



SPINNOVA®

Financial Statements Bulletin

JANUARY-DECEMBER 2024

13 February 2025

Spinnova Plc's Financial Statements Bulletin January–December 2024

Technology sales strategy and key partnerships progressed. Revenues and operating result in line with guidance

JANUARY–DECEMBER 2024 HIGHLIGHTS

(Comparison figures in parentheses are for the same period in 2023 if nothing else is communicated)

- Revenue was EUR 762 thousand (EUR 10 640 thousand). Revenue decreased significantly as the technology project to Woodspin's production facility was completed in 2023.
- Operating result for the period was EUR -18 349 thousand (EUR -20 926 thousand).
- Total investments were EUR 5 783 thousand (EUR 8 963 thousand).
- Net cash at the end of 2024 was EUR 40 881 thousand (EUR 54 426 thousand).
- The number of permanent employees at the end of the period was 57 (76).
- Spinnova announced its updated strategy, focusing on technology sales, in March 2024.
- In March 2024, to support the effective execution of the updated strategy and to achieve profitability targets, Spinnova started change negotiations for its personnel and also announced a change to the management team.
- Spinnova Plc and Suzano S.A. signed a non-binding Letter of Intent (LOI) regarding a potential new production facility for wood-based SPINNOVA® fibre. Reaching the targeted process metrics required to move to the next phase were not met during 2024, so the project did not proceed to the pre-engineering phase during 2024, as originally planned.
- Spinnova and Ecco signed a Letter of Intent regarding future plans for their joint venture company Respin.
- Spinnova and Valmet signed a Partnership Agreement regarding the delivery of process equipment for Spinnova's customers.
- Spinnova's joint venture Woodspin and PUMA entered a multi-year letter of intent to secure SPINNOVA® fibre volumes.

JULY– DECEMBER 2024

- Revenue was EUR 400 thousand (EUR 1 820 thousand).
- Operating result for the period was EUR -8 443 thousand (EUR -9 931 thousand).
- Total investments were EUR 2 431 thousand (EUR 2 916 thousand).

GROUP KEY FIGURES¹

EUR (thousand)	7-12/2024	7-12/2023	1-12/2024	1-12/2023
Revenue (net sales)	400	1 820	762	10 640
Operating result (EBIT)	-8 443	-9 931	-18 349	-20 926
Profit for the period	-7 680	-9 033	-16 833	-19 596
Earnings per share (EUR, diluted and undiluted) ¹⁾	-0.15	-0.17	-0.32	-0.38
Net cash	40 881	54 426	40 881	54 426
Equity ratio, %	85%	89%	85%	89%
Number of permanent employees, end of period	57	76	57	76
Number of permanent employees, average	63	76	68	77

¹⁾ The company's potential dilutive instruments consist of stock options and other share-based incentives. 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 26.

This Financial Statements Bulletin was prepared according to the requirements in IAS 34 (Interim Financial Reporting) standard. The information for the entire financial year 2023 and 2024 is based on the published audited IFRS financial statements for 2023 and 2024.

OUTLOOK

Financial Guidance for 2025

At this time, Spinnova is not providing financial guidance for 2025, because the outlook is dependent on the ongoing planning with Suzano on the fastest way to validate end-to-end process efficiency metrics of the Spinnova technology. This validation is needed in order to move to the next phase of the scale-up of wood-based SPINNOVA® fibre production.

Our aim is to update financial guidance for 2025 in the coming months.



CEO TUOMAS OIJALA'S REVIEW ON YEAR 2024

Year 2024 was transformative for Spinnova. At the beginning of the year, we focused intensively on deepening our understanding of the market and our customers and updating our strategy in line with this. We met many key players in the market, and it was clear that the textile industry needs more sustainable materials and alternatives to natural fibres. Our mission is to change the raw material base of the textile industry. We decided that we will do this by helping the industry build production lines that take sustainably produced pulp and turn it into a natural cotton-like fibre. This solves existing fibre supply chain challenges, improves sustainability metrics of final products, and supports circular fibre supply chains.

The Capital Markets Day we held in March was a very important day for us, as we announced our updated strategy and targets. Our renewed strategy is centred on the best path to creating shareholder value by focusing on a capital-light model where we generate income from the value our fibre production technology adds to our customers. These revenues are expected to come from the planning and engineering of facilities, delivery of proprietary equipment, and licenses and service agreements to enable operations. Although our focus is no longer on fibre production and sales, we continue to be active in co-developing our fibre product with brands and textile suppliers, which demonstrates and grows the addressable market for the SPINNOVA® fibre.

An important part of the refreshed strategy is our targets for the short, medium, and long term. We aim to achieve EBIT-positive results by the medium-term (2028–2030), and we expect to reach our set targets without raising additional external funding. During the first half of the year, we completed a difficult, but important, restructuring programme to ensure we can effectively implement our strategy and to ensure our cost base is in line with our strategic targets. I want to thank everyone for their leadership, collaboration, and resilience in making this happen. We now have a stronger and clearer organisation in place.

Throughout 2024, we reached several significant milestones. We signed a Letter of Intent in March with our long-term partner, Suzano. This agreement outlines Suzano's plans to invest in Spinnova's technology. Technology development of fibre spinning has progressed well in terms of increasing the output of the fibre drying units, and the main sub-processes have already been validated separately. However, validating process efficiency metrics at targeted capital and operating expenditure levels at the Woodspin factory for the entire process from pulp to fibre was not met during 2024, and therefore, the pre-engineering phase was delayed from the planned timetable at the end of 2024. Alternative plans are being pursued together with Suzano for the fastest way to validate end-to-end process efficiency metrics in order to move to the next phase of the project. Suzano is responsible for the MFC development, and Spinnova is responsible for the fibre-spinning development. It is important to note that based on brand and supply chain feedback, we have demonstrated that we can make good fibre, and our focus is now on ensuring efficiency and cost-competitiveness of future factories.

We formed a partnership with global technology supplier Valmet, which will supply the main equipment for future factories. This collaboration with Valmet accelerates our development, pairs us with an established industrial partner experienced in delivering similar projects and expands our technology sales to a pool of new customers. Another key achievement was the Letter of Intent signed in July with Ecco, our joint venture partner, which further solidifies our commitment to scaling leather-based fibre production at Respin. Both parties aim to decide on scaling and commercialisation by the end of Q1 2025.

We continue to ensure our fibre product is visible in the end consumer market, and a very exciting development this year was the commercial launch of high-volume products featuring SPINNOVA® fibre. Bestseller, for example, launched t-shirts under their JACK & JONES brand in April, marking the first commercial product made with SPINNOVA® fibre produced at the Woodspin joint venture factory. In addition, JACK & JONES, Vero Moda, and Rukka produced Summer Olympics 2024 collections for Danish and Finnish athletes, including SPINNOVA® fibre.

Our collaborations extend beyond product launches to commitments to future fibre production volumes. We announced a collaboration with PUMA to develop products from SPINNOVA® fibre for future collections, particularly in products of PUMA's Sportstyle category. The letter of intent was signed by Spinnova's joint venture, Woodspin, to secure PUMA's access to sustainable fibre volumes for several years. We also teamed up with ASK Scandinavia, a premium brand based in Helsinki, to create a limited-edition work tote bag inspired by Nordic design. Through these partnerships, we continue to make strides in raising consumers as well as brands awareness about sustainable fashion.

In recognition of our groundbreaking innovation, Business Finland granted Spinnova an R&D loan of up to EUR 12.7 million to support our ongoing research and development initiatives.

Financially, 2024 turned out as expected and in line with our financial guidance. Our revenues totalled EUR 0.76 million, and our operating result was EUR –18.3 million. We continued to invest in R&D, our own pilot, as well as in our joint ventures, Woodspin and Respin. Our net cash position remained strong, totalling EUR 40.9 million by year-end. Our ongoing cost savings programme, including personnel and external spending adjustments, has progressed according to plan, and the majority of the expected EUR 1.6 million annual run-rate savings have already been achieved.

I want to thank all our stakeholders for their support and trust. 2024 has been a year of hard work and many changes, but we are ready for the future and remain strongly committed to our strategic goals announced at our Capital markets day 2024. As we progress, we look forward to achieving even more significant milestones together.

Tuomas Oijala
CEO

STRATEGY

On 31 August 2023, Spinnova announced a review of its strategy and medium- and long-term business targets. The global demand drivers and opportunity for Spinnova continue to be 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.

Spinnova's new strategy was announced and presented on 14 March 2024.

Technology sales

Spinnova focuses on technology sales and delivering the technology together with its partners, which is expected to be the fastest way to ramp 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 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 capital expenditure 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 funding.

Spinnova has set the following strategy targets:

	Short-term (2025–2026)	Medium-term (2028–2030)	Long-term (2034–2036)
Cumulative technology sales¹	30 thousand tonnes	130 thousand tonnes	450 thousand tonnes
Financial	No additional external financing required	EBIT positive	More than EUR 100 million EBIT per year More than 30% of revenues recurring ²

¹ Total cumulative annual fibre production capacity committed to be built by Spinnova technology customers or by Spinnova through own investments

² Royalty and service fees

As Spinnova is implementing its technology sales strategy and does not plan to make its own investment in 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

At the year-end, the IMF¹ projected steady global growth of 3.2% for both 2024 and 2025. While growth projections for the United States have improved, it has been offset by weaker forecasts for major European economies. Inflationary pressures continue in certain regions, and downside risks to the global economy are mounting.

The health and performance of the fashion and textile industry are closely linked to that of the broader global economy. During inflationary periods, consumers typically reduce discretionary spending including on fashion, while brands and retailers try to pass on rising costs to consumers, which in turn dampens demand further. The end of 2023 and beginning of 2024 marked one of the most challenging periods for the entire textile industry², as all regions and all segments faced a "perfect storm" of low demand, high raw material, and energy costs, rising interest rates, and increased labour expenses.

In the year-end results³ from the International Textile Manufacturers Federation's (ITMF) Global Textile Industry Survey (GTIS), a mixed outlook for the industry was revealed. On the positive side, there are signs of long-term improvements, with global orders rising, even as order backlogs and capacity utilisation experience a slight decline. However, weak demand continues to be the industry's primary challenge, as it has been for the past two years – throughout most of 2024, demand in global apparel markets has remained largely stagnant. That said, the global textile industry remains optimistic about future business prospects³, although caution remains essential.

For Spinnova, the overall market outlook in the medium-to-long term continues to be favourable. Global textile fibre production is expected to increase by 36 million tonnes from 124 million tonnes in 2023 to 160 million tonnes by 2030 if business continues as usual⁴. The value of the global textile fibre market is estimated to be some EUR 213 billion and is expected to grow to approximately EUR 260 billion by 2030⁵. Natural fibre demand, majorly cotton, represents one-third of the total market⁴. However, cotton production has been relatively stagnant for almost two decades and faces supply constraints due to, amongst other things, climate change. In contrast, the production of synthetic fibres, especially polyester, has grown significantly over the same period. This disparity has created a "gap" in the natural fibre market, presenting a clear need and an opportunity for alternative natural fibres, such as SPINNOVA® fibre and other man-made cellulosic fibres (MMCFs) like viscose and lyocell.

As fibre demand grows, the industry will need to add over 3 million tonnes of new annual capacity for MMCFs. Over the past year, some structural shifts in this industry have taken place, although the changes have been relatively minor – new lyocell capacities have been brought online, while viscose producers faced more challenging conditions, with some considering exits from the market⁶. Compared to viscose and lyocell, Spinnova's competitive edge lies in SPINNOVA® fibre's natural look and feel, combined with its reduced impact on climate and nature.

The textile industry needs to reduce greenhouse gas (GHG) emissions by 45% by 2030 to align with the Paris Agreement and to keep global warming on a 1.5°C pathway⁷. More than 85% of leading brands (by sales) have publicly declared decarbonisation targets for their supply chains⁷. 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 as well as brands and retailers – 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 aims to be a cost-competitive preferred option for any parties making new fibre production investments and continues to look for partners who are willing to act and pioneer the change into sustainable materials on a larger scale beyond capsule collections.

Fibre investment cycles tend to be long-term oriented, and therefore, demand for Spinnova's fibre technology is expected to remain at a good level despite the current market situation in the fashion and textile 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 struggling⁸. 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 closely monitors market trends, the evolving legislative landscape, and key environmental initiatives related to the fashion and textile industry. In the European Union (EU), more than 15 pieces of legislation affecting the textile and fashion industry are under discussion, with the first that came into force in 2024⁸. In addition, the EU also aims to ensure that all textile products placed on the market are long-lived and recyclable, largely made of recycled fibres, free of hazardous substances, and produced with respect to social rights and the environment⁹. Meanwhile, in the United States, the second-largest market for textiles and fashion after China, several states and local governments have implemented measures to ban the disposal of textiles in landfills and incinerators, while also establishing collection and recycling programmes for end-of-life textiles.

¹ International Monetary Fund. 2024. *World Economic Outlook: Policy Pivot, Rising Threats*. Washington, DC. October

² International Textile Manufacturers Federation. 2024. *Newsletter No.92 – November 2023*. Zürich. November

³ International Textile Manufacturers Federation. 2024. *Results of the 29th ITMF Global Textile Industry Survey*. Zürich. December

⁴ Textile Exchange: *Materials Market Report*, September 2024

⁵ Company management and third-party sources mentioned in *Spinnova IPO Offering Circular 10 June 2021*

⁶ CCF Group. *Major events of China cellulose fiber industry in 2024*, December

⁷ 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/>

⁸ McKinsey & Company, *Business of Fashion: The State of Fashion 2024*

⁹ 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 JULY – 31 DECEMBER 2024

REVENUE AND RESULTS

Spinnova's revenue was EUR 400 thousand (EUR 1 820 thousand) for the six-month reporting period from 1 July to 31 December 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 compared to 2023 as the as the technology project to Woodspin's production facility was completed in 2023.

The operating result, for July–December 2024, was EUR -8 443 thousand (EUR -9 931 thousand). The decrease in operating loss was driven by a smaller number of employees and a lower cost impact of stock option programmes and an overall lower level of operating expenses because of the cost savings programme. The result was negatively affected by an increase in other operating expenses from EUR 3 477 thousand in the second half of 2023 to EUR 3 876 thousand in the second half of 2024, mainly driven by Spinnova ordering testing services from Woodspin amounting to approximately EUR 1.6 million in the second half of 2024. Profitability was positively affected by other operating income, which was EUR 595 thousand (EUR 528 thousand) consisting primarily of Business Finland grants supporting Spinnova's R&D work. Profitability was negatively affected by the loss from joint ventures, totalling EUR -1 344 thousand (EUR -1 987 thousand). The loss from the joint ventures was lower than during the comparison period as Woodspin was ramping up operations in the comparison period.

Financial income, for July–December 2024, was EUR 966 thousand (EUR 1 219 thousand) and financial expenses were EUR 67 thousand (EUR 131 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 2024 was EUR -4 177 thousand (EUR -2 614 thousand).

Net cash flow from investing activities was EUR 595 thousand (EUR 2 198 thousand), which was positively affected by proceeds from the sale of financial instruments. Investments to joint ventures totalled EUR 2 370 thousand (EUR 2 800 thousand).

Net cash flow from financing activities was EUR -748 thousand (EUR -982 thousand), which consisted of repayments of borrowings and lease liabilities.

INVESTMENTS

Spinnova's investments in machinery and development of new technology were EUR 61 thousand (EUR 116 thousand) in July–December 2024.

Spinnova invested a total of EUR 2 370 thousand (EUR 2 800 thousand) into joint venture companies, EUR 2 150 thousand (EUR 2 550 thousand) into Woodspin and EUR 220 thousand (250 thousand) into Respin.

EMPLOYEES

Spinnova's number of permanent employees was 57 (76) at the end of the period, and on average 63 (76) for the period. The total number of Spinnova's employees was 60 (81) on 31 December 2024, including 3 (5) fixed term employees.

1 JANUARY – 31 DECEMBER 2024

REVENUE

Spinnova's revenue was EUR 762 thousand (EUR 10 640 thousand) for the year ended 31 December 2024. During the period, most of the revenue was derived from sales of technology services to Woodspin and Respin. Revenue decreased significantly compared to 2023 as the technology project to Woodspin's production facility was completed in 2023.

PROFITABILITY

Spinnova's operating result was EUR -18 349 thousand (EUR -20 926 thousand) for January–December 2024. The decrease in the operating loss compared to 2023 was driven by a smaller number of employees and a lower cost impact of stock option programmes as well as an overall lower level of operating expenses because of the cost savings programme. Profitability was positively affected also by other operating income, which was EUR 1 109 thousand (EUR 749 thousand) consisting primarily of Business Finland grants. Profitability was negatively affected by the loss from joint ventures, totalling EUR -3 502 thousand (EUR -3 544 thousand).

Spinnova's materials and services expenses were EUR 56 thousand (EUR 9 849 thousand) for the year ended 31 December 2024. The decrease compared to the previous year was mainly due to the timing of technology deliveries to Woodspin's production facility. Spinnova's personnel expenses were EUR 7 922 thousand (EUR 10 637 thousand) for the year ended 31 December 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 and amortisation were EUR 2 733 thousand (EUR 2 504 thousand) for the year ended 31 December 2024. The increase was driven by a higher level of fixed assets, mainly capitalised machinery and equipment expenses and right-of-use assets, compared to 2023.

Other operating expenses were EUR 6 008 thousand (EUR 5 779 thousand) for the year ended 31 December 2024. Other operating expenses included test runs purchased from Woodspin Oy to support Spinnova's research and development activities, totalling EUR 1 600 thousand. Otherwise, the other operating expenses decreased due to the cost-savings programme.

The share of results in joint ventures was EUR -3 502 thousand (EUR -3 544 thousand) for the year ended 31 December 2024. The loss was mainly related to Woodspin. Woodspin's personnel expenses during the reporting period were higher compared to the previous year, as the factory was still in the ramp-up phase in 2023. In addition, the full effect of depreciation from machinery was seen in 2024. The test runs that Spinnova purchased from Woodspin for research and development activities had a positive impact on Woodspin's profit.

Financial income was EUR 1 982 thousand (EUR 1 937 thousand) for the year ended 31 December 2024 due to positive development of the company's current investments. Financial expenses were EUR -153 thousand (EUR -304 thousand) for the period ended 31 December 2024. Financial expenses in 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 83 293 thousand (EUR 98 614 thousand). Equity was EUR 71 168 thousand (EUR 87 328 thousand). Cash and cash equivalents and current investments amounted to EUR 47 243 thousand (EUR 61 459 thousand). The cash position at the reporting period's end was negatively impacted by the loss of the reporting period.

Spinnova's net cash flow from operating activities in January–December 2024 was EUR -8 668 thousand (EUR -13 998 thousand). The net cash flow used in operating activities was driven by the loss of the period and change in working capital due to an increase 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 2 906 thousand (EUR -1 348 thousand).

Cash flow from investing activities was EUR -2 864 thousand (EUR -4 153 thousand). Most of the negative cash flow from investing activities related to investments into Woodspin and Respin. The total was lower in 2024 because in 2023 Woodspin had higher cash investment needs due to the technology delivery project. Offsetting this, Spinnova sold less of its investments in 2024 than in 2023.

Cash flow from financing activities was EUR -1 660 thousand (EUR 103 thousand) during the period ended 31 December 2024 mainly affected by repayments of loans and lease liabilities. The cash flow from financing activities was lower compared to the year 2023, mainly due to lower share issues related to option programmes and proceeds from borrowings.

INVESTMENTS, RESEARCH AND DEVELOPMENT

Spinnova's investments in tangible and intangible assets totalled EUR 263 thousand (EUR 663 thousand), of which investments in patents was EUR 215 thousand (EUR 165 thousand) and investments in machinery and equipment were EUR 48 thousand (EUR 498 thousand) for the period ended 31 December 2024. The decline in investments compared to the same period in 2023 was due to the investment into the in-house R&D yarn-spinning machinery made in 2023. Additionally, during 2024, Spinnova's R&D teams 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 and therefore technology development investments were lower.

In the period ended 31 December 2024, the company invested EUR 5 520 thousand (EUR 8 300 thousand) in its joint ventures. The co-investors Spinnova and Suzano each paid half of the investments to Woodspin. Spinnova has invested in the Woodspin joint venture a total of EUR 27 million by 31 December 2024. Spinnova has invested in the Respin Joint venture a total of EUR 470 thousand by 31 December 2024.

On 31 December 2024 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 57 (76) at the end of the period January–December 2024, and on average 68 (77) for the period. The total number of Spinnova's employees was 60 (81) on 31 December 2024, including 3 (5) 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

It was also announced, on 14 March 2024, 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 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 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 2024, Spinnova had 34 294 (36 066) shareholders. Of the shares, 22.6 (25.2) 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 shareholders by number of shares based on the shareholders' register maintained by Modular Finance Ab and Euroclear Finland Ltd as of 31 December 2024.

Shareholder	Number of shares	Of all shares and votes, %
Suzano S.A	9 808 530	18.77
Besodos Investors Oy	4 048 680	7.74
Maki.vc Fund I Ky	3 540 300	6.77
Beata Domus Ab	3 348 238	6.40
Janne Poranen	2 663 030	5.09
Holdix Oy Ab	2 187 510	4.18
Juha Salmela	1 972 132	3.77
Timo Soininen	1 356 794	2.59
Aktia Asset Management	1 324 763	2.53
Ella Inkeri Salmela	1 302 770	2.49
Ten largest shareholders, total	31 552 747	60.35
Other shareholders, total	20 743 588	39.65
In total	52 296 335	100.00

Spinnova shares on Nasdaq First North Growth Market

January-December 2024	No. of shares traded	Average daily turnover EUR	High EUR	Low EUR	Average ¹ EUR	Last EUR
SPINN	12 178 695	79 048	3.29	0.87	1.629	0.98

¹Volume weighted average.

Market capitalisation at the end of December 2024 totalled approximately EUR 51 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 based on the balance sheet adopted for the financial year 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 Vesa Silaskivi, Sebastian Vinsten and Jari Vähäpesola were elected as new members of the Board of Directors.

The elected members of the Board of Directors are independent of the company, except for 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 elected Board of Directors members independent of the company are also independent of its significant shareholders. The company's definition of independence of members of the Board of Directors complies with the Finnish Corporate Governance Code (2025).

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 Petri Kalliokoski and Hanna Liiri 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/>.

SHARE BASED INCENTIVES

Spinnova has established stock option programmes, a Matching Share Plan and a Performance Share Plan covering, among others, employees, and the members of the Board of Directors and the Management Team of the company.

Spinnova has three separate option plans for its key personnel, which have been initiated between 2018 and 2022. The purpose of all Spinnova's incentive programmes is to align the interests of Spinnova and its key personnel, motivate the employees to own Spinnova's shares, increase their commitment and thus increase the shareholder value in the long term. All these programmes are equity settled transactions and thus Spinnova (as a parent company) does not have any cash-settlement alternatives.

Based on the option programmes, a total of 5 640 292 shares can be subscribed, taking into account deducted forfeited options. Of this amount 3 155 952 options (each entitling to 1 share) were allocated and not yet exercised on 31 December 2024, which corresponds to a maximum approximately 6,0 percent of the diluted share amount.

During 1 January - 31 December 2024, holders of the options subscribed to 67 650 shares, which were registered in the Trade Register. For subscriptions made with the stock options the entire subscription price of EUR 76 445 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	2 255	67 650	1.13	76 445
Total	2 255	67 650	1.13	76 445

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 authorisation 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 entitled 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 entitled to shares. The authorisation is valid until 30 June 2025.

Incentive programmes for Management Team and Key employees

The board established two share-based long-term incentive plans during 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.

In addition, the board of directors established a Performance Share Plan (PSP) covering the 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 rewards 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.

Generally, the award will not be paid if the participant's employment is terminated before it 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/>

Expense recognised for employee services received

EUR (thousand)	7-12/2024	7-12/2023	1-12/2024	1-12/2023
Option Plan 2020	210	-108	49	-343
Option Plan 2022	52	-1 033	-475	-2 067
Option Plan 2022 to the BoD	0	35	0	8
Matching Share Plan 2024	-25	0	-38	0
Performance Share Plan 2024-2028	-119	0	-133	0
Total expense arising from share-based payment transactions	118	-1 106	-596	-2 402

Cancellation of non-vested stock options

Unvested stock options of employees who left the company during January – December 2024, entitling 605 328 shares totalling EUR 1 379 675.50, were cancelled due to their change of employment.

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 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 on 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 losing the competitive edge and differentiation of the Spinnova fibre and the technology if new competitive technologies producing high-quality fibres with the same or better sustainability properties at competitive prices enter 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 single partners, customers or 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 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. 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 fibre 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 fibre, 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.

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 the Parent company Spinnova Plc on 31 December 2024 was EUR 66 469 thousand, of which the result of the period was EUR -13 984 thousand. The Board of Directors proposes to the Annual General Meeting that no dividend be distributed for the financial year January–December 2024, and that the loss of the financial year is recorded in the retained earnings.

In Jyväskylä, 13 February 2025

Spinnova Plc

Board of Directors



CONDENSED FINANCIAL INFORMATION JULY–DECEMBER 2024 AND JANUARY–DECEMBER 2024 (IFRS)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

EUR (thousand)	Note	7-12/2024	7-12/2023	1-12/2024	1-12/2023
Revenue (net sales)	1	400	1 820	762	10 640
Other operating income		595	528	1 109	749
Materials and services		-12	-1 119	-56	-9 849
Personnel expenses		-2 815	-4 448	-7 922	-10 637
Depreciation, amortisation, and impairment losses		-1 392	-1 247	-2 733	-2 504
Other operating expenses		-3 876	-3 477	-6 008	-5 779
Share of result in joint ventures		-1 344	-1 987	-3 502	-3 544
Operating Result (EBIT)		-8 443	-9 931	-18 349	-20 926
Financial income		966	1 219	1 982	1 937
Financial expenses		-67	-131	-153	-304
Result before taxes		-7 544	-8 843	-16 521	-19 293
Income tax		-136	-190	-312	-303
Result for the period		-7 680	-9 033	-16 833	-19 596
Attributable to Equity holders of the parent		-7 680	-9 033	-16 833	-19 596
Total comprehensive income for the period		-7 680	-9 033	-16 833	-19 596
Attributable to Equity holders of the parent		-7 680	-9 033	-16 833	-19 596
Earnings per share, EUR					
Earnings per share, diluted & undiluted		-0,15	-0,17	-0,32	-0,38

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR (thousand)	Note	31 Dec. 2024	31 Dec. 2023
Assets			
Non-current assets			
Intangible assets	2.	10 297	11 697
Property, plant, and equipment	2.	1 841	1 958
Right-of-use assets		1 226	1 184
Investments in joint ventures	5. & 6.	20 909	18 891
Other non-current receivables		108	135
Deferred tax assets		6	7
Total non-current assets		34 388	33 872
Current assets			
Trade Receivables		429	2 301
Other current receivables		708	257
Prepayments & accruals		525	725
Investments	4.	45 262	46 285
Cash and cash equivalents	4.	1 981	15 174
Total current assets		48 905	64 742
Total assets		83 293	98 614
EUR (thousand)			
	Note	31 Dec. 2024	31 Dec. 2023
Equity and liabilities			
Equity			
Share capital		80	80
Reserve for invested unrestricted equity		135 090	135 014
Retained earnings / accumulated deficit		-64 002	-47 765
Equity attributable to shareholders of the parent		71 168	87 328
Total equity		71 168	87 328
Non-current liabilities			
Borrowings	3.	4 579	4 466
Lease liabilities	3.	478	563
Deferred tax liabilities		992	680
Total non-current liabilities		6 050	5 709
Current liabilities			
Borrowings	3.	525	1 350
Lease liabilities	3.	780	655
Trade payables		2 591	1 574
Accrued expenses		1 487	1 600
Other current liabilities		693	398
Total current liabilities		6 076	5 577
Total liabilities		12 125	11 286
Total equity and liabilities		83 293	98 614

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR (thousand)	Note	7-12/2024	7-12/2023	1-12/2024	1-12/2023
Operating activities					
Result for the period		-7 680	-9 033	-16 833	-19 596
Adjustments to reconcile result to net cash flows for the period:					
Income tax expense		136	190	312	303
Depreciation and impairment		1 392	1 247	2 733	2 504
Finance income and expenses		-102	-14	-28	-100
Net result on financial instruments at fair value through profit or loss		-798	-1 074	-1 801	-1 533
Share-based payment expense		-118	1 106	596	2 402
Share of profit from associates and joint ventures		1 344	1 987	3 502	3 544
Change in working capital:					
Increase (-) / decrease (+) in current non-interest-bearing receivables		25	3 238	1 648	3 160
Increase (+) / decrease (-) in current non-interest-bearing liabilities		1 641	-224	-1 258	-4 507
Interest received and paid		-17	-36	-57	-175
Income tax paid		-	-	-	-
Net cash flow from operating activities (A)		-4 177	-2 613	-8 668	-13 998
Net cash from investing activities					
Purchase of tangible and intangible assets	2.	-24	-34	-323	-935
Purchase of financial instruments		-11	-10	-22	-21
Proceeds from the sale of investments		3 001	5 042	3 001	5 103
Investments to associates and joint ventures	5.	-2 370	-2 800	-5 520	-8 300
Net cash from investing activities (B)		595	2 198	-2 864	-4 153
Net cash from financing activities					
Share issue		35	0	76	1 641
Repayment of principal portion of lease liabilities	3.	-528	-482	-1 025	-952
Proceeds from borrowings	3.	-5	0	38	413
Repayments of borrowings	3.	-250	-500	-750	-1 000
Net cash from financing activities (C)		-748	-982	-1 660	103
Net change in cash and cash equivalents (A+B+C) increase (+) / decrease (-)		-4 330	-1 397	-13 192	-18 048
Cash and cash equivalents in the beginning of the period		6 311	16 571	15 174	33 222
Cash and cash equivalents at the end of the period		1 981	15 174	1 981	15 174

EUR (thousand)	Note	31 Dec. 2024	31. Dec. 2023
Cash and cash equivalents	4.	1 981	15 174
Current investments	4.	45 262	46 285
Total net liquid funds		47 243	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

7-12/2024		Attributable to the equity holders of the parent		
EUR (thousand)	Share capital	Fund for unrestricted equity	Retained earnings	Total
Equity on 1 Jul. 2024	80	135 055	-56 204	78 931
Profit for the period	0	0	-7 680	-7 680
Other comprehensive income	0	0	0	0
Total comprehensive income	0	00	-7 680	-7 680
Transactions with owners				
Share-based payments	0	0	-118	-118
Share issue	0	35	0	35
Equity on 31 Dec. 2024	80	135 090	-64 002	71 168

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	-39 836	95 255
Profit for the period			-9 033	-9 033
Other comprehensive income			0	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

31 Dec. 2024		Attributable to the equity holders of the parent		
EUR (thousand)	Share capital	Fund for unrestricted equity	Retained earnings	Total
Equity on 1 Jan. 2024	80	135 014	-47 765	87 329
Profit for the period			-16 833	-16 833
Other comprehensive income				0
Total comprehensive income	0	00	-16 833	-16 833
Transactions with owners				
Share-based payments			596	596
Share issue		76		76
Equity on 31 Dec. 2024	80	135 090	-64 002	71 168

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 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 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 Financial Statements Bulletin has been prepared in accordance with the requirements in IAS 34 (Interim Financial Reporting) standard. The information concerning the financial year 2024 and 2023 is based on the audited IFRS financial statements for 2024 and 2023 that were published 13 February 2025 and 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 a separate column after the information for the current financial year.

The Financial Statements Bulletin 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 2024.

STRUCTURAL AND FINANCIAL ARRANGEMENTS

Between 1 January and 31 December 2024, a total of 67 650 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 authorisation 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)	7-12/2024	7-12/2023	1-12/2024	1-12/2023
Finland	350	1 686	690	10 423
Others	50	151	72	217
Total	400	1 820	762	10 640

1.2. Timing of revenue recognition

EUR (thousand)	7-12/2024	7-12/2023	1-12/2024	1-12/2023
Services transferred over time	400	1 820	762	10 640
Total	400	1 820	762	10 640

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. 2023	1 183	14 830	75	16 087
Additions	0	0	483	483
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
Additions	0	0	91	91
30 Jun. 2024	1 508	14 745	91	16 343
Additions	0	0	124	124
Reclassifications	215	0	-215	0
31 Dec. 2024	1 723	14 745	0	16 467
Amortisation and impairment				
1 Jan. 2023	-420	-2 586	0	-3 008
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
Amortisation	-64	-744	0	-807
30 Jun. 2024	-578	-4 785	0	-5 363
Amortisation	-64	-744	0	-807
31 Dec. 2024	-642	-5 528	0	-6 170
Book value, EUR (thousand)				
31 Dec. 2024	1 081	9 216	0	10 297
31 Dec. 2023	993	10 704	0	11 697

2.2. Property, plant, and equipment

EUR (thousand)	Machinery & equipment	Assets under construction	Total
Acquisition cost			
1 Jan. 2023	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
Additions	0	112	112
Reclassification	1 690	-1 690	0
30 Jun. 2024	2 437	26	2 464
Additions	37	12	48
Reclassification	-74	-38	-112
31 Dec. 2024	2 400	0	2 400
Depreciation and impairment			
1 Jan. 2023	-337	0	-337
Depreciation	-24	0	-24
30 Jun. 2023	-361	0	-361
Depreciation	-33	0	-33
31 Dec. 2023	-394	0	-394
Depreciation	-68	0	-68
30 Jun. 2024	-461	0	-461
Depreciation	-97	0	-97
31 Dec. 2024	-558	0	-558
Book value, EUR (thousand)			
31 Dec. 2024	1 841	0	1 841
31 Dec. 2023	354	1 604	1 958

2.3. Leases

EUR (thousand)	Right-of-use assets, buildings	Right-of-use assets, vehicles	Total
1 Jan. 2023	1 816	22	1 838
Additions	0	203	203
Depreciation	-422	-23	-445
30 Jun. 2023	1 394	203	1 597
Additions	0	42	42
Depreciation	-402	-52	-454
31 Dec. 2023	991	193	1 184
Additions	937	31	203
Disposals	-24	-48	-73
Depreciation	-424	-43	-467
30 Jun. 2024	1 480	132	1 612
Additions	185	39	225
Disposals	-124	0	-124
Depreciation	-448	-40	-487
31 Dec. 2024	1 094	132	1 226

3. CHANGES IN THE INTEREST-BEARING LIABILITIES

7-12/2024

EUR (thousand)	Opening balance 1 Jul.	Repayment	Proceeds from borrowings	Other changes	Reporting date balance 31 Dec.
Non-current borrowings	4 500	0	0	79	4 579
Current borrowings	859	-255	0	-79	525
Lease liabilities	1 649	-519	0	128	1 258
Total	7 009	-775	0	128	6 363

1-12/2024

EUR (thousand)	Opening balance 1 Jan.	Repayment	Proceeds from borrowings	Other changes	Reporting date balance 31 Dec.
Non-current borrowings	4 466	0	43	70	4 579
Current borrowings	1 350	-755	0	-70	525
Lease liabilities	1 218	-1 016	0	1 057	1 258
Total	7 034	-1 771	43	1 057	6 363

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

3.1. Maturity distribution of financial liabilities

EUR (thousand)	Book-value	2025	2026	2027	2028	2029	Over 5 years	Total Cash Out- flows
Interest-bearing loans and borrowings	5 104	575	570	1 162	1 151	615	1 212	5 285
Lease liabilities	1 258	814	428	63				1 305
Trade and other payables	2 591	2 591						2 591
Total	8 953	3 980	998	1 225	1 151	615	1 212	9 181

4. NET CASH

EUR (thousand)	31 Dec. 2024	31 Dec. 2023
Cash and cash equivalents	1 981	15 174
Current investments	45 262	46 285
Net cash excluding borrowings and leasing liabilities	47 243	61 459
Non-current borrowings	-4 579	-4 466
Current borrowings	-525	-1 350
Lease liabilities	-1 258	-1 218
Net Cash total	40 881	54 426

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

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 for the financial year 2024 and 2023. In 2024, purchases consisted of consulting services with a company controlled by former board member Harri Sundvik and a consulting service payment to board member Jari Vähäpesola. Sales to related parties and receivables consists of sales to Spinnova's related party company, Suzano Finland Oy.

5.1. Transaction with related parties

EUR (thousand)	7-12/2024	7-12/2023	1-12/2024	1-12/2023
Sales to related parties	29	15	38	99
Purchases from related parties	0	24	26	45
Receivables	15	5	15	5
Liabilities	0	0	0	0

5.2. Transaction with joint ventures

Transactions with Woodspin

EUR (thousand)	7-12/2024	7-12/2023	1-12/2024	1-12/2023
Sales to related parties	123	1 435	246	9 867
Purchases from related parties	1 816	233	2 025	548
Trade receivables	33	2 006	33	2 006
Trade payables	2 073	457	2 073	457
Investments made to joint ventures	2 150	2 550	5 300	8 050

Transactions with Respin

EUR (thousand)	7-12/2024	7-12/2023	1-12/2024	1-12/2023
Sales to related parties	227	467	414	467
Purchases from related parties	0	0	0	0
Trade receivables	371	228	371	228
Trade payables	0	0	0	0
Investments made to joint ventures	220	250	220	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 2024, 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 752 500 shares.

6. CONTINGENT LIABILITIES AND OTHER COMMITMENTS

EUR (thousand)	31 Dec. 2024	31 Dec. 2023
Guarantees and pledges given		
Loan secured by a corporate mortgage	0	750
Corporate mortgage	0	10 000
Absolute guarantee for Woodspin's premises lease agreement	418	418
Off-balance sheet financial commitments		
Lease commitments ¹		
Maturing in less than 1 year	53	91
Maturing later	12	51
Total other commitments	65	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. 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 invested equally sized portions of EUR 6 500 thousand. Spinnova has invested a total of EUR 27 350 thousand into the Woodspin joint venture as of 31 December 2024.

In January 2025 Spinnova and Suzano agreed that Spinnova's payment, EUR 1 620 thousand, in January to Woodspin for testing services would count as Spinnova's final cash contribution to Woodspin agreed in January 2024. Because this payment (EUR 1 620 thousand) was EUR 420 thousand more than Suzano's cash contribution in January, it was agreed that Suzano would pay EUR 420 thousand more than Spinnova for the remainder of the 2025 funding commitments.

In February 2025, Spinnova and Suzano committed to fund Woodspin for the remainder of 2025.

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 470 thousand 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
7-12/2024	52 278 366	52 296 335
1-12/2024	52 401 957	52 296 335
7-12/2023	52 215 423	52 228 685
1-12/2023	51 898 723	52 228 685

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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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's Annual Review and Sustainability report for 2024 will be published in week 11/2025. Spinnova's Annual General Meeting will be held on 9 April 2025. A separate invitation to the meeting will follow. Spinnova's half-year financial report for January–June 2025 will be published on 28 August 2025.

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 chemicals or dissolving.

The 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. The 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