

Governance,  
Remuneration and  
Financial Statements

2024

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# Report of the Board of Directors

# Report of the Board of Directors of Spinnova Plc

## 1 January – 31 December 2024

### About Spinnova

Spinnova is on a mission to transform the raw material base of the global textile ecosystem with its technology.

Spinnova's technology offers a solution for the textile industry to cut emissions by replacing conventional water and chemical intensive cotton and viscose and oil-based polyester with the sustainable SPINNOVA® fibre.

SPINNOVA® fibre is a sustainable textile fibre, created with ground-breaking patented technology, that mimics how spiders weave their webs. SPINNOVA® can be produced from multiple raw materials from wood to leather, textile, agricultural, food industry and beverage waste. The look and feel of SPINNOVA® is similar to natural fibres such as cotton and linen.

The fashion industry is estimated to be responsible for four percent of global greenhouse gas emissions. In the textile value chain, material production and processing are the phases where the most emissions are created.

SPINNOVA® fibre is produced with a unique mechanical process, which uses minimal water and no harmful chemicals. The CO<sub>2</sub> emissions from the production are estimated to be 74%\* lower compared to conventional cotton.

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

### Review of 2024

Year 2024 was transformative for Spinnova.

The company refreshed its strategy and focuses on technology sales and delivering the technology together with its partners. 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.

During the year, Spinnova entered interesting partnerships, strengthened its fibre products and visibility in the Consumer market and announced significant collaboration agreements.

Spinnova signed a Letter of Intent in March with its long-term partner, Suzano. This agreement outlined Suzano's plans to invest in Spinnova's technology. The 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 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 announced pre-engineering phase was delayed from the planned timetable at the end of 2024. Spinnova is now working with Suzano on alternative plans to meet these targets.

The company formed a partnership with Valmet to supply equipment for future factories, accelerating development and broadening customer reach. Spinnova also signed a Letter of Intent with Ecco to scale leather-based fibre production through their joint venture, Respin.

Spinnova's fibre reached the consumer market through high-profile product launches, including t-shirts by Bestseller's JACK & JONES brand and Olympic collections for Danish and Finnish athletes. Collaborations with PUMA and ASK Scandinavia were announced, focusing on sustainable fashion and future fibre production volumes.

Financially the year 2024 was in line with the company's financial guidance. Revenues totalled EUR 762 thousand, and operating result was EUR -18.3 million. Spinnova continued to invest in R&D, its own pilot, as well as in its joint ventures, Woodspin and Respin. The net cash position remained strong, totalling EUR 40.9 million by year-end. The 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 by early 2025 have already been achieved.

\* Compared to conventional cotton global average emissions from Ecoinvent dataset 3.9.1. SPINNOVA fibre's carbon footprint is based on actual supply chain emissions and projected emissions for the joint venture Woodspin's first factory in Jyväskylä, Finland. The footprint was calculated by a third-party expert in 2022 following ISO 14067:2018 standard, and includes raw material supply, transportation of raw materials, and manufacturing of the fibre (cradle-to-gate).

**Significant events in 2024**

<b>Business</b>	
<b>7 March</b>	Spinnova and Suzano S.A. signed a letter of intent regarding Suzano's potential investment into a new production plant producing wood-based SPINNOVA® fiber
<b>14 March</b>	Spinnova updated its strategy and goals – focuses on technology sales
<b>30 July</b>	Spinnova and ECCO Investment Corporation signed a letter of intent regarding the future plans of their 50/50 joint venture Respin Oy
<b>12 August</b>	Spinnova and Valmet signed a four-year strategic partnership agreement for the supply of process equipment to Spinnova's customers
<b>19 November</b>	Reaching the targeted process metrics required for the new production plant (release 7 March) to move to the pre-engineering phase was delayed from the end of 2024
<b>10 December</b>	SPINNOVA® fiber manufacturer Woodspin and PUMA signed a multi-year letter of intent to secure SPINNOVA® fibre volumes
<b>Management Team and the Board of Directors</b>	
<b>14 March</b>	Spinnova announced changes in the management team to align roles with the updated strategy

**Group key figures**

<b>EUR (thousand)</b>	<b>1-12/2024</b>	<b>1-12/2023</b>
Revenue	762	10 640
Operating result	-18 349	-20 926
Earnings per share (EUR, diluted and undiluted) <sup>1</sup>	-0.32	-0.38
Net cash	40 881	54 426
Equity ratio	85%	89%
Number of permanent employees at the end of the period	57	76
Number of permanent personnel (average)	68	77

<sup>1</sup> 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 as follows:

<b>Period</b>	<b>Average number of shares during the period</b>	<b>Number of shares at the end of the period</b>
January – December 2024	52 410 957	52 296 335
January – December 2023	51 898 723	52 228 685

**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 shown in the next table:

	Short-term (2025–2026)	Medium-term (2028–2030)	Long-term (2034–2036)
Cumulative technology sales <sup>1</sup>	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 <sup>2</sup>
<sup>1</sup> Total cumulative annual fibre production capacity committed to be built by Spinnova technology customers or by Spinnova through own investments <sup>2</sup> 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**

At the year-end, the IMF<sup>1</sup> 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. End of 2023 and beginning of 2024 marked one of the most challenging periods for the entire textile industry<sup>2</sup>, 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 results<sup>3</sup> 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 the majority of 2024, demand in global apparel markets has remained largely stagnant. That said, the global textile industry remains optimistic about future business prospects<sup>3</sup>, 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 usual<sup>4</sup>. 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 2030<sup>5</sup>. Natural fibre demand, majorly cotton, represents one-third of the total

market<sup>4</sup>. 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 market<sup>6</sup>. 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

<sup>1</sup> International Monetary Fund. 2024. World Economic Outlook: Policy Pivot, Rising Threats. Washington, DC. October.

<sup>2</sup> International Textile Manufacturers Federation. 2024. Newsletter No.92 – November 2023. Zürich. November.

<sup>3</sup> International Textile Manufacturers Federation. 2024. Results of the 29th ITMF Global Textile Industry Survey. Zürich. December.

<sup>4</sup> Textile Exchange: Materials Market Report, September 2024

<sup>5</sup> Company management and third-party sources mentioned in Spinnova IPO Offering Circular 10 June 2021.

<sup>6</sup> CCFGroup. Major events of China cellulose fiber industry in 2024. December.

global warming on a 1.5°C pathway<sup>7</sup>. More than 85% of leading brands (by sales) have publicly declared decarbonization targets for their supply chains<sup>7</sup>. 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 take action 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 struggling<sup>8</sup>. 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 theThe 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 2024<sup>9</sup>. In addition, the EU also aims to ensure that all textile products placed on the market be long-lived and recyclable, to a great extent made of recycled fibres, free of hazardous substances and produced with respect to social rights and the environment<sup>9</sup>. 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.

### 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 PERFORMANCE, 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 Spinnova's joint ventures 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 compared to 2023. 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 year 2023 was mainly due to 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

<sup>7</sup> 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/>

<sup>8</sup> McKinsey & Company, Business of Fashion: The State of Fashion 2024

<sup>9</sup> 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.

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 cashflows

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 end of the reporting period was negatively impacted by the loss of the reporting period.

Spinnova's net cash flow from operating activities in January–December 2024 was -8 668 EUR 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 -2 864 EUR 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 a total of EUR 5 520 thousand (EUR 8 300 thousand) to its joint ventures. The co-investors Spinnova and Suzano each paid half of the investments to Woodspin. Spinnova has invested into the Woodspin joint venture a total of EUR 27 million by 31 December 2024. Spinnova has invested into 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 Respin 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.

LARGEST SHAREHOLDERS		
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
<b>Ten largest shareholders, total</b>	<b>31 552 747</b>	<b>60.35</b>
<b>Other shareholders, total</b>	<b>20 743 588</b>	<b>39.65</b>
<b>In total</b>	<b>52 296 335</b>	<b>100.00</b>

#### Spinnova shares on Nasdaq First North Growth Market

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

<sup>1</sup> Volume 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. EET 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 the CEO from liability for the financial year 2023 and approved the Company's Remuneration Report for governing bodies.

The Annual General Meeting resolved that no dividend be distributed based on the balance sheet to be adopted for the financial year 1 January 2023–31 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 remuneration of the Board of Directors would be 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 is to be paid.

#### Members of the Board of Directors

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

Janne Poranen, Petri Kalliokoski Hanna Liiri, and Julio Ramundo 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 their employment or d of Diservice relationship with the company, and Julio Ramundo due to belonging to the operative management of Suzano S.A.,ectors shareholders. Spinnova's definition of Board members' independence 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.

#### 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 Spinnova's all 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 there are 3 155 952 shares outstanding on 31 December 2024, which corresponds to a maximum approximately 6.0 percent of the diluted share amount.

#### Shares subscribed with options

Instrument	Number of options	Number of subscribed shares	Subscription price	Subscription price, total
Option Plan 2018	2 255	67 650	1.13	76 445
<b>Total</b>	<b>2 255</b>	<b>67 650</b>	<b>1.13</b>	<b>76 445</b>

The Annual General Meeting resolved that the Board of Directors be authorised to resolve the issuance of shares and special rights entitled 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 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

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.

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.

#### Expense recognised for employee services received

EUR (thousand)	1-12/2024	1-12/2023
Option Plan 2020	49	-343
Option Plan 2022	-475	-2 067
Option Plan 2022 for Board members	0	8
Matching Share Plan 2024	-38	0
Performance Share Plan 2024-2028	-133	0
<b>Total expense arising from share-based payment transactions</b>	<b>-596</b>	<b>-2 402</b>

#### 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 1 379 657.50, were cancelled due to their change of employment.

#### Incentive programmes for Management Team and Key employees established in 2024

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 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 reward 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.

#### Auditors

The Annual General Meeting 2024 re-elected audit firm PricewaterhouseCoopers, as the auditor of the Company for a term of office ending at the end of the next Annual General Meeting 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.

## 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.

### The board of directors' proposal for distributing 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 -13 948 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.



# Corporate Governance Statement

# Introduction

The administration and management of Spinnova Plc (“Spinnova” or the “Company”) is based on the Finnish Limited Liability Companies Act (624/2006, as amended, the “Companies Act”), Finnish Securities Markets Act (746/2012, as amended, the “Securities Markets Act”), the Company’s Articles of Association and the rules and guidelines of the Nasdaq First North Growth Market Finland marketplace maintained by Nasdaq Helsinki Ltd.

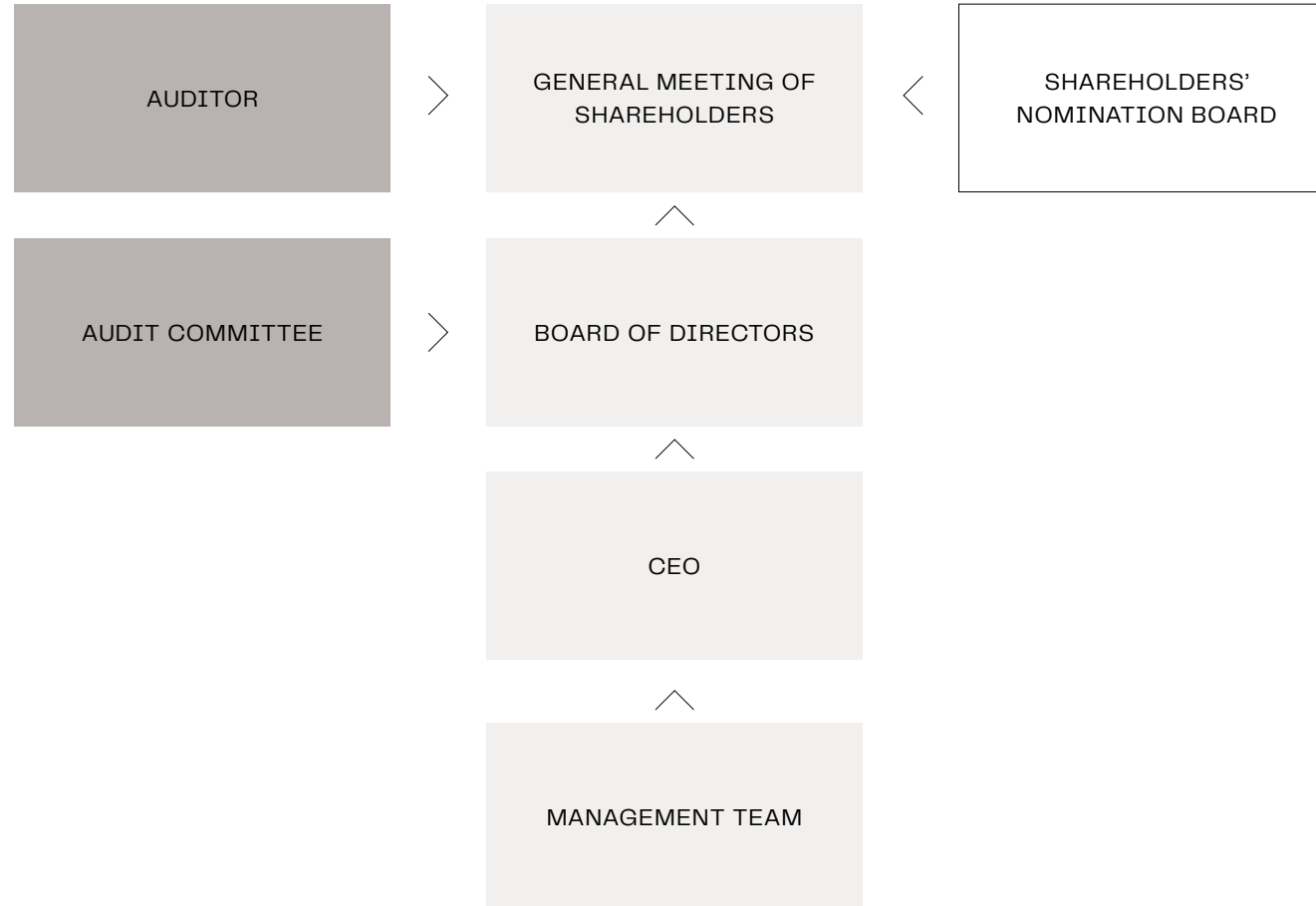
Spinnova complies with the Finnish Corporate Governance Code 2025 issued by the Finnish Securities Market Association, with no exceptions. An unofficial English translation of the Finnish Corporate Governance Code is available on the Security Market Association’s website [www.cgfinland.fi/en/](http://www.cgfinland.fi/en/).

The Corporate Governance Statement is issued separately from the Board of Directors’ Report and is disclosed together with Spinnova’s Financial Statements 2024, the Board of Directors’ Report and the Remuneration Report 2024 on the Company’s website. This Corporate Governance Statement 2024 has been reviewed by the Audit Committee of Spinnova. Up-to-date information on Spinnova’s governance is available on the Company’s website.

# Spinnova's governing bodies

The governing bodies of Spinnova are the General Meeting of Shareholders, the Shareholders' Nomination Board, the Board of Directors with its Audit Committee, as well as the CEO supported by the Management Team. The highest decision-making power in Spinnova is exercised by the Company's shareholders at the General Meeting. The Board of Directors is responsible for the administration and the proper organisation of the operations of the Company. The CEO, assisted by the Management Team, is responsible for the operative management of the Company.

Spinnova is a shareholder in two joint venture companies, Woodspin Oy and Respin Oy, which have been established to advance Spinnova's strategy. The governance models of the joint venture companies are based on the joint venture agreements between Spinnova and respective joint venture partner, the articles of association of the joint venture companies and applicable legislation. Both joint ventures have their own Board of Directors.



# General Meeting of Shareholders

At the General Meeting, Spinnova's shareholders can participate in the supervision, decision-making and control of the Company and exercise their right to speak and vote. Spinnova has one series of shares, and each share carries one vote at the General Meeting.

Spinnova's General Meeting is held at the Company's domicile in Jyväskylä or in Helsinki, Espoo, or Vantaa in Finland, and is convened by the Board of Directors. The Annual General Meeting (AGM) is held annually on a date determined by the Board of Directors within six months of the end of the financial year. An Extraordinary General Meeting may be convened to discuss a specific matter when the Board of Directors deems it appropriate or otherwise required by law.

The General Meeting decides on matters required by the Companies Act and the Articles of Association. The AGM decides on

- the approval of the financial statements
- the distribution of profit
- the discharge from liability of the members of the Board of Directors and the CEO, and
- the election of the members of the Board of Directors and the auditor, and their remuneration

The competence of the AGM also includes amending the Articles of Association, deciding on the purchase of the Company's own shares, issuance of shares and issuance of special rights entitling to shares, and authorising the Board of Directors to decide on such.

The notice of a General Meeting is delivered according to the Finnish Companies Act and Company's Articles of Association.

The shareholders are entitled to have a matter put on the agenda of the Annual General Meeting, provided that the matter can be decided upon by the Annual General Meeting according to the Finnish Companies Act. The request must be submitted in writing to the Board of Directors early enough so that the matter can be included in the meeting notice. The date by which shareholders must notify the Board of Directors of a matter that they demand to be addressed at the Annual General Meeting is announced on Spinnova's website.

A shareholder has the right to participate in the Annual General Meeting if they have been entered as a shareholder in the Company's shareholder register maintained by Euroclear Finland Ltd eight business days prior to the Annual General Meeting and if they have notified the Company of their participation in the manner set out in the notice. The holder

of nominee-registered shares also acquires the right to participate in the Annual General Meeting by temporarily registering in the Company's shareholder register maintained by Euroclear Finland Ltd.

The Company publishes the minutes of the General Meeting on the Company's website and keeps them available to shareholders for at least five years after the General Meeting.

## Annual General Meeting in 2024

Spinnova's Annual General Meeting was held on 7 May 2024. The AGM approved the financial statements for 2023, discharged the members of the Board of Directors and the CEO from liability for the financial year 2023 and approved the Company's Remuneration Report. The AGM resolved that no dividend be distributed on the basis of the balance sheet to be adopted for the financial year 1 January–31 December 2023, and that the loss from the financial year be recorded in the company's retained earnings. The AGM further decided on topics related to the remuneration and election of the members of the board and the auditor as well as on an authorisation for the board to issue shares and special rights entitling to shares.



# Board of Directors

Pursuant to the Companies Act and the Company's Articles of Association, the Board of Directors oversees the Company's administration and the proper organisation of operations and represents the Company. The Board of Directors has drawn up a written charter, which defines its main tasks and operating principles.

According to the written charter, the Board of Directors is responsible for the management of the Company and for the proper arrangement of its operations. In addition, the Board of Directors is responsible for the appropriate arrangement of the supervision of the Company's accounts and finances. The CEO has a duty to give the Board of Directors any information they may need to see to their duties.

## The Board of Directors:

- convenes the annual and extraordinary general meetings in addition to preparing and submitting proposals to the general meeting
- defines the company's profit-sharing policy and submits a proposal concerning profit sharing to the general meeting

- decides on charitable donations within the framework provided by the Finnish Companies Act
- defines the operating principles of the Company's risk control system and internal controls
- discusses and adopts the annual report and financial statements as well as the interim reports
- decides on the establishment or disbandment of committees and confirms their charters
- defines the diversity policy of the company's Board of Directors

In addition to the duties set out in law and in the Articles of Association, the Board of Directors discusses matters that are significant to, and which have a long-term impact on the extent and quality of the operations of the Company and the group:

- the long-term vision and strategic goals and guidelines as well as the primary financial goals
- the group structure and the budgets of group companies as part of the group's budget, including capital expenditure

- the strategically or financially important investments of the group, significant expansions, or reductions in business operations
- corporate transactions
- significant contingent liabilities and other matters with a material impact on the group's business operations

Pursuant to the Articles of Association, the Company's Board of Directors comprises no fewer than three and no more than eight ordinary members. The Shareholders' Nomination Board, appointed annually by the Company's three largest shareholders and the Board of Directors in accordance with the Charter of the Shareholders' Nomination Board, makes a proposal to the AGM on the composition and remuneration of the Board of Directors.

The members of the Board of Directors are elected by the ordinary AGM for a term of office that ends at the close of the AGM that first follows their election. Unless elected by the general meeting, the Board of Directors elects the Chair of the Board from among its members. The Board may also elect a Deputy Chair of the Board from among its members

unless one has been elected by the general meeting.

## Board of Directors in 2024

The Board of Directors on 1 January 2024 included Janne Poranen (Chair), Harri Sundvik (Deputy Chair), Petri Kalliokoski, Hanna Liiri, Julio Ramundo, Juha Salmela and Kirsi Sormunen.

The Annual General Meeting on 7 May 2024 re-elected Janne Poranen, Petri Kalliokoski, Hanna Liiri, and Julio Ramundo as members of the Board of Directors. Vesa Silaskivi, Sebastian Vinsten and Jari Vähäpesola, were elected as new members.

In 2024, the work of the Board of Directors focused in particular on matters related to technology sales in accordance with the updated strategy, ensuring reduction of production costs and capital expenditure, and development of fibre market. Also, the Board of Directors focused on ensuring the implementation of company's costs savings programme.

The Board of Directors held meetings or made unanimous resolutions without convening 20 times in 2024. Attendance in the meetings is reported in the table on page 21.

The key CV information of the Board members as of 31 December 2024 is presented on pages 20–21. The shares and share-based rights of the members of the Board members and their controlled entities in the Company and in the companies belonging to the same group as the Company at the end of the previous financial year are presented in this Corporate Governance Statement.

#### **Independence assessment**

According to the Corporate Governance Code, a majority of the Board members shall be independent of the company, with at least two of these members also being independent of the significant shareholders of the company. The Board of Directors assesses the independence of its members from the Company and significant shareholders annually and as required.

According to the independence assessment of the Board members at the end of 2024, all members of the Board were determined to be independent of the Company, except for Janne Poranen, due to his employment relationship with the Company and Julio Ramundo, due to him belonging to the operative management of Suzano S/A, which has a close cooperation relationship with the Company. All the Board members who were determined to be independent of the Company, namely Petri

Kalliokoski, Hanna Liiri, Vesa Silaskivi, Sebastian Vinsten and Jari Vähäpesola were also determined to be independent also of significant shareholders.

According to the Corporate Governance Code, a significant shareholder is a shareholder who holds at least 10% of all company shares or the votes carried by all the shares, or who has the right or obligation to acquire the corresponding number of already issued shares.

#### **Self-assessment**

The Board of Directors assesses its operations annually to ascertain whether it is operating efficiently. The Board of Directors sets out the process used in its assessment in its annual action plan.

When assessing the Board of Directors' operations, the extent to which it has implemented its action plan will also be reviewed. At the same time, the expectations of the company's stakeholders vis-à-vis the operations of the Board of Directors will also be assessed.

Furthermore, it will be ascertained whether the Charter of the Board of Directors is up-to-date. This assessment is carried out as an internal self-assessment.

#### **Diversity**

Spinnova's Board of Directors has defined the diversity principles of the Board. The

purpose of the diversity principles is to define the objectives and methods by which the appropriate diversity of the Board of Directors is achieved, which in turn furthers the effective working of the Board of Directors as a collective. Diversity also reinforces the objective that the Board of Directors' competence profile supports the development of the current and future business of the Company, and it is seen as a material part and success factor that enables the achievement of strategic objectives and the continuous improvement of customer-oriented operations.

The Company's Board of Directors must have sufficient expertise and as a collective must have requisite knowledge and experience in matters of the Company's industry and business. A person elected as a member of the Board of Directors must have the required qualifications for the position, and the possibility to devote enough time to perform the assignment, as well as be of good ethical standing.

The diversity of Spinnova's Board of Directors is viewed from different perspectives. The material factors for the Company are the members' complementary skills, education and experience from different professions and industries, different development stages of business operations and management, and the personal attributes of the members. The

diversity of the Board of Directors is supported by experience from the international operating environment and relevant industries, cultural knowledge and consideration of age and gender distribution.

The Company's long-term objective is to achieve a balanced representation of both genders in the Board of Directors. Both genders shall always be represented in the Board of Directors. To achieve the balanced representation, the Nomination Board of the Company aims to ensure that representatives of both genders are included in the search and evaluation process of new Board members.

In 2024, to support the Company's operations and business objectives the diversity principles were implemented by diversity of Board members' backgrounds in respect of education, professional experience and culture.

The diversity principles defined in the Finnish Corporate Governance Code (2025) are evaluated to be realised in 2024. Both genders were represented in the Board of Directors in 2024. At the year-end 2024, one (1) Board members was female and six (6) were male, or 14% female and 86% male.

# Board Committees

The Board of Directors has established an Audit Committee to increase the efficiency of its work. The Board of Directors annually elects the members and the chair of the committee from among its members and approves the written charter of the committee. If needed, the Board of Directors may, at a later stage, establish other committees from amongst its members and working groups to prepare material decisions.

## **Audit Committee**

The Audit Committee has a written charter. The Audit Committee's duties are to:

- monitor the financial statement reporting process as well as monitor and assess the financial reporting process
- monitor the financial situation and financing situation of the group
- handle the budget, forecast and assumptions related to them, and
- handle the financial statements, annual reports, interim financial reports, and financial reports before the Board of Director's approval

In addition, the Audit Committee's duties include monitoring and assessing the

efficiency of the Company's internal monitoring, possible internal audit, and risk management systems, monitoring significant financial and other risks and their control measures, as well as monitoring transactions of the Company's management and their related parties and possible conflicts of interest related to them. Regarding auditing, the Audit Committee monitors the statutory audit and prepares a proposal on the election of the auditor, among other things.

The Audit Committee is comprised of at least three (3) members of the Board of Directors. The majority of the members of the Audit Committee must be independent of the Company and at least one (1) member must be independent of the Company's significant shareholders. As required by the Companies Act, an Audit Committee member may not participate in the day-to-day management of the Company, or an entity or foundation consolidated in the Company's consolidated financial statements. At least one (1) member of the audit committee must also have accounting or auditing expertise.

The committee convenes at least four (4) times a year. The committee does not have independent decision-making power, but it acts as a preparatory body on the issues of

which are submitted to the Board of Directors for decision.

## **Board committees in 2024**

The new Board of Directors held its constitutive meeting on 7 May 2024. The Board of Directors elected Janne Poranen as its Chair and Petri Kalliokoski as Deputy Chair. Vesa Silaskivi (Chair), Hanna Liiri and Harri Petri Kalliokoski were selected as members of the Audit committee.

In 2024, the Audit Committee met four (4) times. In 2024, the work of the Audit Committee focused on IFRS reporting, and the financial statement as well as monitoring treasury investments.

# Board of Directors on 31 December 2024



## Janne Poranen

b. 1972 (male), PhD (Physics)  
Finnish citizen  
Member of the Board of Directors since 2022  
Chair of the Board of Directors since 1 August 2022  
Member of the Management Team 2014–2022  
Not independent of the Company, independent of major shareholders  
Company shareholding on 31 December 2024: 2 663 030 shares and 8 000 of 2020 B stock options  
Co-founder of Spinnova



## Petri Kalliokoski

b. 1975 (male), Master of Science (Tech.)  
Finnish citizen  
Member of the Board of Directors since 2023  
Deputy Chair of the Board of Directors since 7 May 2024  
Member of the Audit Committee  
Independent of the Company and its major shareholders  
Company shareholding on 31 December 2024: 5 800 shares and 0 stock options  
Main occupation: CEO and owner at High Metal Oy, chair of the boards of Ukko.fi and mcare Group Oy



## Hanna Liiri

b. 1970 (female), Master of Science (Economics)  
Finnish citizen  
Member of the Board of Directors since 2018  
Member of the Audit Committee  
Independent of the Company and of its major shareholders  
Company shareholding on 31 December 2024: 4 048 680 shares (held by Besodos Investors Oy), 12 500 shares (personal holding) and 0 stock options  
Main occupation: Managing Partner and Portfolio Manager at Besodos Investors Oy since 2005–



## Julio Ramundo

b. 1969 (male), Bachelor of Business Administration, MBA  
Brazilian citizen  
Member of the Board of Directors since 2023  
Not independent of the Company and not independent of major shareholders  
Company shareholding on 31 December 2024: 0 shares and 0 stock options  
Main occupation: New Business Director, Carbon and Suzano Ventures at Suzano S.A.



## Vesa Silaskivi

b. 1966 (male), PhD in Law, Licentiate degree (Business Administration, Management and Operations)  
 Finnish citizen  
 Member of the board since 2024  
 Chair of the Audit Committee  
 Independent of the company and its major shareholders  
 Company shareholding on 31 December 2024:  
 0 shares and 0 stock options  
 Main occupation: Board professional

## Sebastian Vinsten

b. 1977 (male), Bachelor (international Business)  
 Danish citizen  
 Member of the Board of Directors since 2024  
 Independent of the Company and its major shareholders  
 Company shareholding on 31 December 2024:  
 0 shares and 0 stock options  
 Main occupation: Head of Buying and Sourcing for Danish company Stock Group A/S

## Jari Vähäpesola

b. 1959 (male), Master of Science (Mechanical Engineering)  
 Finnish citizen  
 Member of the Board of Directors since 2024  
 Independent of the Company and its major shareholders  
 Company shareholding on 31 December 2024:  
 12 500 shares and 0 stock options  
 Main occupation: Board professional

**Board and committee members' meeting and decision participation in 2024**

Member	Board of Directors	Audit Committee	Remuneration Committee, until 7 May 2024
Janne Poranen	16 / 16	-	-
Petri Kalliokoski	15 / 16	3 / 3	1/1
Hanna Liiri	16 / 16	4 / 4	1/1
Julio Ramundo	11 / 16	-	1/1
Juha Salmela, until 7 May 2024	6 / 6	-	-
Vesa Silaskivi, from 7 May 2024	10 / 10	3 / 3	-
Kirsi Sormunen, until 7 May 2024	5 / 6	1 / 1	-
Harri Sundvik, until 7 May 2024	5 / 6	1 / 1	-
Sebastian Vinsten, from 7 May 2024	10 / 10	-	-
Jari Vähäpesola, from 7 May 2024	10 / 10	2 / 2	-

**Shareholders' Nomination Board**

The Nomination Board, established in 2021, is a shareholder body responsible for systematically and diligently preparing proposals to the General Meeting regarding the election and remuneration of the members of the Board of Directors.

The main task of the Nomination Board is to ensure that the Board of Directors and its members have sufficient knowledge and experience to meet the Company's needs, and to prepare well-founded proposals for the Annual General Meeting regarding the election

and remuneration of the members of the Board of Directors. Each shareholder of the Company may also submit their own proposal directly to the Annual General Meeting.

The General Meeting of Spinnova has approved the written charter of the Shareholders' Nomination Board. The Nomination Board will prepare and present proposals regarding the remuneration policy concerning the remuneration of the members of the Board of Directors and other matters related to the remuneration thereof to the Annual General Meeting prepare and present a proposal regarding the number of members of the Board of Directors to the Annual General Meeting prepare and present a proposal regarding who should be elected as a member of the Board of Directors to the Annual General Meeting seek prospective successors to replace the members of the Board of Directors; and prepare and present for board approval the principles concerning the diversity of the Board of Directors.

The Nomination Board will assess the performance of the Board of Directors and take the results of such assessments into account in its work as appropriate. The Nomination Board may also seek other shareholders' contributions when preparing its proposals and retain

the services of an external consultant to find suitable candidates.

The Nomination Board has four members. Three of those members are representatives appointed by the three largest shareholders, and one member is a Board member appointed by the Company's Board of Directors from amongst themselves.

Each year, those three shareholders that hold the largest share of the votes conferred by all shares in the Company on the first Finnish business day of the September preceding the applicable annual general meeting pursuant to the shareholders' register maintained by Euroclear Finland Ltd or, in the case of nominee registered shareholders, based on separate shareholding information presented by them, will be entitled to appoint members that represent the shareholders. In the event that two or more shareholders hold an equal number of shares and votes, and the representative or representatives nominated by either or all such shareholders cannot be appointed to serve on the Nomination Board, the right to appoint a representative to the Nomination Board will be decided by drawing lots.

The Chair of the Board of Directors will request the three largest shareholders, who will be determined as stated above, to each appoint one member to the Nomination Board. If a shareholder does not wish to exercise its right of appointment within the time frame set by the Chair of the Board of Directors, the right will be transferred to the next largest shareholder that would otherwise not have the right of appointment.

#### **Composition of the Nomination Board**

The following members were nominated to Spinnova Plc's Shareholders' Nomination Board as of 5 September 2024:

- Julio Ramundo (male), Suzano S.A.
- Hanna Liiri (female), Besodos Investors Oy, Chair of the Nomination Board
- Ilkka Kivimäki (male), Maki.vc Fund I Ky
- Janne Poranen (male), Chair of the Board of Directors of Spinnova Plc

#### **Chief Executive Officer**

The Board of Directors appoints the CEO of Spinnova and decides on the terms of his/her employment, which are defined in a written CEO agreement. The CEO is responsible for implementing the goals, plans, policies, and

objectives in the Company set by the Board of Directors. According to the Companies Act, the CEO is responsible for ensuring that the Company's accounting complies with legislation and that the management of the Company's assets is arranged reliably. The Board of Directors evaluates the work of the CEO, and the achievement of the goals set for him.

Tuomas Oijala was Spinnova's CEO during 2024.

#### **Management Team**

The Company's Management Team, which supports the CEO, is responsible for the development and operational activities of the Company and the business activities in accordance with the objectives set by the Board of Directors and the CEO. The CEO is the chair of the Management Team.

In 2024, the Management Team focused on its work in particular on matters related to technology sales in accordance with the updated strategy, ensuring reduction of production costs and capex, and development of fibre market together with its brand partners. In addition, the Board of Directors focused on ensuring the implementation of company's costs savings programme.

The CV information of the Management Team is available on the Company's website at [www.spinnovagroup.com](http://www.spinnovagroup.com).

The shares and share-based rights of the members of the Management Team and their controlled entities in the Company and in the companies belonging to the same group as the Company at the end of the previous financial year are presented in the Corporate Governance Statement.

# Management Team on 31 December 2024



## Tuomas Oijala

Chief Executive Officer  
Member of the Management Team since 2023  
b. 1985 (male), Master of Science (Engineering)  
Finnish and US citizen  
Company shareholding on 31 December 2024:  
16 534 shares and 0 stock options



## Ben Selby

Chief Financial Officer, Deputy CEO  
Member of the Management Team since 2021  
b. 1983 (male), Master of Arts degree  
British and Finnish citizen  
Company shareholding on 31 December 2024:  
7 086 shares and 10 950 options, of which 5 950 are  
2020 A stock options and 5 000 of 2020 B stock  
options (2020 A and B: one stock option equals 30  
shares)



## Santeri Heinonen

Chief Operating Officer  
Member of the Management Team since 2023  
b. 1974 (male), Master of Science (Economics)  
Finnish citizen  
Company shareholding on 31 December 2024:  
15 648 shares and 0 stock options



## Lasse Holopainen

Chief Revenue Officer  
Member of the Management Team since 2022  
b. 1981 (male), Master of Laws  
Finnish Citizen  
Company shareholding on 31 December 2024:  
5 964 shares, 40 000 of 2023 A1 stock options,  
40 000 of 2022 B1 stock options, 60 000 of 2022  
A3 stock options and 60 000 of 2022 B3 stock  
options (2022 A1, B1 and B3: one stock option equals  
one share)





## Shahriare Mahmood

Chief Product and Sustainability Officer  
 Member of the Management Team since 2021  
 b. 1976 (male), Doctor of Science (Tech)  
 Bangladeshi and Finnish citizen  
 Company shareholding on 31 December 2024:  
 5 968 shares and 3 000 stock options 2018, 55 000  
 A3 2022 and 55 000 of 2022 B3 stock options  
 (2018: one stock option equals 30 shares, 2022 A3  
 and B3: one stock option equals one share)

## Juha Salmela

Chief Technology Officer  
 Member of the Management Team since 2014.  
 b. 1973 (male), Master of science  
 Company shareholding on 31 December 2024:  
 1 972 132 shares and 8 000 stock options 2020 B,  
 (2020 B: one stock option equals 30 shares)

### Internal control and risk management of the financial reporting process

The internal control and risk management principles, instructions, practices, and responsibilities related to the Company's financial reporting process are designed to ensure that the Company's financial reporting is reliable and that the financial statements have been prepared in accordance with applicable legislation, regulations, and the Company's operating principles.

#### Internal control

The purpose of Spinnova's internal control is to ensure the efficiency and productivity of the Company's operations, the reliability of financial and operational management reporting, and compliance with applicable legislation and regulations and internal guidelines within the Company. Internal control is an essential part of the Company's business management and in ensuring the achievement of its business objectives. The Company strives to organise internal control effectively so that deviations from the Company's targets are detected as early as possible, or so that they can be prevented.

The Company's Board of Directors is responsible for organising the Group's internal control,

and the Audit Committee monitors the effectiveness of internal control. The Management Team is responsible for ensuring that effective control procedures are in place to manage risks.

Responsibility for risks and related controls, and for implementing corrective actions related to controls, lies with operational management. Each employee of the Company contributes to the first line of defense by acting ethically, following the Company's established policies, and exercising business-related supervision. The Company's finance unit's tasks include monitoring the effectiveness of controls in connection with interim financial reporting breaks.

The Company's internal controls comprise the internal control policy approved by the Board of Directors, and the decision-making and approval procedures, control points defined in a uniform manner in the various processes, as well as their monitoring and undertaking of corrective measures.

Risk assessment forms the basis for effective internal control. Control functions ensure that the realisation of identified risks is minimised.

The Company has its internal controls in line with the requirements of being a listed

company. Additional controls have been implemented around purchase and payment processes, HR and payroll processes, financial accounting, reporting, budgeting, and forecasting processes, investments, and project planning. The Company has an enterprise resource planning (ERP) system in place. The Company transitioned to IFRS financial reporting in 2023.

#### **Internal audit**

As of now, Spinnova does not have an internal audit function. In accordance with its charter, the Board's Audit Committee evaluates the need to establish an internal audit function annually. The Audit Committee may use internal or external resources to perform separate internal audits.

#### **Risk Management**

Spinnova Group's risk management is guided by the risk management policy. The risk management's objective is to create operational conditions in which business-related risks and opportunities are managed comprehensively and systematically at all levels of the organisation. The principle is to identify risks, assess their magnitude and significance, define risk mitigation measures, decide on their implementation, and monitor their effects.

The Company uses a group-level risk assessment and monitoring model and conducts a comprehensive risk assessment annually. In the assessment, the most significant risks to the Company's strategy and other objectives are assessed, as well as their probability and impact on business. In addition, the risk management measures are mapped. If necessary, the risk assessments are updated, for example, for the risk analysis in the interim and annual reports.

The Company's Board of Directors defines the Company's risk-taking level, decides on taking strategic risks and is responsible for monitoring the results of risk management and evaluating its effectiveness. The Board's Audit Committee monitors the effectiveness of the Company's risk management system.

Financial risks are reviewed annually as part of the group-level risk assessment. Financial risks are managed primarily through following the company's Treasury policy. Compliance with the Treasury policy is reviewed in each meeting of the Audit Committee.

The key risks identified in Spinnova's risk management process are described in the risk factors section of the Board of Directors' report for 2023.

#### **Related party transactions**

Spinnova complies with the rules of First North in respect of related party transactions and ensures that the requirements set for the monitoring, evaluation, decision-making and disclosure of related party transactions are complied with.

Parties are considered to be related parties if one party has the ability to control the other party or to exercise significant influence or joint control over the other party in making financial and operational decisions. During 2024, the company's related parties consisted of the company's subsidiary Spinnova Holdings Oy, the company's exclusive joint ventures with Suzano SA and ECCO, Woodspin Oy and Respin Oy, respectively, shareholders Suzano, and Besodos Investors Oy that have significant influence over the company as well as the Members of the Board of Directors and the company's Management Team and their closely related family members and the entities over which they have control or joint control.

If related party transactions are relevant to the Company and differ from the Company's ordinary business or have been entered into other than under normal market conditions, the Company will report the decision-making procedure for such related-party transactions.

Information on related party transactions in 2024 is provided in the notes to Spinnova's Financial Statements for 2024.

#### **Insider management**

Spinnova complies with the provisions of the EU Market Abuse Regulation ((EU) 596/2014, as amended by the "MAR") and the lower-level regulations issued thereunder, the Securities Markets Act, guidelines issued by competent authorities and the Guidelines for Insiders issued by Nasdaq Helsinki Ltd. In addition, the Company's Board of Directors has approved the Company's internal insider guidelines based on the guidance of Nasdaq Helsinki Ltd.

The Company has appointed an insider manager, who is responsible for maintaining insider lists in the Company, handling trading restrictions and the obligation to report and disclose transactions, internal communication and training related to insider matters, and the supervision of insider matters.

The Company has internal procedures for disclosing inside information, possibly postponing the disclosure of inside information and maintaining project-specific insider lists.

The Company complies with the trading restriction on managers under Article 19 (11) of the MAR Regulation (closed period)

of 30 days before the announcement of an interim financial report or a year-end report. In addition, the Company has separately identified certain persons who participate in the preparation of financial statements or who have access to the relevant information, and employees or directors of the Company who are members or deputies of the Board of Directors or management team in any of the Company's joint ventures subject to a trading restriction of similar length and content (closed period).

### **Whistleblowing**

Spinnova has a Whistleblowing Policy approved by the Board of Directors. The Whistleblowing Policy supports responsible behaviour and compliance with laws, regulations and our values through establishing requirements and procedures in relation to the reporting of violations. The Whistleblowing Policy is intended to encourage and enable employees and others to raise serious concerns within Spinnova prior to seeking resolution outside the company.

Spinnova's whistleblowing channel, provided by an external service provider, is an anonymous way to raise concerns of non-compliance with Spinnova's values, ethical norms, laws, and regulations. Spinnova will investigate any reported violation as discreetly as possible and

confidentially commensurate with a thorough and adequate investigation. Spinnova's principle is that no one shall suffer adverse employment consequences, harassment, be discriminated against or retaliated against for making a claim in good faith of a violation of Spinnova's values, guidelines, ethical norms or applicable laws and regulations.

In 2024, there were no issues submitted through Spinnova's whistleblowing channel.

### **Auditing**

The statutory audit includes the audit of the Company's accounts, financial statements, and administration. In addition to the annual auditor's report, the auditors regularly report to the Board of Directors on their audit findings and participate in the meetings of the Board's Audit Committee.

According to the Articles of Association, the Company must have an auditor, which is an audit firm approved by the Finnish Patent and Registration Office. The auditor's term of office ends at the end of the first Annual General Meeting following the election.

The Company's Audit Committee prepares a proposal on the election of the auditor. The General Meeting elects the Company's auditor and decides on the auditor's fee.

### **Audit in 2024**

PricewaterhouseCoopers, Authorised Public Accountants, acts as the Company's Auditor. The auditor with principal responsibility Jukka Torkkeli is registered in the register of auditors referred to in Chapter 6, Section 9 of the Auditing Act (1141/2015, as amended). PricewaterhouseCoopers Oy has acted as the auditor of Spinnova since 2014.

The auditor is paid a fee according to an invoice approved by the Company. In 2024, the auditors were paid EUR 110 thousand (176 thousand) for auditing services. The comparison in 2023 auditing services included also the costs for the IFRS transitioning project.

A close-up, slightly blurred photograph of a petri dish containing a white, fluffy substance, likely a microbial culture. A yellowish liquid or stain is visible at the bottom of the dish. The lighting is soft, creating a clinical and scientific atmosphere.

# Remuneration

# Introduction to remuneration in Spinnova

## Dear shareholder,

This remuneration report (the "Remuneration Report 2024") describes the remuneration of the Board of Directors and the CEO and Deputy CEO of Spinnova Plc ("Spinnova" or the "Company") between 1 January 2024 and 31 December 2024. The Remuneration Report 2024 has been prepared in accordance with the reporting requirements of the Corporate Governance Code in Finland (2025) of the Finnish Securities Market Association as well as applicable legislation.

Trading in Spinnova's shares began on the Nasdaq First North Growth Market Finland marketplace on 24 June 2021. Spinnova's remuneration policy (the "Remuneration Policy") was presented to the Annual General Meeting of Spinnova for the first time in the Annual General Meeting 2022. The Remuneration Policy is presented to the Annual General Meeting at least every fourth year and always if significant changes are proposed to it. The Remuneration Report is presented to the Annual General Meeting annually.

Spinnova's Remuneration Policy presents the remuneration framework for the members of Spinnova's Board of Directors, and the CEO. There were no deviations to the Remuneration

Policy in the remuneration paid in 2024 and reported in this report. No claw backs of the remuneration took place during the financial year 2024.

The Remuneration Report 2024 includes the principles governing the remuneration of the members of the company's Board of Directors and the CEO and a description of the practical implementation of the Remuneration Policy. The Report also includes the remuneration paid to the members of the Board of Directors, the CEO and the Deputy CEO in the financial year 2024.

## Key remuneration principles

The purpose of Spinnova's Remuneration Policy is to support the Company's strategic goals and promote its competitiveness and long-term financial success. The objective of the remuneration is to encourage and reward the management for work that is in line with the Company's strategy at a given time and for compliance with the set rules, as well as to motivate them to strive for the success of the Company and foster their long-term commitment to the Company's goals. The Company's remuneration supports achieving strategic targets, profitability, and increased shareholder value.

A well-functioning and competitive remuneration is also an essential tool for engaging competent employees and executives for the Company.

## Business development of the company and remuneration

In 2024, Spinnova's revenue totalled EUR 0.76 million (EUR 10.6 million) and operating result was EUR -18.3 million (EUR -20.9 million).

CEO remuneration in 2024 consisted of fixed monthly salary, benefits and short-term incentives.

Spinnova has company-wide operational business targets based on the Company's strategy. These targets are followed throughout the year, and they determine the level of the variable bonus payment for all employees including management.

Remuneration of the CEO for 2024 is presented in this report for CEO Tuomas Oijala and Deputy CEO Ben Selby.

# Remuneration of the Board of Directors

## Average remuneration

EUR	2018	2019	2020	2021	2022	2023	2024
Chair, total				12 000	14 000	0	0
Other Board members (opting in) on average	0	0	0	12 000	18 677	12 413	15 082
CEO, total	159 739	162 012	153 984	280 331	306 611	458 774 <sup>1</sup>	420 936
Spinnova's employee remuneration on average <sup>2</sup>	68 013	79 639	63 247	82 015	89 817	89 883	94 800 <sup>3</sup>
<b>Key business figures</b>							
Net sales (000 s)	190	758	254	6 063	24 279	10 640	762
Number of personnel (on average)	13	18	34	51	81	77	68

<sup>1</sup> Kim Poulsen as of 1 January–21 April 2023, Ben Selby 21 April–10 December 2023 and Tuomas Oijala as of 11 December 2023

<sup>2</sup> The average remuneration of Spinnova's employees (excluding the CEO) was calculated as follows: wages and salaries and pension expenses of all employees for the period minus the CEO wages and salary and pension expenses divided by average number of personnel for the period

<sup>3</sup> The increase was mainly due to paid compensations to personnel leaving the company

### Remuneration of the Board of Directors

Decisions concerning the remuneration of the Board of Directors are made by the Annual General Meeting for a single term of office at a time based on a proposal of the Shareholder's Nomination Board.

The remuneration of the Board of Directors can consist of one or more components. The Board of Directors can, for instance, be paid an annual or monthly fee for board meetings or committee and governing body meetings. In addition to the board fees, the Board members may be compensated for travelling expenses and/or other costs directly incurred by the

board work as decided by the general meeting. Board members may also be compensated with a long-term stock option plan to align the interests of board members with the Company and its shareholders.

Remuneration paid to the Board members can be paid in cash and/or shares partially or in full. Decisions concerning the distribution of the Company's shares, stock options, or other special rights entitling to shares shall be made in the General Meeting or by the Board of the Company pursuant to an authorisation from the General Meeting.

The members of the Company's Board are not eligible for short-term incentive plans paid in cash based on their position as a member of the Board. However, and according to the Company Remuneration Policy, if a member of the Board of Directors is in a service or employment relationship with the Company, they will be paid a regular salary in accordance with market practice that is based on the service or employment relationship, and the board fee will be determined on the same basis as that of other members of the Board.

### Remuneration in 2024

The Annual General Meeting of the Company held on 7 May 2024 resolved on the remuneration of the Board of Directors. Pursuant to the resolution a monthly fee of EUR 6 000 is paid to the Chair, EUR 4 000 to the Deputy Chair and EUR 2 000 is paid to each member of the Board of Directors. No separate meeting fees nor fees of committee members are paid.

The remuneration paid to the Board of Directors followed the decision of the Annual General meeting and totalled EUR 135.7 thousand (2023: 111.7 thousand)

Julio Ramundo opted not to receive the monthly fee payable to the Board members during 2024.

### Consultancy agreements

In 2024, the consultancy services amounted to EUR 26.1 thousand (EUR 45 thousand), of which EUR 17 762 was paid to Harri Sundvik's company and EUR 8 387 to Jari Vähäpesola for the financial year ending 31 December 2024. There were no payables related to these services as of 31 December 2024.

Member of the Board	Annual Fees, EUR	Remuneration based on employment, EUR <sup>1</sup>	Other compensation, EUR	Total remuneration (paid or due), EUR
Janne Poranen (Chair)	0	293 254		293 254
Petri Kalliokoski (Deputy Chair)	39 548			39 548
Hanna Liiri	24 000			24 000
Julio Ramundo	0			0
Vesa Silaskivi, from 7 May 2024	15 613			15 613
Sebastian Vinsten, from 7 May 2024	15 613			15 613
Jari Vähäpesola, from 7 May 2024	15 613		8 387	24 000
Juha Salmela, until 7 May 2024	8 452			8 452
Kirsi Sormunen, until 7 May 2024	8 452			8 452
Harri Sundvik, until 7 May 2024	8 452		17 762	26 214
<b>Total</b>	<b>135 742</b>	<b>293 254</b>	<b>26 149</b>	<b>455 145</b>

<sup>1</sup> Including salary, benefits and statutory pension

### Remuneration of the Chair of the Board and board members with separate employment terms

The Chair of the Board, Janne Poranen, has had in addition to his role as Chair of the Board a separate employment-based compensation contract as of 1 August 2022. In 2024, his remuneration as employee was EUR 293 254 (EUR 281 512) including base salary, benefits and statutory pension. In his role as employee, Poranen works on long-term strategic projects for Spinnova.

# Remuneration of the CEO

The Company's Board of Directors determines the salary, remuneration and other benefits received by the CEO of the Company.

The CEO's remuneration is primarily comprised of a monthly salary, employee benefits, and variable bonuses as well as possible long-term incentive schemes and commitment programmes, the use of which is at the sole discretion of the Board of Directors. In addition, the CEO can be granted a separate, reasonable supplementary pension arrangement or other possible benefits to ensure that a competent CEO is committed to the Company's development.

The performance criteria for 2024 bonuses were tied to the Company's performance.

## Fixed salary

The fixed monthly salary is confirmed in the managing director's agreement. A part of the salary can be replaced with a housing benefit or a car benefit. The CEO's professional competence and responsibilities as well as the general salary level in similar positions are considered when determining the CEO's fixed salary.

CEO, Tuomas Oijala's 2024 fixed monthly salaries including statutory pension totalled EUR 389 754 (EUR 21 206). The salary in 2023

is not comparable as Tuomas Oijala started in his position as CEO 1 December 2023.

## Variable bonus

The variable bonus is bound to the financial success of the Company and the achievement of its strategic goals. The Company's Board of Directors determine the accumulation criteria for the variable bonus as well as the goals set for each criterion at the beginning of each accumulation period, and it assesses the fulfilment of the bonus at the end of the accumulation period in connection with the CEO's annual performance evaluation. The criteria defined by the Board may consider matters such as the Company's commercial progress, turnover, operating profit, stability of customers, efficiency of operations, employee satisfaction, the progress of product development, and product-group specific growth.

In 2024, the criteria for Spinnova's bonus programme, which was also the basis for the CEO's variable short term incentive, focused on the company's key priorities, and consisted of targets in the following strategic areas, with the applicable weightings; Commercial textile product (15%), fibre commitments (25%), wood-based technology sales (30%), other raw material-based technology sales (10%) and external spending control (20%).

Depending on the achievement level of these targets, the total annual bonus would be between zero- and three-months' salary. Spinnova's entire personnel shared the same annual targets along with the same bonus structure. Annual bonuses are paid either as cash or to Spinnova's personnel fund.

Based on the 2024 bonus targets, CEO Tuomas Oijala earned a bonus of EUR 30 899 including statutory pension contributions. Bonuses earned in 2024 will be paid in February 2025.

## Key provisions applied to the CEO's employment

The managing director's agreement sets out the key provisions that apply to the CEO's employment. The provisions are agreed corresponding to the valid market practice at the time of signing the agreement.

The CEO's contract may be terminated by the CEO with six months' notice and by the Company with six months' notice. The Company is obliged to pay the CEO's salary for the duration of the notice period. Moreover, if the CEO's contract is terminated by the Company without cause, the Company shall pay a severance payment to the CEO corresponding to the CEO's salary for twelve months. If the CEO's contract is terminated

by the Company for a cause defined in the contract, the Company is not obligated to pay the CEO's salary following the date of termination.

The contract includes non-competition, non-recruitment and non-inducement obligations that apply while the agreement is in force and remain in force for 12 months after the termination of the contract.

The Company does not offer a supplementary pension plan.



**Remuneration paid to Ceo Tuomas Oijala 1 January – 31 December 2024 (EUR)**

EUR	2024	2023
Fixed monthly salary	389 754 <sup>1</sup>	21 206 <sup>1</sup>
Benefits	283	16
Short-term incentives	30 899 <sup>2</sup>	30 977 <sup>2</sup>
<b>Total</b>	<b>420 936</b>	<b>52 198</b>

<sup>1</sup> Including statutory pension

<sup>2</sup> Earned in 2024 paid in 2025, earned in 2023, paid in 2024.

**Remuneration paid to Deputy CEO Ben Selby 1 January – 31 December 2024 (EUR)**

EUR	2024	2023
Fixed monthly salary	353 772 <sup>1</sup>	198 727 <sup>1</sup>
Benefits	283	165
Short-term incentives	26 820 <sup>2</sup>	11 323 <sup>2</sup>
<b>Total</b>	<b>380 874</b>	<b>210 215</b>

<sup>1</sup> Including statutory pension

<sup>2</sup> Earned in 2024 paid in 2025, earned in 2023, paid in 2024.

In 2024, the share of variable remuneration of the total remuneration (excluding severance payment) for Tuomas Oijala was 7.3% (59%) and the share of fixed remuneration was 92.7% (41%). The corresponding proportions for Ben Selby were 7% and 93% (5% and 95%).

# Stock option programmes

Detailed information on incentive programmes is found on <https://spinnovagroup.com/corporate-governance/remuneration/>

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 5 640 292 shares can be subscribed taking in account deducted forfeited options. Of this amount 3 155 952 options (each entitling to 1 share) were allocated and not yet exercised as of 31 December 2024, which corresponds to a maximum of approximately 6.0 percent of the diluted share amount.

## 2018 Stock Option programme

Spinnova's Annual General Meeting of Shareholders on 14 November 2018 resolved to authorize the Board of Directors to issue up to 50 000 stock options to key persons of the Company. In the resolution of the Board of Directors on 20 December 2018, Spinnova's Board of Directors resolved to issue up to 50 000 stock options pursuant to its authority under the 2018 stock option authorisation to selected current or new key persons, advisors, consultants, or members of the Board of Directors of the Company for the purpose

of incentivizing the key resources of the Company.

Each 2018 stock option entitles the holder to subscribe 30 new shares at a subscription price of EUR 1.13 per Share. Spinnova's Chief Executive Officer and Board Members are not participants in the 2018 Stock Option Programme.

## 2020 Stock Option programme

The shareholders of the company unanimously resolved on 30 December 2020 to authorize the Board of Directors to issue up to 103 053 stock options to key persons of the Company. In the resolution of the Board of Directors on 30 December 2020, the Company's Board of Directors resolved to issue up to 103 053 stock options pursuant to its authority under the 2020 stock option authorisation to selected current or new key persons, advisors, consultants, or members of the Board of Directors of the Company for the purpose of incentivizing the key resources of the Company.

Each 2020 stock option entitles the holder to subscribe 30 new shares at a subscription price of EUR 2.74 per Share. The 2020 stock options consist of two types: A options and B options. 2020 A stock options vest linearly

over 48 months, and vesting is accelerated in the event of a change of control or sale of substantially all assets, but not by the First North Listing. 2020 B stock options vest based on Spinnova's pre-money valuation after the First North Listing. One half of the 2020 B stock options vest if Spinnova's pre-money valuation reaches more than EUR 400 million, and the remaining half vest if Spinnova's pre-money valuation reaches more than EUR 1 billion. The subscription period for shares based on the 2020 stock options expires on 31 December 2030 at the latest.

## 2022 Stock Option programme

In 2022, Spinnova Plc's Board of Directors decided to launch a new stock option programme 2022 for the company's key personnel. The purpose is to align the goals of the company's shareholders and key personnel to increase the company's value in the long term and to commit key personnel to the company and offer them a competitive remuneration system.

2 500 000 stock options can be issued under the stock option programme, and they are issued free of charge. The stock options entitle the holders to subscribe for a maximum of 2 500 000 new or treasury shares in the company, corresponding to a maximum of

approximately 4.9 percent of all the company's shares and votes after a possible share subscription if the subscriptions consist solely of new shares.

The subscription price is the thirty-day volume-weighted average price of the share during the review period, which may end two to seven days before the stock option issue date. The subscription price is entered in the company's invested unrestricted equity fund.

Options can be issued by a separate decision of the company's Board of Directors in a maximum of four batches in total. These four batches were issued during 2022–2023 and 1 503 000 options from this program were issued for key employees.

The subscription period for the shares to be subscribed for on the basis of the stock options starts from the issuance of the stock options and ends on 31 December 2030. Share subscriptions based on options are conditional on vesting conditions, which are partly time-based and partly related to the development of the Spinnova share value.

Each 2022 Stock Option entitles its holder to subscribe for one new share. The 2022 stock options consist of two types: A options and B options. 2022 A stock options vest over a

period of 4 years, with the first 25% vesting on the first anniversary of the issuance of the options and the remaining 75% vesting will vest in six equal instalments every six months following the following the first anniversary of the issuance date.

2022 B stock options vest based on the company's share price exceeding certain thresholds.

- 20% of the 2022 B stock options will vest on the date when the price for the company's share for the first time reaches or exceeds the share subscription price multiplied by 1.4, however this threshold may not be lower than EUR 10.50.
- Another 25% of the 2022 B stock options will vest on the date when the price for the company's share for the first time reaches or exceeds the share subscription price multiplied by 1.9, however this threshold may not be lower than EUR 14.50.
- Another 25% of the 2022 B stock options will vest on the date when the price for the company's share for the first time reaches or exceeds the share subscription price multiplied by 2.6, however this threshold may not be lower than EUR 20.00.

- The last 30% of the 2022 B stock options will vest on the date when the price for the company's share for the first time reaches or exceeds the share subscription price multiplied by 3.7, however this threshold may not be lower than EUR 28.00.

The share subscription price for the issued 2022 stock options were the following: EUR 7.71 per share for options granted 25 May 2022, EUR 6.64 per share for options granted 14 September 2022, EUR 5.96 per share for options granted 29 November 2022 and EUR 5.95 per share for options granted on 21 March 2023.

#### Matching Share Plan 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 Director.s.

#### Performance Share Plan 2024–2028

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 reward 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.

#### Board members' and the CEO's participation in the Spinnova Stock Option programmes

Name	Number of Stock Options granted pcs (each entitling to 30 shares) at the end of the year	Number of shares that can be subscribed for with the options
Janne Poranen, Chair of the Board	8 000 (2020 B Stock Options)	240 000
Tuomas Oijala		

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.

#### Cancellation of non-vested stock options

Unvested stock options of employees who left the company during January – Decemeber 2024, entitling 605 328 shares, totalling EUR 1 379 657.50, were cancelled due to their change of employment.



# Financial Statements

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# Group Consolidated Financial Statements (IFRS)

## Group Consolidated Statement of Profit and Loss and Other Comprehensive Income

EUR (thousand)	Note	1-12/2024	1-12/2023
<b>Revenue (net sales)</b>	2.1.	<b>762</b>	<b>10 640</b>
Other operating income	2.2.	1 109	749
Materials and services	2.3.	-56	-9 849
Personnel expenses	2.4.-2.5.	-7 922	-10 637
Depreciation, amortisation and impairment losses	3.2.-3.4.	-2 733	-2 504
Other operating expenses	2.2.	-6 008	-5 779
Share of profit (loss) from joint ventures	3.1.	-3 502	-3 544
<b>Operating result (EBIT)</b>		<b>-18 349</b>	<b>-20 926</b>
Financial income	2.6.	1 982	1 937
Financial expenses	2.6.	-153	-304
<b>Result before tax</b>		<b>-16 521</b>	<b>-19 293</b>
Income tax	2.7.	-312	-303
<b>Result for the financial period</b>		<b>-16 833</b>	<b>-19 596</b>
<b>Attributable to</b>			
Equity holders of the parent		-16 833	-19 596
Non-controlling interests		0	0

EUR (thousand)	Note	1-12/2024	1-12/2023
<b>Result for the financial period</b>		<b>-16 833</b>	<b>-19 596</b>
Items that will not be reclassified to profit or loss in subsequent periods (net of tax):			
Share of other comprehensive income from joint ventures		0	0
Other comprehensive income/(loss) for the year, net of tax		0	0
<b>Total comprehensive income for the financial period</b>		<b>-16 833</b>	<b>-19 596</b>
<b>Attributable to</b>			
Equity holders of the parent		-16 833	-19 596
Non-controlling interests		0	0
<b>Earnings per share</b>			
Earnings per share, basic & diluted		-0.32	-0.38

# Group Consolidated Statement of Financial Position

EUR (thousand)	Note	31.12.2024	31.12.2023
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	3.2.	10 297	11 697
Property, plant, and equipment	3.3.	1 841	1 958
Right-of-use assets	3.4.	1 226	1 184
Investments in joint ventures	3.1.	20 909	18 891
Other non-current receivables	3.5.	108	135
Deferred tax assets	2.7.	6	7
<b>Total non-current assets</b>		<b>34 388</b>	<b>33 872</b>
<b>Current assets</b>			
Trade receivables	3.5.	429	2 301
Other current receivables	3.5.	708	257
Prepayments and accruals	3.5.	525	725
Investments	4.4.-4.5.	45 262	46 285
Cash and cash equivalents	4.4.	1 981	15 174
<b>Total current assets</b>		<b>48 905</b>	<b>64 742</b>
<b>Total assets</b>		<b>83 293</b>	<b>98 614</b>

EUR (thousand)	Note	31.12.2024	31.12.2023
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	4.7.-4.8.	80	80
Reserve for invested unrestricted equity	4.7.-4.8.	135 090	135 014
Retained earnings / accumulated deficit	4.7.-4.8.	-64 002	-47 765
<b>Equity attributable to shareholders of the parent</b>		<b>71 168</b>	<b>87 328</b>
<b>Total equity</b>		<b>71 168</b>	<b>87 328</b>
<b>Non-current liabilities</b>			
Borrowings	4.1.-4.3.; 4.5.; 4.6.	4 579	4 466
Lease liabilities	3.4.; 4.6.	478	563
Deferred tax liabilities	2.7.	992	680
<b>Total non-current liabilities</b>		<b>6 050</b>	<b>5 709</b>
<b>Current liabilities</b>			
Borrowings	4.1.-4.3.; 4.5.; 4.6.	525	1 350
Lease liabilities	3.4.; 4.6.	780	655
Trade payables	3.6.	2 591	1 574
Accrued expenses	3.6.	1 487	1 600
Other current liabilities	3.6.	693	398
<b>Total current liabilities</b>		<b>6 076</b>	<b>5 577</b>
<b>Total liabilities</b>		<b>12 125</b>	<b>11 286</b>
<b>Total equity and liabilities</b>		<b>83 293</b>	<b>98 614</b>

# Group Consolidated Statement of Changes in Equity

2024	Attributable to the equity holders of the parent				
	EUR (thousand)	Share capital	Fund for unrestricted equity	Retained earnings	Total
<b>Equity on 1.1.2024</b>		<b>80</b>	<b>135 014</b>	<b>-47 765</b>	<b>87 328</b>
Profit for the period				-16 633	-16 833
Other comprehensive income				0	0
<b>Total comprehensive income</b>		<b>0</b>	<b>0</b>	<b>-16 833</b>	<b>-16 833</b>
<b>Transactions with owners</b>					
Share-based payments				596	596
Share issue			76	0	76
<b>Equity on 31.12.2024</b>		<b>80</b>	<b>135 090</b>	<b>-64 002</b>	<b>71 168</b>

2023	Attributable to the equity holders of the parent				
	EUR (thousand)	Share capital	Fund for unrestricted equity	Retained earnings	Total
<b>Equity on 1.1.2023</b>		<b>80</b>	<b>133 372</b>	<b>-30 570</b>	<b>102 822</b>
Profit for the period				-19 596	-19 596
Other comprehensive income				0	0
<b>Total comprehensive income</b>		<b>0</b>	<b>0</b>	<b>-19 596</b>	<b>-19 596</b>
<b>Transactions with owners</b>					
Share-based payments				2 402	2 402
Share issue			1 641	0	1 641
<b>Equity on 31.12.2023</b>		<b>80</b>	<b>135 014</b>	<b>-47 765</b>	<b>87 328</b>



# Group Consolidated Statement of Cash Flows

EUR (thousand)	Note	1-12/2024	1-12/2023
<b>Operating activities</b>			
Profit / loss for the period		-16 833	-19 596
Adjustments to reconcile profit/loss for the period to net cash flows:			
Income tax expense	2.7.	312	303
Depreciation and impairment	3.2.-3.4.	2 733	2 504
Finance income and expenses	2.6.	-28	-100
Net profit (loss) on financial instruments at fair value through profit or loss	4.5.	-1 801	-1 533
Share-based payment expense	2.5.	596	2 402
Share of profit from joint ventures	3.1.	3 502	3 544
Other adjustments		-	-
Change in working capital:			
Increase (-) / decrease (+) in current non-interest-bearing receivables	3.5.	1 648	3 160
Increase (+) / decrease (-) in current non-interest-bearing liabilities	3.6.	1 258	-4 507
Interest received from operating activities		4	43
Interests and other payments for financial expenses		-61	-218
Income tax paid		-	-
<b>Net cash flow from operating activities</b>		<b>-8 668</b>	<b>-13 998</b>
<b>Net cash flow from investing activities</b>			
Purchase of intangible and tangible assets	3.2.-3.3.	-323	-935
Purchase of financial instruments	4.5.	-22	-21
Proceeds from sale of financial instruments	4.3.; 4.5.	3 001	5 103
Investments to joint ventures	3.1.	-5 520	-8 300
<b>Net cash flow from investing activities</b>		<b>-2 864</b>	<b>-4 153</b>
<b>Net cash flow from financing activities</b>			
Share issue	4.8.	76	1 641
Repayment of principal portion of lease liabilities	4.6.	-1 025	-952
Proceeds from borrowings	4.6.	38	413
Repayment of borrowings	4.6.	-750	-1 000
<b>Net cash flow from financing activities</b>		<b>-1 660</b>	<b>103</b>
<b>Net change in cash and cash equivalents</b>		<b>-13 192</b>	<b>-18 048</b>
Cash and cash equivalents at 1.1.		15 174	33 222
<b>Cash and cash equivalents at 31.12.</b>		<b>1 981</b>	<b>15 174</b>

# Notes to the consolidated IFRS financial statements

## 1. Key Accounting Policies and Consolidation

### 1.1. General information

#### Corporate information

The business ID of Spinnova Plc (Oyj) is (2653299-6) and the company headquarters are located at Palokärjentie 2-4, 40320 Jyväskylä. These consolidated financial statements consist of 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 located in Jyväskylä, Finland.

Spinnova is principally engaged in the provision of technology deliveries and services for sustainable textile production (see Note 2.1.). Information on Spinnova's structure is provided in this note below. Information about joint ventures is provided in Note 3.1. Information on other related party relationships of Spinnova is provided in Note 5.1.

#### Spinnova Oyj information

##### Information about subsidiaries

The consolidated financial statements of Spinnova include the following subsidiary below. More information about the consolidation principle is presented in Note 1.2 Basis of preparation.

Name of Subsidiary	Principal activities	Country of incorporation	% equity interest	
			2024	2023
Spinnova Holdings Oy (3192902-3)	Holding company for future investments	Finland	100	100

##### Joint arrangement in which Spinnova is a joint venturer

Spinnova has a 50% interest in Woodspin Oy and Respin Oy. For more details, refer to Note 3.1.

Name of Subsidiary	Principal activities	Country of incorporation	% equity interest	
			2024	2023
Woodspin Oy (3201103-8)	Joint Venture Investment	Finland	50	50
Respin Oy (3177396-2)	Joint Venture Investment	Finland	50	50

### 1.2. Basis of preparation

#### Basis of preparation and adoption of IFRS

The consolidated financial statements of Spinnova have been prepared in accordance with IFRS Accounting Standards and IFRIC Interpretations as adopted by European Union as of 31 December 2024. The notes to the financial statements also comply with the Finnish accounting and corporate legislation.

The consolidated financial statements have been prepared on a historical cost basis, unless otherwise stated in the accounting policies below. The consolidated financial statements 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 the following column after the latest financial year's information.

#### Consolidation principles

The consolidated financial statements include the financial statements of the Parent Company and entities controlled by Spinnova Oyj (its subsidiaries). The entity has control of another entity when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Acquired subsidiaries are consolidated from the date on which control is transferred to Spinnova and are no longer consolidated from the date that control ceases.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Spinnova's accounting policies. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interests are presented in the consolidated statement of financial position as within equity, separately from equity attributable to shareholders. Non-controlling interests are separately presented in the statement of other comprehensive income.

#### Investment in joint ventures

Joint arrangements are arrangements in which the sharing of joint control has been contractually agreed between two or more parties. Joint control exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. A joint venture is a joint

arrangement whereby the parties that have joint control of the arrangement have right to the net assets of the arrangement.

Investments in joint ventures are accounted for using the equity method, and on initial recognition, they are recognised at cost. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. The Group's share of profits or losses of the joint venture is recognised as a separate item.

Spinnova presents a share of profit (loss) from joint ventures as part of the operating profit because joint ventures are a significant part of Spinnova's operations and delivering the company strategy. Spinnova has significant contracts with joint ventures for exclusive right on technology deliveries to the joint ventures and selling Spinnova's fibre occurs primarily through joint ventures. Joint ventures are operated with different raw material providers.

#### **Non-controlling interests**

Transactions with non-controlling interests are regarded as transactions with equity owners. In the case of purchases from non-controlling interests, the difference between any consideration paid and the relevant share of the carrying value of net assets acquired in the subsidiary is recorded in shareholders' equity. Gains or losses on disposal to non-controlling interests are also recorded directly in shareholders' equity.

#### **Segment reporting**

Spinnova has one reportable segment. The reported segments comprise of Spinnova. See further information in the note 2.1 Revenue from contracts with customers.

#### **Currencies**

Spinnova's consolidated financial statements are presented in euros, which is also the parent company's functional currency. For each entity, Spinnova determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. Spinnova uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Transactions in foreign currencies are initially recorded by Spinnova's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

### **1.3. Accounting estimates and judgements applied in the preparation of the financial statements**

The preparation of Spinnova's consolidated financial statements requires 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.

In the process of applying Spinnova's accounting policies, management has made various judgements. Those which management has assessed to have the most significant effect on the amounts recognised in the consolidated financial statements have been discussed in the individual notes of the related financial statement line items.

The most significant accounting policies requiring judgment by the management and the key factors of uncertainty related to estimates are presented in the following notes:

- Share-based payments (Note 2.5.)
- Joint Ventures (Note 3.1.)
- Leases (Note 3.4.)
- Expected credit losses (Note 3.5)
- Valuation of intangible and tangible assets (Note 3.2 and 3.3)

### **1.4. New standards and standards issued but not yet effective**

#### **New IFRS accounting standards**

Spinnova has applied new standards, amendments and interpretations published by IASB that are effective for the first time for financial reporting periods commencing on January 1, 2024. These standards, amendments and interpretations did not have a material impact on the results or financial position of Spinnova, or the presentation of financial statements.

#### **Standards issues but not yet effective**

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of Spinnova's financial statements are disclosed below. Spinnova intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

**Amendments to IAS 21 – Lack of Exchangeability**

An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose.

A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

The amendments add application guidance on how to assess whether a currency is exchangeable or not. When a currency is not exchangeable into another currency at a measurement date, an entity shall estimate the spot exchange rate at that date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. Annual periods beginning on or after 1 January 2025.

**Targeted improvements to financial instruments standards – Amendments to IFRS 9 and IFRS 7**

These amendments:

- a) clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- b) clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- c) add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
- d) make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

When an entity first applies the amendments, it is not required to restate comparative information, and is only permitted to do so if possible without the use of hindsight.

Annual periods beginning on or after 1 January 2026 (not yet endorsed in the EU) 2024 (not yet endorsed in the EU).

**IFRS 18 Presentation and Disclosure in Financial Statements**

The new requirements of IFRS 18 will assist in achieving comparability of financial reporting among similar companies, particularly regarding the definition of "operating profit or loss." The new disclosures of certain key performance indicators defined by management will also enhance the transparency of the reporting. IFRS 18 introduces a new structure for the income statement. The aim of this defined structure is to reduce diversity in income statement reporting and thus help users of the financial statements understand the content of the income statement items and better compare the financial reporting of different companies. Effective date 1 January 2027 (not yet approved in the EU).

**IFRS 19 Subsidiaries without Public Accountability: Disclosures**

IFRS 19 is a voluntary IFRS accounting standard that eligible subsidiaries can apply when preparing their consolidated, separate, or individual financial statements. These subsidiaries continue to apply the recognition, measurement, and presentation requirements of other IFRS accounting standards, but they may replace the disclosure requirements of these standards with the reduced disclosure requirements under IFRS 19. Effective date 1 January 2027 (not yet approved in the EU).

## 2. Spinnova Performance

### 2.1. Revenue from contracts with customers

#### Accounting principles

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in this note.

#### Segment information

Spinnova currently reports its business operations as one segment.

Spinnova's main business is to provide technology and technology related services for the production of sustainable Spinnova® fibres. In addition to these goods and services, Spinnova has sold joint development projects to apparel brands aiming for further development of the Spinnova®-fibre and introducing the fibre to end customers.

#### Revenue recognition

In line with IFRS 15, revenue from contracts with customers is recognised when control of goods or services are transferred to the customer, at an amount that reflects the consideration to which Spinnova expects to be entitled in exchange for those goods or services. Control is transferred either at point in time or over time based on which criteria stated in IFRS 15 is fulfilled. Spinnova has generally concluded that it is the principle in its revenue arrangements because it typically controls the goods or services before transferring them to the customer and bears the responsibility until this transfer.

#### Performance obligations

Spinnova's contracts with customers have been analysed with IFRS 15 which has concluded that Spinnova has several performance obligations which are presented and recognised based on the contract and customer circumstances. Spinnova mainly recognises revenue over time for its services.

Majority of Spinnova's revenue from contracts is derived from technology sales which comprises of Spinnova's delivery, installation and commissioning of production technology to Woodspin and delivery, installation and commissioning of pilot-scale production line to Respin. Revenue from both technology delivery projects is recognised over time since Spinnova does not have alternative use for the sold assets and Spinnova has an enforceable right to payment for performance completed to date.

Revenue from other services which span from equipment installation to start-up services are recognised over time when control of the goods or services are transferred to the customer. Currently Spinnova mainly offers these services to its joint ventures, where payment terms vary

based on the customer contracts. Performance obligations are fulfilled in accordance with the work performed.

On a smaller scale, Spinnova provides prototype production and testing services mainly through joint development agreements to external parties. The revenue from these services is recognised over time when control of the goods or services are transferred to the customer. Payment terms for these also vary on customer contracts. Performance obligations are fulfilled in accordance with the work performed.

Spinnova considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties, penalties for delay). In determining the transaction price for the sale of services, Spinnova considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

The typical payment terms of Spinnova's sales contracts are 14 to 60 days. Spinnova does not typically have any special payment terms.

In accordance with Spinnova's sales contracts, Spinnova has a right to consideration from a customer in an amount that corresponds the value of service completed to date. Spinnova recognises the revenue in the amount to which it has a right to invoice, and thus Spinnova applies the practical expedient in accordance with IFRS 15 related to the disclosure of allocation of transaction price to the remaining performance obligations.

#### Variable consideration

If the consideration in a contract includes a variable amount, Spinnova estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Spinnova has no significant variable considerations.

#### Significant financing component

Spinnova may receive advance payments from customers for the sale of its goods and services. There is not a significant financing component for these contracts considering the length of time between the customers' payment and the transfer of the equipment/services.

Spinnova applies the practical expedient for short-term advances received from customers. That is, the promised amount of consideration is not adjusted for the effects of a significant financing

component if the period between the transfer of the promised good or service and the payment is one year or less.

#### Warranty obligations

Spinnova does not provide any warranties to its customers that would be considered as separate performance obligations. Spinnova typically only provides warranties for general repairs of defects that existed at the time of sale, as required by law.

#### Contract balances

##### Trade receivables

A receivable represents Spinnova's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in Note 4.3. Financial assets and liabilities.

##### Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which Spinnova has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before Spinnova transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when Spinnova performs under the contract.

#### Other principles

Spinnova's contracts with customers do not include non-cash considerations.

#### Disaggregated revenue information

Set out below is the disaggregation of Spinnova's revenue from contracts with customers:

Internal/External sales EUR (thousand)	31.12.2024	31.12.2023
Sales to Joint Ventures*	584	10 334
Direct Sales	179	305
<b>Total</b>	<b>762</b>	<b>10 640</b>

\*Sales to single customers exceeding 10 per cent or more of company's total revenue; Woodspin EUR 246 thousand in 2024 and EUR 9 867 thousand in 2023. Respin EUR 338 thousand in 2024.

Geographical markets EUR (thousand)	31.12.2024	31.12.2023
Finland	690	10 423
Others	72	217
<b>Total</b>	<b>762</b>	<b>10 640</b>

#### Timing of revenue recognition

EUR (thousand)	2024	2023
Goods and services transferred over time	762	10 640
<b>Total</b>	<b>762</b>	<b>10 640</b>

#### Contract balances

Spinnova's contract balances are:

EUR (thousand)	31.12.2024	31.12.2023
Trade receivables	429	2 301
Contract liabilities	0	0

## 2.2. Other operating income and expenses

#### Other operating income

Other operating income includes income that is not directly related to income from Spinnova's operating activities. Spinnova's other operating income consists of government grants & rental income.

#### Government grants – Accounting principle

Government grants are recognised where there is reasonable assurance that the grant will be received, and all conditions attached will be met. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as a reduction in the cost of the related asset.

#### Government Grant details

The Company has received grants from Business Finland worth EUR 1 603 thousand for fibre development project and EUR 1 956 thousand for developing SPINNOVA® fibre from new raw materials project. The grant amounts represent 50% of the project's total cost estimate.

In addition, Spinnova has participated in two EU-funded projects (BioLUSH and PENGUIN). The BioLUSH project focuses on the diverse utilization of biomass in new products, while the PENGUIN project develops sustainable bio-based textile fibers for outdoor clothing needs. The grant amounts cover 100% of the total cost for the BioLUSH project and 70% of the total cost for the PENGUIN project.

Most of the grants for the 2024 financial year and the comparison period have been related to Business Finland's grant projects. The amounts of grants from EU-funded projects have been small.

EUR (thousand)	1-12/2024	1-12/2023
Recognised grants	1 031	714
Other income	78	34
<b>Total other operating income</b>	<b>1 109</b>	<b>749</b>

### Other operating expenses

Other operating expenses include other expenses than costs of goods sold.

The other operating expenses consist mainly of voluntary personnel costs, premises and machinery costs, marketing and administrative expenses and IT costs.

Short-term and low-value leases included in the premises and equipment are presented in more detail in the Note 3.4. Leases.

EUR (thousand)	1-12/2024	1-12/2023
Other personnel costs	-187	-257
Premises and equipment	-1 872	-2 227
Corporate and administrative expenses	-1 447	-2 334
Research and development expenses	-1 992	-433
Other expenses*	-509	-527
<b>Total Other Operating expenses</b>	<b>-6 008</b>	<b>-5 779</b>

### Audit fees

EUR (thousand)	1-12/2024	1-12/2023
Audit fees	-92	-64
Tax services	-18	-21
Other services**	0	-91
<b>Total audit fees</b>	<b>-110</b>	<b>-176</b>

\* Other expenses include among other vehicle and travelling expenses.

\*\*In 2024 there were no other expenses. In 2023, other services include the audit costs of IFRS conversion and Business Finland project.

## 2.3. Materials and services

### Accounting principles

Materials and service expenses are expenses related to ordinary operating activities. Most of the materials and services purchased during the financial year 2024 were related to research and

development services for Woodspin Oy and development collaborations with Spinnova's brand partners. Spinnova recognises expenses at cost.

### Materials and service expenses

EUR (thousand)	1-12/2024	1-12/2023
Materials	-55	-6 495
Services	-1	-3 354
<b>Total materials and services</b>	<b>-56</b>	<b>-9 849</b>

## 2.4. Employee benefit expenses

### Accounting principles

Spinnova has statutory pension arrangements in accordance with standard regulatory practice in Finland. Spinnova's post-employment benefit plans are defined contribution-based plans. In the defined contribution-based plans, Spinnova pays fixed contributions to a pension insurance company. After that, Spinnova does not have legal obligations to pay any additional amounts related to the defined contribution plans. The payments made on the defined contribution plans are recognised in the profit and loss statement during a financial period to which they relate.

### Employee benefit expenses

EUR (thousand)	1-12/2024	1-12/2023
Wages and salaries	-6 180	-6 718
Social security costs	-174	-404
Pension expenses	-972	-1 113
Share-based payments	-596	-2 402
<b>Total employee benefit expenses</b>	<b>-7 922</b>	<b>-10 637</b>

### Average number of permanent employees

	1-12/2024	1-12/2023
Average number of permanent employees during the period	68	77

### Share-based payments

Please see information regarding share-based payments in Note 2.5. Share-based payments.

### Salaries, fees and benefits paid for the Board of Directors and for Spinnova's management

Please see the Note 5.1. Related party transactions for information regarding compensation to Board of Directors, the CEO and Spinnova management team.

## 2.5. Share-based payments

### Accounting principles

Share based incentive programs are valued at fair value on the grant date based on the gross number of shares awarded, recognised as an expense in the statement of profit and loss during the period in which the conditions are met (Vesting period) and with the corresponding adjustment to the equity.

Employees, including senior executives, of Spinnova receive remuneration in the form of share-based options payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

At each reporting date, Spinnova revises its estimates on the amount of share-based payments that are expected to vest. The impact of the revision to previous estimates is accrued as other personnel expenses with corresponding entry directly to equity. The historical development of Spinnova's share price and the expected dividends have been taken into account when calculating the fair value. Spinnova does not have cash-settled share-based payment programs.

### Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised in Note 2.4. Employee benefits expense, together with a corresponding increase in equity (other capital reserves), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and Spinnova's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of Spinnova's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share (further details are given in Note 2.8).

### Description of the share-based payments plans

Spinnova has three separate option plans for its key personnel, which have been initiated between 2018 and 2022. The purpose of Spinnova's option plans is to align interests of Spinnova and its key personnel, motivate the employees to own Spinnova's shares, increasing their commitment and thus increase the shareholder value in the long term. All of these programs are equity settled transactions and thus, Spinnova (as a parent company) does not have any cash-settlement alternatives. Based on the option programs, a total of 5 640 292 shares, taking into account deducted forfeited options, can be subscribed by the key personnel of Spinnova.

Spinnova has executed two share splits of which the first took place in May 2020 where the number of shares was multiplied by 10, and the second split in May 2021 where the number of shares was multiplied by 30. The effect of the splits has been taken into account in the ongoing option programs by amending the programs under influence. Information and figures presented below related to the option plans initiated in 2018 and 2020 are detailed as they are in their current state. The amendments related to the plans due to the stock splits did not affect to the terms and conditions of these programs nor changed the rights of the participants.

Regarding each of Spinnova's option plans, in case the stock option holder's employment or engagement with the company ceases, the holder of the options has 14-days' period to settle the exercisable options that have been vested. The option plans are equity settled and thus, each plan entitle the option holders only to subscribe for shares and no cash alternatives are offered. Spinnova has no right or obligation to settle the options in cash. The options shall not be assigned, transferred or pledged to a third party without consent of the Board of Directors. The owner's right for the dividends arises only when the options are exercised and registered.

### Option Plan 2018 – (OP 2018)

The Board of Directors of Spinnova decided on 20 December 2018 to establish a share-based option plan for Spinnova's key personnel, with a grant date of 1 January 2019. Based on the amendments made for the programme due to the stock splits during the option plan period presented



above, the programme entitles option holders to subscribe in a total of 1 500 000 options, including a right of purchasing one share each (1:1) at a subscription price of 1.13 EUR per share.

The stock options are vesting and become exercisable over the 48 months (4 years) on equal annual instalments (1/4) following the first anniversary of the grant date. The options become instantly exercisable, when company performs an IPO or if over 50% of the shares or if the operations or a significant component of the operations are sold to a third-party. The programme does not have any market or non-market vesting conditions.

Due to the IPO of Spinnova in June 2021, options in the option plan 2018 vested immediately and became exercisable. As the subscription period of the programme lasts until 31 December 2028, the contractual term of each option granted is ten years.

#### **Option Plan 2020 – (OP 2020)**

The Board of Directors of Spinnova decided on 30 December 2020 to establish a share-based option plan for Spinnova's key personnel, with a grant date of 30 December 2020. The program consists of an equal amount of stock options A and B. Based on the amendment made for the programme due to the stock split during the option plan period presented above, the programme entitles option holders to subscribe a total of 3 091 590 options, including a right of purchasing one share each (1:1) at a subscription price of 2.74 EUR per share.

The class A stock options vest and become exercisable over the 48 months (4 years) on equal quarterly instalments (1/16) following the first anniversary of the grant date. The Class A options' vesting is accelerated in the event of a change of control or sale of substantially all assets, but not by the First North Listing. The last date of exercising the options is 31 December 2030. The A options do not have market or non-market vesting conditions.

Vesting for B options is conditional based on the Spinnova's pre-money valuation after listing to the First North as follows: One half of the B options vests if Spinnova's pre-money valuation reaches more than 400 million EUR. The remaining half vests if Spinnova's pre-money valuation reaches over EUR 1 billion. Class B options do not have non-market vesting conditions. One half of the B options vested in 2021 after Spinnova's IPO. The costs arising from the second half of the Class B options is recorded to the period ending in 2025.

Vesting is accelerated for both option classes in the event of a change of control or sale of substantially all assets. As the subscription period lasts until 31 December 2030, the contractual term of each option granted is ten years.

#### **Option Plan 2022 – (OP 2022)**

The Board of Directors of Spinnova decided on 25 May 2022 to establish a share-based option plan for Spinnova's key personnel. The program consists of an equal amount of two branches of stock options, A and B, totalling 2 500 000 options including the right of purchasing one share each (1:1).

The plan is divided into four different grant dates and fair value dates, which are identified as following symbols: 2022A1, 2022B1, 2022A2, 2022B2, 2022A3, 2022B3. Option plans with respective numbers after each tranche letter describes the timely order. Grant tranches 2022A1 and 2022B1 were granted on 25 May 2022; 2022A2 and 2022B2 were granted on 14 September 2022 and 2022A3 and 2022B3 were granted on 29 November 2022.

The Class A stock options in each tranche become vested in instalments over a period of four years as follows: 25% of the class A options will vest on the first anniversary of the issue date. The remaining 75% of the A options will vest in six equal instalments every six months following the first anniversary of the issue date, so that the last instalment will vest on the fourth anniversary of the issue date. The Class A options will not vest during unpaid leaves. Class A options do not have market or non-market conditions.

The Class B stock options become vested on the basis of the company's share price in the Nasdaq First North exceeding the thresholds for the first time described as follows: first 20% vests when the stock exceeds share subscription price multiplied by 1.4, with a threshold not less than EUR 10.5. Next 25% vests when the stock exceeds share subscription price multiplied by 1.9, with a threshold not less than EUR 14.5. Following 25% vests when the stock price exceeds share subscription price multiplied by 2.6, with a threshold not less than EUR 20. The last 30% of the B options vests when the stock price exceeds share subscription price multiplied by 3.7 with a threshold not less than EUR 28. Class B options do not have non-market conditions. Expenses arising from Class B options are recorded for periods ending between 31 December 2024 and 31 December 2026.

The subscription period for the stock options expires on 31 December 2030, the contractual term for each option granted is eight years.

#### **Option Plan 2022 – Board Member – (OP 2022 BOD)**

The Board of Directors of Spinnova decided on 10 May 2022 to establish a share-based option plan for a member of Spinnova's Board of Directors. The program consists of equal amounts of two branches of stock options, A and B, totalling 40 000 options including the right to purchasing one share each (1:1). The stock option program has a similar contractual framework and conditions to the 2022 stock option program presented above. The expense recognised from this option program during 2022 was cancelled during 2023 due to the board member leaving the company.

**CEO Matching Share Plan 2023 (MSP 2023)**

The Board of Directors of Spinnova decided on 29 December 2022 to establish a share-based matching share plan for the CEO of Spinnova. The program consists of a one-time investment in the company share, whereafter the CEO has the opportunity to earn up to three matching shares per invested share. No expenses were recognised from this plan due to the CEO leaving the company.

**Matching Share Plan 2024 – (MSP 2024)**

The Board of Spinnova decided on 20 March 2024 to establish a new Matching Share Plan for the CEO and management team members of Spinnova.

The MPS 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 purpose of the plan is to combine the goals of key personnel and shareholders to increase the company's value in the long term, to commit key personnel to the company and to offer them a competitive share-based incentive system. The compensation will be paid partly in Spinnova Plc shares and partly in cash. The cash portion of the award is intended to cover the taxes for the participant and statutory social insurance contributions.

**Performance Share Plan 2024–2026 (PSP 2024–2026)**

The Board of Spinnova decided on 26 April 2024 to establish a Performance Share Plan (PSP) covering the years 2024–2028 for key employees of the company. The purpose of the system is to combine the goals of key personnel and shareholders to increase the company's value in the long term, to commit key personnel to the company and to offer them a competitive share-based incentive system.

The earning criteria for the first earning period 2024–2026 are based on the company's operating result (EBIT) in the financial year 2026 and the amount of the company's technology sales by the end of 2026. In the earning period 2024–2026, the system's target group includes 20 people, including the CEO and members of the management team. The compensation paid for the first earning period corresponds to a maximum value of approximately 928 000 Spinnova Oyj shares, including the portion paid in cash.

**Fair value of the share options**

The fair value of the share options is estimated at the grant date using a binomial option pricing model taking into account terms and conditions on which the share options were granted. However, performance conditions attached into B tranches of plans 2020 and 2022 are only considered in determining the number of instruments that will ultimately vest.

The expense recognised for employee services received during the year is shown in the following table:

EUR (thousand)	1-12/2024	1-12/2023
Option Plan 2020	49	-343
Option Plan 2022	-475	-2 067
Option Plan 2022, for Board members	0	8
MSP 2024	-38	-
PSP 2024–2026	-133	-
<b>Total expense arising from share-based payment transactions</b>	<b>-596</b>	<b>-2 402</b>

During 2024, losses were incurred on previously granted options due to employees leaving the company.

**Movements during the year**

The following table illustrates the movements in company's share split adjusted number of share options and share-based incentive plans during the year (excluding share appreciation rights):

2024	PSP 2024–2026	MPS 2024	OP 2022	OP 2020	OP 2018
Type	Share	Share	Option	Option	Option
Outstanding on 1 January	-	-	1 493 000	1 360 000	975 930
Granted during the year	960 000	62 947	-	-	-
Forfeited during the year	-32 000	-	-494 688	-110 640	-
Exercised during the year	-	-	-	-	-67 650
Expired during the year	-	-	-	-	-
<b>Outstanding on 31 December</b>	<b>928 000</b>	<b>62 947</b>	<b>998 312</b>	<b>1 249 360</b>	<b>908 280</b>
Exercisable on 31 December	-	-	326 885	686 940	908 280

2023	OP 2022 BOD	OP 2022	OP 2020	OP 2018
Type	Option	Option	Option	Option
Outstanding on 1 January	40 000	1 666 000	1 910 400	1 130 040
Granted during the year	-	187 000	-	-
Forfeited during the year	-40 000	-360 000	-15 000	-
Exercised during the year	-	-	-535 440	-155 010
Expired during the year	-	-	-	-
<b>Outstanding on 31 December</b>	<b>-</b>	<b>1 493 000</b>	<b>1 359 960</b>	<b>975 030</b>
Exercisable on 31 December	-	175 998	728 640	975 030

### Valuation models and key assumptions used

The following tables list the inputs to the models used for the four plans for the years ended 31 December 2024 and 2023 respectively:

2024*	OP 2022	OP 2020	OP 2018
Weighted average fair values at the measurement date (€)	3.93	59.7	21.45
Dividend yield (%)	0%	0%	0%
Expected volatility (%)	41.5%–47.4%	37.3% – 46.9%	36.3%–40.1%
Risk-free interest rate (%)	1.4%–2.8%	(0.4%)–0.0%	(–0.4%) – 0.5%
Expected life of share options (years)	8	10	10
Weighted average share price (€)	21.826	82.50	14.64
Model used	Binomial	Binomial	Binomial

2023	OP 2022 BOD	OP 2022	OP 2020	OP 2018
Weighted average fair values at the measurement date (€)	3.13–3.83	3.93	59.7	21.45
Dividend yield (%)	0%	0%	0%	0%
Expected volatility (%)	43.9%	41.5%–47.4%	37.3% – 46.9%	36.3%–40.1%
Risk-free interest rate (%)	1.4%	1.4%–2.8%	(0.4%)–0.0%	(–0.4%) – 0.5%
Expected life of share options (years)	8	8	10	10
Weighted average share price (€)	7.36	21.826	82.50	14.64
Model used	Binomial	Binomial	Binomial	Binomial

The share-based payment programs have several grant dates, which have a specific volatility, risk-free interest rate, and grant date fair value. These are projected as ranges in the table above. No new share-based option programs were established during the 2024 financial year.

\* MSP 2024 and PSP 2024–2026 fair value are 1.6934 and 1.6902, which are based on the stock price 3 April 2024 and 11 June 2024.

### Volatility

Estimated volatility of shares used in determining the fair value of the stock options is based on historical volatility of Spinnova's shares, where available, and historical volatility of Spinnova's peer companies shares.

## 2.6. Financial income and financial expenses

### Accounting principles

The financial income of Spinnova consists of fair value gains and realised gains from fund investments. The financial expenses relate mostly to loans from credit institutions.

Spinnova recognises financial income and expenses in the period during which they are incurred. Interest income and expenses are recognised using the effective interest method. Further information regarding the financial instruments is presented in the sections 4.1.–4.3. Investments recognised at fair value through profit or loss are presented in Note 4.5.

Financial income EUR (thousand)	1-12/2024	1-12/2023
Gains from fair valuation of financial instruments	1 801	1 533
Other finance income	181	404
<b>Total financial income</b>	<b>1 982</b>	<b>1 937</b>

Financial expenses EUR (thousand)	1-12/2024	1-12/2023
Interest on debts and borrowings	–79	–142
Interest expenses from leases	–70	–65
Other finance costs	–4	–98
<b>Total financial expenses</b>	<b>–153</b>	<b>–304</b>

## 2.7. Income tax

### Accounting principles

#### Current income tax

Income taxes are comprised of tax recognised on the taxable income for the financial year in addition to deferred taxes. Taxes for the items recognised in the statement of profit and loss are included in income taxes in the statement of profit and loss. The tax effect for items recognised directly in the other comprehensive income statement (OCI) is also recognised in other comprehensive income (OCI).

Taxes based on taxable income are recorded according to the local tax rules using the appropriate tax rate. If there is uncertainty included in the interpretation of the income tax rules, Spinnova estimates if the company is able to fully utilise the tax position that is stated in income tax calculations. If necessary, tax bookings are adjusted to reflect the changes in tax position.

**Deferred tax**

A deferred tax asset or liability is recorded on temporary differences arising between the tax bases of assets and liabilities and their financial statement carrying amounts at the reporting date. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date. The most significant temporary differences in Spinnova arise mainly from leases and fair valuation of financial assets and liabilities through profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax liabilities are recognised in the balance sheet in full.

Spinnova offsets the deferred tax assets and deferred liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the same taxable entity.

**Direct taxes**

The major components of income tax expense for the years ended 31 December 2024 and 2023 are:

EUR (thousand)	1-12/2024	1-12/2023
Deferred taxes	-312	-303
<b>Income tax total</b>	<b>-312</b>	<b>-303</b>
<b>Tax rate reconciliation</b>		
EUR (thousand)	1-12/2024	1-12/2023
<b>Profit before income tax</b>	<b>-16 521</b>	<b>-19 293</b>
Tax calculated at parent's tax rate of 20% (2023 20%)	3 304	3 859
Non-deductible expenses	-120	-528
Income not subject to tax	1	25
Confirmed losses, of which no deferred tax assets recorded	-3 497	-3 659
<b>Income taxes</b>	<b>-312</b>	<b>-303</b>

Spinnova paid no income tax for financial years 2024 and 2023.

**Deferred tax****Deferred tax assets 2024**

EUR (thousand)	1.1.2024	Recognised in profit or loss	31.12.2024
Leases	7	0	6
Revaluation of financial assets at fair value through profit and loss	0	0	0
<b>Total</b>	<b>7</b>	<b>0</b>	<b>6</b>

**Deferred tax assets 2023**

EUR (thousand)	1.1.2023	Recognised in profit or loss	31.12.2023
Leases	4	2	7
Revaluation of financial assets at fair value through profit and loss	47	-47	0
<b>Total</b>	<b>52</b>	<b>-45</b>	<b>7</b>

**Deferred tax liabilities 2024**

EUR (thousand)	1.1.2024	Recognised in profit or loss	31.12.2024
Revaluation of financial assets at fair value through profit and loss	307	360	667
Recognition of intangible assets	373	-48	325
<b>Total</b>	<b>680</b>	<b>258</b>	<b>992</b>

**Deferred tax liabilities 2023**

EUR (thousand)	1.1.2023	Recognised in profit or loss	31.12.2023
Revaluation of financial assets at fair value through profit and loss	0	307	307
Recognition of intangible assets	421	-48	373
<b>Total</b>	<b>421</b>	<b>258</b>	<b>680</b>

**Confirmed losses**

Confirmed losses expire in 10 years. Tax losses expire as follows:

EUR (thousand)	2024	2023
Due in 5 years	4 775	2 870
Due later than in 5 years*	62 821	50 744
<b>Total</b>	<b>67 597</b>	<b>53 614</b>

\* The loss of Spinnova Ltd for the period of 2024 is yet not approved by the tax authorities. The loss in 2024 was EUR 13 982 thousand and the loss in 2023 EUR 14 863 thousand.

## 2.8. Earnings per share

### Accounting principles

Basic EPS figures are calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS figures are calculated by dividing the profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

### Earnings per share, basic

	1-12/2024	1-12/2023
Profit attributable to ordinary equity holders of the parent, EUR (thousand)	-16 833	-19 596
Weighted average number of ordinary shares, thousand*	52 402	51 899
Earnings per share, basic and diluted	-0.32	-0.38

\* The weighted average number of shares takes into account the weighted average effect of changes in treasury shares transactions during the year.

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements.

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 and other share based incentives 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.

## 3. Capital Employed

### 3.1. Associates and Joint Ventures

#### Accounting principles

Joint Ventures are companies controlled by Spinnova and another external party, where both have joint control of the joint venture. Spinnova has two joint venture arrangements, Woodspin Oy and Respin Oy, both are domiciled in Finland. Suzano S.A. is the co-investor in the Woodspin joint venture (incorporated 14 May 2021) both, Spinnova and Suzano having equal 50% ownership. ECCO is the co-investor in the Respin joint venture (incorporated 15 January 2021) both, Spinnova and ECCO having equal 50% ownership. Both joint ventures' financial periods end on 31 December, thus no timing related differences in relation to reported financial information. The financial statements of the joint ventures are prepared according to Finnish accounting standards (FAS) and restated by Spinnova with relevant IFRS adjustments for group consolidation and IFRS reporting purposes. Spinnova recognises the joint ventures in the consolidated financial statements by applying the equity method. The company has evaluated the valuation of the its joint ventures Woodspin and Respin and has not identified any impairment indicators because the owners of the joint ventures have committed to funding them.

#### Woodspin Oy, Summarised balance sheet

EUR (thousand)	31.12.2024	31.12.2023
<b>Total non-current assets</b>	<b>51 449</b>	<b>54 534</b>
Current assets	3 123	1 443
Cash and cash equivalents	3 296	846
<b>Total current assets</b>	<b>6 419</b>	<b>2 288</b>
<b>Total assets</b>	<b>57 868</b>	<b>56 823</b>
<b>Equity and liabilities</b>		
<b>Total Equity</b>	<b>38 797</b>	<b>34 940</b>
<b>Non-current liabilities</b>		
Other non-current liabilities	15 987	17 472
<b>Total non-current liabilities</b>	<b>15 987</b>	<b>17 472</b>
<b>Current liabilities</b>		
Other current liabilities	3 085	4 411
<b>Total current liabilities</b>	<b>3 085</b>	<b>4 411</b>
<b>Total liabilities</b>	<b>19 071</b>	<b>21 883</b>
<b>Total equity and liabilities</b>	<b>57 868</b>	<b>56 823</b>

**Woodspin Oy, Summarised statement of profit or loss**

EUR (thousand)	1-12/2024	1-12/2023
Revenue (net sales)	1 628	60
Depreciation and amortisation	-3 825	-2 900
Financial income and expense	-893	-988
Profit before tax	-6 816	-7 755
Income tax	73	99
Profit for the financial period	-6 743	-7 656
<b>Total Comprehensive income for the period</b>	<b>-6 743</b>	<b>-7 656</b>
<b>Spinnova's share of profit/loss for the year</b>	<b>-3 372</b>	<b>-3 828</b>

**Respin Oy, Summarised balance sheet**

EUR (thousand)	31.12.2024	31.12.2023
<b>Total non-current assets</b>	<b>3 094</b>	<b>2 636</b>
Current assets	55	48
Cash and cash equivalents	338	456
<b>Total current assets</b>	<b>393</b>	<b>504</b>
<b>Total assets</b>	<b>3 487</b>	<b>3 140</b>
<b>Equity and liabilities</b>		
<b>Total Equity</b>	<b>3 071</b>	<b>2 892</b>
<b>Total non-current liabilities</b>	<b>0</b>	<b>0</b>
<b>Current liabilities</b>		
Other current liabilities	417	248
<b>Total current liabilities</b>	<b>417</b>	<b>248</b>
<b>Total liabilities</b>	<b>417</b>	<b>248</b>
<b>Total equity and liabilities</b>	<b>3 487</b>	<b>3 140</b>

**Respin Oy, Summarised statement of profit or loss**

euroa (tuhatta)	1-12/2024	1-12/2023
Revenue (net sales)	0	0
Depreciation and amortisation	-250	-63
Financial income and expense	0	0
Profit before tax	-261	-77
Income tax	0	0
Profit for the financial period	-261	-77
<b>Total Comprehensive income for the period</b>	<b>-261</b>	<b>-77</b>
<b>Spinnova's share of profit/loss for the year</b>	<b>-131</b>	<b>-38</b>

Spinnova did not have any goodwill or other adjustments arising from Joint Ventures. Beyond Joint Ventures, Spinnova did not have any joint operations.

**Changes in the carrying amount of the joint ventures**

During the financial period of 2024 Spinnova invested EUR 5 300 thousand as a direct investment to Woodspin Oy. The EUR amount equals the share capital of the equity paid by Suzano. During financial period of 2023 Spinnova invested EUR 8 050 thousand into Woodspin Oy, which equals the capital investment of Suzano's.

Respin Oy's net worth increased in 2024 by EUR 440 thousand and in 2023 by EUR 500 thousand due to investments made by ECCO according to the Joint venture agreement. During the financial period of 2024 Spinnova invested EUR 220 thousand and in 2023 EUR 250 thousand in Respin to fund the development work together with ECCO, following the shareholder's decision made in the second half of 2023. The book value of Respin' shares equals 50% of Respin's net worth adjusted with the elimination of the internal sales margin.

**Reconciliation of net worth of Woodspin and book value of the joint venture**

EUR (thousand)	1-12/2024	1-12/2023
Net worth 1.1.	34 940	26 499
Additions	10 600	16 097
Profit (loss) of the period	-6 743	-7 656
<b>Net worth 31.12.</b>	<b>38 797</b>	<b>34 940</b>
Spinnova's share (50%)	19 398	17 470
<b>Book value 31.12.</b>	<b>19 398</b>	<b>17 470</b>

**Reconciliation of net worth of Respin and book value of the joint venture**

EUR (thousand)	1-12/2024	1-12/2023
Net worth 1.1.	2 892	2 215
Additions	440	753
Profit (loss) of the period	-261	-77
<b>Net worth 31.12.</b>	<b>3 071</b>	<b>2 892</b>
Spinnova's share (50%)	1 535	1 446
Elimination of internal profit margin on sold assets to Respin	-24	-24
<b>Book value 31.12.</b>	<b>1 511</b>	<b>1 421</b>

Spinnova's joint venture, Woodspin Oy, combines Spinnova's technology capabilities with the wood-based raw material, micro fibrillated cellulose (MFC), provided by Suzano to produce and sell textile fibres. Woodspin's average number of personnel during 2024 was 32 (32).

Spinnova's participation in Woodspin is a joint arrangement as it fulfils the joint arrangement requirements in a contractual arrangement with Suzano S.A. Both parties are in joint control of the arrangement as each owns 50% of the joint arrangement. Both parties have equal voting rights in the board of directors, each appointing three members out of the six total, as long as the parties retain at least 50% of the shares. The right to appoint the chairman of the board rotates with one-year intervals between the parties. Spinnova and Suzano as co-investors have established Woodspin as a separate Finnish limited liability company. Woodspin, for this purpose is classified as a separate vehicle. The legal form of the separate vehicle is relevant when assessing the type of joint arrangement. The rights and obligations agreed to by the parties in their contractual arrangements are consistent, or do not conflict, with the rights and obligations conferred on the parties thus leading to the conclusion that Woodspin Oy is classified as a Joint Venture to Spinnova.

Spinnova's joint venture, Respin Oy, combines Spinnova's technology capabilities with collagen originating materials, provided by ECCO to develop and commercialise textile fibres based on the collagen originating materials. Respin did not have any personnel during 2024 and 2023.

Spinnova's participation in Respin is a joint arrangement as it fulfils the joint arrangement requirements with a contractual arrangement with ECCO. Both parties are in joint control of the arrangement as each owns 50% of the joint arrangement. Both parties have equal voting rights in the board of directors, each appointing three members out of the six total. In alternating years, each partner has the right to name a Chair of the board. Spinnova and ECCO as co-investors have established Respin as a separate Finnish limited liability company. Respin, for this purpose is classified as a separate vehicle. The legal form of the separate vehicle is relevant when assessing the type of joint arrangement. The rights and obligations agreed to by the parties in their contractual arrangements are consistent, or do not conflict, with the rights and obligations conferred on the parties thus leading to the conclusion that Respin Oy is classified as a Joint Venture to Spinnova.

**3.2. Intangible assets****Accounting principles**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is recorded in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Spinnova does not currently have intangible assets with indefinite useful lives.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

A summary of the policies applied to Spinnova's intangible assets is, as follows:

	Patents & Trademarks	Development costs
<b>Useful lives</b>	Finite (10 years)	Finite (5–10 years)
<b>Amortisation method used</b>	Amortised on a straight-line basis over the period of the patent	Amortised on a straight-line basis over the period of expected future sales from the related project
<b>Internally generated or acquired</b>	Acquired	Internally generated

EUR (thousand)	Patents & Trademarks	Development costs	Assets under development	Total
<b>Cost</b>				
<b>1.1.2023</b>	<b>1 183</b>	<b>14 830</b>	<b>75</b>	<b>16 087</b>
Additions	325	0	529	854
Reclassifications	0	-85	-604	-689
<b>31.12.2023</b>	<b>1 508</b>	<b>14 745</b>	<b>0</b>	<b>16 252</b>
Additions	0	0	215	215
Reclassifications	215	0	- 215	0
<b>31.12.2024</b>	<b>1 723</b>	<b>14 745</b>	<b>0</b>	<b>16 467</b>
<b>Amortisation and impairment</b>				
<b>1.1.2023</b>	<b>-420</b>	<b>-2 586</b>	<b>0</b>	<b>-3 006</b>
Amortisation	-94	-1 455	0	-1 549
<b>31.12.2023</b>	<b>-514</b>	<b>-4 041</b>	<b>0</b>	<b>-4 555</b>
Amortisation	- 128	-1 487	0	-1 615
<b>31.12.2024</b>	<b>- 642</b>	<b>-5 528</b>	<b>0</b>	<b>-6 170</b>
<b>Book value, EUR (thousand)</b>				
31.12.2024	1 081	9 216	0	10 297
31.12.2023	993	10 704	0	11 697

### Research and development

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when Spinnova can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset

- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation is recorded in the group of depreciation, amortisation and impairment losses. During the period of development, the asset is tested for impairment annually.

Spinnova capitalises development costs for a project in accordance with its accounting policy. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits.

### Impairment testing of intangible assets

Spinnova assesses the economic value of its intangible assets at each reporting date. The intangible assets result in impairment if the intangible asset is considered to have lower economic value than the carried value of cost less any accumulated amortization.

Intangible assets are tested following the IFRS guidance for impairment testing. Impairment testing is carried out at Group level. Spinnova monitors intangible assets at Group level. Spinnova has currently only one cash-generating unit.

The recoverable amount from the cash generating unit is determined based on value-in-use calculations. The calculations are prepared following the discounted cash flow method using the management approved estimates for the following year and subsequent development derived from the strategic plans. Terminal year value has been defined based on the long-term strategic plans.

Spinnova has assessed at each reporting date whether there is any indication that the assets would require impairment. Based on the assessment and current status of the intangible assets, no indication of impairment has been identified and no impairment has been recognized for the financial periods ended 31 December 2024 and 31 December 2023.

When assessing the recoverable amounts of cash generating units, management believes that no reasonably possible change in any of the key variables used would lead to a situation where the recoverable amount of the units would fall below their carrying amount.



### 3.3. Property, plant and equipment

#### Accounting principles

Property, plant, and equipment consists mainly of machinery and equipment and assets under construction. Property, plant and equipment is measured at cost less accumulated depreciation and impairment losses, if any.

In 2024, there were no assets under construction. In 2023, the assets under construction consisted of a spinning line for product development, which was installed in Portugal. According to the agreement with Spinnova's yarn development partner, Tearfil, Spinnova is the owner of the line, and Tearfil operates the line and covers its operational costs for ten years from the commissioning of the line until May 17, 2034. Thanks to this arrangement, most of the line's capacity is available to Tearfil, and Spinnova has the right to utilise the capacity of the line, which operates with full human resources and costs covered, at a level that meets the requirements and demand of its product development. Spinnova pays Tearfil an annual fee to equalise the difference between the value of the equipment supplied by Spinnova and Tearfil's costs between the contracting parties.

Depreciation of property, plant and equipment before the conversion period has been depreciated with the 25% residual method. The straight-line method will be applied to all machinery and equipment acquired after the conversion period, since the difference between the residual method and straight-line method has been considered to be insignificant. The straight-line depreciation method has been applied to machinery and equipment acquisitions from January 1, 2023, onwards.

A straight-line basis over the estimated useful lives to their residual value, as follows:

- Machinery and equipment 3–10 years
- Other equipment 3–5 years, if any
- Assets under construction are not depreciated. The depreciation will begin once the asset is completed. Spinnova reclassifies the assets after completion

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted prospectively, if appropriate.

Sales gains and losses on disposal or transfer of tangible assets are presented in other operating income and expenses. Sales gains or losses are calculated as the difference between the sales price and the remaining acquisition cost.

EUR (thousand)	Machinery & equipment	Assets under construction	Total
<b>Acquisition cost</b>			
<b>1.1.2023</b>	<b>496</b>	<b>1 358</b>	<b>1 853</b>
Additions	252	246	498
<b>31.12.2023</b>	<b>747</b>	<b>1 604</b>	<b>2 351</b>
Additions	37	12	48
Reclassifications	1 616	-1 616	0
<b>31.12.2024</b>	<b>2400</b>	<b>0</b>	<b>2400</b>
<b>Depreciation and impairment</b>			
<b>1.1.2023</b>	<b>-337</b>	<b>0</b>	<b>-337</b>
Depreciation charge for the year	-57	0	-57
<b>31.12.2023</b>	<b>-394</b>	<b>0</b>	<b>-394</b>
Depreciation charge for the year	-165	0	-165
<b>31.12.2024</b>	<b>-558</b>	<b>0</b>	<b>-558</b>
<b>Book value, EUR (thousand)</b>			
31.12.2024	1 841	0	1 841
31.12.2023	354	1 604	1 958

### 3.4. Leases

#### Accounting principles

##### Spinnova as a lessee

The lease contracts of Spinnova consist mainly of office buildings, office equipment, and vehicles. Lease contracts are valid for a fixed period or until further notice. Spinnova does not have any service contracts that contain an asset for which a right-of-use asset should be recognised in accordance with IFRS 16.

Spinnova assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

##### Right-of use assets

Right-of-use assets are measured at acquisition cost comprising the amount of the initial measurement of lease liability, any lease payments made at or before the commencement date (less any incentives received), any initial direct costs incurred by Spinnova, and an estimate of

costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease. For contracts that comprise both lease components and non-lease components, the payments are split between these components and non-lease components are expensed as incurred.

Subsequently, the right-of-use assets are measured at initial measurement less accumulated depreciation and impairment losses. The right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset and recognised as an expense in the statement of profit and loss.

#### **Lease liabilities**

At the inception of the lease, Spinnova measures the lease liability at the present value of the lease payments over the lease term. The lease payments included in the measurement of the lease liability comprise the following payments:

- fixed payments
- variable lease payments that depend on an index or a rate
- the price of the purchase option if it is reasonably certain that the option will be exercised by Spinnova
- payments of penalties for terminating the lease, if the lease term reflects Spinnova exercising an option to terminate the lease

The fixed payments consist of the minimum lease payments.

Lease payments are discounted by using the lessee's incremental borrowing rate since the interest rates are not easily available in the lease contracts. Spinnova's incremental borrowing rate is determined based on financing offers received and market conditions and it is reviewed annually. Further information regarding the incremental borrowing rate has been disclosed in the note 4.1. Financial risk management.

Interest expenses on lease liabilities are recognised in financial items in the statement of profit and loss over the lease term. The lease liabilities are subsequently measured at initial recognition less lease payments that are allocated to the principal.

For the contracts with extension options, Spinnova applies judgement to evaluate whether it is reasonably certain that the extension option will be exercised. Extensions for the leases are included in the lease liability when the lease term is reasonably certain to be extended.

When determining the lease term for the contracts that are valid until further notice, Spinnova takes into account the company's short and mid-term planning and strategy. The estimates of the lease terms are updated at each reporting date.

#### **Short-term lease contracts and contracts of low-value assets**

Spinnova applies the exemptions applicable to short-term lease contracts (lease period 12 months or less), and for lease contracts for which the underlying asset is of low value. These lease contracts are not recognized in the statement of financial position but booked as expense when the costs are incurred. Lease expenses recognised for short-term leases and low-value assets are presented more in detailed below. These items are presented as part of other operating expenses, which are presented in note 2.2. Other operating income and expenses.

#### **Subleases**

In accordance with IFRS 16, Spinnova has recognised two sublease with its related party, Suzano Finland Oy and Respin Oy. A sublease is a transaction where the underlying asset (office space) is re-leased by a Spinnova to a third party (Suzano and Respin) where the lease between Spinnova and the lessor is in effect. The sublease is in relation to the office space used by Suzano or Respin, where Spinnova retains all the rights and risks related to the property, as the risks and rewards have been deemed to stay with Spinnova, the lease is considered as an operating lease.

During the reporting periods of 2023 & 2024 Spinnova has recognised the sublease income in other operating income and the expenses in other operating expenses. The sublease agreement with Suzano Finland Oy ended during the comparative period 2023.

**Right-of-use assets**

EUR (thousand)	Right-of-use assets, buildings	Right-of-use assets, vehicles	Total
<b>1.1.2023</b>	<b>1 816</b>	<b>22</b>	<b>1 838</b>
Additions	0	245	245
Depreciations for the financial year	-825	-74	-899
<b>31.12.2023</b>	<b>991</b>	<b>193</b>	<b>1 184</b>
<b>1.1.2024</b>	<b>991</b>	<b>193</b>	<b>1 184</b>
Additions	1 122	70	1 192
Deduction	-148	-48	-196
Depreciations for the financial year	-871	-83	-954
<b>31.12.2024</b>	<b>1 094</b>	<b>132</b>	<b>1 226</b>

**Lease liabilities**

EUR (thousand)	2024	2023
<b>1.1.</b>	<b>1 218</b>	<b>1 859</b>
Additions	1 192	245
Disposals	-205	0
Lease payments	-1 016	-952
Interest expenses	70	65
<b>31.12.</b>	<b>1 258</b>	<b>1 218</b>
EUR (thousand)	31.12.2024	31.12.2023
Long-term lease liabilities	478	563
Short-term lease liabilities	780	655
<b>Total</b>	<b>1 258</b>	<b>1 218</b>

The maturity analysis of lease liabilities is disclosed in Note 4.6. Borrowings and lease liabilities.

**Impact of leases on profit and loss statement**

EUR (thousand)	1-12/2024	1-12/2023
Short-term leases	-80	-113
Low value assets	-130	-146
Depreciations of right-of-use assets	-954	-899
Interest expenses from lease liabilities	-70	-65
<b>Total</b>	<b>-1 234</b>	<b>-1 223</b>

The cash flows arising from lease contracts during the financial period 2024 were EUR -1 234 thousand (2023: EUR -1 223 thousand).

**Accounting estimates and management's judgements**

The most significant management judgement relates to open-ended lease agreements. For these contracts, management needs to estimate the length of the lease term, which may significantly

affect the amounts of right-of-use asset and lease liability as well as the related depreciation and interest expense. Management judgment is also applied in defining the incremental borrowing rate used to calculate the present value of the future lease payments.

**3.5. Trade and other receivables****Trade and other receivables****Accounting principle**

Trade and other receivables comprise trade receivables, other receivables and prepayment and accrued incomes.

Trade and other receivables arise from typical business transactions and are non-interest-bearing receivables. Trade receivables are receivables from selling products or providing services to customers in the ordinary course of business. Trade receivables are initially recognised at fair value at inception and recognised as subsequently measured at amortised cost following the classification of financial assets. Other receivables are recognised as cost and are typically including tax receivables and other short-term accruals, which are not considered as financial assets.

Financial assets are further detailed in Note 4.3 Financial Assets and Liabilities.

**Trade receivables**

EUR (thousand)	31.12.2024	31.12.2023
Trade receivables from external customers	24	68
Trade receivables from Joint Ventures	404	2 233
<b>Total trade receivables</b>	<b>429</b>	<b>2 301</b>

Trade receivables are non-interest bearing and are generally on terms of 14 to 60 days.

For terms and conditions relating to related party receivables, refer to Note 5.1. Related party transactions.

**Other receivables & accruals**

Other non-current receivables consist of guarantees related to rented premises. Other current receivables consist of mainly value added tax receivables. Prepayment and accrued incomes comprise mainly accruals of payments and accrual of development subsidy.

EUR (thousand)	31.12.2024	31.12.2023
Other non-current receivables	108	135
Other current receivables	708	257
Prepayments and accruals	525	725
<b>Total other receivables</b>	<b>1 341</b>	<b>1 117</b>

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due from different customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money, and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Trade receivables which are over 360 days past due are considered as defaulted. Past due trade receivables are subject to enforcement activity and collection. The collection process is managed by Spinnova's finance department.

Spinnova does not hold collateral as security.

Spinnova recognises credit loss provisions for expected credit losses (ECL) on trade receivables in accordance with IFRS 9. For analysing and recognition of ECL regarding trade receivables, the simplified approach for determining the expected credit losses of IFRS 9 is applied. In this approach the credit losses are based on predetermined credit loss rates by customer category. The rates are determined by past events and external sources.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECL. For measurement of ECL for trade receivables Spinnova uses a provision matrix, where it has specified fixed provision rates depending on the number of days that a trade receivable is past due. The provision matrix is based on historical observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates specific to the client sector-based risk analysis.

At every reporting date the historical observed default rates are updated and changes in the forward-looking estimates are analysed. Expected credit losses have not been recorded from the value added tax that is included in trade receivables. Loss allowances for ECL are presented in the statement of financial position as a deduction from the gross carrying amount of the assets. In the statement of profit and loss, the amount of ECL (or reversal) is recognised as an impairment gain or loss in other operating expenses.

Spinnova's joint ventures, Woodspin and Respin have been excluded from the aging of outstanding trade receivables tables. Due to their funding and payment structures, Spinnova does not consider the joint ventures at risk for default on trade receivables. Based on the 50% ownership of the joint ventures, Spinnova is participating in the decision making at the purchasing side before any sales are agreed, therefore making sure that the expected credit loss is insignificant.

#### Expected Credit Losses

Spinnova has analysed the trade receivables and other receivables, and the related expected credit losses for the financial period ending 31 December 2024 and the comparative information for the

financial period ending 31 December 2023. As a result, Spinnova has not recognised expected credit losses from either of the periods, since the amount of expected credit losses are considered to be insignificant due to the size of the external trade receivables and Spinnova has not had historical credit losses. Spinnova assesses the need for presenting the expected credit losses at each reporting period and when the credit risk arising from its customers change significantly.

Due to immaterial amount of the contract assets 31 December 2024 and 31 December 2023 expected credit loss was not calculated for comparison periods.

### 3.6. Trade and other payables and contract liabilities

#### Accounting principle

Trade and other payables consist of payables related to typical business activities such as purchases, employee accruals, tax accruals and tax payables. The payables are recognised at cost or at amortised cost. Spinnova's accrued expenses include expenses, which have not yet been invoiced. Trade payables are typically due between 30–90 days. Contract liabilities include payments received from customers related to Spinnova's sales contract, for which the goods or services are not yet rendered.

EUR (thousand)	31.12.2024	31.12.2023
Trade payables	2 591	1 574
Other payables	693	398
Accrued expenses	1 487	1 600
<b>Total current trade and other payables</b>	<b>4 771</b>	<b>3 572</b>

Other payables mainly consist of advance funding for EU-funded development projects. In addition, other liabilities consist of social security payments and Pay as you earn (PAYE) liabilities. The accrued expenses comprises mainly accrued salaries and vacations.

The definitions for contract liabilities are presented in Note 2.1. Revenue from contracts with customers.

## 4. Financial Instruments and Capital Structure

### 4.1. Financial risk management

#### Financial instruments risk management objectives and policies

Spinnova is exposed to various financial risks in its operations. Spinnova follows its Group Treasury Policy, and its management team monitors entity's exposures and risk framework periodically. Spinnova has proper policies and procedures in place for mitigating against financial risks. Financial risks are identified, measured and managed in accordance with Treasury Policy. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

In line with its Treasury policy, Spinnova follows a conservative investment strategy for its cash, which is held in money market funds with a minimum investment grade (or equivalent if unrated) credit rating, or as cash on deposit with Nordic banks with a minimum credit rating of A3/A-.

#### Market risk

Market risk is the risk that the fair value or future cash flows arising from financial instruments will fluctuate because of changes in market prices or market conditions. Market risk comprises primarily of foreign exchange and interest rate risk. Currently Spinnova does not have significant foreign currency exposures.

In relation to the risk management policy Spinnova estimates the exposure to the relevant market risk's by performing a sensitivity analysis periodically at the end date of each reporting period. The analyses have been prepared on the basis that all other variables are kept constant. For Spinnova, the main risk of which the sensitivity analysis is being made is an interest rate risk.

#### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Spinnova's exposure to the interest rate fluctuations relates primarily to the portion of Spinnova's long-term debt obligations that have floating interest rates. Spinnova's long-term bank loans that have floating interest rates are connected to Euribor rates. Changes in market interest rates have a direct effect on Spinnova's future interest payments.

Spinnova's policy of reducing the effects of interest rate risk is to maintain a predefined balance between the total amount of loan instruments acquired and liquidity position. The management assesses the interest rate risk at each reporting date to implement procedures required to maintain a stable interest rate environment. Spinnova has the ability to renegotiate the terms of the financial instruments in case the market environment and interest rate environment changes significantly.

#### Interest rate sensitivity

The sensitivity analysis of interest rate risk relates to the position as of 31 December 2023 and 2022 as a reference. The following table demonstrates the sensitivity to an estimated reasonably possible changes in the interest rates, based on following assumptions that has been made:

Spinnovas borrowings, which consist of one vehicle financing loan and two loans from the State Treasury. The interest rate on the vehicle financing loan is fixed for the entire loan term and the effective interest rate of the loans from state treasury are based on base rate of interest confirmed by the Ministry of Finance. Since the base rate of interest confirmed by Ministry of Finance is driven by the 12-month Euribor, it is concluded that the sensitivity analysis should be performed with the 12-month Euribor for all three loans.

The changes in the interest rate level are shown in full without considering the possible effects of contractual interest rate floors related to loans. With all other variables kept constant and the interest rate is changed by 1%, Spinnova's profit before tax and equity is affected through the impact on floating rate loans, as follows:

EUR (thousand)	Increase/decrease in %	Effect on profit before tax	Pre-tax effect on Equity
<b>2024</b>			
12-month Euribor	+1%	-55	-55
12-month Euribor	-1%	55	55
<b>2023</b>			
12-month Euribor	+1%	-61	-61
12-month Euribor	-1%	61	61

For interest bearing financial liabilities the interest rate range is between 1%–6.6% during the reporting period. The maximum exposure to the interest rate risk includes all the loans, which have floating interest rate. Spinnova had EUR 5 105 thousand (2023: EUR 5 816 floating interest rate loans).

Additionally, Spinnova has fund investments, which are relatable to low-risk fixed income investments. The investments included in the current assets are highly liquid and can be sold at the current market prices quickly if needed. Therefore, the interest rate risk related to these investments does not have a significant impact on Spinnova's profit.

#### Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows will fluctuate due to changes in foreign exchange rates. Spinnova's exposure to the foreign currency risk relates primarily to the operating activities, when revenue or expense is denominated in a foreign currency.

Spinnova does not currently have significant foreign currency exposures. Therefore, the sensitivity analysis related to foreign currencies is not relevant for Spinnova.

#### **Credit risk**

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a potential financial loss. Spinnova's exposure to the credit risk relates primarily to the operating activities, which include such items as trade receivables and cash balances.

However, credit risk arising from trade receivables is not considered to be significant since majority of current trade receivables arise from joint ventures and large manufacturing companies. Bank balances and investments in funds are held in well regarded financial institutions, so the respected credit risk is low. For more information about credit risk arising from joint ventures, please, see Note 3.5.

#### **Liquidity risk**

Liquidity risk is the risk that existing funds and borrowing facilities become insufficient to meet the business needs or that extra costs are incurred in order to arrange such funds and borrowing facilities. Spinnova monitors its available funds and maturity analysis as the basis for concluding the cash requirements. The management assesses forecasts for short and long-term needs of the related cash flows to maintain the liquidity requirements and the funding needs.

Spinnova's objective is to maintain a balance between continuity of funding and flexibility through use of liquid assets such as bank balances and investments in funds, and if necessary, bank loans. Spinnova's liquid assets are considerably large compared to the loan instruments, and therefore the group does not face a significant exposure for the liquidity risk. Please see further information regarding the liquid assets in the Note 4.4. Liquid Funds. For more detailed information of financial liabilities and the Maturity analysis related, which presents the relevant cash outflows for the foreseeable future, please see Note 4.6.

Spinnova has a considerable head room for covenants at their current position. Spinnova has not had any repayment events caused by breaches of covenants. However, terms of a covenant were changed in 2021 due to a breach of non-compliance related to the foundership covenant.

Please see further information regarding the covenants in the Note 4.6. Borrowings and lease liabilities and 4.7. Capital management.

## **4.2. Fair value measurement**

Spinnova measures financial instruments at fair value at each balance sheet date. Aside from this note, additional fair value related disclosures, including the valuation methods, significant estimates and assumptions are also provided in note 2.5. Share-based payments.

#### **Accounting principles**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place in the principal or in the most advantageous market accessible by Spinnova for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

Spinnova uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

#### **Fair value estimation**

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Available quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques, for which the lowest level input that is significant to the fair value measurement and it is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable and require independent consideration and judgement from the valuation perspective.

#### **Fair values**

Tabular presentation of Spinnova's financial assets and liabilities can be found in Note 4.3.

### 4.3. Financial assets and liabilities

#### Accounting principles

A financial instrument is any contract that forms as a financial asset for one entity and as a financial liability or equity instrument for another entity.

#### Financial assets

Spinnova's financial assets are measured at fair value at initial recognition at trade date, and are classified as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), or fair value through profit or loss. The classification is based on the contractual cash flow characteristics of the financial asset and Spinnova's business model for managing the instruments. The impairment of the financial assets is discussed in detail in the risk management section in Note 4.1 Financial risk management.

#### Amortised cost

Financial assets are classified at amortised cost, if the objective of holding the asset is to collect contractual cash flows and if the cash flows are solely payments of principal and interest. Financial assets which fulfil both of the conditions are subsequently measured using the effective interest rate method (EIR) and are subject to impairment. Any gains or losses from these financial assets are recognised in profit or loss when the asset is derecognised, modified, or impaired.

Spinnova's financial assets at amortised cost include cash and cash equivalents, trade receivables.

#### Financial assets at fair value through profit and loss

Financial assets are classified at fair value through profit and loss when the financial assets are held for trading and when the collection of cash flows are not based on payments of principal and interest and do not pass the SPPI test. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

Spinnova classifies investments in funds at fair value through profit and loss.

#### Financial assets at fair value through Other comprehensive income (OCI)

Financial assets are classified at fair value through other comprehensive income if the objective of holding the financial asset fulfills both to collect contractual cashflows and to sell the financial asset, and if the cash flows are solely payments of principal and interest. Financial assets at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in

OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

At initial recognition Spinnova can make an irrevocable election to classify and measure its equity investments as equity instruments designated at fair value through other comprehensive income when these instruments are not held for sale and when these financial instruments fulfil the requirements of investments to equity instruments under IAS 32.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when Spinnova benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Spinnova does not currently have any financial assets to be classified at fair value through other comprehensive income.

#### Derecognition of financial assets

Spinnova derecognises a financial asset when, and only when the contractual rights to the cash flows from the financial asset expires or it transfers the financial asset, and the transfer qualifies for de-recognition. Spinnova continues to recognise the transferred asset to the extent of its continuing involvement. In that case, Spinnova also recognises an associated liability.

#### Impairment of financial assets

Spinnova recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that Spinnova expects to receive, discounted at an approximation of the original effective interest rate.

Further information about ECL is presented in the Note 3.5. Trade and other receivables.

#### Financial liabilities

Spinnova recognises a financial liability in its statement of financial position when, and only when, the entity becomes party to the contractual provision of the instrument. Spinnova's financial liabilities are measured at fair value at initial recognition at trade date and are classified as subsequently measured at amortised cost and fair value through profit or loss. The financial liabilities are classified to their respective current and non-current accounts.

#### At amortised cost

Spinnova's financial liabilities classified at amortised cost are initially recognised at fair value less any related transaction cost and are subsequently measured using the EIR method. Gains and

losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings and trade payables.

**Financial liabilities at fair value through profit and loss**

Financial liabilities measured at fair value through profit and loss include e.g. financial liabilities which are designated at inception to be subsequently measured at fair value through profit and loss.

Spinova does not currently have any financial liabilities to be classified through fair value through profit and loss.

**De-recognition of financial liabilities**

Spinova de-recognises financial liabilities when, and only when the obligation of a financial liability specified in its respective contract is discharged, cancelled or it expires.

**Offsetting of financial instruments**

When a certain legal conditions and the intention to settle on a net basis exists, financial assets and liabilities can be offset and the net amount reported in the consolidated statement of financial position, for the entity to realise the assets and settle the liabilities in question simultaneously.

Spinova does not currently offset its financial instruments.



### 4.3. Financial assets and liabilities (continue)

#### Financial instruments by classification 31.12.2024

##### Financial assets, 2024

EUR (thousand)	Note	Level	Fair value through profit and loss	Fair value through OCI	At amortised cost	Book value	Fair value
<b>Non-current financial assets</b>							
Other receivables			0	0	108	108	108
<b>Non-current financial assets total</b>			<b>0</b>	<b>0</b>	<b>108</b>	<b>108</b>	<b>108</b>
<b>Current financial assets</b>							
Trade receivables			0	0	429	429	429
Investments in funds		1	45 262	0	0	45 262	45 262
Cash and cash equivalents			0	0	1 981	1 981	1 981
<b>Current financial assets total</b>			<b>45 262</b>	<b>0</b>	<b>2 410</b>	<b>47 672</b>	<b>47 672</b>
<b>Financial assets total</b>			<b>45 262</b>	<b>0</b>	<b>2 518</b>	<b>47 780</b>	<b>47 780</b>

##### Financial liabilities, 2024

EUR (thousand)	Note	Level	Fair value through profit and loss	Fair value through OCI	At amortised cost	Book value	Fair value
<b>Non-current financial liabilities</b>							
Interest-bearing loans and borrowings			0	0	4 579	4 579	4 579
<b>Non-current financial liabilities total</b>			<b>0</b>	<b>0</b>	<b>4 579</b>	<b>4 579</b>	<b>4 579</b>
<b>Current financial liabilities</b>							
Borrowings			0	0	525	525	525
Trade payables			0	0	2 591	2 591	2 591
<b>Current financial liabilities total</b>			<b>0</b>	<b>0</b>	<b>3 116</b>	<b>3 116</b>	<b>3 116</b>
<b>Financial liabilities total</b>			<b>0</b>	<b>0</b>	<b>7 695</b>	<b>7 695</b>	<b>7 695</b>

### Financial instruments by classification 31.12.2023

#### Financial assets, 2023

EUR (thousand)	Note	Level	Fair value through profit and loss	Fair value through OCI	At amortised cost	Book value	Fair value
<b>Non-current financial assets</b>							
Other receivables			0	0	135	135	135
<b>Non-current financial assets total</b>			<b>0</b>	<b>0</b>	<b>135</b>	<b>135</b>	<b>135</b>
<b>Current financial assets</b>							
Trade receivables			0	0	2 301	2 301	2 301
Investments in funds		1	46 285	0	0	46 285	46 285
Cash and cash equivalents			0	0	15 174	15 174	15 174
<b>Current financial assets total</b>			<b>46 285</b>	<b>0</b>	<b>17 475</b>	<b>63 760</b>	<b>63 760</b>
<b>Financial assets total</b>			<b>46 285</b>	<b>0</b>	<b>17 610</b>	<b>63 896</b>	<b>63 896</b>

#### Financial liabilities, 2023

EUR (thousand)	Note	Level	Fair value through profit and loss	Fair value through OCI	At amortised cost	Book value	Fair value
<b>Non-current financial liabilities</b>							
Interest-bearing loans and borrowings			0	0	4 466	4 466	4 466
<b>Non-current financial liabilities total</b>			<b>0</b>	<b>0</b>	<b>4 466</b>	<b>4 466</b>	<b>4 466</b>
<b>Current financial liabilities</b>							
Interest-bearing loans and borrowings			0	0	1 350	1 350	1 350
Trade payables			0	0	1 574	1 574	1 574
<b>Current financial liabilities total</b>			<b>0</b>	<b>0</b>	<b>2 924</b>	<b>2 924</b>	<b>2 924</b>
<b>Current financial liabilities total</b>			<b>0</b>	<b>0</b>	<b>7 390</b>	<b>7 390</b>	<b>7 390</b>

#### 4.4. Liquid Funds

Cash and cash equivalents and investments included in the current assets that consist of highly liquid investment funds are an integral part of Spinnova's cash management.

The funds and capital protected structured note included in the current investments are highly liquid and can be sold at the current market prices quickly when needed and therefore the investments are included in the liquid funds of the company.

The objective of Spinnova's cash management is to optimise the amount of working capital and to minimise financing costs through an efficient management of cash flows.

EUR (thousand)	31.12.2024	31.12.2023
Cash and cash equivalents	1 981	15 174
Current investments	45 262	46 285
<b>Total</b>	<b>47 243</b>	<b>61 459</b>

Cash at banks earns interest at floating rates based on daily bank deposit rates. Spinnova did not have credit facilities in use for the period. For more details about investments, please, see note 4.5. Investments recognised at fair value through profit or loss and other investments.

#### Net Cash

EUR (thousand)	31.12.2024	31.12.2023
Cash and cash equivalents	1 981	15 174
Current investments	45 262	46 285
<b>Net cash excluding leasing liabilities and borrowings</b>	<b>47 243</b>	<b>61 459</b>
Non-current borrowings	-4 579	-4 466
Current borrowings	- 525	-1 350
Lease liabilities	-1 258	-1 218
<b>Net Cash total</b>	<b>40 881</b>	<b>54 426</b>

#### 4.5. Investments recognised at fair value through profit or loss and other investments

Investments in funds includes 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.

EUR (thousand)	31.12.2024	31.12.2023
Investments in funds	45 262	46 285
<b>Total</b>	<b>45 262</b>	<b>46 285</b>

All of the fund investments are publicly traded fund investments for which a market price is directly available in the markets.

Change in the fair value EUR (thousand)	Fair value
<b>Balance as of 1.1.2023</b>	<b>49 495</b>
Acquisition	21
Disposal	-5 103
Realised loss	103
Fair value gain	1 769
Fair value loss	0
Other changes	0
<b>Balance as of 31.12.2023</b>	<b>46 285</b>
Acquisition	22
Disposal	-3 001
Realised gain	155
Fair value gain	1 801
Fair value loss	0
Other changes	0
<b>Balance as of 31.12.2024</b>	<b>45 262</b>

## 4.6. Borrowings and lease liabilities

### Interest-bearing liabilities and net debt

Majority of Spinnova's liabilities consist of borrowings. Spinnova's borrowings consists of three separate loan agreements, of which one is from a commercial financial institution and two are from Business Finland (State Treasury of Finland), which has granted Spinnova more favorable conditions and lower interest rate. The loan from a commercial financial institution includes covenant conditions, which are described in more detail at the end of this section.

Spinnova did not record the below-market rate of interest as a government grant under FAS and used the IFRS 1 exemption to not record the below-market rate of interest as government grant within the conversion period and during 2022. Spinnova has recognised interest expense and government grant portion of these loans as interest expense in the statement of profit or loss on a net basis.

### Changes in the interest-bearing liabilities 31.12.2024

EUR (thousand)	Opening balance 1.1.	Repayment	Proceeds from borrowings	Other changes	Reporting date balance 31.12.
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
<b>Total changes in interest-bearing liabilities</b>	<b>7 034</b>	<b>-1 771</b>	<b>43</b>	<b>1 057</b>	<b>6 363</b>

### 31.12.2023

EUR (thousand)	Opening balance 1.1.	Repayment	Proceeds from borrowings	Other changes	Reporting date balance 31.12.
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
<b>Total changes in interest-bearing liabilities</b>	<b>8 262</b>	<b>-1 952</b>	<b>413</b>	<b>310</b>	<b>7 034</b>

Non-current and current borrowing in 2024 consists of a bank loan of EUR 0 (EUR 750 thousand in 2023) and two loans from State treasury of Finland totalling EUR 5 066 thousand (EUR 5 066 thousand in 2023).

### Net debt total

EUR (thousand)	31.12.2024	31.12.2023
Non-current interest-bearing loans and borrowings	4 579	4 466
Current interest-bearing loans and borrowings	525	1 350
Lease liabilities	1 258	1 218
Liquid funds	-47 243	-61 459
<b>Net debt total</b>	<b>-40 881</b>	<b>-54 426</b>

### Maturity Distribution of Financial Liabilities

The maturity distribution of the financial liabilities table below is presenting the cash outflows in relation to Spinnova's financial liabilities. The objective is to present the liquidity requirements for meeting the upcoming outflows on an annual basis. The maturity analysis involves the interest-bearing financial liabilities and IFRS 16 lease liabilities in order to present the actual outflows in relation to all Spinnova's liabilities. Interest expenses included in the maturity distribution tables are calculated using the interest rates of the balance sheet date.

Based on the maturity distribution position Spinnova management facilitates the credit position and liquidity requirement and adjusts Spinnova's credit risk policy.

#### 31.12.2024

EUR (thousand)	Book value	2025	2026	2027	2028	2029	Over 5 years	Total Cash Outflows
Borrowings	5 104	575	570	1 162	1 151	615	1 212	5 285
Lease liabilities	1 258	814	428	63				1 305
Trade payables	2 591	2 591						2 591
<b>Total</b>	<b>8 953</b>	<b>3 980</b>	<b>998</b>	<b>1 225</b>	<b>1 151</b>	<b>615</b>	<b>1 212</b>	<b>9 181</b>

#### 31.12.2023

EUR (thousand)	Book value	2024	2025	2026	2027	2028	Over 5 years	Total Cash Outflows
Borrowings	5 816	1 434	1 336	1 320	1 304	604		5 999
Lease liabilities	1 218	692	576	20				1 288
Trade payables	1 574	1 574						1 574
<b>Total</b>	<b>8 608</b>	<b>3 700</b>	<b>1 912</b>	<b>1 341</b>	<b>1 304</b>	<b>604</b>	<b>0</b>	<b>8 861</b>

## 4.7. Capital management

For the purpose of Spinnova's capital management, capital includes issued capital, and all other equity reserves attributable to the equity holders of the parent. The primary objective of Spinnova's capital management is to maximise the shareholder value.

Spinnova manages its capital structure and adjusts in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, Spinnova may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. Spinnova monitors capital using net cash balances and gearing ratio.

Interest-bearing net debt is presented separately in note 4.6. Borrowings and lease liabilities and Net cash is presented in Note 4.4 Liquid Funds and Net cash.

EUR (thousand)	2024	2023
Net debt (note 5.5)	40 881	54 426
Equity	71 168	87 328
Equity ratio	85%	89%
Gearing %	-57%	-62%

In order to achieve this overall objective, Spinnova's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

Please see further information regarding the covenants in the Note 4.6. Borrowings and lease liabilities.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2024 and 2023.

## 4.8. Equity

### Equity and capital reserves

Equity consists of share capital, reserve for unrestricted equity, and retained earnings.

Number of shares	2024	2023
<b>Total number of shares in the beginning of the period</b>	<b>52 228 685</b>	<b>51 538 235</b>
Own shares held in the beginning of the period	0	0
Purchase of own shares	0	0
Transfer of own shares	0	0
Shares issued	67 650	690 450
<b>Total number of shares at the end of the period</b>	<b>52 296 335</b>	<b>52 228 685</b>
Of which own shares held by the parent company	0	0
<b>Shares outstanding at the end of reporting period</b>	<b>52 296 335</b>	<b>52 228 685</b>

### Dividends

The Board of Directors proposes to the Annual General Meeting that no dividend will be paid for 2024. Spinnova did not pay any dividends in 2023.

### Reserve for invested unrestricted equity

The reserve for invested unrestricted equity contains the other equity-related investments and share subscription prices to the extent not to be credited to the share capital.

## 5. Other notes

### 5.1. 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.

#### Transactions with related parties

EUR (thousand)	31.12.2024	31.12.2023
Sales to related parties	38	99
Purchases from related parties	26	45
Receivables	15	5
Liabilities	0	0

The sales to and purchases from related parties are carried out on usual commercial terms.

#### Compensation of key management personnel

Key management personnel consist of the members of the Board of Directors, Spinnova CEO and members of Spinnova management team. More details on the remuneration is found in The Remuneration Report 2024.

#### Compensation of the members of the Board of Directors

EUR (thousand)	2024	2023
Chair of the board *	293	282
Other board members	136	112
<b>Total</b>	<b>429</b>	<b>393</b>

\*The Chair of the Board's compensation relates to his employment relationship with the company during 2024 and 2023. The compensation includes short-term employee benefits and post-employment benefits.

#### Spinnova CEO

EUR (thousand)	2024	2023
Short-term employee benefits	358	288
Post-employment pension and medical benefits	63	51
Termination benefits	0	120
Share-based payment transactions	33	-22
<b>Total compensation paid to CEO personnel</b>	<b>454</b>	<b>437</b>

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

#### Spinnova management team

EUR (thousand)	2024	2023
Short-term employee benefits	1 333	1 072
Post-employment pension and medical benefits	236	188
Termination benefits	232	0
Share-based payment transactions	486	1 137
<b>Total compensation paid to management team</b>	<b>2 287</b>	<b>2 397</b>

#### Spinnova's management's total compensation

EUR (thousand)	2024	2023
Short-term employee benefits	1 691	1 360
Post-employment pension and medical benefits	299	239
Termination benefits	232	120
Share-based payment transactions	518	1 115
<b>Total compensation paid to key management personnel</b>	<b>2 740</b>	<b>2 834</b>
<b>Total compensation paid to key management personnel incl. Board of Directors *</b>	<b>3 169</b>	<b>3 227</b>

\*Spinnova provides voluntary medical expenses insurance to all of its permanent employees. The monetary cost benefit derived from the insurance to a single employee is not considered material, therefore the impact is not included in the table.

#### Shares owned by the key management

Key management of the company owns directly or through other companies total of 8 735 thousand shares of Spinnova at 31 December 2024.

#### Transactions with Joint Ventures

The technology delivery related invoicing for the first commercial Woodspin factory started in May 2021 and continued throughout 2022 and 2023. In addition to technology delivery, Spinnova sold sales and production ramp-up related services to Woodspin during 2023. During 2024, Spinnova primarily sold research and development-related services to Woodspin. Correspondingly, Spinnova

purchased trial runs related to its own research and development from Woodspin. Additionally, during the financial year and the comparative period, Spinnova has paid Woodspin for rents and purchased general property-related services, such as cleaning, maintenance, and maintenance services.

In May 2021, the company invoiced the first milestone related to the Respin proof of concept technology delivery project, and the second and third milestones were invoiced in December 2022. The fourth and at the same time final milestone was invoiced in September 2023. During the 4th quarter of 2023 Spinnova sold development work to Respin. The sale of development services continued throughout the financial year 2024. Additionally, during the financial year 2024, Spinnova has passed through Respin for rents and general property-related services, such as cleaning, maintenance, and maintenance services. Additionally, during the financial year 2024, Spinnova has passed through Respin for rents and general property-related services, such as cleaning, maintenance, and maintenance services.

During the reporting period Spinnova invested EUR 5 300 thousand into Woodspin and 220 thousand into Respin.

#### Transactions with Woodspin

EUR (thousand)	31.12.2024	31.12.2023
Sales to related parties	246	9 867
Purchases from related parties	2 025	548
Receivables	33	2 006
Liabilities	2 073	457
Investments made to joint ventures	5 300	8 050

#### Transactions with Respin

EUR (thousand)	31.12.2024	31.12.2023
Sales to related parties	414	467
Purchases from related parties	0	0
Receivables	371	228
Liabilities	0	0
Investments made to joint ventures	220	250

## 5.2. Contingent liabilities and other commitments

### Commitments

#### Guarantees and pledges given

EUR (thousand)	31.12.2024	31.12.2023
Loans, which are secured with corporate mortgages	0	750
Corporate mortgage	0	10 000
Absolute guarantee for Woodspin's premises lease agreement	418	418

#### Off-balance sheet financial commitments

EUR (thousand)	2024	2023
Lease commitments*		
Maturing in less than 1 year	53	91
Maturing later	12	51
<b>Total other commitments</b>	<b>65</b>	<b>142</b>

\* 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, such as temporary rental of small premises and small equipment rental. Lease commitments are presented with VAT included.

### Other financial commitments

#### Woodspin joint venture

Under the terms of the Woodspin Joint Venture Agreement, the Woodspin co-investors Spinnova and Suzano agreed to each subscribe for 1 750 000 newly issued shares in Woodspin and pay a consideration of EUR 1 750 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 Spinnova decided to invest EUR 13 000 into the Woodspin joint venture between January 2024 and January 2025. Both companies' invest EUR 6 500. Spinnova has invested into the Woodspin joint venture a total of EUR 27 350 thousand by 31 December 2024 equalling the investment made by Suzano.

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.



**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.

By the end of the reporting period Spinnova has invested total of EUR 470 thousand into Respin joint venture.

# Parent Company Financial Statements January–December 2024

## Parent Company Income Statement

EUR (thousand)	1-12/2024	1-12/2023
<b>REVENUE</b>	<b>762</b>	<b>10 640</b>
Other operating income	1 109	724
Materials and services	-56	-9 849
Personnel expenses	-7 326	-8 236
Depreciation, amortisation, and impairment losses	-1 539	-1 366
Other operating expenses	-7 032	-6 706
<b>OPERATING RESULT</b>	<b>-14 082</b>	<b>-14 793</b>
Financial income and expenses		
Other interest and financial income	181	404
Interest and other financial expenses	-83	-239
Total financial income and expenses	98	165
Result before appropriations and taxes	-13 984	-14 627
<b>RESULT FOR THE PERIOD</b>	<b>-13 984</b>	<b>-14 627</b>

# Parent Company Balance Sheet

EUR (thousand)	31.12.2024	31.12.2023
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Intangible assets		
Development expenses	7 590	8 837
Intangible rights	1 081	993
<b>Total intangible assets</b>	<b>8 670</b>	<b>9 830</b>
Tangible assets		
Machinery and equipment	1 841	354
Advance payments and assets under construction	0	1 604
<b>Total tangible assets</b>	<b>1 841</b>	<b>1 958</b>
Investments		
Shares in subsidiaries companies	2	2
Shares in associated companies	27 820	22 300
<b>Total Investments</b>	<b>27 822</b>	<b>22 302</b>
<b>NON-CURRENT ASSETS TOTAL</b>	<b>38 334</b>	<b>34 090</b>
<b>CURRENT ASSETS</b>		
Receivables		
Long-term receivables		
Other receivables	108	135
<b>Total long-term receivables</b>	<b>108</b>	<b>135</b>
Short-term receivables		
Trade receivables	24	68
Receivables from associated companies	404	2 233
Other receivables	708	257
Prepayments and accrued income	525	725
<b>Total short-term receivables</b>	<b>1 662</b>	<b>3 283</b>
<b>Total receivables</b>	<b>1 770</b>	<b>3 418</b>
Investments	41 929	44 753
Cash and cash equivalents	1 981	15 174
<b>TOTAL CURRENT ASSETS</b>	<b>45 680</b>	<b>63 345</b>
<b>TOTAL ASSETS</b>	<b>84 014</b>	<b>97 435</b>

EUR (thousand)	31.12.2024	31.12.2023
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	80	80
Reserve for invested unrestricted equity	141 583	141 507
Retained earnings (loss) from previous periods	-53 541	-38 913
Result for the period	-13 984	-14 627
<b>TOTAL EQUITY</b>	<b>74 139</b>	<b>88 046</b>
<b>LIABILITIES</b>		
Non-current liabilities		
Loans from financial institutions	4 579	4 466
<b>Total non-current liabilities</b>	<b>4 579</b>	<b>4 466</b>
Current liabilities		
Loans from financial institutions	525	1 350
Advances received	0	-
Trade payables	2 591	1 574
Other liabilities	693	398
Accruals and deferred income	1 487	1 600
<b>Total current liabilities</b>	<b>5 296</b>	<b>4 922</b>
<b>TOTAL LIABILITIES</b>	<b>9 875</b>	<b>9 388</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>84 014</b>	<b>97 435</b>

# Parent Company Cashflow Statement

EUR (thousand)	1-12/2024	1-12/2023
<b>Net cash from operating activities</b>		
Profit (loss) before appropriations and taxes	-13 984	-14 627
Adjustments:		
Depreciation and amortisation	1 539	1 366
Financial income and expenses	-98	-165
<b>Cash flow before changes in working capital</b>	<b>-12 542</b>	<b>-13 427</b>
Changes in working capital		
Increase (-) / decrease (+) in current non-interest-bearing receivables	1 648	3 159
Increase (+) / decrease (-) in current non-interest-bearing liabilities	1 258	-4 507
<b>Cash flow before financial items and taxes</b>	<b>-9 636</b>	<b>-14 775</b>
Interest paid and payments for other operating financial expenses	-61	-218
Interest received from operating activities	4	43
<b>Net cash from operating activities (A)</b>	<b>-9 693</b>	<b>-14 950</b>
<b>Net cash from investing activities</b>		
Investments in tangible and intangible assets	-323	-935
Purchase of financial instruments	-22	-21
Proceeds from sale of financial instruments	3 001	5 103
Investments in associated companies	-5 520	-8 300
<b>Net cash from investing activities (B)</b>	<b>-2 864</b>	<b>-4 153</b>
<b>Net cash from financing activities</b>		
Proceeds from paid-in increases in equity	76	1 642
Proceeds from long-term loans	38	413
Repayments of long-term loans	-750	-1 000
<b>Net cash from financing activities (C)</b>	<b>-635</b>	<b>1 055</b>
<b>Net change in cash and cash equivalents (A+B+C) increase (+) / decrease (-)</b>	<b>-13 193</b>	<b>-18 047</b>
Cash and cash equivalents in the beginning of the period	15 174	33 222
Cash and cash equivalents at the end of the period	1 981	15 174

# Notes to the parent company financial statements

The business ID of Spinnova Plc is (2653299-6) and the company headquarters are located at Palokärjentie 2-4, 40320 Jyväskylä. The shares of the parent company Spinnova Plc have been listed on Nasdaq First North Growth Market in Helsinki since June 24, 2021.

During the reporting period Spinnova issued total of 67 650 new shares that were subscribed by the stock options holders. Spinnova has one series of shares. All the shares have one vote in the general meeting of shareholders and have equal rights to dividends.

## Holdings in other companies

Respin Oy (3177396-2), based in Finland, a joint venture, 50% ownership.

Woodspin Oy (3201103-8), based in Finland, a joint venture, 50% ownership.

Spinnova Holdings Oy (3192902-3), based in Finland, a subsidiary, 100% ownership.

## Accounting policies of the financial statements

This set of financial statements including financial statements for the financial years ended on 31 December 2024 and 31 December 2023 have been prepared in Finland in accordance with the Finnish Accounting Standards (FAS) accordance with the accrual principle, going concern principles and principle of prudence irrespective of the results for the financial period. The financial statements are presented in euros. Figures presented in these financial statements have been rounded from exact figures and therefore the sum of figures presented individually can deviate from the presented sum figure.

## Non-current assets

Intangible and tangible assets are recognised in the balance sheet at the acquisition cost less any planned depreciation and amortisation, received subsidies, and possible impairment losses. If the future economic value expected to be generated by an asset or investment classified as non-current assets is considered to be permanently lower than its remaining unamortised acquisition cost, the difference is recorded as an impairment loss in the income statement. Incomplete assets whose useful life has not yet begun, are recorded in advance payments for intangible assets or advance payments for tangible assets and assets in progress according to their nature. Intangible and tangible assets are recorded as expenses as amortisation and depreciation according to predetermined plans during their useful life.

Intangible and tangible assets are recognised as expenses as amortisation and depreciation within their useful lives. Amortisation and depreciation according to plan are as follows:

Development expenses	straight-line	5-10 years
Intangible rights	straight-line	5-10 years
Machinery and equipment	straight-line/residual method	5-10 years/ 25%

## Research and development expenses

Research expenses, such as the acquisition of new data and the search for alternative products and processes, are recognised as expenses on an accrual basis, i.e., on the date the expense is incurred.

The company has capitalised development expenses according to the Accounting Act 5:8§. The company capitalises development expenses in intangible assets if they are expected to generate income over several financial periods. According to the principle of prudence the Company does not capitalise all development expenses. The company has capitalised materials and consumables as well as external services which have been directly attributable to completing the asset as the management has intended it to function. In the year 2024, the company has not capitalized personnel expenses as development costs for intangible assets.

The company capitalises development expenses as an intangible asset when the completion of the asset is technically feasible so that the asset is available for use or sale, the company has the capacity, intention, and resources to complete the asset as well as to use it or sell it, the company estimates that the asset is likely to have future economic benefits that can be demonstrated, and the company is able to reliably measure the expenses attributable to the intangible asset during its development phase.

The estimates concerning development expenses capitalised on the balance sheet involve factors of uncertainty and it is possible that the expected economic benefits to be generated from development projects may vary as conditions change. The value of development expenses capitalised on the balance sheet may be reduced if the expected economic benefits to be generated changes. If the expected economic benefits to be generated by an asset is less than the balance sheet value, i.e., the development expenses capitalised less historical amortisation, the value of the capitalised development expenses is adjusted with a write-off to correspond to the expected economic benefits to be generated by the asset.

The capitalised and not yet amortised development expenses is deducted from the company's distributable unrestricted equity. The company presents the book value of capitalised development expenses as a separate line item in the calculation of distributable unrestricted equity.

#### Measurement of receivables, financial instruments, and liabilities

The company has measured receivables at nominal value or probable value which is lower than nominal value. Securities included in the financial assets and other such financial assets are measured at the acquisition cost or at fair value which is lower than acquisition cost.

The company's liabilities have been measured at nominal value.

#### Grants received

Grants received for acquiring intangible and tangible assets have been recognised as a decrease of the acquisition cost in balance sheet. Other grants received have been recognised as Other operating income.

#### Revenue

Revenue split by revenue recognition method

The majority of revenue based on the percentage of completion method is 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.

Projects that are expected to take more than a year to complete are categorised as long-term projects, and the percentage of completion of those projects is measured by the cumulative incurred costs compared to the estimated total cost of the project. At the reporting date Spinnova did not have income from long-term projects that had not been recognised yet nor any provisions related to long-term projects.

Other revenue in 2024 and comparison period in 2023 consisted of R&D services and development projects provided to Spinnova's JVs and partners.

EUR (thousand)	1-12/2024	1-12/2023
Revenue based on the percentage of completion method	0	9 921
Other revenue	762	719
<b>Total</b>	<b>762</b>	<b>10 640</b>

#### Other operating income

Spinnova has been granted government subsidies from Business Finland worth EUR 1 603 thousand for fibre development project and EUR 1 957 thousand for developing SPINNOVA® fibre from new raw materials project. The grant amounts represent 50% of the project's total cost estimate.

In addition, Spinnova has participated in two EU-funded projects (BioLUSH and PENGUIN). The BioLUSH project focuses on the diverse utilization of biomass in new products, while the PENGUIN project develops sustainable bio-based textile fibers for outdoor clothing needs. The grant amounts cover 100% of the total cost for the BioLUSH project and 70% of the total cost for the PENGUIN project.

Most of the grants for the 2024 financial year and the comparison period have been related to Business Finland's grant projects. The amounts of grants from EU-funded projects have been small.

EUR (thousand)	1-12/2024	1-12/2023
Recognised grants	1 031	714
Other operating income	78	10

#### Materials and services

Materials and service expenses are related expenses to ordinary operating activities. Most of the materials and services purchased during the financial year 2024 were related to R&D services and development project for Woodspin and development collaborations with Spinnova's brand partners. Spinnova recognises expenses at cost.

EUR (thousand)	1-12/2024	1-12/2023
Raw materials and consumables	-55	-6 495
External services	-1	-3 354
<b>Total materials and services</b>	<b>-56</b>	<b>-9 849</b>

#### Personnel expenses

During the reporting period the Company's average number of permanent personnel was 68 employees (77). The total number of employees at the end of 2024 was 60 (81) including three fixed term employees. 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.

EUR (thousand)	1-12/2024	1-12/2023
Wages and salaries	-6 180	-6 718
Social security expenses		
Pension expenses	-972	-1 113
Other social security expenses	-174	-404
<b>Total personnel expenses</b>	<b>-7 326</b>	<b>-8 236</b>

### Management remuneration

In 2024, on 14. March 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. There have been no other material changes to the remuneration of the members of the Management Team and the CEO in 2024. There have been no other material changes to the remuneration of the members of the Management Team and the CEO in 2024.

EUR (thousand)	1-12/2024	1-12/2023
CEO	421	339
Management team	1 569	1 260
Board of Directors	429	393
<b>Total*</b>	<b>2 419</b>	<b>1 992</b>

\*The management remuneration table includes the annual salaries and benefits of the management, including statutory pension fees. The table also includes board fees and other related employment-based compensation for the Chair of the Board. More details and information can be found in the remuneration report.

### Management pension obligations

The Company offers the statutory pension cover to the management, which has been covered with a pension insurance with defined contributions (TyEL).

### Depreciation, amortisation, and impairment losses

EUR (thousand)	1-12/2024	1-12/2023
Development expenses	-1 247	-1 214
Intangible rights	-128	-94
Machinery and equipment	-165	-57
<b>Total depreciation and amortisation</b>	<b>-1 539</b>	<b>-1 366</b>

### Other operating expenses

EUR (thousand)	1-12/2024	1-12/2023
Other personnel costs	-187	-257
Premises and equipment	-2 897	-3 155
Corporate and administrative expenses	-1 447	-2 334
Research and developments expenses	-1 992	-433
Other expenses *	-509	-527
<b>Total other operating expenses</b>	<b>-7 032</b>	<b>-6 706</b>

\* Other expenses include among other vehicle and travelling expenses.

### Auditor's fees

EUR (thousand)	1-12/2024	1-12/2023
Auditor's fees	92	64
Tax services	18	21
Other services*	0	91
<b>Total audit fees</b>	<b>110</b>	<b>176</b>

\* In 2024, there were no other services. In 2023, other services include the audit costs of IFRS conversion and Business Finland project.

### Financial income and expenses

The increase in financial income was largely due to the proceeds from the sale of financial securities and the positive development of money markets compared to the year 2023. The financial costs in 2024 mainly consisted of interest expenses on loans.

EUR (thousand)	1-12/2024	1-12/2023
Financial income	26	168
Interest expenses	-79	-142
Securities at fair value and proceeds from the sale of securities	155	237
Other expenses	-4	-97
<b>Total financial income and expenses</b>	<b>98</b>	<b>165</b>

## Changes in intangible and tangible assets

EUR (thousand)	Development expenses <sup>1</sup>	Intangible rights	Machinery and equipment	Assets under construction	Total
<b>2024</b>					
Acquisition cost in the beginning of the period	12 342	1 508	747	1 604	16 201
Transfers from assets under construction		0	1 616	-1 616	0
Additions		215	37	12	263
<b>Acquisition cost at the end of the period</b>	<b>12 342</b>	<b>1 723</b>	<b>2 400</b>	<b>0</b>	<b>16 465</b>
Accumulated amortisation and impairment losses in the beginning of the period	-3 506	-514	- 394		-4 414
Amortisation according to plan	-1 247	- 128	- 165		-1 539
<b>Accumulated amortisation and impairment losses at the end of the period</b>	<b>-4 753</b>	<b>- 642</b>	<b>- 558</b>		<b>-5 953</b>
<b>Book value at the end of the period</b>	<b>7 590</b>	<b>1 081</b>	<b>1 841</b>	<b>0</b>	<b>10 512</b>
<b>2023</b>					
Acquisition cost in the beginning of the period	12 427	1 183	496	1 432	15 538
Transfers from assets under construction	-85	325		-604	-364
Additions	0		252	776	1 027
<b>Acquisition cost at the end of the period</b>	<b>12 342</b>	<b>1 508</b>	<b>747</b>	<b>1 604</b>	<b>16 201</b>
Accumulated amortisation and impairment losses in the beginning of the period	-2 291	-420	-337		-3 048
Amortisation according to plan	-1 214	-94	-57		-1 366
<b>Accumulated amortisation and impairment losses at the end of the period</b>	<b>-3 506</b>	<b>-514</b>	<b>-394</b>		<b>-4 414</b>
<b>Book value at the end of the period</b>	<b>8 837</b>	<b>993</b>	<b>354</b>	<b>1 604</b>	<b>11 788</b>

<sup>1</sup> Capitalised development expenses are related to the development and optimisation of the company's spinning technology. The expenses consist of materials, supplies and external services. Additions during 2023 also include the capitalization of the company's own personnel expenses under development costs.



## Investments

EUR (thousand)	Shares in subsidiaries 2024	Shares in subsidiaries 2023
Net book value on 1 January	22 300	14 000
Additions	5 520	8 300
<b>Net book value on 31 December</b>	<b>27 820</b>	<b>22 300</b>
<b>Book value on 31 December</b>	<b>27 820</b>	<b>22 300</b>

EUR (thousand)	Shares in associated companies 2024	Shares in associated companies 2023
Net book value on 1 January	2	2
Additions	0	0
<b>Net book value on 31 December</b>	<b>2</b>	<b>2</b>
<b>Book value on 31 December</b>	<b>2</b>	<b>2</b>

## Other current receivables

EUR (thousand)	31.12.2024	31.12.2023
Other current receivables	708	257
<b>Total other current receivables</b>	<b>708</b>	<b>257</b>

Other current receivables consist of mainly value added tax receivables.

## Parent Company Statement of changes in equity

EUR (thousand)	1-12/2024	1-12/2023
Share capital in the beginning of the period	80	80
<b>Share capital at the end of the period</b>	<b>80</b>	<b>80</b>
<b>Total restricted equity</b>	<b>80</b>	<b>80</b>
Reserve for invested unrestricted equity in the beginning of the period	141 507	139 865
Directed share issue	76	1 641
<b>Reserve for invested unrestricted equity at the end of the period</b>	<b>141 583</b>	<b>141 507</b>
Retained earnings (loss) in the beginning of the period	-53 541	-38 913
Result for the period	-13 984	-14 627
<b>Retained earnings (loss) at the end of the period</b>	<b>-67 524</b>	<b>-53 541</b>
<b>Total unrestricted equity</b>	<b>74 059</b>	<b>87 966</b>
<b>Total equity</b>	<b>74 139</b>	<b>88 046</b>

## Distributable unrestricted equity

EUR (thousand)	31.12.2024	31.12.2023
Retained earnings	-53 541	-38 913
Profit (loss) of the period	-13 984	-14 627
Reserve for invested unrestricted equity	141 583	141 507
Capitalised development expenses	-7 590	-8 837
<b>Total distributable unrestricted equity</b>	<b>66 469</b>	<b>79 129</b>

## Loan Maturity

31.12.2024 EUR (thousand)	<1 year	1-2 years	2-5 years	> 5 years
Loans from financial institutions	526	526	2 853	1 200

## Material items included in prepayments and accrued income as well as accruals and deferred income

Individual items included in prepayments and accrued income are typical year-end related accrued invoices and reporting period's accrued portion of the Business Finland grant.

Accruals and deferred income consist of typical year-end related accrued items such as personnel expenses and social security expenses.

At the time of closing the accounts, the holiday pay expenses include the holiday pay liability in the amount of the unused vacation days of the current and previous financial periods. The company's vacation pay debt recording policy has been changed in 2022 to comply with the vacation day calculation in accordance with the vacation determination period.

EUR (thousand)	31.12.2024	31.12.2023
<b>Prepayments and accrued income</b>		
Accruals of payments	39	17
Accruals of grants	486	708
<b>Total prepayments and accrued income</b>	<b>525</b>	<b>725</b>
<b>Accruals and deferred income</b>		
Accrued salaries	462	317
Accrued vacation salaries	882	1 091
Pension insurance payments	95	117
Social security payments of the employer	22	49
Other accruals and deferred income	26	26
<b>Total accruals and deferred income</b>	<b>1 487</b>	<b>1 600</b>

## Deferred taxes

According to a principle of prudence, the Company has not recognised deferred tax assets from tax losses carried forward.

EUR (thousand)	31.12.2024	31.12.2023
Tax losses carried forward from previous years	53 614	38 752
Tax loss carried forward from the period	13 982 <sup>1</sup>	14 862
<b>Tax losses carried forward total</b>	<b>67 597</b>	<b>53 614</b>

<sup>1</sup> The loss for the period of 2024 is yet not approved by the tax authorities.

## 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 consist of consulting services with a company controlled by former board member Harri Sundvik and consulting service payments to board member Jari Vähäpesola. Sales to related parties and receivables consists of sales to Spinnova's related party company, Suzano Finland Oy.

## Transactions with related parties

EUR (thousand)	31.12.2024	31.12.2023
Sales to related parties	38	99
Purchases from related parties	26	45
Receivables	15	5
Liabilities	0	0

The sales to and purchases from related parties are carried out on usual commercial terms.

## Shares owned by the key management

Key management of the company owns directly or through other companies total of 8 753 thousand shares of Spinnova on 31 December 2024.

## Transactions with Joint Ventures

The technology delivery related invoicing for the first commercial Woodspin factory started in May 2021 and continued throughout 2022 and 2023. In addition to technology delivery, Spinnova sold sales and production ramp-up related services to Woodspin during 2023. During 2024, Spinnova sold materials and services primarily related to production ramp-up to Woodspin, as well as general administrative services. Correspondingly, Spinnova purchased test run services related to research and development from Woodspin. Additionally, during the financial year and the comparative period, Spinnova has paid Woodspin for rents and purchased general property-related services, such as cleaning, maintenance, and maintenance services.

In May 2021, the company invoiced the first milestone related to the Respin proof of concept technology delivery project, and the second and third milestones were invoiced in December 2022.

The fourth and at the same time final milestone was invoiced in September 2023. During the 4th quarter of 2023 Spinnova sold development work to Respin. The sale of development services continued throughout the financial year 2024. Additionally, during the financial year 2024, Spinnova has passed through Respin for rents and general property-related services, such as cleaning, maintenance, and maintenance services.

During the reporting period Spinnova invested EUR 5 300 thousand into Woodspin and 220 thousand into Respin.

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

### Transactions with Woodspin

EUR (thousand)	31.12.2024	31.12.2023
Sales to related parties	246	9 867
Purchases from related parties	2 025	548
Trade receivables	33	2 006
Trade payables	2 073	457
Investments made to joint ventures	5 300	8 050

### Transactions with Respin

EUR (thousand)	31.12.2024	31.12.2023
Sales to related parties	414	467
Purchases from related parties	0	0
Trade receivables	371	228
Trade payables	0	0
Investments made to joint ventures	220	250

### Guarantees and contingent liabilities

EUR (thousand)	31.12.2024	31.12.2023
<b>Guarantees and pledges given</b>		
Loan secured by a corporate mortgage	0	750
Corporate mortgage	0	10 000
Absolute guarantee for Woodspin's premises lease agreement	418	418
<b>Off-balance sheet financial commitments</b>		
Rental liabilities <sup>1</sup>		
Maturing in less than 12 months	759	857
Maturing in more than 12 months	108	280
Leasing liabilities*		
Maturing in less than 12 months	142	213
Maturing in more than 12 months	69	190
<b>Total rental and leasing liabilities</b>	<b>1 078</b>	<b>1 540</b>

<sup>1</sup> Rental and leasing liabilities are presented with VAT included.

# Appendix

## 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 + investments)	Net debt is an indicator to measure the external debt financing of the company.
Net cash	Cash and cash equivalents – 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

# Signatures to the Board of Directors' Report and the Financial Statements

## Spinnova Oyj

**Poranen Janne**

Chairman of the Board

**Hanna Liiri**

Member of the Board

**Vesa Silaskivi**

Member of the Board

**Jari Vähäpesola**

Member of the Board

**Petri Kalliokoski**

Member of the Board

**Ramundo Julio**

Member of the Board

**Sebastian Vinsten**

Member of the Board

**Oijala Tuomas**

CEO

Jyväskylä 13 February 2025

# The Auditor's Note

Our auditor's report has been issued today.

Helsinki, 13 February 2025

**PricewaterhouseCoopers Oy**

Authorised Public Accountant Firm

**Jukka Torkkeli**

Authorised Public Accountant



# Auditor's Report

# Auditor's Report (Translation of the Finnish Original)

To the Annual General Meeting of Spinnova Plc

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

In our opinion

- the consolidated financial statements give a true and fair view of the group's financial position, financial performance and cash flows in accordance with IFRS Accounting Standards as adopted by the EU
- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

### What we have audited

We have audited the financial statements of Spinnova Plc (business identity code 2653299-6) for the year ended 31 December, 2024. The financial statements comprise:

- Group Consolidated Statement of Profit and Loss and Other Comprehensive Income, the Group Consolidated Statement of

Financial Position, Group Consolidated Statement of Changes in Equity, Group Consolidated Statement of Cash Flows and notes, which include material accounting policy information and other explanatory information

- the parent company's balance sheet, income statement, cash flow statement and notes.

### Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent

company or the group or to cease operations, or there is no realistic alternative but to do so.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to



those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue

as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## OTHER REPORTING REQUIREMENTS

### Other Information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Governance, Remuneration and Financial Statements 2024-report, but does not include the financial statements or our auditor's report thereon.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to the report of the Board of Directors, our responsibility also includes considering whether the report of the Board

of Directors has been prepared in compliance with the applicable provisions.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in compliance with the applicable provisions.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Helsinki 13 February 2025

**PricewaterhouseCoopers Oy**  
Authorised Public Accountants

Jukka Torkkeli  
Authorised Public Accountant (KHT)

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