-of-use assets, vehicles	Total
1 Jan. 2022	996	49	1 046
Additions	104	0	104
Depreciation charge for the year	-211	-14	-226
30 Jun. 2022	889	35	924
Additions	1 205	0	1 205
Depreciation charge for the year	-278	-13	-291
31 Dec. 2022	1 816	22	1 838
Additions	0	203	203
Depreciation charge for the year	-422	-23	-445
30 Jun. 2023	1 394	203	1 597
Additions	0	42	42
Depreciation charge for the year	-402	-52	-454
31 Dec. 2023	991	193	1 184

3. CHANGES IN THE INTEREST-BEARING LIABILITIES

7-12/2023

EUR (thousand)	Opening balance 1 Jul.	Repayment	Proceeds from borrowings	Other changes	Reporting date balance 31 Dec.
Non-current borrowings	5 316	0	0	-850	4 466
Current borrowings	1 000	-500	0	850	1 350
Lease liabilities	1 628	-482	0	72	1 218
Total	7 944	-982	0	72	7 034

1-12/2023

EUR (thousand)	Opening balance 1 Jan.	Repayment	Proceeds from borrowings	Other changes	Reporting date balance 31 Dec.
Non-current borrowings	5 403	0	413	-1 350	4 466
Current borrowings	1 000	-1 000	0	1 350	1 350
Lease liabilities	1 859	-952	0	310	1 218
Total	8 262	-1 952	413	310	7 034

7-12/2022

EUR (thousand)	Opening balance 1 Jul.	Repayment	Proceeds from borrowings	Other changes	Reporting date balance 31 Dec.
Non-current borrowings	5 443	0	460	-500	5 403
Current borrowings	1 000	-500	0	500	1 000
Lease liabilities	940	-305	0	1 225	1 859
Total	7 382	-805	460	1 225	8 262

1-12/2022

EUR (thousand)	Opening balance 1 Jan.	Repayment	Proceeds from borrowings	Other changes	Reporting date balance 31 Dec.
Non-current borrowings	5 943	0	460	-1 000	5 403
Current borrowings	1 000	-1 000	0	1 000	1 000
Lease liabilities	1 058	-540	0	1 341	1 859
Total	8 001	-1 540	460	1 341	8 262

3.1. Maturity distribution of financial liabilities

31 Dec. 2023

EUR (thousand)	Book value	2024	2025	2026	2027	2028	Over 5 years	Total Cash Outflows
Interest-bearing loans and borrowings	5 816	1 434	1 336	1 320	1 304	604		5 999
Lease liabilities	1 218	692	576	20				1 288
Trade and other payables	1 574	1 574						1 574
Total	8 608	3 700	1 912	1 341	1 304	604	0	8 861

4. NET CASH

EUR (thousand)	31 Dec. 2023	31 Dec. 2022
Cash and cash equivalents	15 174	33 222
Current investments	46 285	49 495
Net cash excluding borrowings and leasing liabilities	61 459	82 716
Non-current borrowings	-4 466	-5 403
Current borrowings	-1 350	-1 000
Lease liabilities	-1 218	-1 859
Net Cash total	54 426	74 454

Current investments include investments for equity and fixed-income funds. These investments are financial instruments measured at fair value at inception and are classified to be subsequently measured at fair value through profit or loss. Spinnova recognises the fair value gains and losses in the statement of profit or loss.

The funds included in the current investments are highly liquid and can be sold at the current market prices quickly when needed.

5. RELATED PARTY TRANSACTIONS

Parties are considered to be related parties if one party has the ability to control the other party or to exercise significant influence or joint control over the other party in making financial and operational decisions. During January–December 2023 the company's related parties consist of the company's subsidiary Spinnova Holdings Oy, the company's joint ventures with Suzano and Ecco, Woodspin Oy and Respin Oy respectively, shareholders Suzano, Lenzing AG and Besodos Investors Oy that have significant influence over the company as well as the Members of the Board of Directors and the company's Management Team and their closely related family members and the entities over which they have control or joint control.

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year. Sales to related parties and receivables consists of sales to Spinnova's related party company, Woodspin Oy. In 2023, purchases from related parties consisted of consultancy fees paid to companies controlled by member of the board of directors Harri Sundvik. In 2022 purchases and liabilities consisted of consultancy fees paid to companies controlled by two members of the board of directors Harri Sundvik and Timo Soininen. Transactions with related parties are carried out on usual commercial terms.

5.1. Transaction with related parties

EUR (thousand)	7-12/2023	7-12/2022	1-12/2023	1-12/2022
Sales to related parties	15	152	99	330
Purchases from related parties	24	32	45	73
Receivables	5	59	5	59
Liabilities	0	0	0	0

5.2. Transaction with joint ventures

EUR (thousand)	7-12/2023	7-12/2022	1-12/2023	1-12/2022
Sales to related parties	1 903	16 913	10 334	23 850
Purchases from related parties	233	99	548	99
Trade receivables	2 233	5 496	2 233	5 496
Trade payables	457	114	457	114
Investments made to joint ventures	2 800	12 250	8 300	12 250

5.3. Shares owned by the Board and the Management Team

The Board of Directors and the Management Team have shareholdings in the company, and the company has granted stock option rights to them. On 31 December 2023, the Board and Management Team holdings in the company were 17 percent of shares and votes. In addition, the company's Board and Management Team had stock options issued by the company entitling the holders, if vested, to subscribe to a total of 2 069 960 shares.

6. CONTINGENT LIABILITIES AND OTHER COMMITMENTS

EUR (thousand)	31 Dec. 2023	31 Dec. 2022
Guarantees and pledges given		
Loan secured by a corporate mortgage	750	1 750
Corporate mortgage	10 000	10 000
Absolute guarantee for Woodspin's premises lease agreement	418	0
Off-balance sheet financial commitments		
Lease commitments ¹		
Maturing in less than 1 year	91	119
Maturing later	51	97
Total other commitments	142	216

¹ Lease commitments presented in the table consists of leases for which the lease term ends within 12 months or for which the underlying asset is of low value. Lease commitments are presented with VAT included.

6.1. Other financial commitments

6.1.1. Woodspin joint venture

In 2021, under the terms of the Woodspin joint venture agreement the Woodspin co-investors Spinnova and Suzano agreed to each subscribe for 1 750 000 newly issued shares in Woodspin and pay a consideration of EUR 1.75 million for such shares. The company made the investment of EUR 1.75 million into Woodspin in April 2021.

The Woodspin co-investors agreed that the plant will need additional investments that shall be paid into the reserve for invested unrestricted equity of Woodspin. Spinnova has invested into the Woodspin joint venture a total of EUR 22.05 million by 31 December 2023 equalling the investment made by Suzano.

In January 2024, the co-investors of Woodspin agreed to invest up to EUR 13 million into Woodspin joint venture between January 2024 and January 2025. Both investors investing equally sized portions of EUR 6.5 million.

6.1.2. Respin joint venture

If commercialisation phase for Respin commences, the Company has agreed to invest up to EUR 1.25 million into the Respin joint venture. This amount shall be paid into the reserve for invested unrestricted equity of Respin.

If further equity financing is needed to complete the commercialisation of Respin, the co-investors Spinnova and ECCO shall each provide further capital to the joint venture as may be separately agreed. Further investments made will be of equal amounts by the co-investors and those will be recognised to the reserve for invested unrestricted equity of Respin.

By the end of the reporting period Spinnova has invested total of EUR 0.25 million into Respin joint venture.

APPENDIX

THE NUMBER OF SHARES USED IN KEY PERFORMANCE INDICATORS

Period	Average number of shares during the period	Number of shares at the end of the period
7-12/2023	52 215 423	52 228 685
1-12/2023	51 898 723	52 228 685
7-12/2022	51 366 297	51 538 235
1-12/2022	51 331 672	51 538 235

CALCULATION OF KEY FIGURES

Key figure	Definition	Reason for the use
Earnings per share undiluted	Result for the period / weighted average number of shares outstanding during the period	The indicator shows the allocation of the result to individual shares.
Earnings per share diluted	Result for the period / weighted average number of shares outstanding during the period + potential dilutive shares	The indicator shows the distribution of earnings to individual shares on a diluted basis.
Equity ratio (per cent)	Total equity / (Balance sheet total – advances received)	Measure for management to monitor the level of the company's capital and compliance with the company's loan covenants.
Net debt	Short-term interest-bearing liabilities + Long-term interest-bearing liabilities – Cash and cash equivalents – Current investments	Net debt is an indicator to measure the external debt financing of the company.
Net cash	Cash and cash equivalents + Current investments – Short-term interest-bearing liabilities – Long-term interest-bearing liabilities	Net cash is an indicator of the company's cash position and its ability to pay off interest-bearing liabilities

INVESTOR RELATIONS CONTACTS



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CFO and Deputy CEO



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This Financial Statements Bulletin and the Governance, Remuneration and Financial Statements report and all earlier financial reports and presentations are available on Spinnova's website:

<http://www.spinnovagroup.com/reports>

UPCOMING FINANCIAL DISCLOSURES

Spinnova arranges a Capital Markets Day today on 14 March 2024 at 14.00–17.00 (EET). The financial results of January–December 2023 will be presented in the end of the CMD webcast by CEO Tuomas Oijala and CFO Ben Selby.

A recording of the CMD event will be available on the investor website within 24 hours.

The CMD webcast can be followed through the link:
<https://spinnova.videosync.fi/2024-cmd>

Spinnova's Annual Review and Sustainability report for 2023 will be published in week 16/2024. Spinnova's Annual General Meeting will be held on 7 May 2024. A separate invitation to the meeting will follow.

Spinnova's half-year financial report for January–June 2024 will be published on 22 August 2024.

SPINNOVA – Sustainable textile materials naturally

Spinnova transforms the way textiles are manufactured globally. Based in Finland Spinnova has developed breakthrough patented technology for making textile fibre out of wood or waste such as leather textile or agricultural waste without harmful chemicals.

The SPINNOVA® fibre creates zero waste and side streams or microplastics and its CO₂ emissions and water use are minimal. SPINNOVA® materials are quickly biodegradable and circular. Spinnova is committed to using only sustainable raw materials such as FSC certified wood and waste. SPINNOVA® fibre is produced without harmful or complex chemical processes and has the touch and feel of natural fibres such as cotton and linen.

Spinnova has received awards from e.g. the Fast Company ISPO, Scandinavian Outdoor, ANDAM, Monocle and Marie Claire UK.

Spinnova's shares (SPINN) are listed on the Nasdaq First North Growth Market Finland.

SPINNOVA® home: www.spinnova.com
Corporate & IR site: www.spinnovagroup.com