

Interim Report

January – September 2025

Reka Industrial Plc



Reka Industrial Plc: Volumes increased and profitability improved

JULY–SEPTEMBER 2025

- The Rubber segment's turnover was EUR 7.4 (6.0) million
- The Rubber segment's EBITDA was EUR 0.9 (0.5) million
- The Group's turnover was EUR 7.4 (6.0) million
- The Group's EBITDA was EUR 0.7 (0.2) million

JANUARY–SEPTEMBER 2025

- The Rubber segment's turnover was EUR 23.8 (20.7) million
- The Rubber segment's EBITDA was EUR 2.9 (0.8) million
- The Group's turnover was EUR 23.8 (20.7) million
- The Group's EBITDA was EUR 2.1 (0.1) million
- The Group's result for the period was EUR 1.2 (0.0) million
- The Group's cash and cash equivalents were EUR 29.5 million
- The Group's financial assets are invested in low-risk instruments

Reka Industrial's industrial business consists of Reka Rubber, which is one of the leading manufacturers of industrial rubber products in Northern Europe.

The interim report is unaudited. Figures in brackets refer to the same period a year earlier, unless otherwise stated.

PRESIDENT AND CEO SARI TULANDER:

Reka Rubber's business volume and profitability continued to develop well in the third quarter of the year. At the beginning of the year, some of our customers reported an increase in volumes, but with the spring the US announcement of tariffs slightly changed the customers' needs. Many customers have increased their volumes, but for some they have remained at or below last year's level.

In the third quarter of the year, Reka Rubber's turnover increased 23 per cent and was EUR 7.4 (6.0) million. EBITDA strengthened to EUR 0.9 (0.5) million. Volumes

in the third quarter were affected by the holiday season, when customers' factories were closed. In January–September 2025, turnover was EUR 23.8 (20.7) million and EBITDA increased to EUR 2.9 (0.8) million.

In the third quarter, Reka Rubber arranged its financing and repaid its loan to Reka Industrial Plc. At the end of September 2025, the Group's cash and cash equivalents and other financial assets amounted to EUR 29.5 million, compared to EUR 25.9 million at the end of June. The financial assets are mainly invested in low-risk instruments.

Over the past year, we have increased our investments in sales and sales management. To ensure profitability, we continuously strive to take cost increases into account in selling prices as quickly as possible. In addition, we focus on improving productivity and cost efficiency as well as strengthening the conditions for future growth by developing our product offering and production technology.

Our production capacity is also increasing in both hose and molded products. The new extrusion line, ordered to increase the volume of black hose products in the Poland's Dopiewo factory has been commissioned at the end of September and the first production runs will be carried out at the end of the year. To improve the productivity and efficiency of the manufacturing of molded products, two medium-sized injection presses have been ordered, and the delivery is expected to take place still this year. The energy efficiency project at the Aura factory, launched in early 2025, is also progressing as planned, and the power-to-heat thermal storage solution will be put into operation early next year. The investment will improve the energy efficiency of the Aura factory and, as a result, the energy used in the steam-powered production processes will be converted to CO₂-free. The energy used in other production processes at the Aura factory has already been CO₂-free in the past.

With its strategy, Reka Industrial aims to increase shareholder value through M&A arrangements. We have a strong background in industrial manufacturing and international operations, complemented by our entrepreneurial approach. Based on these strengths, we identify and evaluate new opportunities and further develop our operations.

We estimate our turnover will exceed last year's level also in the rest of the year, and EBITDA will be higher than in the previous year.

MAJOR EVENTS DURING THE FINANCIAL PERIOD

On January 8, 2025, the company published a notice to the Extraordinary General Meeting, which was held on January 30, 2025. The Extraordinary General Meeting confirmed the number of the members in the new board as four and elected Markku Rentto as chairperson, Riitta Mynttinen as deputy chairperson, and Matti Copeland and Riku Kytömäki as members of the Board.

In February 2025, Reka Industrial's subsidiary Reka Rubber Ltd launched an energy project to improve the energy efficiency of the Aura factory and convert the energy used in steam-powered production processes into CO2-free energy. The energy used in other production processes at the Aura factory has already been CO2-free in the past.

The power-to-heat thermal storage solution will enable Reka Rubber to eliminate oil from its production processes at the Aura factory, and the thermal storage will also serve as the factory's primary source of heating energy. After commissioning, it will be determined whether other forms of energy are needed in addition to the thermal storage (5 MWh storage capacity) selected for heating the buildings.

The total investment in the energy project is approximately EUR 1.35 million, and Business Finland has granted the project a 20 per cent energy subsidy. In addition to the thermal storage, the investment includes, among other things, the construction of foundations for the thermal storage, the renewal of the steam pipeline, the update of the control system, and the introduction of the necessary connections to the power-to-heat thermal storage building. The preparations will start this year, and the new thermal storage will be commissioned early next year.

To support the growth of molded products, Reka Rubber has ordered two new medium-sized injection molding machines. The equipment will be delivered in late 2025.

In September, Reka Rubber arranged its financing and replaced its loan from Reka Industrial Plc with external bank financing.

KEY FIGURES

	1-9/2025	1-9/2024	1-12/2024
Turnover, EUR million	23.8	20.7	27.2
EBITDA, EUR million	2.1	0.1	0.4
Operating profit, %	4.7	-4.0	-3.2
Result for the period, EUR million	1.2	0.0	0.4
Earnings per share	0.20	0.01	0.07
Net cash provided by operating activities, EUR million	1.3	-0.1	0.9
IAS 19 corrected ROI, %	5.9	2.0	2.6
IAS 19 corrected equity ratio, %	68.2	75.0	73.4

Reka Industrial presents alternative key figures so that the effects of IAS 19 recognition of defined benefit pension liabilities are eliminated from the result and balance sheet items of the key figures.

The entries of the IAS 19 defined benefit plan in the income statement are presented below the operating result as a separate item. In this way, the development of Reka Industrial's operational business can be better monitored.

TURNOVER AND OPERATING RESULT

In January – September, the Group's turnover was EUR 23.8 million (EUR 20.7 million). EBITDA was EUR 2.1 million (EUR 0.1 million) and operating result was EUR 1.1 million (EUR -0.8 million). The result for the review period was EUR 1.2 million (EUR 0.0 million).

BALANCE SHEET AND FINANCING

The balance sheet total at the end of the review period was EUR 65.6 million. On 31 December 2024 the balance sheet total was EUR 59.3 million.

At the end of the review period, the Group's cash and cash equivalents totalled at EUR 29.5 million (EUR 26.4 million on 31 December 2024). Cash equivalents are invested mainly in low-risk instruments and short-term deposits.

At the end of the review period, the Group's interest-bearing liabilities were EUR 9.7 million (EUR 6.3 million on 31 December 2024), of which other than finance lease liabilities were EUR 4.8 million (EUR 1.0 million on 31 December 2024).

SUSTAINABILITY

Reka Industrial promotes sustainability in the development of its business and daily work. The aims of the sustainability work have been formed according to the UN Global Compact initiative, and Reka Industrial has chosen five of 17 goals in the initiative that are most important to its business.

Reka Industrial's goal is to take into account the needs and wishes of all its stakeholders and actively promote sustainable development according to these needs. The company invests in its personnel's working conditions and develops the competence of its personnel. The company is a long-term responsible business partner to its customers and representatives of its supply chain. Reka Industrial follows highly ethical rules, which it also requires from its business partners.

Reka Rubber promotes common goals with Reka Industrial and is also involved in the chemical industry's Responsible Care programme, the key themes of which are the sustainable use of natural resources and the sustainability of production and products. Reka Rubber is committed to the EcoVadis system, which is an independent and international sustainability assessment system. EcoVadis reviews company's labour practices, ethics, environmental responsibility, and sustainable supply chain. The sustainability work is also supported by an ISO 14001 certified environmental management system and an ISO 9001 certified quality management system. Reka Rubber holds the required environmental permits.

For Reka Rubber, climate action means reducing emissions and improving energy efficiency. At the same time, the aim is to influence factors affecting air quality. Reka Rubber has calculated the carbon footprint of its own operations, which it strives to reduce by consuming emission-free electricity and improving energy efficiency of its

own operations. Both Reka Rubber's factories use CO2-free electricity. In February 2025, Reka Rubber launched an energy project to improve the energy efficiency of the Aura factory and convert the energy used in steam-powered production processes to CO2-free. The energy used in other production processes at the Aura factory has already been CO2-free. Solar panels have been installed at the factory in Aura and at both factories, the lightning is gradually replaced by LED lights.

The essential factor is also the rubber raw material, its efficient use and production waste. The Rubber segment strives to reduce the amount of rubber waste in proportion to production tonnes through material selection, process development and technical supports and enhancing the utilization of waste.

SEGMENTS

Reka Industrial's industrial business consists of Reka Rubber Ltd's business and there is one segment, the Rubber segment.

Rubber segment

In January-September 2025, the Rubber segment's turnover was EUR 23.8 million (EUR 20.7 million). EBITDA was EUR 2.9 million (EUR 0.8 million). For some customers, volumes have been clearly higher than last year. The effects of tariffs are being analyzed based on updated information and changes in market demand.

Rubber segment's key figures

	7-9/2025	7-9/2024	1-9/2025	1-9/2024	1-12/2024
Turnover, EUR million	7.4	6.0	23.8	20.7	27.2
EBITDA, EUR million	0.9	0.5	2.9	0.8	1.4

The new extrusion line ordered to increase the volume of black hose products and costing approximately EUR 1.3 million, was commissioned at the end of September. During the rest of the year, training will be provided for line operation and the first production runs will be carried out. With the investment, the manufacturing capacity of shaped hoses increased. The power-to-heat thermal storage solution ordered at the beginning of the year 2025 will be delivered in 2026. The power-to-heat thermal

storage solution reduces CO2 emissions of Reka Rubber's processes by an estimated 500.000 kg annually. According to current information, the two medium-sized injection presses ordered to improve the productivity and efficiency of the manufacturing of molded products and to increase the production capacity will be delivered still this year.

PERSONNEL

In January-September the Group employed an average of 272 (291) people.

RISKS AND UNCERTAINTY FACTORS

The financial situation in the euro area and political uncertainties may have an effect on the purchase amounts and the launch of new projects of Rubber segment's customers. The increase in the price and availability of energy may directly and indirectly affect the market.

Financial risks and the related protection measures are described in more detail in the notes to the Financial Statements 2024. The company's future risk factors are related to the investment activities and the development of its industrial business segment.

The Reka Industrial Group belongs to the Reka Pension Fund for the companies located in Finland. According to current legislation, the pension fund must have at least 150 employed members. Reka Cables Ltd, previously part of the group, was transferred out of the Reka Pension Fund at the end of March 2025. After the transfer of Reka Cables Ltd out of Reka Pension Fund, Reka Pension Fund was left with less than 150 employed members.

If the number of working members of the Reka Pension Fund does not increase above 150 over the next two years, the pension fund may be dissolved in 2028. The deadline can be postponed by one year if the authority approves it. If the Reka Pension Fund is dissolved, the IAS 19 accounting for the pension fund (IAS 19 pension receivable EUR 6.5 million on September 30, 2025) will cease and the guaranteed

capital investments (EUR 8.0 million) in the Reka Rubber sub-group may suffer an investment loss to the extent that the investment is not recovered. The Board of Directors of the Group and the parent company and Reka Pension Fund believe that the number of members will increase, and the required limit of 150 employees will be met.

MAJOR EVENTS AFTER THE REVIEW PERIOD

To further reduce its carbon footprint, the company has decided to implement in the Aura factory a heat recovery solution which reduces Reka Rubber's CO2 emissions by an estimated 52.600 kg annually.

NEAR-TERM OUTLOOK

In 2025, turnover is expected to increase, and EBITDA is expected to be better than in the previous year.

The Rubber segment continues to improve productivity and profitability, while creating more conditions for future growth. Investments will be continued for long-term growth, which is supported by investments in new capacity and production technology that has lower emissions and consumes fewer natural resources.

The company's financial assets are mainly invested in low-risk instruments and short-term deposits. The company continues to explore potential M&A arrangements.

In Hyvinkää 23 October 2025

Reka Industrial Plc
Board of Directors

Further information: Sari Tulander, President and CEO, tel. +358 44 044 1015

NOTICE

All comments in this report that do not refer to actual facts are future estimates. Such estimates include expectations concerning market trends, growth and profitability as well as statements including the words "believe", "assume" or "will be" or a similar expression. Since these estimates are based on current plans and estimates, they involve risks and uncertainty factors that may cause the actual results to differ substantially from current statements. Among other things, such factors include 1) operating conditions, such as continued success in production and the ensuing efficiency benefits, availability and cost of production inputs, demand for new products and changes in circumstances affecting the acquisition of capital under acceptable conditions; 2) sector-specific circumstances, such as the intensity of demand for products, the competition, current and future market prices for the Group's products and related pricing pressures, the financial situation of the Group's customers and competitors and competitors' possible new products; and 3) the general economic situation, such as economic growth in the Group's main market areas and change in exchange rates and interest rate.





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