



Inside information: Reka Industrial Plc sells its subsidiary Reka Cables Ltd to Nexans Group

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Reka Industrial Plc ("Reka Industrial") has signed an agreement with Nexans Group ("Nexans") regarding the sale of all outstanding shares in Reka Industrial's wholly owned subsidiary Reka Cables Ltd ("Reka Cables"). Reka Cables operates the cable business of Reka Industrial. Nexans is one of the leading suppliers in cable technologies and services.

Purchase price of the shares is EUR 53 million which will be paid in cash. According to the Finnish Accounting Standards the net debt of Reka Cables at the end of September 2022 was EUR 6.5 million.

The transaction is conditional to the approval of the Extraordinary General Meeting of Reka Industrial and approvals by the competent regulatory authorities. The completion of the transaction is expected to take place during the first half of 2023. Reka Oy, representing in aggregate 65.36 percent of voting rights in Reka Industrial, has irrevocably undertaken to vote in favor of the corporate sale.

Reka Industrial acquired Reka Cables in 2007 and has developed it with a long-term strategy. The turnover of Reka Cables has grown from EUR 80 million to over EUR 160 million during this period.

After receiving the purchase offer from Nexans, Reka Industrial's Board of Directors has diligently evaluated various options regarding the future of Reka Cables. As outcome of the evaluation, the Board of Directors has concluded that the proposed transaction is in the best interest of Reka Industrial and its shareholders. As a part of the Nexans group, Reka Cables has the opportunity to further develop and grow as well as invest even better in renewable energy solutions.

Nexans is headquartered in Paris, France and operates in 42 countries employing approximately 25,000 people. Nexans' turnover in 2021 was EUR 6.1 billion¹. Prior to the completion of the transaction, Nexans has had no production in Finland.

Reka Industrial's cable business shall end upon the completion of the transaction. The rubber business of Reka Industrial shall continue as a part of Reka Industrial's business. The Board of Directors begins strategy assessment work of Reka Industrial immediately.

Reka Cables is the largest Finnish-owned cable manufacturer, which has been at the forefront of the cable industry for more than 60 years. Reka Cables provides durable, high-standard cable solutions for renewable energy production, network construction, industry as well residential and office construction. Reka Cables has round 270 employees and the turnover in 2021 was EUR 134 million.

Markku E. Rentto, Chairman of the Board of Directors: *"This is the beginning of a new era for Reka Industrial and the strategy work will start immediately. Reka Industrial acquired Reka Rubber in 2020, when the annual turnover of Reka Rubber was around EUR 20 million. Now the annual turnover of Reka Rubber is around EUR 30 million and the market outlook creates good preconditions to achieve the next turnover class."*

Christopher Guérin, Nexans CEO: *"With a deep commitment to energy transition and carbon neutrality, a focus on fire safety for Usages and medium voltage cables for utility networks and wind energy, Reka Cables is fully aligned with the Group's strategic ambition to become a Pure Electrification Player committed to contribute to carbon neutrality by 2030. Reka Cables will further contribute to Nexans ability to serve our Nordics customers with high quality and safe cables in the region. I am convinced that this project will benefit both Reka Cables and Nexans teams, with synergies and development opportunities ahead of them."*

¹ At standard metal prices

Reka Industrial Plc
The Board of Directors

Additional information:

Jukka Poutanen, Managing Director, tel. +358 40 833 9007
Markku E. Rentto, Chairman of the Board of Directors, tel. +358 40 500 1858

About Reka Industrial Plc

Reka Industrial is involved in the transition of both the energy and transport industries. As an industrial family company, we are committed to developing the performance and sustainability of the companies we own. The market is growing and we along with it. Reka Industrial class B shares are listed on the Nasdaq Helsinki Ltd.

www.rekaindustrial.fi/en

Contacts

- Jukka Poutanen, Managing Director, +358 40 833 9007, jukka.poutanen@reka.fi
- Markku E. Rentto, Chairman of the Board, +358 40 500 1858, markku.e.rentto@reka.fi

Attachments

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