



SPINNOVA®

Half-Year Report

JANUARY-JUNE 2024

22 August 2024

Spinnova Plc's Half-Year Report January–June 2024 (unaudited)

Strategy and organization updated to focus on technology sales – execution progressing with Letter of Intent signed with Suzano

JANUARY TO JUNE 2024 HIGHLIGHTS (IFRS)

(comparison figures in parentheses are for January–June 2023 if nothing else is communicated)

- Revenue was EUR 362 thousand (EUR 8 820 thousand).
- Operating result for the period was EUR -9 906 thousand (EUR -10 994 thousand).
- Total investments were EUR 3 353 thousand (EUR 6 047 thousand).
- Net cash was EUR 46 601 thousand (end of 2023: EUR 54 426 thousand).
- Spinnova and Suzano signed a Letter of Intent (LOI) regarding a potential new production facility for wood-based SPINNOVA® fibre.
- Spinnova updated its strategy and targets. Focus on technology sales.
- Spinnova made changes in its Management Team to align roles according to the updated strategy.
- Spinnova started change negotiations to change the organisational structure to support the effective execution of the updated strategy and to reduce fixed costs to achieve profitability targets.
- The Board of Directors resolved on a new share-based commitment programme for the Management Team and on a new share-based incentive programme for key individuals.
- Spinnova's R&D yarn spinning line was inaugurated in Tearfil's mill in Portugal.
- Spinnova continued brand collaborations and released commercial products with Bestseller and Luhta.

SIGNIFICANT EVENTS AFTER THE PERIOD

- On 30 July 2024 Spinnova Plc and ECCO Investment Corporation signed a Letter of Intent (LOI) regarding the future plans for their 50/50 owned joint venture company Respin Oy.
- On 12 August 2024 Spinnova Plc and Valmet signed a Partnership Agreement regarding the delivery of process equipment for Spinnova's customers.

IFRS KEY FIGURES¹

EUR (thousand)	1-6/2024	1-6/2023	1-12/2023
Revenue (net sales)	362	8 820	10 640
Operating result (EBIT)	-9 906	-10 994	-20 926
Profit for the period	-9 153	-10 563	-19 596
Earnings per share (EUR, diluted and undiluted) ¹⁾	-0.18	-0.20	-0.38
Net cash	46 601	58 789	54 426
Equity ratio, %	88 %	89 %	89 %
Number of permanent employees, end of period	74	78	76
Number of permanent employees, average	74	78	77

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 24.

This Half Year Financial Report has been prepared in accordance with the requirements of the IAS 34 (Interim Financial Reporting) standard.

Information concerning the full financial year 2023 is based on the audited IFRS financial statements for 2023.

OUTLOOK

Financial Guidance for 2024 (unchanged)

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.



CEO TUOMAS OIJALA'S COMMENTS

The first half of 2024 was an eventful time for Spinnova. At the beginning of the year, we worked intensely on finalizing our strategy review. We launched the updated strategy at our Capital Markets Day on 14 March. Spinnova now focuses on technology sales and delivering the technology with partners to customers investing in SPINNOVA® fibre production facilities.

The execution of our updated strategy is already in progress. In March we signed a Letter of Intent (LOI) with our long-term partner Suzano. According to the LOI, Suzano plans to invest in Spinnova's technology by building a wood-based SPINNOVA® fibre factory with an initial capacity of 20 thousand tonnes of fibre per year. We have continued our good collaboration with Suzano and expect to commence the pre-engineering phase of the planned factory in H2/2024.

Another significant milestone was signing a LOI with our other joint venture partner, Ecco in July 2024. In the LOI both Spinnova and Ecco commit to continue the development and scaling of the leather-based fibre production at Respin. The parties aim to make a final decision about how to proceed with production scaling and commercialisation by the end of Q1/2025. In August 2024, we announced an exclusive partnership agreement with the global technology supplier Valmet, which will deliver the main equipment for future factories. Our collaboration with Valmet not only brings an established industry player to the delivery of future factories but also accelerates our development work and technology sales to new potential customers.

As part of the strategy review, we set new strategy targets for the short, medium and long term and streamlined our organizational structure to support effective strategy execution. We aim to be EBIT positive in the medium term (2028-2030) and we expect not to need to raise additional external funding to reach our strategy targets. This target underlines the strong belief we have in the new technology sales strategy, which is capital-light compared to investing in fibre production ourselves.

Organizational restructuring is always challenging for a company and its employees. We had to say goodbye to many talented people, but as an organisation we have emerged stronger with clearer roles and responsibilities. Our ongoing cost savings programme covering personnel and external spending is also progressing according to plan. The annual run-rate savings from the change negotiations and Management Team changes are approximately EUR 1.6 million and the majority of the run-rate savings will be effective by the beginning of 2025. Other operating costs in turn have already started to decrease.

In addition to these big changes in the Company, I would like to highlight the progress we have made together with our partners Suzano, Woodspin, Ecco and Respin in further improving fibre quality and optimizing the technology process. We have seen good results with fibre produced at Woodspin from Suzano micro-fibrillated cellulose (MFC) and work continues on validation by supply chain partners in H2/2024.

We are extremely proud to see that our brand partners have launched multiple high-volume products this year with SPINNOVA® fibre made from Scandinavian wood-based MFC at Woodspin's factory. Bestseller launched t-shirts under their Jack & Jones brand in April, which was the first commercial product made with SPINNOVA® fibre produced at Woodspin. We were extremely honoured to see SPINNOVA® fibre included in two countries' summer Olympics 2024 athletes' collections made by Jack & Jones and Vero Moda for Danish athletes and by Rukka for Finnish athletes. We also expect Ecco to launch a commercial product from leather waste-based fibre from Respin by the end of Q1/2025. We continue working systematically with apparel brands to develop longer-term plans for increasing the industrial adoption of SPINNOVA® fibre.

Our revenues during the first half of 2024 were EUR 0.4 million, mainly from technology services delivered to Woodspin and Respin. The operating result was EUR -9.9 million. Investments totalled EUR 3.2 million and continued to be primarily into the Woodspin joint venture. Our net cash position remained strong totalling EUR 46.6 million at the end of June 2024. All in all, our financial performance during the first half of the year was as expected.

I would like to express my sincere gratitude to all our stakeholders for their support and trust in us. As we move forward, we remain committed to our strategic objectives and look forward to achieving new milestones together.

Tuomas Oijala
CEO



STRATEGY REVIEW

Spinnova completed its strategy review and presented the updated strategy in the Capital Markets Day on 14 March 2024.

UPDATED STRATEGY

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 sales will be targeted at where it creates the most value, with upstream raw material partners or downstream textile manufacturers. The value of the Spinnova technology to technology sales customers will be magnified by a strong focus on technology development and adoption of the fibre in the textile industry.

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 continues to see a clear market need for new natural feeling and sustainable fibres and is confident its technology can offer a solution. SPINNOVA® fibre is a novel fibre which we are developing into a mass-market product. Spinnova will participate in market development to promote fibre adoption in the value chain together with retail brands and their supply chain partners. Spinnova has an ingredient brand strategy whereby Spinnova manages the visibility of the SPINNOVA® logo in the end products using SPINNOVA® fibre, creating value for Spinnova's technology customers.

Focus on cash generation

Spinnova's updated strategy aims to lead to positive cash flows and EBIT without the need for additional funding. The cash runway is expected to be lengthened through a cost-savings program, including aligning the organization to ensure effective strategy execution.

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 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 strategy targets

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. Global textile fibre production is expected to grow by 31 million tonnes from 116 million tonnes in 2022 to 147 million tonnes by 2030 if business continues as usual¹. 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. Natural fibre demand represents one-third of the total market¹. However, cotton production growth is stagnating and faces supply constraints due to amongst other things, climate change. The natural fibre gap creates a need and a market opportunity for other natural fibre alternatives like the SPINNOVA® fibre.

The global textile fibre market is an attractive growth market for Spinnova's technology sales. The fibre demand growth means that by 2030 over 3 million tonnes of new annual fibre production capacity in man-made cellulosic fibres (MMCF) is expected to be needed. Spinnova aims to be a cost-competitive preferred option for any parties making new fibre production investments. Spinnova's competitive edge against MMCFs is SPINNOVA® fibre's natural look and feel combined with its reducing impact on climate and nature.

The demand for sustainable fibres and materials is growing and growth is expected to continue. The textile industry must cut greenhouse gas (GHG) emissions by 45% by 2030 to be in line with the Paris Agreement and to keep global warming on a 1.5°C pathway³. More than 85% of leading brands (by sales) have publicly declared decarbonization targets for their supply chains³. 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. Spinnova works closely with partners in different stages of the textile value chain to increase the industrial adoption of the SPINNOVA® fibre. The market growth and efforts to reduce environmental impacts, in addition to SPINNOVA® fibre's natural-like properties, are expected to drive demand for Spinnova's fibre technology in the coming years. Spinnova continues to look for partners who are willing to take action and pioneer the change into sustainable materials on a larger scale beyond sustainable capsule collections.

Fibre investment cycles tend to be long-term oriented, and therefore, demand for Spinnova's technology is expected to remain at a good level despite the current weakened market situation in the fashion industry. The fashion industry faces increased polarisation and is a winner-takes-all industry, with the top companies responsible for most of the profits whereas many others are struggling⁴. Weaker financial performance, new and continued geopolitical conflicts and low consumer confidence may slow down the adoption of sustainable fibre innovations in the short term.

Spinnova monitors closely market trends, legislation and environmental initiatives related to the textile industry. 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 environment⁵. In the EU as many as 16 pieces of legislation are currently under discussion, with the first coming to force in 2024⁴.

¹ *Textile Exchange: Materials Market Report, December 2023*

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

³ *Textile 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/>*

⁴ *McKinsey & Company, Business of Fashion: The State of Fashion 2024*

⁵ *EU Strategy for Sustainable and Circular Textiles, 30 March 2022.*

^{*} *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 JANUARY – 30 JUNE 2024 (IFRS)

REVENUE

Spinnova's revenue was EUR 362 thousand (EUR 8 820 thousand) for the six months ended 30 June 2024. During the period, most of the revenue was derived from sales of technology services to Woodspin's production facility and to Respin. Revenue decreased significantly compared to 2023 as the technology project to Woodspin's production facility was completed last year.

PROFITABILITY

Spinnova's operating result was EUR -9 906 thousand (EUR -10 994 thousand) for January-June 2024. The decrease in the operating loss was driven by a smaller number of employees, a lower cost impact of stock option programmes and an overall lower level of other operating expenses because of the cost savings programme compared to January-June 2023. Profitability was positively affected also by other operating income, which was EUR 514 thousand (EUR 220 thousand) consisting primarily of Business Finland grants. Profitability was negatively affected by the loss from joint ventures, totalling EUR -2 159 thousand (EUR -1 557 thousand).

Spinnova's materials and services expenses were EUR 44 thousand (EUR 8 730 thousand) for the six months ended 30 June 2024. The significant decrease was due to significantly lower revenues during the first six months compared to the same period in 2023. Materials and services in the previous year were related to delivering the technology project to Woodspin.

Spinnova's personnel expenses were EUR 5 107 thousand (EUR 6 189 thousand) for the six months ended 30 June 2024. The decrease in personnel expenses was primarily due to the lower cost impact of Spinnova's stock option programmes, which resulted from a lower amount of personnel, compared to the same period in 2023.

Depreciation were EUR 1 342 thousand (EUR 1 258 thousand) for the six months ended 30 June 2024. The increase was driven by a higher level of fixed assets, mainly capitalised machinery and equipment expenses during the period, compared to the same period in 2023.

Other operating expenses were EUR 2 132 thousand (EUR 2 302 thousand) for the six months ended 30 June 2024. Overall other operating expenses decreased due to the ongoing cost savings programme.

The share of profit (results) in joint ventures was EUR -2 159 thousand (EUR -1 557 thousand) for the six months ended 2024. The loss was mainly related to Woodspin and its operations. Personnel costs in Woodspin were higher in January-June 2024 compared to the previous year as the factory was ramped up during 2023. In addition, the full effect of depreciation from machinery was seen in 2024.

Financial income was EUR 1 015 thousand (EUR 718 thousand) for the six months ended 30 June 2024 due to the positive performance of the Company's current investments. Financial expenses were EUR -86 thousand (EUR -173 thousand) for the six months ended 30 June 2024. Financial expenses in January-June 2024 consisted mainly of paid interest related to the company's interest-bearing borrowings

FINANCIAL POSITION AND CASH FLOW

Spinnova's total assets at the end of the review period were EUR 89 889 thousand (EUR 107 293 thousand). Equity was EUR 78 931 thousand (EUR 95 256 thousand). Cash and cash equivalents and current investments amounted to EUR 53 610 thousand (end of 2023: EUR 61 459 thousand).

Spinnova's net cash flow from operating activities in January-June 2024 was EUR -4 492 thousand (EUR -11 385 thousand). The net cash flow used in operating activities was driven by the loss of the period and change in working capital due to a decrease in current non-interest-bearing liabilities and a decrease in trade receivables from Woodspin. The change in net working capital for the period was EUR 1 240 thousand (EUR- 4 362 thousand).

Cash flow from investing activities was EUR -3 459 thousand (EUR -6 351 thousand). The majority of negative cash flow from investing activities in the first half related to investments into Woodspin.

Cash flow from financing activities was EUR -912 thousand (EUR 1 085 thousand), mainly affected by repayments of loans and lease liabilities. The cash flow from financing activities was lower compared to the same period in 2023, mainly due to lower share issues related to option programmes and proceeds from borrowings.

INVESTMENTS

Spinnova's investments in tangible and intangible assets totalled EUR 203 thousand (EUR 547 thousand), of which patents were EUR 91 thousand (EUR 483 thousand) and investments in machinery and equipment were EUR 112 thousand (EUR 65 thousand) for the six months ended 30 June 2024. During the first half of 2024 Spinnova's R&D

team focused on fibre quality, new raw material development and the development work of the next stage of the technology concept with the aim to reach first external technology sales.

In the six months ended 30 June 2024 the company invested a total of EUR 3 150 thousand (EUR 5 500 thousand) to its joint ventures.

EMPLOYEES

Spinnova's number of permanent employees was 74 (78) at the end of the period January–June 2024, and on average 74 (78) for the period. The total number of Spinnova's employees was 75 (87) on 30 June 2024, including 1 (9) fixed term employees.

CHANGES IN GROUP MANAGEMENT

On 14 March 2024, Spinnova changed its Management Team to align roles according to the updated strategy. As of 1 May 2024, the Management Team consisted of the following members and roles:

Tuomas Oijala	CEO
Ben Selby	Chief Financial Officer and Deputy CEO
Santeri Heinonen	Chief Operating Officer
Lasse Holopainen	Chief Revenue Officer
Shahriare Mahmood	Chief Product and Sustainability Officer
Juha Salmela	Chief Technology Officer

On 14 March 2024 it was announced that Chief Sales Officer Allan Andersen and Executive Vice President of Production Scaling Teemu Lindberg will step down from the Management Team. Allan and Teemu continued to support with the transition period until the end of April 2024. In addition, Chief Operations Officer Petri Poranen decided to step down from the Spinnova Management Team due to health reasons on 14 March 2024.

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 a general meeting of shareholders, and all have equal rights to dividends. The ISIN code of the shares is FI4000507595, and the trading code is SPINN.

As of 30 June 2024, Spinnova had 35 859 (37 299) shareholders. Of the shares, 23.0 (26.6) 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 30 June 2024.

Shareholder	Number of shares	Of all shares and votes, %
Suzano S.A	9 808 530	18.77
Besodos Investors Oy	4 048 680	7.75
Maki.vc	3 540 300	6.77
Beata Domus Ab	3 348 238	6.41
Janne Poranen	2 663 030	5.10
Holdix Oy Ab	2 187 510	4.19
Juha Salmela	1 972 132	3.77
Aktia Asset Management	1 454 763	2.78
Timo Soininen	1 356 794	2.60
Ella Inkeri Salmela	1 302 770	2.49
Ten largest registered shareholders, total	31 682 747	60.62
Other shareholders, total	20 582 688	39.38
In total	52 265 435	100.00

Spinnova shares on Nasdaq First North Growth Market

January–June 2024	No. of shares traded	Average daily turnover EUR	High EUR	Low EUR	Average ¹ EUR	Last EUR
SPINN	6 343 687	101 471	3.29	1.40	1.98	1.60

¹Volume weighted average.

Market capitalisation at the end of June 2024 totalled approximately EUR 84 million.

THE ANNUAL GENERAL MEETING AND THE BOARD OF DIRECTORS

Spinnova Plc's Annual General Meeting was held on 7 May 2024 at 4.00 p.m. EEST at Sanomatalo, Töölönlahdenkatu 2, FI-00100 Helsinki, Finland.

The Annual General Meeting approved the financial statements for 2023, discharged the members of the Board of Directors and those who had acted as the CEO from liability for the financial year 2023, and approved all proposals made by the Board of Directors and the Shareholders' Nomination Board to the Annual General Meeting. The Annual General Meeting also approved the Remuneration Report of the company's governing bodies for the financial year 2023.

The Annual General Meeting resolved that no dividend be distributed on the basis of the balance sheet adopted for the financial ended 31 December 2023 and that the loss from the financial year be recorded in the company's retained earnings.

The Annual General Meeting resolved that the Board of Directors be paid a fixed monthly fee of EUR 6 000 for the Chair, EUR 4 000 for the Deputy Chair and EUR 2 000 for ordinary members of the Board of Directors. No separate meeting fees or committee member fees will be paid. Travel costs are reimbursed in accordance with the company's travel policy.

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 2025 is seven (7).

Janne Poranen, Hanna Liiri, Julio Ramundo and Petri Kalliokoski were re-elected as members of the Board of Directors, and Jari Vähäpesola, Vesa Silaskivi and Sebastian Vinsten were elected as new members of the Board of Directors.

The elected members of the Board of Directors are independent of the company, with the exception of Janne Poranen, due to his employment relationship with the company, and Julio Ramundo, due to his role in the management of Suzano S.A. which has a close cooperation relationship with the company. All of the elected members of the Board of Directors who are independent of the company are also independent of the company's significant shareholders. The company's definition of independence of members of the Board of Directors complies with the Finnish Corporate Governance Code (2020).

The Board of Directors of Spinnova Plc elected Janne Poranen as its Chair and Petri Kalliokoski as the Deputy Chair. In addition, the Board elected the members of the Audit Committee from among its members; Vesa Silaskivi as Chair and Hanna Liiri and Petri Kalliokoski as members of the Audit 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 6 026 370 shares can be subscribed, taking into account deducted forfeited options. Of this amount, 3 609 640 shares (each entitling to 1 share) were allocated and not yet exercised on 30 June 2024, which corresponds to a maximum of approximately 6.46 percent of the diluted share amount.

During 1 January – 30 June 2024, holders of the options subscribed to 36 750 shares, which were registered in the Trade Register. For subscriptions made with the stock options the entire subscription price of EUR 41 527.5 thousand has been entered in the reserve for invested unrestricted equity.

Instrument	Number of options	Number of subscribed shares	Subscription price	Subscription price, total
Options Plan 2018	1 225	36 750	1.13	41 527.5
Total	1 225	36 750	1.13	41 527.5

The Annual General Meeting resolved that the Board of Directors be authorised to resolve the issuance of shares and special rights entitling to shares referred to in Chapter 10, section 1 of the Finnish Companies Act. The total number of shares that may be issued under the authorization may not exceed 5 220 000 shares, which corresponds to approximately 10 percent of all shares in the company.

The Board of Directors resolves upon all terms and conditions of the share issue and of the issuance of special rights entitling to shares. The authorisation covers both the issuance of new shares and the transfer of treasury shares. Shares and special rights may be issued without payment or at a subscription price determined by the Board of Directors. The issuance of shares and special rights entitling to shares referred to in chapter 10, section 1 of the Finnish Companies Act may, subject to the conditions set out in the Finnish Companies Act, be made in deviation from the shareholders' pre-emptive subscription rights (directed issue). The authorisation cancels the authorisation granted by the General Meeting in May 2023 to resolve the issuance of shares and special rights entitling to shares. The authorisation is valid until 30 June 2025.

Expenses recognised for employee services received

EUR (thousand)	1-6/2024	1-6/2023	1-12/2023
Option Plan 2020	-162	-235	-343
Option Plan 2022	-527	-1 034	-2 067
Matching Share Plan 2024	-12	0	0
Performance Share Plan 2024-2028	-13	0	0
Total expense arising from share-based payment transactions	-714	-1 269	-2 410

Cancellation of non-vested stock options

Unvested stock options of employees who left the company during January – June 2024 were cancelled due to their change of employment.

Incentive programs for Management Team and Key employees

The board established two share-based long-term incentive plans during the first half of 2024. A Matching Share Plan (MSP) was launched for the management team, with the purpose of aligning the objectives of the participants and the company's shareholders to increase the value of the company in the long term, to engage the participants to work for the company and to encourage them to acquire and own shares in the company.

The value of the reward under the MSP depends on the number of shares acquired under the plan. The total value of the awards corresponds to a maximum of approximately 210 000 shares in Spinnova Plc, including the cash portion, calculated at the current share price and assuming that the participants invest in shares up to the maximum amount allowed by the Board of Directors.

The board of directors also established a Performance Share Plan (PSP) covering years 2024-2028 for key employees of the company. The purpose of the PSP is to align key employees' and shareholders' objectives to increase the long-term value of the company, to retain key employees in the company and to provide them with a competitive share-based incentive scheme. Any fees payable under the PSP will be paid partly in Spinnova Plc shares and partly in cash. The cash portion is intended to cover the taxes and statutory social insurance contributions payable by the participant. The awards will be paid within five months of the end of the performance period, which concludes in the spring of 2027.

As a general rule, the award will not be paid if the participant's employment is terminated before the award is paid. The CEO and the members of the management team must retain 30 % of the shares paid out as remuneration until the value of their personal shareholding equals 50 % of their annual salary before tax for the calendar year preceding the payment of the remuneration. The vesting criteria for the first performance period 2024-2026 of the plan are based on the company's operating result (EBIT) in the financial year 2026 and the company's technology sales volume by the end of 2026. Detailed information on incentive programmes can be found at: <https://spinnovagroup.com/corporate-governance/remuneration/>

AUDITORS

The Annual General Meeting 2024 re-elected audit firm PricewaterhouseCoopers Oy as the auditor of the company for a term of office ending at the end of the next Annual General Meeting. PricewaterhouseCoopers Oy has notified that Jukka Torkkeli, APA, acts as the auditor with principal responsibility. 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 and size of these technology sales are directly linked to the timing of the planned production capacity increases at technology sales customers and the technology customer's willingness to pay technology fees to Spinnova. 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's technology is new, which may affect potential customers' willingness to buy the technology if Spinnova is not able to provide sufficient warranties for the technology. For technology sales to occur, the investment case from the technology customer's perspective needs to be attractive enough. Key factors of an attractive investment case that Spinnova can impact include the expected fibre sales price and Spinnova's ability to lower the investment and production costs per tonne. Elements impacting the fibre sales price include the quality and suitability of the fibre for certain applications, brand value and the state of the overall fibre market. Technology customers' confidence in investing in the technology lowers if Spinnova fails to develop its fibre to meet the set quality requirements and to reach a large enough addressable market. Furthermore, the investment case weakens if Spinnova fails to increase the cost competitiveness of its technology through R&D efforts. There is a risk of new competitive technologies producing high-quality fibres with the same or better sustainability properties at competitive prices entering the market. In addition, apparel brands and other buyers may adopt sustainable materials more slowly than anticipated decreasing the size of the addressable market.

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 technology sales business model also relies on technology partners and their interest and commitment to support the technology deliveries. Delays and additional costs related to the delivery of technology sales can impact profitability and the timing of the Group's revenues. There are also supply chain risks related to the delivery of the proprietary items that Spinnova delivers directly to the technology customer. The availability of raw materials at the required quality and cost level can also hinder the Group's technology sales.

The results of the Group's joint ventures will affect the group's results. The joint ventures may not be able to attract customers at the needed volumes and prices to meet their business targets, which can negatively impact the Group's results. 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. If the Group and its joint ventures are unable to cover their costs with revenues or access sufficient financing sources, they may be unable to continue to execute their 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 demand for the technology. 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 remain challenging and uncertain. This may negatively affect the availability, timing and terms of financing required for increasing the 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' businesses and may negatively impact the size and timing of investments into increased production capacity. Significant energy price increases could negatively impact the demand for Spinnova's technology. 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 Group is at risk of IT security breaches. Cyber security requires comprehensive information and assessment of physical and digital security threats. 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.

In Jyväskylä, 22 August 2024

Spinnova Plc
Board of Directors

CONDENSED FINANCIAL INFORMATION JANUARY TO JUNE 2024 (IFRS)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

EUR (thousand)	Note	1-6/2024	1-6/2023	1-12/2023
Revenue (net sales)	1	362	8 820	10 640
Other operating income		514	220	749
Materials and services		-44	-8 730	-9 849
Personnel expenses		-5 107	-6 189	-10 637
Depreciation, amortisation, and impairment losses		-1 342	-1 258	-2 504
Other operating expenses		-2 132	-2 302	-5 779
Share of result in joint ventures		-2 159	-1 557	-3 544
Operating Result (EBIT)		-9 906	-10 994	-20 926
Financial income		1 015	718	1 937
Financial expenses		-86	-173	-304
Result before taxes		-8 977	-10 450	-19 293
Income tax		-176	-113	-303
Result for the period		-9 153	-10 563	-19 596
Attributable to Equity holders of the parent		-9 153	-10 563	-19 596
Total comprehensive income for the period		-9 153	-10 563	-19 596
Attributable to Equity holders of the parent		-9 153	-10 563	-19 596
Earnings per share, EUR				
Earnings per share, diluted & undiluted		-0.18	-0.20	-0.38

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR (thousand)	Note	30 Jun. 2024	30 Jun. 2023	31 Dec. 2023
Assets				
Non-current assets				
Intangible assets	2.	10 980	12 775	11 697
Property, plant and equipment	2.	2 002	1 557	1 958
Right-of-use assets		1 612	1 597	1 184
Investments in joint ventures	5. & 6.	19 883	17 968	18 891
Other non-current receivables		135	135	135
Deferred tax assets		7	6	7
Total non-current assets		34 620	34 039	33 872
Current assets				
Trade Receivables		182	5 914	2 301
Other current receivables		330	165	257
Prepayments & accruals		1 148	441	725
Investments	4.	47 299	50 162	46 285
Cash and cash equivalents	4.	6 311	16 571	15 174
Total current assets		55 269	73 253	64 742
Total assets		89 889	107 293	98 614

EUR (thousand)	Note	30 Jun. 2024	30 Jun. 2023	31 Dec. 2023
Equity and liabilities				
Equity				
Share capital		80	80	80
Reserve for invested unrestricted equity		135 055	135 013	135 014
Retained earnings / accumulated deficit		-56 204	-39 836	-47 765
Equity attributable to shareholders of the parent		78 931	95 256	87 328
Total equity		78 931	95 256	87 328
Non-current liabilities				
Borrowings	3.	4 500	5 316	4 466
Lease liabilities	3.	748	831	563
Deferred tax liabilities		856	489	680
Total non-current liabilities		6 104	6 636	5 709
Current liabilities				
Borrowings	3.	859	1 000	1 350
Lease liabilities	3.	902	797	655
Trade payables		394	1 312	1 574
Accrued expenses		1 864	1 797	1 600
Other current liabilities		835	494	398
Total current liabilities		4 854	5 401	5 577
Total liabilities		10 958	12 036	11 286
Total equity and liabilities		89 889	107 293	98 614

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR (thousand)	Note	1-6/2024	1-6/2023	1-12/2023
Operating activities				
Result for the period		-9 153	-10 563	-19 596
Adjustments to reconcile result to net cash flows for the period:				
Income tax expense		176	113	303
Depreciation and impairment		1 342	1 258	2 504
Finance income and expenses		74	-87	-100
Net result on financial instruments at fair value through profit or loss		-1 003	-458	-1 533
Share-based payment expense		714	1 296	2 402
Share of profit from associates and joint ventures		2 159	1 557	3 544
Change in working capital:				
Increase (-) / decrease (+) in current non-interest-bearing receivables		1 623	-78	3 160
Increase (+) / decrease (-) in current non-interest-bearing liabilities		-383	-4 283	-4 507
Net change in working capital		1 240	-4 362	-1 348
Interest received and paid		-40	-139	-175
Income tax paid		-	-	-
Net cash flow from operating activities (A)		-4 492	-11 385	-5 228
Net cash from investing activities				
Purchase of tangible and intangible assets	2.	-299	-901	-935
Purchase of financial instruments		-11	-11	-21
Proceeds from the sale of investments		0	61	5 103
Investments to associates and joint ventures	5.	-3 150	-5 500	-8 300
Net cash from investing activities (B)		-3 459	-6 351	-4 153
Net cash from financing activities				
Share issue		42	1 641	1 641
Repayment of principal portion of lease liabilities	3.	-497	-470	-952
Proceeds from borrowings	3.	43	413	413
Repayments of borrowings	3.	-500	-500	-1 000
Net cash from financing activities (C)		-912	1 085	103
Net change in cash and cash equivalents (A+B+C) increase (+) / decrease (-)		-8 863	-16 651	-18 048
Cash and cash equivalents in the beginning of the period		15 174	33 222	33 222
Cash and cash equivalents at the end of the period		6 311	16 571	15 174
EUR (thousand)				
	Note	30 Jun. 2024	30 Jun. 2023	31 Dec. 2023
Cash and cash equivalents		6 311	16 571	15 174
Current investments	4.	47 299	50 162	46 285
Total net liquid funds		53 610	66 733	61 459

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

30 Jun. 2024		Attributable to the equity holders of the parent			
EUR (thousand)	Share capital	Fund for unrestricted equity	Retained earnings	Total	
Equity on 1.1.2024	80	135 014	-47 765	87 328	
Profit for the period			-9 153	-9 153	
Other comprehensive income				0	
Total comprehensive income	0	0	-9 153	-9 153	
Transactions with owners					
Share-based payments			714	714	
Share issue		42		42	
Equity on 30.6.2024	80	135 055	-56 204	78 931	

30 Jun. 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			-10 563	-10 563	
Other comprehensive income				0	
Total comprehensive income	0	0	-10 563	-10 563	
Transactions with owners					
Share-based payments			1 296	1 296	
Share issue		1 640		1 640	
Equity on 30 Jun. 2023	80	135 013	-39 836	95 256	

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	

NOTES TO THE INTERIM 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. The interim financial information consists of the parent company Spinnova Plc and its joint venture companies Woodspin Oy and Respin Oy and subsidiary Spinnova Holdings Oy.

Spinnova Oyj 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 Half-Year Financial Report has been prepared in accordance with the requirements in IAS 34 (Interim Financial Reporting) standard. Information concerning the financial year 2023 is based on the audited IFRS financial statements for 2023 that were published 14 March 2024.

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 brackets after the information for the current financial year.

The interim report is unaudited.

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 require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

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

Between 1 January and 30 June 2024, a total of 36 750 Spinnova Plc's new shares were subscribed for with the company's stock options.

The AGM held on 7 May 2024 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 authorization may not exceed 5 220 000 shares, which corresponds to approximately 10 % of all current shares in the Company. The authorisation cancels the authorisation granted by the Annual General Meeting 2023 to resolve on the issuance of shares and special rights entitling to shares. The authorisation is valid until 30 June 2025

1. REVENUES FROM CONTRACTS WITH CUSTOMERS

1.1. Geographical markets

EUR (thousand)	30 Jun. 2024	30 Jun. 2023	31 Dec. 2023
Finland	340	8 755	10 423
Others	22	65	217
Total	362	8 820	10 640

1.2. Timing of revenue recognition

EUR (thousand)	30 Jun. 2024	30 Jun. 2023	31 Dec. 2023
Services transferred over time	362	8 820	10 640
Total	362	8 820	10 640

2. CHANGES IN INTANGIBLE AND TANGIBLE ASSETS

2.1. Intangible assets

EUR (thousand)	Patents and Trademarks	Development costs	Assets under development	Total
Acquisition cost				
1.1.2023	1 183	14 830	75	16 087
Additions	0	0	483	483
30.6.2023	1 183	14 830	557	16 570
Additions	0	0	47	47
Reclassifications	325	-85	-604	-364
31.12.2023	1 508	14 745	0	16 252
Additions	0	0	91	91
30.6.2024	1 508	14 745	91	16 343
Amortisation and impairment				
1.1.2023	-420	-2 586	0	-3 006
Amortisation	-47	-742	0	-789
30.6.2023	-467	-3 328	0	-3 795
Amortisation	-47	-713	0	-760
31.12.2023	-514	-4 041	0	-4 555
Amortisation	-64	-744	0	-807
30.6.2024	-578	-4 785	0	-5 363
Book value, EUR (thousand)				
30.6.2024	930	9 960	91	10 980
31.12.2023	993	10 704	0	11 697
30.6.2023	716	11 501	557	12 774

2.2. Property, plant and equipment

EUR (thousand)	Machinery & equipment	Assets under construction	Total
1.1.2023	496	1 358	1 853
Additions	65	0	65
30.06.2023	561	1 358	1 918
Additions	187	246	433
31.12.2023	747	1 604	2 351
Additions	0	112	112
Reclassification	1 690	-1 690	0
30.6.2024	2 437	26	2 464

Depreciation and impairment			
1.1.2023	-337	0	-337
Depreciation	-24	0	-24
30.6.2023	-361	0	-361
Depreciation	-33	0	-33
31.12.2023	-394	0	-394
Depreciation	-68	0	-68
30.06.2024	-461	0	-461
Book value, EUR (thousand)			
30.6.2024	1 976	26	2 002
31.12.2023	354	1 604	1 958
30.6.2023	200	1 358	1 557

2.3. Leases

Right-of-use assets				
EUR (thousand)	Right-of-use assets, buildings	Right-of-use assets, vehicles		Total
1.1.2023	1 816	22		1 838
Additions	0	203		203
Depreciations	-422	-23		-445
30.6.2023	1 394	203		1 597
1.1.2023	1 816	22		1 838
Additions	0	245		245
Depreciations	-825	-74		-899
31.12.2023	991	193		1 184
1.1.2024	991	193		1 184
Additions	937	31		968
Disposals	-24	-48		-73
Depreciations	-424	-43		-467
30.6.2024	1 480	132		1 612

3. CHANGES IN THE INTEREST-BEARING LIABILITIES

30 Jun. 2023					
	Opening balance		Proceeds		Reporting date
EUR (thousand)	1 Jan.	Repayment	from borrowings	Other changes	balance 30 Jun.
Non-current borrowings	5 403	0	413	-500	5 316
Current borrowings	1 000	-500	0	500	1 000
Lease liabilities	1 859	-470	0	238	1 628
Total	8 262	-970	413	238	7 944

31 Dec. 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

30 Jun. 2024

EUR (thousand)	Opening balance 1 Jan.	Repayment	Proceeds from borrowings	Other changes	Reporting date balance 30 Jun.
Non-current borrowings	4 466	0	43	-9	4 500
Current borrowings	1 350	-500	0	9	859
Lease liabilities	1 218	-497	0	929	1 649
Total	7 034	-997	43	929	7 009

3.1. Maturity distribution of financial liabilities**30 Jun. 2024**

EUR (thousand)	Book value	2024	2025	2026	2027	2028	Over 5 years	Total Cash Outflows
Interest-bearing loans and borrowings	5 359	932	1 347	1 331	1 315	615		5 540
Lease liabilities	1 649	493	864	340	51			1 748
Trade and other payables	394	394						394
Total	7 403	1 820	2 211	1 671	1 366	615	0	7 682

4. NET CASH

EUR (thousand)	30 Jun. 2024	30 Jun. 2023	31 Dec. 2023
Cash and cash equivalents	6 311	16 571	15 174
Current investments	47 299	50 162	46 285
Net cash excluding borrowings and leasing liabilities	53 610	66 733	61 459
Non-current borrowings	-4 500	-5 316	-4 466
Current borrowings	-859	-1 000	-1 350
Lease liabilities	-1 649	-1 628	-1 218
Net Cash total	46 601	58 789	54 426

Current investments include investments for 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

Spinnova's related parties consist of the company's subsidiary Spinnova Holdings Oy, the company's exclusive joint ventures with Suzano and ECCO, Woodspin Oy and Respin Oy, respectively, shareholders Suzano and Besodos Investors Oy that have significant influence over the company, 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 in the first half of 2024 and the comparison period of 2023. Sales and receivables from related parties consists of sales to Spinnova's related party company, Suzano Finland Oy.

5.1. Transaction with related parties

EUR (thousand)	30 Jun. 2024	30 Jun. 2023	31 Dec. 2023
Sales to related parties	10	84	99
Purchases from related parties	0	21	45
Receivables	5	194	5
Liabilities	0	2	0

5.2. Transaction with joint ventures

EUR (thousand)	30 Jun. 2024	30 Jun. 2023	31 Dec. 2023
Sales to related parties	310	8 432	10 334
Purchases from related parties	208	315	548
Receivables	107	5 655	2 233
Liabilities	16	147	457
Investments made to subsidiaries	3 150	5 500	8 300

5.3. Shares owned by the Board and Management Team

The Board of Directors and Management Team have shareholdings in the company, and the company has granted stock option rights to them. On 30 June 2024, the Board and Management Team holdings in the company were 9 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 1 208 500 shares.

6. CONTINGENT LIABILITIES AND OTHER COMMITMENTS

EUR (thousand)	30 Jun. 2024	30 Jun. 2023	31 Dec. 2023
Guarantees and pledges given			
Loan secured by a corporate mortgage	250	1 250	750
Corporate mortgage	10 000	10 000	10 000
Absolute guarantee for Woodspin's premises lease agreement	418	418	418
Off-balance sheet financial commitments			
Lease commitments ¹			
Maturing in less than 1 year	74	119	91
Maturing later	27	72	51
Total other commitments	102	191	142

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

Under the terms of Woodspin's 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 1 750 thousand for such shares. The company made the investment of EUR 1 750 thousand to 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 22 050 thousand by 31 December 2023 equalling the investment made by Suzano.

In January 2024, the co-investors of Woodspin agreed to invest up to EUR 13 000 thousand into Woodspin Joint venture between January 2024 and January 2025. Both investors investing equally sized portions of EUR 6 500 thousand.

Spinnova has invested a total of 25 200 thousand euros into the Woodspin joint venture as of 30 June 2024.

6.1.2. Respin joint venture

If commercialisation phase for Respin commences, the company has agreed to invest up to EUR 1 250 thousand to 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, the Respin 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

Spinnova has invested a total of 250 thousand euros into the Respin joint venture as of 30 June 2024.



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
1-6 / 2024	52 238 983	52 265 435
1-6 / 2023	51 576 774	51 648 335
1-12 / 2023	51 898 723	52 228 685

CALCULATION OF KEY FIGURES

Key figure	Definition	Reason for the use
Earnings per share undiluted	Profit (loss) 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	Profit (loss) 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



Tuomas Oijala
Chief Executive Officer



Ben Selby
Chief Financial Officer,
Deputy CEO



Virva Vesanen
Director, Marketing,
Communications and Investor
Relations

ir@spinnova.com
+358 20 703 2430

Certified advisor
Aktia Alexander Corporate Finance Oy
+358 50 520 4098

This half-year report and all earlier financial reports and presentations are available on Spinnova's website: <http://www.spinnovagroup.com/reports>



SPINNOVA®

Half-Year Report January–June 2024

Spinnova – The textile material innovation

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

Spinnova technology creates no side streams in the fibre production process, and the SPINNOVA® fibre has minimal CO2 emissions and water use, as well as being biodegradable and recyclable. Spinnova technology uses a mechanical process which gives the fibre the look and feel of a natural cellulosic fibre such as cotton.

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