REKA INDUSTRIAL

Financial Statements and Board of Directors' Report

1/1-31/12/2024

Reka Industrial Group

Contents

Board of Directors' report

The Reka Industrial Group's turnover in 2024 was EUR 27.2 million (91.6).The result for the financial period was EUR 0.4 million (34.5). EBITDA was EUR 0.4 million (37.6) and the operating profit was EUR -0.9 million (36.3). Reka Cables is included in the comparison year's financial figures of Reka Industrial Group until April 2023 and also the EUR 31.0 million sales profit of the corporate sale of Reka Cables.

During Reka Industrial's strategy process funds received from the corporate sale of Reka Cables are mainly invested in low-risk investments and short-term deposits.

On 31 December 2024 Group's cash and cash equivalents were in total EUR 26.4 million. The Board of Director's proposal is to pay a dividend of EUR 0.07 per share. The proposal is based on company's financial situation and future strategic investments.

MAJOR EVENTS DURING THE FINANCIAL PERIOD

The goal of Reka Industrial Plc is to carry out a strategic path, whereby the company can grow its turnover to become a medium-sized listed company within next five years. Reka Industrial has strong expertise in industrial manufacturing and international operations. The sale of Reka Cables realized in spring 2023 created an opportunity to develop the business of Reka Industrial from a new perspective based on strong ownership and entrepreneurial activity. The Board of Directors of Reka Industrial Plc drew up a set of criteria for the next stages of the strategy work and choose in May Sisu Partners as the financial advisor.

Reka Industrial changed the managing director of its subsidiary Reka Rubber Ltd. Reka Industrial's President and CEO Sari Tulander has been the managing director of Reka Rubber Ltd. since 11 June 2024.

GROUP'S KEY FIGURES

	2024	2023	2022
Turnover, EUR million	27.2	91.6	202.9
EBITDA, EUR million	0.4	37.6	15.2
Operating profit, %	-3.2	39.7	5.0
Result for the period, EUR million	0.4	34.5	9.0
Earnings per share	0.07	5.77	1.50
IAS 19 corrected ROI, %	2.6	64.5	23.5
IAS 19 corrected Return on Equity, %	0.9	76.8	32.3
IAS 19 corrected Gearing, %	-51.0	-62.2	125.2
IAS 19 corrected Equity ratio, %	73.4	80.4	22.8
Gross investment, EUR million	1.6	1.6	5.8

The turnover and result of Reka Cables for January – April 2023 and the EUR 31.0 million sales profit of the corporate sale of Reka Cables are included in the year 2023 financial figures of Reka Industrial Group. In the figures for the comparison year 2022, Reka Cables is included for the entire accounting periods.

The Reka Industrial Group (Reka Industrial) uses alternative key figures in its financial reporting in accordance with the guidelines of the European Securities and Markets Authority (ESMA).

According to Reka Industrial's interpretation, alternative key figures in accordance with ESMA's guidelines include EBITDA, Operating profit, IAS 19 corrected Return on Equity (ROE), IAS 19 corrected Gearing, IAS 19 corrected

Equity ratio, IAS 19 corrected Return on Investment (ROI) and Gross Investments.

Reka Industrial publishes key figures without IAS 19 defined benefit pension liabilities, because changes in the discount rate affect IAS 19 figures.

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 before the share of the result of associated companies. In this way, the development of Reka Industrial's operational business can be better monitored.

Calculation of key financial indicators:

IAS 19 corrected Return on equity (ROE), %

$$\frac{\text{IAS 19 corrected result for the period}}{\text{Shareholders' equity excluding effects of IAS 19 bookings (average)}}$$

IAS 19 corrected Equity ratio, %

$$\frac{\text{Shareholders' equity + non-controlling interest excluding effects of IAS 19 bookings}}{\text{Balance sheet total – advances received excluding effects of IAS 19 bookings}}$$

IAS 19 corrected Gearing, %

$$\frac{\text{Interest-bearing liabilities – cash and cash equivalents, liquid financial and investment securities}}{\text{Shareholders' equity + non-controlling interest excluding effects of IAS 19 bookings}}$$

IAS 19 corrected Return on investment (ROI), %

$$\frac{\text{IAS 19 corrected result before taxes + interest and other financial expenses}}{\text{[Balance sheet total – obligatory provisions and non-interest-bearing liabilities excluding effects of IAS 19 bookings (average)]}}$$

Operating profit

The net amount formed when from the net sales are deducted the purchase costs adjusted by the change in the stocks of non-finished and finished goods as well as expenses for production for personal use. Also deducted from the net sales are expenses arising from employee benefits without IAS 19 defined benefit pension arrangements related items, depreciation, amortization and any impairment losses. Other operating incomes and expenses are also taken into account.

Gross investments

New investments made to tangible and intangible assets and Right-of-Use assets.

EBITDA

The net amount that is formed when depreciation and any impairment losses are added to the operating profit.

Reconciliation of IAS 19 adjusted Alternative Performance Measures to figures reported in Financial Statements:

EUR 1,000	2024	2023	2022
Result for the period in the Financial Statements	418	34,483	8,978
IAS 19 eliminations	1	215	-3,571
Result for the period in IAS 19 adjusted Performance Measures	419	34,699	5,407
IAS 19 effect on non-interest-bearing liabilities	0	0	0
IAS 19 effect on Shareholders' equity	3,623	2,962	1,880
IAS 19 effect on Balance sheet total	5,662	6,491	1,880
Shareholders' equity in Financial Statements	43,032	55,205	21,250
IAS 19 eliminations	-3,623	-2,962	-1,880
Shareholders' equity in IAS 19 adjusted Performance Measures	39,410	52,244	19,370
Balance sheet total in Financial Statements	59,331	71,555	87,094
IAS 19 eliminations	-5,662	-6,491	-1,880
Balance sheet total in IAS 19 adjusted Performance Measures	53,669	65,064	85,214

BALANCE SHEET AND FINANCING

The Balance sheet total at the end of the financial year was EUR 59.3 million. On 31 December 2023, the Balance sheet totalled EUR 71.6 million.

At the end of the financial year 2024 Group's cash and cash equivalents totalled EUR 26.4 million. The company distributed EUR 12.0 million in dividends from its cash resources in May 2024. Other cash equivalents are invested mainly in low-risk instruments and short-term deposits.

At the end of the financial year Group's interest-bearing liabilities were EUR 6.3 million (6.0), of which other than finance lease liabilities were EUR 1.0 million (0.7).

Some of the interest-bearing liabilities involve financial covenants. All covenants were fulfilled at the time of the financial statements. More information about the financial covenants is provided in the notes.

SUSTAINABILITY

Reka Industrial boosts sustainability in the development of its business and everyday work. The aims of the sustainability work are formed according to the UN Global Compact initiative and Reka Industrial has chosen five initiatives of 17 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 the sustainable development according to these needs. The company takes care of its personnel's working conditions and develops the competence of its personnel. The company is long-term responsible business partner to its customers and representatives of its delivery chain. Reka Industrial follows highly ethical rules, which it requires also from its business partners.

Reka Rubber promotes its shared goals with Reka Industrial and is part of the chemical industry's Responsible Care programme which key themes are sustainable use of natural resources and sustainability of production and products. Reka Rubber assesses its level of sustainability through the EcoVadis system which is an independent and international sustainability assessment system. Reka Rubber has achieved bronze level rating. 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 ISO 9001 certified quality management system. Reka Rubber has the required environmental permits.

For Reka Rubber, climate actions means reducing emissions and improving energy efficiency in the company's own operations. 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 CO_2 -free electricity. Solar panels have been installed at the factory in Aura and at both factories, the lightning is gradually replaced by LED lights.

An 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 2024, the Rubber segment's turnover was EUR 27.2 million (30.6). EBITDA was EUR 1.4 million (1.2). There has been a clear delay in transferring increased costs to customer prices. The reduced volume due to the market situation is also reflected in profitability. Efficiency improvement measures are already slightly visible in the second half of the year.

The Polish production unit concentrates on the manufacturing of silicone hoses and black hoses. In 2023, to increase the volume of black hoses, the Rubber segment ordered a new extrusion line costing approximately EUR 1.3 million for the production unit in Poland. The installation of the extrusion line will take place at the beginning of year 2025. The Rubber segment's other previously ordered production machines have either been installed at the end of the year 2024 or are currently in the commissioning phase. There are plans for small investments both in Finland an Poland to support growth and productivity.

GROUP STRUCTURE AND SHAREHOLDERS

Reka Industrial Corporation is the parent company of the Group, whose actual business company is Reka Rubber Ltd. Reka Industrial Plc is domiciled in Hyvinkää.

On 31 December 2024, Reka Industrial had 12,120 shareholders (10,405). The largest shareholder, Reka Ltd, held 50.2 percent (50.2) of the shares and 65.4 percent (65.4) of the votes. Reka Industrial Plc is therefore part of the Reka Group. Reka Ltd is domiciled in Juupajoki.

On 31 December 2024, the combined holding of the ten largest shareholders was 54.8 percent (58.6) of the shares and 68.6 percent (72.6) of the votes.

On 31 December 2024, the members of the Board, the Managing Director and CFO owned a total of 2,945,057 (3,280,994) Reka Industrial Plc's B shares directly and through their controlled entities. These represents 48.9 percent of the shares and 34.0 percent of the votes.

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 the customers in the Rubber segment. 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. The company's future risk factors are related to the investments activities and the development of its business segments.

According to current legislation Reka Pension fund needs to have at least 150 working members. Reka Cables Ltd, previous Group company, has announced to leave Reka Pension fund at the end of March 2025. After the departure of Reka Cables, Reka Pension fund has, according to the current view, less than 150 working members. If the number of working members of Reka Pension fund does not increase over 150 persons during the next 2 years, possibly with an additional 1 year if receiving official permit, may the pension fund be dissolved in 2028. If Reka Pension fund would be dissolved, the IAS 19 entries related to the pension fund will be removed (IAS 19 pension receivable EUR 5.7 million on December 31, 2024). The view of the Board of the Group and the parent company and Reka Pension fund is that the number of members will increase and the required limit of 150 working people will be met.

On December 31, 2024 Reka Rubber sub-group has a total of EUR 8.0 million guarantee capital investments in Reka Pension fund. If Reka Pension fund would be dissolved and at the time of dissolvement the pension fund's solvency will not be sufficient to repay the guarantee capital investments, an investment loss will arise to the extent that the investment could not be recovered. In the financial statements on December 31, 2024, an expense provision of EUR 2.3 million has been taken into account in case the development of Reka Pension fund's membership does not develop favorably and thus the guarantee capital investment would be subject to a write-down risk in 2028.

RESEARCH AND DEVELOPMENT

In 2024, the Group invested a total of EUR 0.6 million (EUR 0.9) in research and product development. In the comparison year EUR 0.5 million of the investments was allocated to the continuing operations and EUR 0.4 million to the discontinued operations. Investments have been taken into account as expenses.

PERSONNEL

In January-December 2024, the Group employed an average of 266 people (305). Including discontinued operations, the average number of employees in January-December was 266 (398 in 2023 and 573 in 2022).

The Group paid a total of EUR 8.2 million (13.3 million in 2023 and 21.0 million in 2022) in performance based salaries and fees in 2024.

ANNUAL GENERAL MEETING AND AUTHORISATIONS OF THE BOARD OF DIRECTORS

Reka Industrial's Annual General Meeting was held on 23 April 2024, in Hyvinkää.

The AGM approved the financial statements for the 2023 accounting period and granted the Company's Board and the Managing Director discharge from liability for the 2023 accounting period.

The AGM resolved, in accordance with the Board's proposal, that for the financial year 2023 a dividend of EUR 2.00 per share will be paid.

The AGM resolved, in accordance with the Board's proposal, that the Board of Directors is authorised to decide on an additional dividend of up to EUR 1.20 per share (up to a total of EUR 7.2 million) and on the date of record and payment date for the additional dividend. The authorisation is valid until the beginning of the next Annual General Meeting.

In accordance with the Board's proposal, the Annual General Meeting decided to approve the company's 2023 remuneration report. According to the Companies Act, the decision is advisory.

In accordance with the Board's proposal, the Annual General Meeting decided to approve the updated version of the Remuneration Policy for governing bodies. According to the Companies Act, the decision is advisory.

The AGM approved the proposed annual remuneration of EUR 25,000 for the members of the Board of Directors, EUR 50,000 for the chairperson of the Board and EUR 2,500 for the committee members. Voluntary pension insurance contributions are paid for the remuneration of the Board members. No separate meeting fees are paid. The AGM approved that the members of the Board are compensated for their travel expenses. The company does not have any committees at the moment.

The AGM resolved that the auditors' fees be paid as per invoice based on competitive bidding of accounting services.

The AGM approved, in accordance with the shareholders' proposal, that the number of members of the Board shall be four (4) and elected the following persons to the Board: Leena Saarinen, chairperson; Päivi Marttila, deputy chairperson and Eeva Raita and Markku E. Rentto as members of the Board. No deputy members were elected.

The AGM elected, in accordance with the shareholders' proposal, Authorized Public Accountants KPMG Ltd, with Authorized Public Accountant Jukka Rajala as responsible auditor, as the Company's auditor for a term that expires at the end of the Annual General Meeting of 2025.

The AGM authorized, in accordance with the Board of Director's proposal, the Board of Directors to decide on the acquisition of the Company's own shares with assets from the Company's unrestricted equity. The shares will be acquired through trading arranged by Nasdaq Helsinki in accordance with its rules, and the consideration to be paid for the shares to be acquired must be based on market price. The Company may acquire B class shares directly by a contractual trade, provided that the number of class B shares to be acquired via contractual trade is at least 15,000 and that the consideration to be paid for the shares is equal to the prevailing market price in Nasdaq Helsinki at the time of the acquisition. When carrying out acquisitions of the Company's own shares, derivatives, stock lending and other agreements customary to the capital markets may be entered into within the limits set by law and regulations.

The authorization entitles the Board of Directors to also decide on a directed acquisition in a proportion other than that of the shares held by the shareholders, provided the Company has a weighty reason for this as defined in the Finnish Companies Act.

The maximum number of class B shares to be acquired may not exceed a total of 588,076. The amount corresponds to approximately 9.77 per cent of all the shares in the Company and in total 10.0 per cent of the Company's class B shares.

The Board of Directors is entitled to decide on all other matters pertaining to acquiring of the Company's own shares.

The authorization is proposed to remain in force until the next Annual General Meeting, however not later than November 23, 2025. The authorization replaced the authorization given by the previous Annual General Meeting on May 24, 2023, to repurchase and pledge the company's own shares.

In accordance with the Board's proposal, the Annual General Meeting authorized the Board to decide on handover of own shares. The amount of shares to be handed over in total can be maximum 588,076 B shares, which corresponds to approximately 9.77 per cent of all the shares of the Company and in total 10.0 per cent of the Company's class B shares, depending on the situation on the date of the notice. The authorization entitles the Board of Directors to decide on all other conditions for the handover of shares, including the right to deviate from the shareholders' pre-emptive subscription right.

The authorization is valid until the next Annual General Meeting. The authorization replaces the authorization given by the previous Annual General Meeting on May 24, 2023, for the handover of own shares.

AUDIT COMMITTEE

The duties of the Audit Committee include monitoring the company's financial position, overseeing financial reporting, assessing the adequacy and appropriateness of internal control and risk management, assessing compliance with laws and regulations, and communicating with the auditor, and reviewing the auditor's reports. The Audit Committee reports to the Board. If no Audit Committee has been appointed, the functions are carried out by the Board of Directors. Since the AGM 2023 the Board has taken care of the duties of Reka Industrial's Audit Committee. In 2024 Audit Committee reviewed balance sheet values, development of Group structures and preparation of sustainability reporting. The management of internal audit measures focused on ensuring continuity and managing process and ICT risks.

CORPORATE GOVERNANCE STATEMENT

The Corporate Governance Statement of Reka Industrial Plc has been prepared in accordance with recommendation of the Finnish Corporate Governance Code. The statement has been issued separately from the annual report and will be published at the same time with the financial statements and the board of directors´ report. The report will be available on Reka Industrial´s website at www.rekaindustrial.fi. The Finnish Corporate Governance Code is available at www.cgfinland.fi.

SHARES AND SHARE CAPITAL

Reka Industrial Plc´s share capital is divided into A- and B-shares. Of the shares, 139,600 are Series A shares with 20 votes per share and 5,880,760 are Series B shares with one vote per share. The total share capital of all the company's shares at the end of 2024 was EUR 24,081,440 and the number of shares was 6,020,360. The total number of votes of the company's shares was 8,672,760, of which 2,792,000 were A shares and 5,880,760 were B shares.

On 31 December 2024 the total number of shares includes 37,150 B-shares held by Reka Industrial Plc. The holding presents 0.6 percent of the company´s share capital and 0.4 percent of the votes. The company held no A-shares. The Articles of Association do not contain redemption provisions. There are no shareholder agreements. Reka Industrial Plc´s B-shares (REKA) are listed on the NASDAQ Helsinki stock exchange.

Company shares	31/12/2024	31/12/2023	31/12/2022
Company share capital (EUR)	24,081,440	24,081,440	24,081,440
A-shares (20 votes per share)	139,600	139,600	139,600
B-shares (1 vote per share)	5,880,760	5,880,760	5,880,760
Total	6,020,360	6,020,360	6,020,360
B-shares held by the company	37,150	37,150	47,504

KEY FIGURES PER SHARE, SHARE PRICE AND TRADING VOLUME

A total of 2,663,141 (1,117,484 in 2023) of the company's B shares were traded on NASDAQ Helsinki Ltd, corresponding to 45.3 (19.0) percent of the number of shares and EUR 18.1 (7.2) million. The share price on December 31, 2024, was EUR 4.28 (6.40) and the average exchange rate for the financial year was EUR 6.80 (6.47). The lowest share price for the year was EUR 4.20 (5.64) and the highest was EUR 9.48 (7.68). The market value of the company's share capital on December 31, 2024, was EUR 26.0 million (December 31, 2023, EUR 38.3 million and December 31, 2022, EUR 34.1 million).

Key figures per share (A and B shares)	31/12/2024	31/12/2023	31/12/2022
Equity per share, EUR	7.19	9.23	3.56
Earnings per share (EPS), EUR	0.07	5.76	1.50
Dividend/share, EUR	0.07	2.00	0.20
Dividend/earnings, %	100.00%	34.73%	13.36%
Effective dividend yield, %	1.64%	31.25%	3.48%
Price/earnings (P/E)	61.14	1.11	3.80
Share performance, EUR			
- average share price	6.80	6.47	4.67
- lowest price	4.20	5.64	2.86
- highest price	9.48	7.68	6.24
- price at the end of the period	4.28	6.40	5.74

Key figures per share (A and B shares)	31/12/2024	31/12/2023	31/12/2022
Trading, number of shares	2,663,141	1,117,484	1,606,982
Trading, %	45.3 %	19.0 %	27.3 %
Adjusted weighted average number of shares during the period	6,020,360	6,020,360	6,020,360
A-shares	139,600	139,600	139,600
B-shares	5,880,760	5,880,760	5,880,760
Adjusted number of shares at the end of the period	6,020,360	6,020,360	6,020,360
A-shares	139,600	139,600	139,600
B-shares	5,880,760	5,880,760	5,880,760

Calculation of key financial indicators:

Earnings per share (EPS), EUR

Profit for the period attributable to equity holders of the parent

Numbers of shares adjusted for share issues (average)

Equity per share, EUR

Shareholders' equity – non-controlling interest

Number of shares adjusted for share issues at the end of the period

Dividend per share, EUR

Dividend for the period

Number of shares adjusted for share issues at the end of the period

Dividend per earnings, %

Dividend / share

Earnings / share

Effective dividend yield, %

Dividend / share

Share price adjusted for share issues at the end of the period

Price per earnings (P/E)

Share price adjusted for share issues at the end of the period

Earnings / share

Market capitalisation

(Number of B shares – own B shares) x share price at the end of the period + number of A shares x average share price

ACQUISITION AND TRANSFER OF THE COMPANY'S OWN SHARES

On 31 December 2024, the company held a total of 37,150 own B shares. Reka Industrial did not exercise its authorisation to acquire the company´s own shares.

Reka Industrial Plc has not used the authorisation to transfer treasury B-shares against or without payment.

DIVIDEND POLICY

Reka Industrial aims to distribute at least 30 percent of its net earnings as dividends.

SHAREHOLDERS

Reka Industrial Plc’s largest shareholders on December 31, 2024:

Shareholder	A-class shares	B-class shares	Shares total	Proportion of equity %	Proportion of votes %
Reka Oy	139,400	2,880,549	3,019,949	50.16	65.36
Sinkko Erkki		62,000	62,000	1.03	0.71
Rentto Markku		40,080	40,080	0.67	0.46
Reka Industrial Oyj		37,150	37,150	0.62	0.43
Danske Bank A/S Helsinki Branch		25,756	25,756	0.43	0.30
Käkelä Aulis		25,500	25,500	0.42	0.29
Skandinaviska Enskilda Banken AB		24,027	24,027	0.40	0.28
Therman Investment Trust Oy		22,959	22,959	0.38	0.26
Tikkanen Vesa		21,000	21,000	0.35	0.24
Kangas Timo		20,000	20,000	0.33	0.23
Other shareholders	200	2,721,739	2,721,939	45.21	31.44
Total	139,600	5,880,760	6,020,360	100.00	100.00

Ownership by type of shareholder:

Type of shareholder	Shareholders no.	Shareholders %	Shares total	Proportion of equity %	Proportion of votes %
Companies	226	1.87	3,280,341	54.49	68.40
Financial institutions and insurance companies	8	0.07	40,837	0.68	1.07
Public organisations	55	0.45	43,230	0.72	0.50
Non-profit organisations	166	1.37	104,535	1.74	1.21
Households	11,649	96.11	2,468,082	41.00	28.47
Outside Finland	16	0.13	2,235	0.04	0.36
Nominee registered	7	0.00	81,100	1.35	0.94
Total	12,120	100.00	6,020,360	100.00	100.00

Ownership by the amount held:

Shares held	Shareholders no.	Shareholders %	Shares total	Proportion of equity %	Proportion of votes %
1 - 50	5,350	44.14	140,868	2.34	1.63
51 - 100	2,809	23.18	242,308	4.03	2.81
101 - 1 000	3,490	28.80	1,151,322	19.12	13.28
1 001 - 10 000	451	3.72	1,051,987	17.47	12.14
10 001 -	20	0.17	3,433,875	57.04	70.13
Total	12,120	100.00	6,020,360	100.00	100.00

MAJOR EVENTS AFTER THE FINANCIAL PERIOD

The Board of Directors of Reka Industrial Plc prepared a set of criteria for the next stages of the strategy work in spring 2024. The Board of Directors evaluated several companies. However, there was a limited number of potential companies that met the criteria, and in the end, no transaction was completed because the Board of Directors did not have a common vision of how to proceed. On January 8, 2024 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 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.

Reka Rubber Ltd, a subsidiary of Reka Industrial, launched in February 2025 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 in Aura has already been CO2-free in the past.

The power-to-heat thermal storage solution will enable Reka Rubber to completely 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% 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 and 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.

PROFIT DISTRIBUTION PROPOSAL

On 31 December 2024, the parent company's distributable funds were EUR 9,846,422.85, of which the result for the period was EUR 847,346.61. The Board of Director’s proposal is to pay dividend of EUR 0.07 per share. The proposal is based on company’s financial situation and future strategic investments. A dividend of EUR 2.00 per share was paid for the financial year 2023 as a result of the corporate sale of Reka Cables.

NEAR-TERM OUTLOOK

The general economic situation and uncertainty in the market are reflected in the decreased order volumes and shortened order times of Reka Rubber's customers. The challenging market situation is estimated to continue in 2025. 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 our investments in production technology that has lower emissions and consumes less natural resources.

During the company's strategy work, the company's funds are mainly invested in low-risk investments and short-term deposits.

ANNUAL GENERAL MEETING 2025

Reka Industrial Plc’s Annual General Meeting will be held April 24, 2025.
A notice to Reka Industrial’s Annul General Meeting will be published later.

Hyvinkää 11 March 2025

Reka Industrial Plc
Board of Directors

Consolidated income statement (IFRS)

EUR 1,000	Note	Continuing operations 1/1-31/12/2024	Discontinued operations 1/1-31/12/2024	Group in total 1/1-31/12/2024	Continuing operations 1/1-31/12/2023	Discontinued operations 1/1-31/12/2023	Group in total 1/1-31/12/2023
Turnover	1.1.	**27,166**	**0**	**27,166**	**30,583**	**61,006**	**91,589**
Change in inventories of finished products and production in progress		5	0	5	-683	3,225	2,542
Production for own use		0	0	0	0	4	4
Other operating income	1.2.	225	0	225	600	31,081	31,681
Materials and services		-13,119	0	-13,119	-15,582	-49,006	-64,588
Personnel expenses	1.3.	-9,621	0	-9,621	-10,057	-5,901	-15,958
Depreciation and impairment	1.4.	-1,301	0	-1,301	-1,317	0	-1,317
Other operating expenses	1.5.	-4,237	0	-4,237	-4,203	-3,433	-7,636
		-28,048	0	-28,048	-31,244	-24,030	-55,273
Operating result		**-882**	**0**	**-882**	**-660**	**36,976**	**36,316**
Financial income	1.7.	2,247	0	2,247	1,752	180	1,932
Financial expenses	1.7.	-846	0	-846	-1,429	-1,532	-2,961
IAS 19 defined benefit plans	1.8.	-1	0	-1	15	-231	-215
Share of result of associated companies		0	0	0	0	24	24
Result before taxes		**519**	**0**	**519**	**-322**	**35,418**	**35,096**
Taxes	1.9.	-101	0	-101	49	-661	-612
Result for the period		**418**	**0**	**418**	**-273**	**34,757**	**34,483**

EUR 1,000	Note	Continuing operations 1/1-31/12/2024	Discontinued operations 1/1-31/12/2024	Group in total 1/1-31/12/2024	Continuing operations 1/1-31/12/2023	Discontinued operations 1/1-31/12/2023	Group in total 1/1-31/12/2023
Profit or loss attributable to							
Shareholders of the parent		418	0	418	-273	34,757	34,483
Non-controlling interests		0	0	0	0	0	0
		418	0	418	-273	34,757	34,483
Earnings per share attributable to the shareholders of the parent, continuing operations							
before dilution, EUR		0.07	0.00	0.07	-0.05	0.00	-0.05
after dilution, EUR		0.07	0.00	0.07	-0.05	0.00	-0.05
Earnings per share attributable to the shareholders of the parent, discontinued operations							
before dilution, EUR		0.00	0.00	0.00	0.00	5.81	5.81
after dilution, EUR		0.00	0.00	0.00	0.00	5.81	5.81
Earnings per share attributable to the shareholders of the parent							
before dilution, EUR		0.07	0.00	0.07	-0.05	5.81	5.76
after dilution, EUR	1.10.	0.07	0.00	0.07	-0.05	5.81	5.76
Number of shares		5,983,210	5,983,210	5,983,210	5,983,210	5,983,210	5,983,210

EUR 1,000	Note	Continuing operations 1/1-31/12/2024	Discontinued operations 1/1-31/12/2024	Group in total 1/1-31/12/2024	Continuing operations 1/1-31/12/2023	Discontinued operations 1/1-31/12/2023	Group in total 1/1-31/12/2023
Result for the period		418	0	418	-273	34,757	34,483
Other comprehensive items that may subsequently reclassified to statement of income							
Translation differences related to foreign units		22	0	22	171	0	171
Change in the value of open customer derivatives		0	0	0	0	440	440
Taxes of items that may subsequently reclassified to statement of income		0	0	0	0	-88	-88
Total		22	0	22	171	352	523
Other comprehensive items that are not subsequently reclassified to statement of income							
Items related to remeasurements of net defined benefit liability		-828	0	-828	2,201	-580	1,621
Taxes of items that are not subsequently reclassified to statement of income		166	0	166	-440	116	-324
Total		-662	0	-662	1,761	-464	1,297
Total comprehensive income		**-222**	**0**	**-222**	**1,658**	**34,644**	**36,303**
Total comprehensive income attributable to							
Shareholders of the parent		-222	0	-222	1,658	34,644	36,303
Non-controlling interests		0	0	0	0	0	0
		-222	0	-222	1,658	34,644	36,303

Consolidated balance sheet (IFRS)

EUR 1,000	Note	31/12/2024	31/12/2023
ASSETS			
Non-current assets			
Other intangible assets	2.2.	2,241	2,645
Tangible assets	2.1.	3,944	3,602
Right-of-use assets	2.1.	2,906	2,903
Other shares and holdings		766	766
Guarantee capital investment	2.3.	8,000	8,000
IAS19 pension receivable		5,662	6,491
Deferred tax assets	2.4.	1,937	1,660
Total non-current assets		**25,456**	**26,066**
Current assets			
Inventories	2.5.	3,751	3,816
Sales receivables and other receivables	2.6.	3,494	3,031
Tax receivables from the profit for the financial year		267	192
Other cash equivalents	2.7.	26,150	38,131
Cash and cash equivalents	2.8.	213	319
Total current assets		**33,875**	**45,489**
Total assets		**59,331**	**71,555**

EUR 1,000	Note	31/12/2024	31/12/2023
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital		24,081	24,081
Premium fund		66	66
Reserve fund		1,221	1,221
Own shares		-136	-136
Translation differences		36	14
Retained profit		17,328	29,523
Other unrestricted equity		436	436
Total shareholders' equity	2.9.	**43,032**	**55,205**
Non-current liabilities			
Deferred tax liabilities	2.4.	2,119	2,003
Provisions	2.10.	1,909	2,021
Lease liabilities	2.11.	4,664	4,818
Other liabilities		29	33
Current liabilities			
Tax liabilities from the profit		24	185
Provisions	2.10.	2,394	2,400
Financial liabilities	2.11.	950	677
Lease liabilities	2.11.	666	487
Accounts payable and other liabilities	2.13.	3,545	3,726
Total liabilities		**16,300**	**16,349**
Total shareholders' equity and liabilities		**59,331**	**71,555**

Consolidated statement of changes in shareholders' equity (IFRS)

EUR 1,000	Share capital	Premium fund	Reserve fund	Own shares	Translation differences	Other unrestricted equity	Retained profit	Total shareholders' equity
Shareholders' equity 31/12/2022	24,081	66	1,221	-174	-157	436	-4,224	21,250
Comprehensive income								
Result for the period							34,483	34,483
Other comprehensive items								
Items related to remeasurements of net defined benefit liability							1,621	1,621
Taxes of net defined liability							-324	-324
Total							1,297	1,297
Derivatives							440	440
Taxes of derivatives							-88	-88
Translation differences					171			171
Total					171		352	523
Total comprehensive income					171		36,132	36,303
Other change							3	3
Transactions with the owners								
Dividends paid							-2,389	-2,389
Payments by own shares				38				38
Total transactions with the owners				38			-2,389	-2,350
Shareholders' equity 31/12/2023	**24,081**	**66**	**1,221**	**-136**	**14**	**436**	**29,523**	**55,205**

EUR 1,000	Share capital	Premium fund	Reserve fund	Own shares	Translation differences	Other unrestricted equity	Retained profit	Total shareholders' equity
Shareholders' equity 31/12/2023	24,081	66	1,221	-136	14	436	29,523	55,205
Comprehensive income								
Result for the period							418	418
Other comprehensive items								
Items related to remeasurements of net defined benefit liability							-828	-828
Taxes of net defined liability							166	166
Total							-662	-662
Translation differences					22			22
Total					22			22
Total comprehensive income					22		-244	-222
Other change							16	16
Transactions with the owners								
Dividends paid/return of capital							-11,966	-11,966
Total transactions with the owners							-11,966	-11,966
Shareholders' equity 31/12/2024	**24,081**	**66**	**1,221**	**-136**	**36**	**436**	**17,328**	**43,032**

Consolidated cash flow statement (IFRS)

EUR 1,000	1/1-31/12/2024	1/1-31/12/2023
Cash flows from operating activities		
Payments received from operating activities	24,302	93,345
Payments paid on operating activities	-24,368	-90,324
Paid interests and other financial expenses	-726	-2,619
Interests received and other financial incomes	2,004	1,702
Direct taxes paid	-360	-1,314
Net cash provided by operating activities	**852**	**791**
Cash flows from investments		
Sale of shares of subsidiaries	0	54,181
Investments in tangible assets	-866	-1,441
Sales of tangible assets	24	16
Investments in other assets	0	-1,138
Net cash provided by investing activities	**-842**	**51,618**
Cash flows from financing activities		
Increase in loans	288	849
Decrease in loans	-27	-14,949
Payments of finance lease activities	-392	-1,013
Dividends paid/Return of capital	-11,966	-2,389
Net cash provided by financing activities	**-12,097**	**-17,502**
Change in cash and cash equivalents at the end of the period	**-12,087**	**34,906**
Cash and cash equivalents at the beginning of the period	38,449	802
Exchange rate differences	1	-15
Elimination of cash and cash equivalents related to discontinued operations	0	2,756
Cash and cash equivalents at the end of the period	**26,363**	**38,449**

Notes to the consolidated financial statements

GENERAL INFORMATION

Reka Industrial Corporation is the parent company in the Group, whose actual business company is Reka Rubber Ltd.

In addition to Finland, the Group operates in Poland.

The parent company is domiciled in Hyvinkää. Reka Industrial Plc's address is Kankurinkatu 4-6, 05800 Hyvinkää. Reka Industrial Plc's B shares are listed on NASDAQ Helsinki.

The Reka Industrial Group is part of the Reka Group. Reka Ltd, the parent company of the Reka Group, is domiciled in Juupajoki. Reka Ltd's address is Salokunnantie 590, 35550 Salokunta.

Reka Industrial Plc's Board of Directors approved these financial statements for publication at its meeting of 11 March 2025. In accordance with the Limited Liability Companies Act, shareholders have the right to approve or reject financial statements at the Annual General Meeting that is held after the publication of the financial statements. The Annual General Meeting also has the right to decide on making changes to the financial statements.

Accounting policies for the consolidated financial statements

The general accounting policies are described in this section. Detailed accounting policies and descriptions of decisions based on management's judgement and management's use of estimates are presented later for each item of the financial statements. Accounting policies are marked with light green.

Principles of preparation

Adherence to IFRS standards
These interim financial data have been prepared in accordance with the IAS 34 Interim Reports standard and the IAS standards as well as SIC and IFRIC interpretations effective on 31 December 2024. International financial standards refer to standards and the related interpretations that are laid down in the Finnish Accounting Act and regulations based on the Finnish Accounting Act and that have been approved in accordance with the EU Regulation (EC) No 1606/2002. The group has not applied any new or amended standard or interpretation before its effective date.

NEW AND AMENDED STANDARDS APPLIED IN THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Lease Liability in a Sale and Leaseback – Amendments to IFRS 16 Leases (effective for financial years beginning on or after 1 January 2024)

The amendments introduce a new accounting model for variable payments and will require seller-lessees to reassess and potentially restate sale-and-leaseback transactions entered into since the implementation of IFRS 16 in 2019.

Classification of Liabilities as Current and Non-current – Amendments to IAS 1 Presentation of Financial Statements (effective for financial years beginning on or after 1 January 2024)

The amendments are to promote consistency in application and clarify the requirements for determining if a liability is current or non-current. The amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. The amendments require to disclose information about these covenants in the notes to the financial statements. The amendments also clarify transfer of a company's own equity instruments is regarded as settlement of a liability. Liability with any conversion options might affect classification as current or non-current unless these conversion options are recognised as equity under IAS 32.

Supplier Finance Arrangements – Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures *(*effective for financial years beginning on or after 1 January 2024)

The amendments enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. Amendments require to disclose quantitative and qualitative information about supplier finance programs.

SUSTAINABILITY

Reka Industrial boosts sustainability in the development of its business and everyday work. The aims of the sustainability work are formed according to the UN Global Compact initiative and Reka Industrial has chosen five initiatives of 17 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 the sustainable development according to these needs. The company takes care of its personnel's working conditions and develops the competence of its personnel. The company is long-term responsible business partner to its customers and representatives of its delivery chain. Reka Industrial follows highly ethical rules, which it requires also from its business partners.

Reka Rubber promotes its shared goals with Reka Industrial and is part of the chemical industry's Responsible Care programme which key themes are sustainable use of natural resources and sustainability of production and products. Reka Rubber assesses its level of sustainability through the EcoVadis system which is an independent and international sustainability assessment system. Reka Rubber has achieved bronze level rating. 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 ISO 9001 certified quality management system. Reka Rubber has the required environmental permits.

For Reka Rubber, climate actions means reducing emissions and improving energy efficiency in the company's own operations. 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. Solar panels have been installed at the factory in Aura and at both factories, the lightning is gradually replaced by LED lights.

An 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.

USE OF ESTIMATES

The preparation of the financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the valuation of the reported assets and liabilities and other information, such as contingent assets and liabilities and the recognition of income and expenses in profit or loss. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from the estimates. Management estimates are marked with light blue.

The most important items, which require management estimates and assumptions, and which may include uncertainty, are impairment testing of goodwill, customer relationship appreciation, deferred tax assets of unused tax losses and interest expenses, discount rate and definition of length in lease periods in IFRS 16 handling, processing of pensions and related contracts, effects on provisions given, handling of rental loss provision and net realisable value of inventories. Detailed descriptions of decisions based on management's judgement and management's use of estimates are presented later at each item of the financial statements.

The Group's management makes judgements concerning the adoption and application of the accounting policies for the financial statements. The management has used its judgement in selecting and applying the accounting policies, for example, classification of leases and processing of pension agreements.

Valuation principles
The consolidated financial statements have been prepared based on original cost, except for the following items, which have been recognised at fair value: derivative contracts, cash and cash equivalents and other financial assets.

All changes in open customer-specific hedges are booked to equity. Other changes in the value of derivatives are recognised through the income statement. Derivatives that hedge net sales are included in net sales. Changes in metal derivatives hedging customer orders and changes in raw-material purchase hedging for periods less than 12 months are included in material purchases.

Longer-term raw-material purchase hedging is included in financial income and/or expenses. Customer-specific commodity derivatives and segment-specific currency hedging have been recognised under each segment. Other derivatives are recognised in other operations and eliminations.

PRINCIPLES OF CONSOLIDATION

Subsidiaries
Subsidiaries are companies, in which the Group has a controlling interest. A controlling interest is created when the company is exposed, or has rights, to variable returns from its involvement with the investee and has a ability to affect those returns through its power over the investee.

Associated companies
Associated companies are companies over which the Group exercises significant influence. Significant influence is generally created when the Group holds more than 20 percent of the voting rights or otherwise has significant influence but not control.

The Group's share of its associated companies' profits is reported under "Share of the results of associates" after the operating profit.

If an associated company's accounting policies are not essentially equivalent to the Group's accounting principles, the Group has made the necessary adjustments in figures reported by the associated company.

FOREIGN COUNTRY ITEMS

Figures related to the result and financial position of the Group's units are presented in the currency of each unit's principal operating environment (functional currency). The consolidated financial statements are presented in euros, the functional and reporting currency of the parent company.

Transactions denominated in a foreign currency are recognised in the functional currency, using the exchange rate on the transaction date or a day close to the transaction date. Monetary items denominated in a foreign currency have been translated into the functional currency at the exchange rate on the balance sheet date. Non-monetary items denominated in a foreign currency and recognised at fair value have been translated into the functional currency at the exchange rate on the date of recognition. Other non-monetary items have been recognised at the exchange rate on the transaction date.

Gains and losses arising from transactions denominated in a foreign currency and from the translation of monetary items are recognised in the income statement. The foreign exchange losses and profits from the Group's internal non-current liabilities, however, are included in the change in equity under translation differences. Foreign exchange profits and losses from business operations are included in the corresponding items above the operating profit. Foreign exchange losses and profits related to financing are included in financial income and expenses.

The income statements of foreign Group companies have been translated into euros at the average exchange rate of the period. Their balance sheets have been translated using the exchange rate on the balance sheet date. The use of different currency rates for translating the period's result for the income statement and the balance sheet causes a translation difference, which is recognised in equity. Translation differences arising from the elimination of the acquisition cost of foreign subsidiaries are recognised in equity. When a subsidiary is sold, the accumulated translation differences are recognised in the income statement as part of sales gains and losses.

The goodwill arising from the acquisition of foreign units – as well as the fair value adjustments to the book values of the assets and liabilities of said foreign units in conjunction with the acquisition – have been treated as the foreign units' assets and liabilities and translated into euros at the exchange rates on the balance sheet date.

CASH EQUIVALENTS AND OTHER FINANCIAL ASSETS

Cash equivalents and other financial assets consist of cash and account balances, deposits and other short-term investments. Cash equivalents and other financial assets are included in the cash flow statement. Cash and account balances, as well as bank deposits with a maturity of three months or less, are taken into account in the cash balance. Bank deposits with a maturity of more than three months, other deposits with a maximum of 12 months and all short-term investments and short-term investments are taken into account in other financial assets on the balance sheet.

OPERATING RESULT AND EBITDA

IAS 1 standard Presentation of Financial Statements does not define operating result. The Group has defined operating result as follows: the net amount formed by deducting from the net sales the purchase costs adjusted by the change in the stocks of non-finished and finished goods as well as expenses for production for personal use. Deductions from the net sales also include expenses arising from employee benefits without IAS 19 defined benefit pension arrangements related items, depreciation, amortization and any impairment losses. Other operating incomes and expenses are also taken into account. Other items than those stated above are presented below operating result. Exchange rate differences and changes in fair value of derivatives are included in operating result, if they arise from business-related items. Otherwise they are recognised in financial items. Operating profit is also referred to as operating profit or operating loss, depending on the situation.

IAS 1 standard does not define EBITDA. The Group has defined EBITDA as follows: EBITDA is the net amount that is formed when depreciation and any impairment losses are added to the operating profit.

STANDARDS ISSUED BUT NOT YET EFFECTIVE

* = not yet endorsed for use by the European Union as of 31 December 2024

Lack of Exchangeability* – Amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates ***(***effective for financial years beginning on or after 1 January 2025, early application is permitted)

The amendments require to apply a consistent approach in assessing whether a currency can be exchanged into another currency and, when it cannot, in determining the exchange rate to use and the disclosures to provide.

Classification and Measurement of Financial Instruments – **Amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures**** (effective for financial years beginning on or after 1 January 2026, early application is permitted)

The amendments clarify that an entity is required to apply settlement date accounting when derecognising a financial asset or a financial liability; and to permit an entity to deem a financial liability that is settled using an electronic payment system to be discharged before the settlement date if specified criteria are met. The amendments clarify the application guidance for assessing the contractual cash flow characteristics of financial assets, including financial assets with contractual terms that could change the timing or amount of contractual cash flows, for example, those with environmental, social and governance (ESG)-linked features, financial assets with non-recourse features and financial assets that are contractually linked instruments.

Annual Improvements to IFRS Accounting Standards—Volume 11* (effective for financial years beginning on or after 1 January 2026, early application is permitted)

The annual improvements process provides a mechanism for minor and non-urgent amendments to IFRS Accounting Standards to be grouped together and issued in one package annually. The amendments clarify the following standards:

- IFRS 1 *First-time Adoption of International Financial Reporting Standards* – Hedge Accounting by a First-time Adopter
- IFRS 7 *Financial Instruments: Disclosures* – Gain or loss on derecognition; Disclosure of differences between the fair value and the transaction price; Disclosures on credit risk
- IFRS 9 *Financial Instruments* –Derecognition of lease liabilities; Transaction price
- IFRS 10 *Consolidated Financial Statements* – Determination of a 'de facto agent'
- IAS 7 *Statement of Cash Flows* – Cost Method

IFRS 18 *Presentation and Disclosure in Financial Statements**(effective for financial years beginning on or after 1 January 2027, early application is permitted)

IFRS 18 will replace IAS 1 *Presentation of Financial Statements*. The key new requirements are as follows:

- Income and expenses in the income statement to be classified into three new defined categories—operating, investing and financing—and two new subtotals—"Operating profit or loss" and "Profit or loss before financing and income tax".
- Disclosures about management-defined performance measures (MPMs) in the financial statements. MPMs are subtotals of income and expenses used in public communications to communicate management's view of the company's financial performance.
- Disclosure of information based on enhanced general requirements on aggregation and disaggregation. In addition, specific requirements to

disaggregate certain expenses, in the notes, will be required for companies that present operating expenses by function in the income statement.

IFRS 19 *Subsidiaries without Public Accountability: Disclosures**(effective for financial years beginning on or after 1 January 2027, early application is permitted)

The new standard permits eligible subsidiaries to use IFRS Accounting Standards with reduced disclosures. It will enable subsidiaries to keep only one set of accounting records to meet the needs of both their parent company and the users for their financial statements and reduce disclosure requirements. k

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* – Amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures* (available for optional adoption, effective date deferred indefinitely)

The amendments address the conflict between the existing guidance on consolidation and equity accounting and require the full gain to be recognised when the assets transferred meet the definition of a 'business' under IFRS 3 *Business Combinations*.

1. ITEMS RELATED TO THE PROFIT FOR THE PERIOD

1.1 Operating segments

Reka Industrial's industrial business consists of Reka Rubber Ltd's business (Reka Rubber sub-group) and there is one segment, the Rubber segment.
All other operations are categorised as Other operations and eliminations.

As the Group's highest operational decision-maker, the Board of Directors evaluates the segment's performance and makes decisions about the resources allocated to the segment.

Accounting policy of segment information

In accordance with IFRS 8, segment-specific reporting is based on the internal management reporting. Turnover by product group and sales area are presented as complementary information. Companies not belonging to Rubber segment, other derivatives and unallocated items as well financial liabilities related to acquiring businesses are recognised in Other operations and eliminations.

Information about geographical areas

Turnover by sales areas is based on customers' geographical locations and whether the customer's country is located to EU-area or not. Group's geographical areas are categorised to EU-countries and non-EU-countries.

Assets and investments of geographical areas are based on geographical locations of assets according to equal categorization as turnover.

Revenue recognition principle

Revenue from the sale of goods is recognised when the significant risks, rewards and actual control usually associated with ownership of the goods have been transferred to the buyer. Usually revenue is recognised as income when products are delivered in accordance with the terms of sale. Revenue from services is recognised during the period when the service is rendered. The share of Reka Industrial's revenue from services is not significant.

Technical rubber products are invoiced according to delivery terms. The moulds possibly used in the manufacturing products are invoiced from the customer when mould is made. The mould is owned by the customer on the manufacturing process.

Use of estimates

If the moulds used in the production are not invoiced to the customer immediately upon completion of the mould but are taken into account in the price of the manufactured products, estimates of the timing of revenue recognition of these moulds are used.

31/12/2024

EUR 1,000	Rubber	Eliminations and other operations	Group
Turnover	**27,166**	**0**	**27,166**
EBITDA	**1,426**	**-1,007**	**420**
Unallocated items		-2	-2
Result before taxes			519
Result for the period			**418**
Assets			
Segment's assets	22,114	37,217	59,331
Total assets	**22,114**	**37,217**	**59,331**
Liabilities			
Segment's liabilities	11,396	4,903	16,299
Total liabilities	**11,396**	**4,903**	**16,299**
Assets - Liabilities	**10,718**	**32,314**	**43,032**
Investments	**1,443**	**179**	**1,622**
Depreciations		**1,301**	**1,301**

31/12/2023

EUR 1,000	Rubber	Eliminations and other operations	Group
Turnover	**30,576**	**61,013**	**91,589**
EBITDA	**1,227**	**36,407**	**37,633**
Unallocated items		-3,150	-3,150
Result before taxes			35,096
Result for the period			**34,483**
Assets			
Segment's assets	17,892	53,663	71,555
Total assets	**17,892**	**53,663**	**71,555**
Liabilities			
Segment's liabilities	8,995	7,355	16,349
Total liabilities	**8,995**	**7,355**	**16,349**
Assets - Liabilities	**8,897**	**46,308**	**55,205**
Investments	**1,108**	**455**	**1,562**
Depreciations		**1,317**	**1,317**

Rubber segment's turnover by product group, EUR million	1-12/2024	1-12/2023
Moulded	9.3	9.7
Hoses	15.0	17.2
Other	2.8	3.6
Total	**27.2**	**30.6**

Rubber segment's turnover by sales area, EUR million	1-12/2024	1-12/2023
EU-countries	23.3	27.1
Non-EU-countries	3.8	3.5
Total	**27.2**	**30.6**

Taken all market areas into the consideration the largest customer group's share of the Group's turnover was 24 %. Other individual customer's share of the Group's turnover was under 10 %.

On 31 December 2024, non-current assets other than financial instruments and deferred taxes were EUR 23.5 million (24.4), of which EUR 20.3 million were located in Finland and EUR 3.2 million in Poland.

1.2. Other operating income

Accounting policy

Income related to other than normal business is recognised as other operating income. Such items are, for example, proceeds from sales of items of property and equipment and intangible assets, revenue recognition of fair acquisition, rental income, subsidies received and government grants.

EUR 1,000	2024	2023
Gains on the sale of fixed assets	1	9
Subsidies received	24	31
Rental income	159	185
Gains on the sale of fixed assets, sale of shares of Reka Cables Ltd.	0	31,035
Other income	41	420
Total	225	31,681

1.3. Personnel expenses

Accounting policy

Employee benefits include salaries and fees, pension expenses and other personnel expenses. They are recorded in the period in which the employees perform the work. Other expenses related to the personnel are included in other operating expenses.

The Group's statutory pension insurance for staff has been set up with pension insurance companies until December 31, 2015. Pension expenses have been recognised as costs in the financial year during which they are accumulated. Reka Industrial is part of the Reka Group, whose pension insurances were transferred to the defined benefit plan on December 31, 2015. Pension expenses have been recognised as costs in the financial year during which they are accumulated.

EUR 1,000	2024	2023
Salaries and fees	8,162	13,262
Pension expenses, defined contribution plans	686	1,548
Other personnel expenses	773	1,147
Total	9,621	15,958

Management benefits are presented in note 3.4. Related-party transactions. The entries of the IAS 19 defined benefit plan in the income statement are presented in note 1.8.

Average number of the Group's personnel in the financial period:	2024	2023
Total,	285	398
of which in continuing operations	285	305

1.4 Depreciation and impairment

Accounting policy

Depreciation of tangible assets is made on straight-line basis over their economic lifetime. No depreciation is made on land. Intangible assets with a limited economic life are depreciated as expenses on a straight-line basis in the income statement over their economic lifetime. No depreciation is recognised on other intangible assets with an unlimited useful life, but they are tested for impairment annually or more frequently, if necessary. The estimated useful lives are presented in notes 2.1. and 2.2.

EUR 1,000	2024	2023
Depreciations by commodity group		
Intangible non-current assets		
Customer relationships	-376	-376
Other intangible assets	-28	-192
Total	-403	-568
Tangible non-current assets		
Buildings	-59	-58
Machinery and equipment	-172	-164
Other tangible assets	-126	-100
Total	-357	-322
Right-of-use assets		
Bulidings	-435	-377
Machinery and equipment	-69	-44
Impairment of buildings	-36	-7
Total	-541	-428
Total depreciation and impairment	-1,301	-1,317

1.5. Other operating expenses

Accounting policy

Losses on sales of tangible and intangible assets as well as indirect expenses of operations excluding employee benefit expenses and credit losses classified as financial expenses are recognised as other operating expenses.

EUR 1,000	2024	2023
Short-term variable compensation	-309	-401
Other variable compensation	-53	-418
Rental expenses total	-362	-819
Machinery and property maintenance costs	-1,328	-2,627
Sales and marketing expenses	-603	-1,086
Voluntary personnel expenses	-479	-819
Other expenses	-1,465	-2,285
Total	-4,237	-7,636

Other expenses include remunerations to the Auditors as follows:

EUR 1,000	2024	2023
KPMG Oy Ab		
Audit	57	86
Certification services	10	47
Tax services	5	8
Other services	2	31
Other companies		
Audit	23	29

1.6. Research and development expenses

Accounting policy

Research and development costs are recognised in the income statement as expenses, except for development costs that meet the capitalization criteria of IAS 38 Intangible Assets.

The Group invested a total of EUR 0.6 million in research and product development (EUR 0.9 million in 2023). Investments have been taken into account as expenses.

1.7. Financial income and expenses

Accounting policy

Costs of liabilities are recognised as expenses in income statement in the financial period during which they have incurred. Direct transaction costs related to a specified loan, are included in the original allocated acquisition costs of a financial liability and are noticed as interest costs by using the effective interest method. The unrealised and realised exchange rate differences relating to financing are recognised in financial income and expenses.

Revenue recognition principle

Interest income is recognised using the effective interest method or according to given market valuation. Interest income consists of interest revenue of guarantee capital investments, loan receivables and deposits as well as realized and unrealized revenues of other cash equivalents. Dividend income is recognised when the right to receive the dividend is established.

Financial income

EUR 1,000	2024	2023
Received dividends from others	59	0
Interest revenues	773	836
Changes in the fair value of financial assets	1,319	831
Exchange rate differences	96	266
Total	2,247	1,932

Financial expenses

EUR 1,000	2024	2023
Interest expenses	-58	-405
Interest expenses on lease liabilities	-357	-441
Exchange rate differences	-89	-335
Financial expenses on sale receivables	-149	-1,283
Other financial expenses	-192	-496
Total	-846	-2,961
Total exchange rate differences	7	-70

1.8. IAS 19 defined benefit pension arrangements related items

The entries of the IAS 19 defined benefit plan in the income statement are presented below the operating result as a separate item before the share of the result of associated companies..

EUR 1,000	2024	2023
Pension costs - Defined benefit plans	-239	-427
Interest expense - Defined benefit plans	238	158
Taxes - Defined benefit plans	0	54
Total	-1	-215

1.9. Taxes

Accounting policy

Income taxes include taxes calculated based on the taxable profit for the period and change in deferred income tax receivables and liabilities. The current tax is measured using each country's tax rates that have been enacted by the end of the reporting period or enacted later. The income taxes are noticed through profit and loss statement except when taxes relate to items noticed through comprehensive income or directly in equity. In such cases also the taxes are booked accordingly.

Deferred tax assets related to individual companies are recognised if it is probable, based on an evaluation, that the deferred tax assets can be utilised before the expiry of unused tax losses or unused tax-related credits and interests. Deferred tax assets are recognised to the extent that it is likely that taxable income will be created in the future, against which the temporary difference can be utilised. Deferred tax assets and liabilities are defined using tax percentage (and tax laws) that most probably are enacted when the asset is realized or otherwise benefited or the liability is paid. The tax is measured using each country's tax rates of the reporting year or following year´s tax rates that have been enacted by the end of the reporting period.

The entries of the IAS 19 defined benefit plan in the income statement are presented in notes 1.8.

EUR 1,000	2024	2023
Taxes payable on profit	-122	-945
Taxes from previous financial periods	-2	0
Deferred tax on temporary differences	23	333
Total	-101	-612

Reconciliation of the tax expense in the income statement and taxes calculated at the domestic tax rate (20%):

EUR 1,000	2024	2023
Result before taxes	519	35,096
Share of the result of associated companies and entries of the IAS 19 defined benefit plan in the income statement are presented after taxes	-1	-191
Taxable result	519	35,287
Taxes calculated at the domestic tax rate	104	7,057
Effect of tax-exempt income	-63	-6,639
Effect of non-deductible expenses	33	60
Effect of different tax rates applicable to foreign subsidiaries	-4	-5
Unrecorded deferred tax assets	-23	0
Taxes from previous financial years/previously unused interest expenses	61	0
Other items	-6	138
Taxes on the income statement	101	612

1.10. Earnings per share

Undiluted earnings per share

The undiluted earnings per share are calculated by dividing the profit attributable to the shareholders of the parent company by the weighted average number of outstanding shares during the financial period, excluding possible own shares held by the company.

The Group had no dilutive instruments on the closing date of the financial period.

	2024	2023
Profit from the financial period attributable to the shareholders of the parent company, EUR 1,000	418	34,483
Weighted average numbers of shares		
during the period (number)	5,983,210	5,983,210
Undiluted earnings per share	0.07	5.76
Weighted diluted average numbers of shares		
during the period (number)	5,983,210	5,983,210
Earnings per share adjusted for dilution	0.07	5.76
Earnings per share:		
Earnings per share attributable to the shareholders of the parent, continuing operations		
before dilution, EUR	0.07	-0.05
after dilution, EUR	0.07	-0.05
Earnings per share attributable to the shareholders of the parent, discontinued operations		
before dilution, EUR	0.00	5.81
after dilution, EUR	0.00	5.81
Earnings per share attributable to the shareholders of the parent		
before dilution, EUR	0.07	5.76
after dilution, EUR	0.07	5.76
Number of shares	5,983,210	5,983,210

2. OPERATING ASSETS AND LIABILITIES

2.1. Tangible non-current assets

Accounting policy

Tangible non-current assets are measured at original acquisition cost less depreciation and impairment or at fair value of business combination. Any expenses arising later are included in the book value of the tangible non-current asset only if the Group is likely to profit from the future financial benefit and if the acquisition cost of the asset can be determined reliably. Other repair and maintenance costs are recognised through profit and loss at the time of completion.

Depreciation of these assets is made on a straight-line basis over their useful lives. No depreciation is made on land. The estimated useful lives are as follows:

Buildings and structures	10–25 years
Machinery and equipment	3–20 years
Motor vehicles	3–10 years

Residual values and useful lives are reviewed on a regular basis in conjunction with annual financial statements and adjusted to reflect changes in expected financial benefits.

Sales gains and losses from decommissioning and disposal of tangible non-current assets are included in other operating income and expenses in the income statement.

The right-of-use assets:

- The new rental agreement is entered to the balance sheet as right-of-use assets and respective lease liability. The right-of-use assets are valued originally to initial amount of lease liability The right-of-use asset is depreciated within the rental time.
- The lease liability is valued originally to the net present value of unpaid rents as of the commencement of the rental time. Internal discount rate is used, or not available, the interest rate for additional loan of the lessee is used. The Group defines the interest rate for additional loan for each subsidiary, taking into account the length of the lease agreement. The used interest rate effects on lease liabilities, the amount of fixed assets and division of depreciation and interest expenses. The lease liability is valued at amortized cost and effective interest is used.
- The Group benefits two exceptions available and does not book to the balance sheet the rental agreements of which the rental time is 12 months maximum or low value (EUR 5,000 or less). These rental agreements are booked as costs to the Income statement during the rental period.

The management uses its judgement when defining the interest rate for additional loan, which describes that interest rate the Group would have to pay when borrowing a similar amount of money under similar conditions in a similar economic environment.

Impairment of tangible assets
The Group evaluates yearly whether any assets are showing signs of impairment. Values are evaluated by item. The assets related to Kirjasniemi's loss making rental agreement (Note 2.11. Financial liabilities) have been evaluated by the contract.

If any indication exists, the asset´s recoverable amount is estimated, or the financial impact of rental agreement is evaluated. The recoverable amount is the asset´s fair value less costs of disposal or its value in use, whichever is higher. The recoverable amount is based on the discounted estimated future net cash flows at the time of review. An impairment loss is recognised when an asset´s carrying amount exceeds its recoverable amount. An impairment loss is recognised immediately in profit and loss, and it is included in Depreciation, amortization, and impairment in comprehensive income. The useful life of the asset to be depreciated is reassessed at the recognition of the impairment loss.

An impairment loss is reversed in a subsequent period if there has been a significant positive change in the estimates used to determine an asset´s recoverable amount. An impairment loss can be reserved to the amount that would have been carrying value of the asset, had no impairment loss been recognised.

Use of estimates

When finding out whether there are any indications of the decrease in the value of the asset´s the management makes assumptions and estimates. These are used as a basis of for the possible further analyses. The Group has loss making rental agreement (Note 2.11. Financial liabilities) that is handled as financial lease and which financial impact is yearly evaluated by using the assumptions and estimations of the management. Possible changes in these assumptions and estimations may cause changes to the valuation in future years. The total impairment recognised on buildings is EUR 0.9 (0.8) million and based on the difference between estimated income and expenses related to a long-term lease agreement.

EUR 1,000	Land and water areas	Buildings	Machinery and equipment	Motor vehicles	Advance payments and acquisitions in progress	Total
Acquisition costs 1/1/2024	257	1,680	9,233	173	456	11,799
Increase	0	20	515	11	71	617
Decrease	0	0	-22	0	0	-22
Transfers between items	0	0	186	-141	-45	0
Exchange rate differences	3	19	4	2	0	28
Acquisition costs 31/12/2024	260	1,719	9,915	45	482	12,421
Accumulated depreciation and impairment 1/1/2024	0	394	7,773	28	0	8,197
Depreciation	0	60	213	8	0	281
Accumulated depreciation and impairment 31/12/2024	0	454	7,986	36	0	8,478
Book value 1/1/2024	257	1,286	1,461	108	456	3,602
Book value 31/12/2024	260	1,265	1,929	9	482	3,944

EUR 1,000	Land and water areas	Buildings	Machinery and equipment	Motor vehicles	Advance payments and acquisitions in progress	Total
Acquisition costs 1/1/2023	222	1,573	8,898	6	81	10,781
Increase	20	22	275	80	672	1,069
Decrease	0	-7	0	0	-208	-215
Transfers between items	0	0	16	80	-96	0
Exchange rate differences	15	91	44	6	6	163
Acquisition costs 31/12/2023	257	1,680	9,233	173	456	11,799
Accumulated depreciation and impairment 1/1/2023	0	334	7,507	3	0	7,846
Depreciation	0	60	266	25	0	351
Accumulated depreciation and impairment 31/12/2023	0	394	7,773	28	0	8,197
Book value 1/1/2023	222	1,240	1,392	108	81	2,938
Book value 31/12/2023	257	1,286	1,461	144	456	3,602

Some of the original purchase prices of the production machines have already been completely written off and only their modernisation contributions are reflected in material benefits. The original gross accounting value of such assets does not give an idea of the replacement value, as the machines have been acquired in several different decades. Examples of such production machines are some presses, autoclaves and extrusion machines.

Right-of-use assets:

EUR 1,000	Machinery and equipment	Buildings	Total
Acquisition costs 1/1/2024	443	7,581	8,024
Increase	0	463	463
Transfers between items	120	38	158
Acquisition costs 31/12/2024	563	8,082	8,645
Accumulated depreciation and impairment 1/1/2024	304	4,817	5,121
Depreciation for the period	61	558	619
Accumulated depreciation and impairment 31/12/2024	365	5,375	5,740
Book value 1/1/2024	139	2,764	2,903
Book value 31/12/2024	198	2,707	2,906

EUR 1,000	Machinery and equipment	Buildings	Total
Acquisition costs 1/1/2023	422	7,555	7,977
Increase	70	48	118
Decrease	-49	-22	-71
Acquisition costs 31/12/2023	443	7,581	8,024
Accumulated depreciation and impairment 1/1/2023	258	4,440	4,698
Depreciation for the period	46	377	423
Accumulated depreciation and impairment 31/12/2023	304	4,817	5,121
Book value 1/1/2023	164	3,115	3,278
Book value 31/12/2023	139	2,764	2,903

2.2. Intangible non-current assets

Accounting policy

Goodwill
Goodwill is recognised in the amount by which the total amount of the assigned consideration, non-controlling interest in the object of acquisition and previously held equity interest exceeds the fair value of the acquired net assets. Goodwill reflects expected future profits or synergy benefits from acquisitions.

No depreciation is recognised on goodwill, but goodwill is tested for impairment annually or more frequently, if necessary. For this purpose, goodwill is attributed to the units generating cash flow. Goodwill is valued at the original acquisition cost less impairment. Goodwill impairment losses are recorded with an impact on profit and loss and cannot be reversed later.

Research and development expenses
Research and development expenses are recognised in the income statement as expenses, except for development costs that meet the capitalisation criteria of IAS 38 Intangible Assets. In that case, product development expenses are recognised in the balance sheet as intangible assets as of the moment when the product can be implemented technically, exploited commercially and expected to bring future financial benefit. Development costs that have been recognised as expenses previously will not be capitalised later. Depreciation will start as soon as the asset is ready for use. The depreciation period is 3 to 10 years, during which capitalised expenses are depreciated on a straight-line basis and recognised as costs. An asset that is not yet ready to be exploited is tested for impairment annually or more frequently, if necessary.

Customer relations
Customer relations are recognised in the balance sheet and recognised as expenses in the income statement on straight-line basis over their useful lives.

The estimated useful lives of customer relationships are:
Customer contracts and the related customer relationships 5–10 years

Other intangible assets
Other intangible assets with a limited useful life are recognised in the balance sheet and depreciated as expenses on a straight-line basis in the income statement over their useful lives. No depreciation is recognised on other intangible assets with an unlimited useful life, but they are tested for impairment annually or more frequently, if necessary. Intangible assets include assets that have an

unlimited useful life. These include electric and gas connection rights that do not have a legal or contractual time limit.

The estimated useful lives of intangible assets are:

Software	3–5 years
Other intangible rights	5–10 years

Any gains or losses from the disposal of intangible assets are recognised in other operating income and expenses on the income statement.
The company records the usual cloud service arrangements as expenses. At the end of the financial year ERP systems are on company's own server and not in a cloud service solution. Research expenses are not capitalised.

EUR 1,000	Customer relations	Other intangible	Total
Acquisition costs 1/1/2024	3,757	2,959	6,716
Acquisition costs 31/12/2024	3,757	2,959	6,716
Accumulated depreciation and impairment 1/1/2024	1,316	2,756	4,070
Depreciation	376	28	404
Accumulated depreciation and impairment 31/12/2024	1,692	2,784	4,474
Book value 1/1/2024	2,442	203	2,645
Book value 31/12/2024	2,066	175	2,241

EUR 1,000	Customer relations	Other intangible	Total
Acquisition costs 1/1/2023	3,757	2,959	6,716
Acquisition costs 31/12/2023	3,757	2,959	6,716
Accumulated depreciation and impairment 1/1/2023	940	2,564	3,502
Depreciation	376	192	568
Accumulated depreciation and impairment 31/12/2023	1,316	2,756	4,070
Book value 1/1/2023	2,817	395	3,213
Book value 31/12/2023	2,442	203	2,645

Other intangible non-current assets include the following items: activated IT software and licenses.

The company has intangible assets, of which the acquisition cost has been fully recorded as depreciation cost, but which are still in use. These include the Rubber segment's ERP system and some of the smaller support systems.

Impairment testing

Accounting policy

Impairment

On the closing date of the financial year, the Group evaluates whether any assets are showing signs of impairment. If such signs are detected, the recoverable amount of the asset concerned is estimated. The recoverable amount is also assessed annually on the following assets, regardless of whether they are showing signs of impairment: goodwill, intangible assets with unlimited useful lives and unfinished intangible assets. The need for impairment is assessed at the level of units generating cash flows – that is, the lowest level on which units are mostly independent of others and cash flows can be separated from other cash flows.

Subsidiaries in the Rubber segment form a cash-generating unit. The rubber segment does not include goodwill and therefore test calculation is performed only when there are indications of decrease in the balance sheet values.

Other tangible and intangible balance sheet values are evaluated by item.

The recoverable amount is the fair value of an asset less selling expenses or value in use, if higher. Value in use refers to the estimated future net cash flows received from the asset or a unit generating cash flows, discounted to their current value. Determined before taxes, the discount rate reflects the market's view on the time value of money and the special risks related to the asset concerned.

An impairment loss is recognised when the book value of an asset is higher than the recoverable amount. The impairment loss is recorded in the income statement. If an impairment loss is attributed to a unit generating cash flows, it is first allocated to reduce the unit's goodwill and then to reduce the unit's other assets in equal proportions. When an impairment loss is recognised, the useful life of the asset being depreciated is reassessed. An impairment loss recognised in assets other than goodwill is reversed if the assessments used in determining the recoverable amount of the asset have changed. The amount of reversed impairment losses, however, cannot be higher than the book value of the asset without recognition of the impairment loss. An impairment loss recognised in goodwill will not be reversed.

Use of estimates

The execution of the annual impairment test has required management to make assumptions and estimates to measure the recoverable amounts of the cash-generating units. The estimated future cash flows are discounted to their current value.

2.3. Guarantee capital investments

Accounting policy

Long-term investments or investments where the repayment depends on the other party are recognised in non-current investments.

Guarantee capital investment is a strategic investment in the Reka Pension fund and it supports Reka Pension fund's solvency. Investment is long-term investment because the repayment depends on Reka Pension fund's solvency. If Reka Pension fund would be dissolved and at the time of dissolvement the pension fund's solvency will not be sufficient to repay the guarantee capital investments, an investment loss will arise to the extent that the investment could not be recovered. The investment has been described in more detail in note 3.3. Related-party events.

Possible valuation changes in guarantee capital investment are recorded in equity through comprehensive income.

Reka Rubber sub-group has a total of EUR 8.0 million guarantee capital investment in the Reka Pension fund. The interest paid on the guarantee capital investment is 4 % p.a.

2.4. Deferred tax assets and liabilities

Accounting policy

The tax expenses in the income statement consist of the income tax for the financial year and deferred taxes. The income tax for the financial year is calculated on the taxable income, using the tax rate in force in each country on the balance sheet date or on a subsequent tax rate.

Deferred tax assets related to individual companies are recognised if it is probable, based on an evaluation, that the deferred tax assets can be utilised before the expiry of unused tax losses or unused tax-related credits. Deferred tax assets are recognised to the extent that it is likely that taxable income will be created in the future, against which the temporary difference can be utilised.

In the notes on deferred taxes, the netted deferred tax assets and liabilities are presented separately In accordance with IAS 12.

Changes in deferred taxes during 2024:

EUR 1,000	
Deferred tax receivables 1/1/2024	**1,660**
Provisions	-25
Deferred tax receivables on losses and unused interest costs	288
IFRS 16 right-of-use assets	10
of which deferred tax receivable	12
of which deferred tax liability	-2
Other items	3
Deferred tax receivables 31/12/2024	**1,937**

EUR 1,000	
Deferred tax liabilities 1/1/2024	**-2,003**
Accumulated depreciation difference	2
Purchase price allocation	75
IAS 19 defined benefit pension receivable	166
Other items	-358
Deferred tax liabilities 31/12/2024	**-2,119**

Changes in deferred taxes during 2023:

EUR 1,000	
Deferred tax receivables 1/1/2023	**1,201**
Provisions	120
Deferred tax receivables on losses and unused interest costs	297
IFRS 16 right-of-use assets	42
of which deferred tax receivable	44
of which deferred tax liability	-2
Other items	-1
Deferred tax receivables 31/12/2023	**1,660**

EUR 1,000	
Deferred tax liabilities 1/1/2023	**-1,122**
Accumulated depreciation difference	31
Purchase price allocation	75
IAS 19 defined benefit pension receivable	-828
Other items	-159
Deferred tax liabilities 31/12/2023	**-2,003**

Confirmed losses of the Group companies expire in 2033 or later.

The assessment of deferred tax assets related to unused losses is based on the forecasts of separate companies, which have been subjected to sensitivity analyses.

2.5. Inventories

Accounting policy

Inventories are recognised at acquisition cost or recoverable amount, depending on which is lower, in accordance with the FIFO principle. The acquisition cost of finished products and work in progress consists of raw materials, direct expenses arising from work, other direct expenses and fixed acquisition and production costs. The recoverable amount is the estimated sales price in normal business less estimated expenses required to complete the product and selling expenses.

Use of estimates

The Group regularly reviews inventories for obsolescence and turnover, and for a possible reduction in net realisable value below cost and recognizes obsolescence when necessary. Such reviews require estimates of future demand for products and development of the market price. Possible changes in these estimates may cause adjustments in inventory valuation in future periods.

EUR 1,000	2024	2023
Materials and supplies	1,762	1,898
Production in progress	370	379
Finished products	1,618	1,538
Total	3,751	3,816

In 2024, a total of EUR 0.1 million (0.1) of impairments were realised.

2.6. Current receivables

Accounting policy

The IFRS 9 standard covers an accounting guidance model for expected credit losses and which is applied to the determination of impairments recorded on financial assets.

Provisions for expected credit losses are presented as an adjustment of trade receivables. Reka Industrial applies a simplified method for the calculation of expected credit losses, in which the following factors are used to assess the impairment of trade receivables; historical information on realised credit losses, customers' payment behavior, results of customer analysis and age analysis of open receivables. In the customer analysis, we take into account the prospects of the customer's market and the relevant market area.

Regarding the age analysis, we basically apply a 10% write-down to trade receivables less than 30 days due, a 25% write-down to trade receivables 30 days but less than 60 days due, a 50% write-down to trade receivables 60 days but less than 90 days due, and a 100% write-down to trade receivables 90 days or more due. The method of evaluating credit loss provisions has not been changed during the reporting period. The final credit loss entry is made in accordance with the recommendation of the debt collection agency used or in accordance with the possible bankruptcy of the customer.

EUR 1,000	2024	2023
Sales receivables	2,713	2,100
Other receivables	781	931
Total	3,494	3,031

Age distribution of sales receivables:

EUR 1,000	2024	2023
Undue	2,332	1,806
Due 1-30 days	222	135
Due 31-60 days	0	128
Due 61-90 days	102	0
Due more than 90 days	57	31
Total	2,713	2,100

Regarding open sales receivables the allowance of expected credit losses totalled EUR 75 thousand (EUR 21 thousand) has been booked and credit losses classified as final EUR 1 thousand (EUR 0 thousand). The allowance of expected credit losses is included to the sales receivable amount.

Current receivables distributed by currency:

EUR 1,000	2024	2023
EUR	3,107	2,642
PLN	387	389
Total	3,494	3,031

2.7. Financial assets

Accounting policy

Investment are recognised at fair value when the Group becomes party to the contract. The value of investments are updated using third-party market value reports.

Gains and losses arising from changes in fair value are recognised in financial income and/or expenses.

Money market deposits are recognised at nominal value in the balance sheet and interest revenue is recognised in interest receivables. Escrow accounts are recognised at nominal value.

Financial assets valid on 31 December 2024:

EUR 1,000	Positive current values	Negative current values	Current net values 31/12/24	Current net values 31/12/23	Nominal values 31/12/24	Nominal values 31/12/23
Investments						
Mandatum -funds	14,161		14,161	10,535	13,000	10,000
Lähi-Tapiola -funds	5,643		5,643	10,267	5,000	10,000
Aristoi -funds	5,347		5,347	3,028	5,000	3,000
Money market deposits	1,000		1,000	10,300	1,000	10,300
Escrow -account	0		0	4,000	0	4,000
Total	**26,150**		**26,150**	**38,131**	**24,000**	**37,300**

Investments included in financial assets have been valued using third-party market value reports (hierarchy level 2).

Funds are interest investments related to corporate loans and short-term interests. Aristoi -financial management is an investment portfolio including money market deposits, investments in bonds (companies and state) and other commodities. Withdrawal from the funds is possible within 2 banking days.

2.8. Cash and cash equivalents

EUR 1,000	2024	2023
Cash and bank	213	319

2.9. Shareholders’ equity

The parent company’s share capital by share series:

	2024		2023	
	Number	Shareholders' equity	Number	Shareholders' equity
		EUR 1,000		EUR 1,000
Series A (20 vote/share)	139,600	558	139,600	558
Series B (1 vote/share)	5,880,760	23,524	5,880,760	23,524
	6,020,360	24,082	6,020,360	24,082

Reka Industrial Plc has two series of shares. The maximum number of A-shares is 0.2 million (0.2), and the maximum number of B-shares is 9.6 million (9.6). All issued shares are paid up in full.

Own shares

Accounting policy

Acquiring own shares and related direct costs are booked directly to equity. Disposal of own shares is booked directly to equity.
When paying rewards, company uses also its own shares as means of payment. Part of the yearly and bonus remunerations of the Board of Directors can be paid via shares according to the decisions made in the AGM. Valid decisions of the AGM are always seen at www pages of the company and the decisions are informed also as a part of financial reporting. In addition to that, company can sign agreements, where part of service (e.g. consulting) can be paid with shares instead of money or that the company will be paid for the consideration received in company shares (exchange rate to transfer money to shares is defined in the related agreements, like average share price of the service delivery month or other predefined value). Company publishes stock releases when making payment with own shares.

The AGM 2024 authorised, in accordance with the Board of Director’s proposal, the Board of Directors to decide on the acquisition of the Company’s own shares with assets from the Company’s unrestricted equity. The shares will be acquired through trading arranged by Nasdaq Helsinki in accordance with its rules, and the consideration to be paid for the shares to be acquired must be based on market price. The Company may acquire B class shares directly by a contractual trade, provided that the number of class B shares to be acquired via contractual trade is at least 15,000 and that the consideration to be paid for the shares is equal to the prevailing market price in Nasdaq Helsinki at the time of the acquisition. When carrying out acquisitions of the Company’s own shares, derivatives, stock lending and other agreements customary to the capital markets may be entered into within the limits set by law and regulations.

The authorisation entitles the Board of Directors to also decide on a directed acquisition in a proportion other than that of the shares held by the shareholders, provided the Company has a weighty reason for this as defined in the Finnish Companies Act.

The maximum number of class B shares to be acquired may not exceed a total of 588,076. The amount corresponds to approximately 9.77 per cent of all the shares in the Company and in total 10.0 per cent of the Company’s class B shares.

The Board of Directors is entitled to decide on all other matters pertaining to acquiring of the Company's own shares. The authorisation is proposed to remain in force until the next Annual General Meeting, however not later than November 23, 2025. The authorisation replaces the authorisation given by the previous Annual General Meeting on May 24, 2023, to repurchase and pledge the company's own shares.

In accordance with the Board's proposal, the Annual General Meeting authorised the Board to decide on handover of own shares. The amount of shares to be handed over in total can be maximum 588,076 B shares, which corresponds to approximately 9.77 per cent of all the shares of the Company and in total 10.0 per cent of the Company's class B shares, depending on the situation on the date of the notice. The authorisation entitles the Board of Directors to decide on all other conditions for the handover of shares, including the right to deviate from the shareholders' pre-emptive subscription right.

The authorisation is valid until the next Annual General Meeting, however not later than November 23, 2025. The authorisation replaces the authorisation given by the previous Annual General Meeting on May 24, 2023, for the handover of own shares.

	2024		2023	
	Number	EUR 1,000	Number	EUR 1,000
Own shares 1/1	37,150	136	47,504	174
Fee payments	0	0	-10,354	-38
Own shares 31/12	37,150	136	37,150	136

Premium fund and reserve fund
The premium fund and reserve fund were set up before 1998. Their use is governed by the Limited Liability Companies Act.

Other unrestricted equity
Other unrestricted equity was created in 2000 through a reduction in the share capital. At the time, the amount equivalent to the reduction was transferred to a fund to be used in accordance with the Annual General Meeting's decision.

Translation differences
Translation differences primarily consist of differences arising from the conversions of foreign units' financial statements and intra-Group loans.

Dividends
The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.07 per share will be paid for 2024. A dividend of EUR 2.00 per share was paid for the financial year 2023.

2.10. Provisions and contingent liabilities

Accounting policy

A provision is made when the Group has a legal or actual obligation as a result of a previous event, when it is likely that a payment obligation must be fulfilled and when the amount of the obligation can be assessed reliably.

A warranty provision is made when a product with a warranty clause is sold. The amount of the warranty provision is based on proven knowledge about actual warranty costs.

A contingent liability is a conditional obligation resulting from previous events that is confirmed when an uncertain eventuality beyond the Group's control actually occurs. Contingent liabilities also include existing obligations which are not likely to require payment or the amount of which cannot be determined reliably. Potential contingent liabilities are presented in the notes to the financial statements. Contingent liabilities due to derivative contracts and pension responsibilities are presented in particular note.

Use of estimates

The evaluation of the provisions and contingent liabilities require management to make considerations.

The product warranty provision is made based on claims made but not yet paid as well as assigned provisions based on experience from past years In the Rubber segment, the assigned provision is calculated based on average percentage of the three-year complaints in relation to the turnover, unless otherwise agreed with the customer.

The granted guarantee is based on discounted balance sheet value of the instalments of Avilon Fibres Ltd´s industrial premises for the price remaining unpaid, for which the Group has granted a guarantee. The granted guarantee was noticed in the balance sheet of financial statement 2012 due the bankruptcy of Avilon Fibres Ltd. The guarantee is paid annually by amount of EUR 0.2 million until year 2035. With the payment the guarantee liability is reversed by the discounted amount of the year.

EUR 1,000	Product warranty provisions	Other provisions	Provision of unpaid purchase price	Total
Provisions 1/1/2024	101	2,310	2,010	4,421
- Used provisions	-18	-10	-89	-118
Provisions 31/12/2024	**83**	**2,300**	**1,921**	**4,303**

EUR 1,000	Product warranty provisions	Other provisions	Provision of unpaid purchase price	Total
Provisions 1/1/2023	394	0	1,895	2,289
+ Increase	0	2,310	200	2,510
- Used provisions	-293	0	-85	-378
Provisions 31/12/2023	**101**	**2,310**	**2,010**	**4,421**

When Reka Cables Ltd joined Nexans Group at the end of April 2023, the EUR 2.3 million guarantee capital investment made by Reka Cables Ltd remained at the Reka Industrial Group. Reka Industrial Group booked then a provision of EUR 2.3 million related to the exit of Reka Cables from Reka Pension fund.

2.11. Financial liabilities

Accounting policy

In cases where the fair value of financial assets and liabilities has not been used as the book value, the financial assets and liabilities are valued at allocated acquisition cost using effective interest method. Financial assets and liabilities recognised at fair value are valued based on market quotations.

EUR 1,000	2024	2023
Long-term financial liabilities valued at allocated acquisition cost		
Lease liabilities	4,664	4,818
Total	4,664	4,818

EUR 1,000	2024	2023
Short-term financial liabilities valued at allocated acquisition cost		
Bank loans	950	650
Factoring liability	0	27
Lease liabilities	666	487
Total	1,616	1,163

The Group's financing loans are whether fixed or Euribor or Wibor based. Lease contracts have fixed interest rates. The Group's average interest rate on 31 December 2024 was 6.4 % (31 December 2023 6.7 %).

The amounts of consolidated liabilities and their re-pricing periods under the agreements:

EUR 1,000	2024	2023
Less than 6 months	950	642
6 - 12 months	666	522
More than 12 months	4,664	4,818
Total	6,280	5,981

EUR 228 thousand of loans are denominated in PLN. All other loans are denominated in euro.

Maturing of lease liabilities:

EUR 1,000	2024	2023
Buildings		
Within 1 year	580	421
1 - 5 years	2,265	1,908
After 5 years	2,238	2,792
Total	5,084	5,121
Machinery and equipment		
Within 1 year	86	66
1 - 5 years	160	118
Total	246	184

The lease liabilities include next to the Valkeakoski plant located Kirjasniemi residential area, which is leased from the bankruptcy estate of the Kuitu Finland for 25 years as a part of a comprehensive restructuring carried out in the Viscose Fibres segment in 2010. Reka Industrial has the option to continue the lease for another 25 years, and it also has the right to purchase the area based on a preliminary agreement signed in 2010. Other lease liabilities relate to the rubber business.

2.12. Reconciliation of liabilities arising from financing

EUR 1,000	1.1.2024	Cash flow	Non-effected changes to cash flow Acquisition	Exchange rate differences	Transfers to items held for sale	31.12.2024
Long-term liabilities	0	0	0	0	0	0
Short-term liabilities	677	261	0	12	0	950
Finance lease agreements	5,305	19	0	5	0	5,330
Total financial liabilities	**5,981**	**281**	**0**	**17**	**0**	**6,280**

EUR 1,000	1.1.2023	Cash flow	Non-effected changes to cash flow Acquisition	Exchange rate differences	Transfers to items held for sale	31.12.2023
Long-term liabilities	8,376	-8,547	0	172	0	0
Short-term liabilities	3,556	-5,552	0	93	2,581	677
Finance lease agreements	5,595	-1,013	724	0	0	5,305
Total financial liabilities	**17,527**	**-15,113**	**724**	**265**	**2,581**	**5,981**

2.13. Accounts payable and other liabilities

EUR 1,000	2024	2023
Current financial liabilities valued at allocated acquisition cost:		
Accounts payable	1,495	1,388
Personnel expenses allocated by period	1,120	1,431
Accruals and deferred income	565	549
Other liabilities	364	358
Total	3,545	3,726

Accruals and deferred income consist of following items:

EUR 1,000	2024	2023
Accruals to Group companies	27	26
Other accruals	538	524
Total	565	549

Non-interest-bearing current liabilities distributed by currency:

EUR 1,000	2024	2023
EUR	3,287	3,325
USD	0	11
PLN	258	391
Total	3,545	3,726

2.14. Pension liabilities

Reka Industrial Group's statutory TyEl responsibilities have been taken care of by Reka Pension Fund. The pension fund's management and board of directors are responsible for managing the pension fund's assets.

Change in the net defined benefit liability recognised in balance sheet during financial year

EUR 1,000	Present value of defined benefit obligations	Present value of assets related	Total
1.1.2024	**6,015**	**-12,505**	**-6,491**
Defined benefit pension cost recognised in Income statement			
Cost based on review period's work performance	309	0	309
Interest expense or income	218	-456	-238
	527	-456	71
Items due remeasurements			
Profit for assets related to arrangement (except items including in interest expense or income)	0	2	2
Gain (-) / loss (+) arising from changes in financial assumptions	929	0	929
Experiential gain (-) / loss (+)	-103	0	-103
	826	2	828
Payments made by employer to arrangement	0	-70	-70
Paid benefits	-81	81	0
31.12.2024	**7,287**	**-12,948**	**-5,662**

Change in the net defined benefit liability recognised in balance sheet during previous year

EUR 1,000	Present value of defined benefit obligations	Present value of assets related	Total
1.1.2023	**17,798**	**-22,069**	**-4,271**
Defined benefit pension cost recognised in Income statement			
Cost based on review period's work performance	565	0	565
Interest expense or income	441	-599	-158
	1,006	-599	407
Items due remeasurements			
Profit for assets related to arrangement (except items including in interest expense or income)	0	-1,548	-1,548
Gain (-) / loss (+) arising from changes in financial assumptions	-47	0	-47
Experiential gain (-) / loss (+)	-26	0	-26
	-73	-1,548	-1,621
Payments made by employer to arrangement	0	-138	-138
Acquisitions	-12,589	11,721	-867
Paid benefits	-127	127	0
31.12.2023	**6,015**	**-12,505**	**-6,491**

Significant assumptions behind insurance mathematical calculations	2024	2023
Discount rate	3.66%	3.64%
Inflation	2.10%	2.35%
Increase of pensions	2.75%	2.00%

Sensitivity analysis, EUR 1,000	Effect on pension liability	2024	2023
Discount rate			
	0.5 %-increase	-685	-541
	0.5 %-decrease	795	624
Pension increase			
	0.5 %-increase	768	597
	0.5 %-decrease	-695	-544
Life expectancy			
	1 year increase	224	169
	1 year decrease	218	-164

Assets related to defined benefit plan are divided to categories as follows, %	2024	2023
Interest instruments	31.1 %	33.2 %
Equity instruments	42.2 %	33.6 %
Properties	25.5 %	27.5 %
Other instruments	1.2 %	5.7 %
	100.0 %	100.0 %

In addition to companies belonging to Reka Group, also Reka Cables Ltd and some related party companies of Reka Ltd have joined to Reka Pension Fund. Other companies also have the opportunity to join Reka Pension Fund. Reka Pension Fund and its members have been described in more detail in note 3.3. Related-party events.

The assets of Reka Pension Fund are approximately EUR 45.2 million and pension liabilities are approximately EUR 33.9 million. Subsidiary Reka Rubber Ltd has made EUR 5.7 million guarantee capital investment and the Reka Rubber sub-group has also EUR 2.3 million guarantee capital investment into Reka Pension Fund.

The risk related is that the assets of the pension fund increases slower than the pension liabilities which would cause that in the long run the assets would not cover the liabilities.

The Group expects to pay contributions in financial year 2025 total EUR 0.7 (2024: 1.0) million. Contributions in 2025 are based on 24.85 % pension contribution.

2.15. Financial risk management

The Group's business operations involve risks related to financing. Reka Industrial's primary financial risks are currency, interest rate, commodity, liquidity, credit, and investment market risks.
The Board of Directors approves the Group's general risk management principles. The operational management is responsible for the practical implementation of these principles. The parent company's Board of Directors or the audit committee operating under the Board of Directors are responsible for assessing the sufficiency and pertinence of risk management.
For risk management, the Group uses forward contracts, options, commodity derivatives, interest rate swaps and reference rate changes, if necessary, as well as various selling and buying orders based on threshold values.

Currency risk
Operating internationally, the Group is subjected to currency transaction risks as well as risks that arise when different currencies, investments, assets, and liabilities are converted into the parent company's functional currency. Currently, the Group has not hedged net investments in foreign units by using external loans denominated in the corresponding currency or by using foreign exchange forward contracts. All of the Group's external loans are denominated in euros (EUR) or Polish zloty (PLN).

Interest rate risk
The Group's interest rate risks arise from borrowing. Leases have fixed interest rates. The reference rate for other external loans is 1- and 3-month Euribor as well as 1-month Wibor. On 31 December 2024 lease liabilities with fixed interest rates totalled to EUR 5.3 million. Liabilities with variable interest rates totalled to EUR 1.0 million.

On the closing date of the financial year, the Group's average financing rate for external loans was 6.4 percent (6.7). If the average interest rate had been 1 percentage point higher, it would have affected the Group's result before taxes by EUR -0.1 million (-0.1).

Commodity risk
The key raw material for the Rubber segment is rubber. There are no commodity derivatives in use in the Rubber segment. Price fixings are used to hedge the price of electricity.

Liquidity risk
Ensuring liquidity and sufficient funding by conducting negotiations on financing and payment terms, measures for boosting inventory and freeing up capital assets are taken into action.
The Group aims to continuously evaluate and monitor the amount of financing required by its business operations to ensure that the Group has sufficient liquid funds to finance operations and repay loans.

The Group uses sales of accounts receivables as a part of optimising circulation of working capital and controlling liquidity risk.

The financial covenants (Equity ratio and loan servicing margin) of the financing in the Polish subsidiary were met with at the balance sheet date. The Group has not other financial covenants.

EUR 1,000	Balance sheet value	Cash flow	Less than 1 year	1 - 2 years	2 - 5 years	More than 5 years
31.12.2024						
Loan limits	950	950	950	0	0	0
Lease liabilities	5,330	6,779	994	1,813	2,157	1,816
Accounts payable and other liabilities	3,545	3,545	3,545	0	0	0
Total	9,824	11,274	5,488	1,813	2,157	1,816

EUR 1,000	Balance sheet value	Cash flow	Less than 1 year	1 - 2 years	2 - 5 years	More than 5 years
31.12.2023						
Repayable bank loans	8	8	8	0	0	0
Loan limits	642	642	642	0	0	0
Regression of sales receivables	26	26	26	0	0	0
Lease liabilities	5,305	7,071	823	1,560	2,154	2,534
Accounts payable and other liabilities	3,726	3,726	3,726	0	0	0
Total	9,707	11,474	5,226	1,560	2,154	2,534

The figures are undiscounted and include both interest payments and principal payments.

Credit risk
The Group manages its credit risk by regularly monitoring the credit rating of its key partners (customers, suppliers, and other partners) and by regularly and actively monitoring customer payment behaviour and external information. In the Rubber segment, credit risk is managed through credit limits integrated into the ERP system. The Group also manages its credit risk through market-specific and customer-specific payment terms. The Group's maximum credit risk corresponds to the book value of financial assets at the end of the financial period. Major part of the sales receivable is not due. Age analysis of sales receivables is presented in enclosure 2.6. Taken all market areas into the consideration the largest customer Group´s share of the Group´s turnover was 24.4 %. Other separate customer´s share of the Group´s turnover was under 10 %.

Investment market risk
Through its investments in securities, the Group is subjected to investment market risks. Market prices of shares, changes in fund values and the general market situation affect the company's performance through changes in the values of said investments. Investments are presented more in note 2.7.

2.16. Capital management

In capital management, the Group monitors key figures, such as return on investment (ROI), equity ratio, EBITDA, and earnings per share. Reka Industrial aims to distribute at least 30 percent of its net earnings as dividends.

2.17. Fair values of financial assets and liabilities

Investments included in financial assets have been valued using third-party market value reports (hierarchy level 2). Other cash and cash equivalents as well as receivables and liabilities are recognised in accordance with the amount open in the financial statements, excluding any credit losses. Direct transaction costs related to a specified loan, are included to the original allocated acquisition costs of a financial liability and are noticed as interest costs by using effective interest method. Fair values and hierarchy levels of financial assets are presented in note 2.7. Fair values and those hierarchy levels of other items are not presented as the bookkeeping values are rather close to the fair values.

3. OTHER NOTES

3.1. Contingent liabilities and commitments

Accounting policy

A contingent liability is a conditional obligation resulting from previous events that is confirmed when an uncertain eventuality beyond the Group's control actually occurs. Contingent liabilities also include existing obligations which are not likely to require payment or the amount of which cannot be determined reliably. Potential contingent liabilities, that are not recognised in the balance sheet, are presented in this note.

EUR 1,000	31/12/2024	31/12/2023
Loans from financial institutions	950	677
Granted business mortgages	1,800	1,800
Granted real estate mortgages	4,667	1,900

The amount of corporate mortgages on December 31, 2024 was EUR 1.8 million. EUR 1.8 million of corporate mortgages are held by the financier but available to the company if necessary.

Investment commitments
On December 31, 2024, the investment commitments for tangible fixed assets amounted to EUR 1.0 million (1.2).

Commitments to rental agreements less than 12 months or low value were on December 31, 2024, total EUR 0.1 million (0.1).

3.2. Group structure

The Reka Industrial Group's internal parent companies, subsidiaries, and associated companies 31.12.2024:

Company name	Home country	Domicile	Group's equity share (%)	Group's share of votes (%)
Parent company: Reka Industrial Plc	Finland	Hyvinkää		
Reka Industrial Plc's subsidiaries and associated companies:				
Reka Rubber Ltd	Suomi	Hyvinkää	100.00	100.00
Reka Rubber Polska SP Z.O.O.	Poland	Dopiewo	100.00	100.00
Metsämarkka 1 Ltd	Finland	Hyvinkää	100.00	100.00

During financial year Alnus Ltd merged with Metsämarkka 1 Ltd and, in addition, Metsämarkka 1 Ltd became part of the Reka Rubber sub-group.

3.3. Related-party events

The Group's related parties include the subsidiaries and associated companies, other companies belonging to the Reka Group, Reka Pension Fund, the Group's Board of Directors and their close family members as well as management group and their close family members. Also related parties include companies, that have ownership connection through the owner who has significant decision power, or that belong to the related-party companies via the management or board members. Reka Industrial's management group consists of Managing Director and CFO.

Reka Industrial Plc, and therefore also the Reka Industrial Group, belong to the Reka Group. Reka Ltd has a 50.16 percent holding of shares and a 65.36 percent holding of votes.

Related-party transactions

Transactions with the Reka Group:

1 000 euroa	1-12/2024	1-12/2023
Other purchases	-337	-562
Other income	0	7
Guarantee commissions	0	-18
Sales receivables and other receivables at the end of the period	0	168

Reka Ltd has earlier guaranteed financing and other agreements of the Reka Industrial Group. Reka Industrial paid a guarantee commission for guarantees.

The Reka Industrial Group uses the Reka Group level finance and supporting systems as well as related licenses and virtual servers.

Transactions with the Reka Pension fund:

EUR 1,000	1-12/2024	1-12/2023
Paid pension expenses	-737	-1,494
Rental expenses	-578	-639
Financial income	321	320
Guarantee capital investment	8,000	8,000
Other debts at the end of the period	121	47
Other receivables at the end of the period	27	27

Reka Group's pension insurances were transferred into Reka's Pension Fund on 31 December 2015. Because of the transfer, pension liabilities of Reka Industrial Group have been processed in IFRS through benefit-based calculation.

On December 31, 2024 Reka Rubber sub-group has a total of EUR 8.0 million of guarantee capital investments in Reka Pension Fund. The interest on the guarantee capital investment is 4 % p.a.

Guarantee capital investment is a strategic investment in the Reka Pension fund and it supports Reka Pension fund's solvency. Investment is long-term investment because the repayment depends on Reka Pension fund's solvency. If Reka

Pension fund would be dissolved and at the time of dissolvement the pension fund's solvency will not be sufficient to repay the guarantee capital investments, an investment loss will arise to the extent that the investment could not be recovered.

According to current legislation Reka Pension fund needs to have at least 150 working members. Reka Cables Ltd, previous Group company, has announced to leave Reka Pension fund at the end of March 2025. After the departure of Reka Cables, Reka Pension fund has, according to the current view, less than 150 working members. If the number of working members of Reka Pension fund does not increase over 150 persons during the next 2 years, possibly with an additional 1 year if receiving official permit, may the pension fund be dissolved in 2028. If Reka Pension fund would be dissolved, the IAS 19 entries related to the pension fund will be removed (IAS 19 pension receivable EUR 5.7 million on December 31, 2024). The view of the Board of the Group and the parent company and Reka Pension fund is that the number of members will increase and the required limit of 150 working people will be met.

In the financial statements on December 31, 2024, an expense provision of EUR 2.3 million has been taken into account in case the development of Reka Pension fund's membership does not develop favorably and thus the guarantee capital investment would be subject to a write-down risk in 2028.

Management fringe benefits and other related-party transactions:

EUR 1,000	2024	2023
Salaries and other short-term fringe benefits	349	952
Pension benefits, defined contribution plans	59	121
Total	407	1,073

The Group's Board of Directors and management group have been defined as key management personnel of the company.

The members of the Board are paid an annual remuneration in accordance with the decision of the Annual General Meeting. Travel expenses are paid according to the invoice. The members of the Board have no pension agreements with the company. Some of the fees may be paid in shares as decided by the Annual General Meeting. Payments in shares are always announced separately.

The Annual General Meeting in 2024:

- Confirmed the annual remuneration (12 months) of the members of the Board of Directors at EUR 25,000 and the annual remuneration of the Chairperson of the Board at EUR 50,000 and the annual remuneration of committee members at EUR 2,500. No separate meeting fees are paid. The members of the Board are compensated for their travel expenses.

Due to Reka Industrial's ownership structure, member of the Board of Directors can be a member of the Board of Directors in subsidiaries and get compensation. In addition, the Board of Directors can decide of separate remuneration, when member of the Board of Directors is taking additional measures and time for implementing an important company project (financing, acquisition, contract). The remuneration according to the target remuneration agreements of the management team members is included in the breakdown below.

Salaries and other fringe benefits by person:

EUR 1,000	2024	Of which paid by shares	2023
Salaries and fees:			
Poutanen Jukka, Managing Director	0		528
Tulander Sari, President and CEO / CFO	221		189
Board of Directors:			
Hyytiäinen Matti	6	0	25
Järvelä Ari	0	0	7
Kyllönen Olli-Heikki	0	0	6
Marttila Päivi	23	0	19
Raita Eeva	23	0	19
Rentto Markku	23	0	97
Saarinen Leena	46	0	44
Tolvanen Ville	6	0	19
Total	349	0	952

The amounts above include statutory pension insurances as follows: Jukka Poutanen EUR 0 thousand (EUR 89 thousand), Sari Tulander EUR 35 thousand (EUR 32 thousand).

Transactions with other related parties:

EUR 1,000	1-12/2024	1-12/2023
Rental incomes	15	10
Other purchases	80	17
Other liabilities at the end of the period	2	0

Other related parties consist of companies that have an ownership relationship through the owner who has significant decision power, or that belong to the related-party companies via the management or board members or their close family members.

The Group has no other significant transactions, receivables or liabilities or guarantees with related parties.

3.4. Major events after the financial period

The Board of Directors of Reka Industrial Plc prepared a set of criteria for the next stages of the strategy work in spring 2024. The Board of Directors evaluated several companies. However, there was a limited number of potential companies that met the criteria, and in the end, no transaction was completed because the Board of Directors did not have a common vision of how to proceed. On January 8, 2024 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 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.

Reka Rubber Ltd, a subsidiary of Reka Industrial, launched in February 2025 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 in Aura has already been CO2-free in the past.

The power-to-heat thermal storage solution will enable Reka Rubber to completely 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% 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 and 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.

Income statement of the parent company (FAS)

	Note	1/1-31/12/2024	1/1-31/12/2023
TURNOVER	1	337,428.72	839,816.96
Other operating income	2	194,594.34	151,158.34
Personnel expenses	3	-355,101.56	-592,069.33
Depreciation and impairment	4	-108,734.96	-103,028.42
Other operating expenses	5	-985,774.37	-1,115,530.48
OPERATING RESULT		-917,587.83	-819,652.93
Financial income and expenses	6	1,924,246.19	20,052,063.00
RESULT BEFORE TAXES AND APPROPRIATIONS		1,006,658.36	19,232,410.07
Appropriations	7	10,568.50	2,490.02
Taxes	8	-169,880.25	-83,227.08
RESULT FOR THE PERIOD		847,346.61	19,151,673.01

Balance sheet of the parent company (FAS)

	Note	31/12/2024	31/12/2023
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	9	225,245.05	239,393.57
Tangible assets	10	643,039.50	662,841.96
Other investments	11	7,714,411.16	7,885,202.64
		8,582,695.71	8,787,438.17
CURRENT ASSETS			
Non-current receivables	12	176,907.23	0.00
Current receivables	13	4,228,763.90	27,096,158.29
Other cash equivalents		26,150,072.78	23,830,587.74
Cash and cash equivalents		32,387.43	5,056.71
		30,588,131.34	50,931,802.74
ASSETS		39,170,827.05	59,719,240.91

	Note	31/12/2024	31/12/2023
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY	14		
Share capital		24,081,440.00	24,081,440.00
Premium fund		66,400.00	66,400.00
Reserve fund		1,221,254.58	1,221,254.58
Own shares		-136,380.06	-136,380.06
Retained profit		8,563,464.93	1,378,242.08
Other unrestricted equity		435,611.31	435,611.31
Result for the period		847,346.61	19,151,673.01
		35,079,137.37	46,198,240.92
ACCUMULATED APPROPRIATIONS	15	44,584.34	55,152.84
OBLIGATORY PROVISIONS	16	3,515,938.70	3,681,017.78
NON-CURRENT LIABILITIES	17	430,014.56	83,227.08
CURRENT LIABILITIES	18	101,152.08	9,701,602.30
SHAREHOLDERS' EQUITY AND LIABILITIES		39,170,827.04	59,719,240.92

Cash flow statement of the parent company (FAS)

	1/1-31/12/2024	1/1-31/12/2023
Cash flow from operating activities:		
Payments received from operating activities	810,544.60	11,251,847.58
Payments paid on operating activities	-11,025,199.94	-816,217.08
Paid interests and other financial expenses	-65,784.49	-563,592.00
Interests received and other financial income	1,923,195.79	11,040,952.93
Dividends received	19,000,064.40	39.56
Direct taxes paid	-30,183.61	-201,609.64
Cash flow from operating activities	**10,612,636.75**	**20,711,421.35**
Cash flow from investments:		
Investments in tangible and intangible fixed assets	-179,370.84	-79,770.93
Proceeds from tangible fixed assets	150,000.00	0.00
Subsidiaries sold	170,791.48	0.00
Granted loans	-1,305,791.48	-7,250,000.00
Loan repayments	4,865,000.00	22,660,194.89
Cash flow from investments	**3,700,629.16**	**15,330,423.96**
Decrease in loans	0.00	-10,138,790.03
Dividends paid and other distribution of profits	-11,966,450.15	-2,389,076.42
Cash flow from financing activities	**-11,966,450.15**	**-12,527,866.45**
Change in cash and cash equivalents	**2,346,815.76**	**23,513,978.86**
Cash and cash equivalents at the beginning of the period	23,835,644.45	321,665.59
Cash and cash equivalents at the end of the period	**26,182,460.21**	**23,835,644.45**

Notes to the parent company's financial statements (FAS)

ACCOUNTING POLICIES

The financial statements of the parent company have been prepared in accordance with the general accounting principles of Finnish Accounting Standards (FAS; chapter 3, section 3).

Valuation principles

Valuation of non-current assets
Non-current assets are recognized in the balance sheet at original cost less depreciation. Depreciation has been determined on the basis of the useful lives of the assets. Intangible rights are depreciated over a period of 5 years and machinery and equipment are depreciated over a period of 3 to 5 years.

Valuation of current assets
The company's financial securities are recognized at fair value. Realized and unrealized gains and losses from changes in fair value are recognized in the income statement in the financial period in which they occur.

Fair value is assessed based on information received from the counterparty or a valuation report or valuation model submitted by a third party.

Recognition of pensions
The statutory pension insurance for staff has been transferred to Reka Pension Fund on 31.12.2015. Pension expenses are recognized as costs in the financial year during which they are accumulated.

Accrual of financial expenses
Transaction costs directly due to acquisition of loans, which are clearly related to certain loan, are booked to accrued income and accrued to financial expenses during loan period.

Comparability of the profit

Profit is comparable to previous year's profit.

Foreign currency items

Receivables and liabilities denominated in foreign currencies have been converted to euros using the exchange rate listed by the European Central Bank on the closing date of the financial period.

NOTES TO THE INCOME STATEMENT

1. Turnover

	2024	2023
Turnover from consulting and management services	337,428.72	839,816.96
	337,428.72	839,816.96

2. Other operating income

	2024	2023
Rental income from others	127,366.03	148,860.24
Profit on sales of assets	0.00	0.00
Other income	2,298.10	0.00
	129,664.13	148,860.24

3. Personnel expenses

	2024	2023
Salaries and fees	308,280.67	535,668.37
Pension expenses	43,760.09	45,941.79
Other personnel expenses	3,060.80	10,459.17
	355,101.56	592,069.33
Of which		
Management's salaries and fees	181,197.40	288,634.15
Board of Directors' fees	127,083.27	235,677.94
	308,280.67	524,312.09

	2024	2023
Average number of staff	1	1

4. Depreciation and impairment

	2024	2023
Depreciation on intangible assets	14,148.52	16,365.21
Depreciation on machinery and equipment	2,340.57	3,510.87
Depreciation on other tangible assets	89,236.42	79,139.74
Depreciation on buildings	3,009.45	4,012.60
	108,734.96	103,028.42
Total depreciation and impairment	108,734.96	103,028.42

5. Other operating expenses

	2024	2023
Rents	212,534.93	209,660.67
Voluntary personnel expenses	269.19	2,151.78
Audit of the accounts	46,096.27	116,529.36
Consultant services	139,829.53	59,818.59
Sales and marketing	41,209.87	33,757.00
Machinery and property maintenance costs	143,461.34	150,518.99
Change in obligatory provisions	34,920.92	193,284.13
Other expenses	367,452.32	349,809.96
	985,774.37	1,115,530.48

Fees paid to the auditors

The amounts are included in other operating expenses	2024	2023
Annual audit of the accounts	31,758.56	48,500.00
Tax services	4,737.71	1,459.36
Certification services	9,600.00	46,610.00
Other services	0.00	19,960.00
	46,096.27	116,529.36

6. Financial income and expenses

Financial income	2024	2023
Dividend yield from Group companies	0.00	19,000,000.00
Dividend yield from others	64.40	39.56
Interest and financial income from Group companies	494,592.42	759,332.91
Interest and financial income from others	1,495,373.86	849,300.60
	1,990,030.68	20,608,673.07
Financial expenses		
Interest and financial expenses to Group companies	0.00	-10,000.01
Interest and financial expenses to others	-65,784.49	-546,610.06
	-65,784.49	-556,610.07
Total financial income and expenses	1,924,246.19	20,052,063.00

7. Appropriations

	2024	2023
Change in cumulative accelerated depreciation	10,568.50	2,490.02
Total appropriations	10,568.50	2,490.02

8. Taxes on the income statement

	2024	2023
Change in deferred tax	-169,880.25	-83,227.08
Taxes total	-169,880.25	-83,227.08

NOTES TO THE BALANCE SHEET

9. Intangible assets

	2024	2023
Acquisition costs 1/1	267,438.03	267,438.03
Acquisition costs 31/12	267,438.03	267,438.03
Accumulated depreciation 1/1	-28,044.46	-11,679.25
Depreciation according to plan	-14,148.52	-16,365.21
Accumulated depreciation 31/12	-42,192.98	-28,044.46
Book value 31/12	225,245.05	239,393.57

	2024	2023
Land and water areas		
Acquisition costs 1/1	29,685.00	29,685.00
Decrease	-29,685.00	0.00
Acquisition costs 31/12	0.00	29,685.00
Book value 31/12	0.00	29,685.00

10. Tangible assets

Buildings		
Acquisition costs 1/1	100,315.00	100,315.00
Decrease	-74,901.86	0.00
Acquisition costs 31/12	25,413.14	100,315.00
Accumulated depreciation 1/1	-22,403.69	-18,391.09
Depreciation according to plan	-3,009.45	-4,012.60
Accumulated depreciation 31/12	-25,413.14	-22,403.69
Book value 31/12	0.00	77,911.31

	2024	2023
Other tangible assets		
Increase	870,054.45	790,283.52
Decrease	179,370.84	79,770.93
Acquisition costs 31/12	1,049,425.29	870,054.45
Accumulated depreciation 1/1	-314,808.76	-232,158.19
Depreciation according to plan	-91,576.99	-82,650.57
Accumulated depreciation 31/12	-406,385.75	-314,808.76
Book value 31/12	643,039.50	555,245.69

11. Other investments

Shares in Group companies:

	2024	2023
Acquisition costs 1/1	7,885,202.64	7,885,202.64
Decrease	-170,791.48	0.00
Acquisition costs 31/12	7,714,411.16	7,885,202.64

Holdings in Group companies	Business ID	Share capital		
		EUR 1,000	2024	2023
Reka Kumi Ltd, Hyvinkää	0870234-9	168	10	10

Reka Industrial Plc owns the whole share capital of its subsidiary Reka Rubber Ltd.

12. Non-current receivables

	2024	2023
Deferred tax receivables	176,907.23	0.00
Total	176,907.23	0.00

13. Current receivables

	2024	2023
Sales receivables	2,156.37	3,052.50
Sales receivables from Group companies	213,004.49	0.00
Current loan receivables from Group companies	3,690,791.48	7,250,000.00
Interest receivables from Group companies	0.00	42,503.50
Accrued income from Group companies	0.00	427,591.74
Dividend receivables from Group companies	0.00	19,000,000.00
Other receivables	790.57	13,295.79
Accrued income	322,020.99	359,714.76
Total	4,228,763.90	27,096,158.29

Material items of accrued income:

	2024	2023
Accrued interest and other financial receivables	1,674.44	0.00
Accrued income from Group companies	0.00	427,591.74
Accrued accounts payable	143,209.39	158,059.51
Tax receivables	177,137.16	146,953.55
Other accrued income	0.00	54,701.70
Total	322,020.99	787,306.50

14. Shareholders’ equity

	2024	2023
Share capital 1/1		
Series A	558,400.00	558,400.00
Series B	23,523,040.00	23,523,040.00
Share capital 31/12	24,081,440.00	24,081,440.00
Premium fund 1/1	66,400.00	66,400.00
Premium fund 31/12	66,400.00	66,400.00
Reserve fund 1/1	1,221,254.58	1,221,254.58
Reserve fund 31/12	1,221,254.58	1,221,254.58
Restricted equity 31/12	25,369,094.58	25,369,094.58
Own shares 1/1	-136,380.06	-174,390.26
Payments by own shares	0.00	38,010.20
Own shares 31/12	-136,380.06	-136,380.06
Retained profit 1/1	1,378,242.08	2,412,161.72
Payments by own shares	0.00	31,989.80
Dividends paid	-11,966,450.15	-2,389,076.42
Retained profit 31/12	8,563,464.93	1,378,242.08
Other unrestricted profit 1/1	435,611.31	435,611.31
Other unrestricted profit 31/12	435,611.31	435,611.31
Result for the period	847,346.61	19,151,673.01
Unrestricted equity 31/12	9,710,042.79	20,829,146.34
Shareholders' equity 31/12	35,079,137.36	46,198,240.92

Distributable unrestricted equity

	2024	2023
Other unrestricted equity fund	435,611.31	435,611.31
Retained profit	8,563,464.93	1,378,242.08
Net profit/loss	847,346.61	19,151,673.01
Total distributable unrestricted equity	9,846,422.85	20,965,526.40

The parent company's share capital by share series	2024		2023	
	Number	Share capital EUR 1,000	Number	Share capital EUR 1,000
Series A (20 vote/share)	139,600	558	139,600	558
Series B (1 vote/share)	5,880,760	23,523	5,880,760	23,523
	6,020,360	24,081	6,020,360	24,081

On December 31, 2024, the company held a total of 37,150 of its own shares (37,150 on December 31, 2023).

15. Accumulated appropriations

	2024	2023	Change
Difference between depreciation according to plan and depreciation in accordance with the Finnish Business Tax Act (EVL)	44,584.34	55,152.84	-10,568.50

16. Obligatory provisions

	2024	2023
Rental loss provision	915,722.76	881,017.78
Payment guarantee for the purchase price of premises (Avilon Fibres Ltd)	2,600,000.00	2,800,000.00
Credit loss provision	215.94	0.00
Total obligatory provisions	3,515,938.70	3,681,017.78

In Financial Statement of year 2012 company booked through income statement the guarantees given on behalf of Avilon Fibres Ltd, totalling EUR 5.3 million. Part of the related industrial premises was sold in 2017 and guarantee obligation has been lowered by related sales price (EUR 0.2 million), but it reversed back to guarantee obligation in 2023. The remaining amount of the guarantee on 31 December 2024 is EUR 2.6 million, which is paid annually by amounts of EUR 0.2 million until year 2035.

17. Non-current liabilities

	2023	2022
Deferred tax liability	430,014.56	83,227.08
Total	860,029.12	166,454.16

18. Current liabilities

	2024	2023
Accounts payable	56,648.66	82,453.74
Accruals and deferred income	43,151.42	53,264.78
Other current liabilities	1,352.00	7,635.69
Other current liabilities to Group companies	0.00	9,558,248.09
Total	101,152.08	9,701,602.30

Material items of accrued liabilities:

	2024	2023
Personnel expenses allocated by period	7,996.38	27,533.82
Other accrued liabilities	35,155.04	25,730.96
Total	43,151.42	53,264.78

19. Contingent liabilities

Lease liabilities

	2024	2023
Maturing within 1 year	212,534.88	212,534.88
Maturing in 1 to 5 years	850,139.52	850,139.52
Maturing after 5 years	1,204,364.32	1,416,899.20
Total	2,267,038.72	2,479,573.60

20. List of bookkeeping books and vouchers

List of bookkeeping books and vouchers and their preservation:

Journal and general ledger	in electric format
Sales receivable and accounts payable	in electric format
Bank statements	in electric format
Sales invoices	in electric format
Purchase invoices	in electric format
Travel invoices	in electric format
Payroll	in electric format
Memorandums	in electric format
Note vouchers	in electric format

Bookkeeping books and vouchers are preserved at electric archive (Turuntie 11, 21380 Aura). Vouchers are preserved in electric form in cloud service offered by accounting system supplier.

During financial year 2024 the following voucher classes were used:

99	Note vouchers
AT	Generated by the Netvisor system
JK	Periods
ML	Sales invoice
MS	Sales
MU	Other
OL	Purchase invoice
OS	Purchase
PA	Salary
PT	Bank
Pump	Imported events
T-	Automatic accounting entries

Board's proposal to the Annual General Meeting

The parent company's distributable funds are EUR 9,846,422.85, of which the result for the period is EUR 847,346.61. The Board of Director's proposal is to pay a dividend of EUR 0.07 per share. The proposal is based on company's financial situation and future strategic investments. A dividend of EUR 2.00 per share was paid for the financial year 2023 as a result of the corporate sale of Reka Cables.

Signatures of the Financial Statement and Board of Directors' report

We confirm that

- the consolidated financial statements prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union and the financial statements of the parent company prepared in accordance with the laws and regulations governing the preparation of financial statements in Finland give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole;
- the management report includes a fair review of the development and performance of the business and the position of the company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face and

Hyvinkää 11 March 2025

MARKKU RENTTO
Markku Rentto
Chairperson

RIITTA MYNTTINEN
Riitta Mynttinen

MATTI COPELAND
Matti Copeland

RIKU KYTÖMÄKI
Riku Kytömäki

SARI TULANDER
Sari Tulander
President and CEO

Auditor’s note

We have issued the auditor’s report today.

Helsinki 11 March 2025

KPMG Oy Ab
Authorized Public Audit Firm

JUKKA RAJALA
Jukka Rajala
KHT

Auditor’s report

This document is an English translation of the Finnish auditor’s report. Only the Finnish version of the report is legally binding.

To the Annual General Meeting of Reka Industrial Oyj

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Reka Industrial Oyj (business identity code 0693494-7) for the year ended 31 December, 2024. The financial statements comprise the consolidated balance sheet, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including material accounting policy information, as well as the parent company’s balance sheet, income statement, statement of cash flows and notes.

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.

Our opinion is consistent with the additional report submitted to the Audit Committee.

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 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.

In our best knowledge and understanding, the non-audit services that we have provided to the parent company and group companies are in compliance with laws and regulations applicable in Finland regarding these services, and we have not provided any prohibited non-audit services referred to in Article 5(1) of regulation (EU) 537/2014. The non-audit services that we have provided have been disclosed in note 1.5 to the consolidated financial statements.

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

Materiality

The scope of our audit was influenced by our application of materiality. The materiality is determined based on our professional judgement and is used to determine the nature, timing and extent of our audit procedures and to evaluate the effect of identified misstatements on the financial statements as a whole. The level of materiality we set is based on our assessment of the magnitude of misstatements that, individually or in aggregate, could reasonably be expected to have influence on the economic decisions of the users of the financial statements. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for qualitative reasons for the users of the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The significant risks of material misstatement referred to in the EU Regulation No 537/2014 point (c) of Article 10(2) are included in the description of key audit matters below.

We have also addressed the risk of management override of internal controls. This includes consideration of whether there was evidence of management bias that represented a risk of material misstatement due to fraud.

THE KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN THE AUDIT

Revenue recognition (Refer to Accounting policies for the consolidated financial statements and note 1.1)

Revenue recognition is one of our focus areas due to following, for example:

- Volumes of individual sales transactions are relatively large.
- The Group uses different pricing models, client contract templates as well as sales channels.
- The user rights in the sales-related IT systems are relatively extensive.
- The payment terms of clients are long (14-120 days).

- Our audit procedures covered assessment of the sales-related internal control environment, as well as testing of the operating effectiveness of the associated key controls. We also carried out both analytical and substantive audit procedures.
- Our audit procedures included key person interviews and assessment of the appropriateness of the revenue recognition principles and practices applied.
- We inspected the contents of the key sales agreements and tested the consistency of the accounting with the terms of sale in the agreements and appropriateness of sales agreement signing.
- As part of our interim audit procedures, we have tested that sales invoicing and revenue recognition correspond to each other, and that payments have been received for invoiced sales. As part of our year-end audit procedures, we tested the recognition of revenues on accrual basis and we tested the balances of open trade receivables with balance inquiries sent to customers.
- Our work also included consideration of rebates and discount practices and the

process for recognizing credit notes, as well as testing of credit note accounting material.

- In addition, we considered the appropriateness of the Group's disclosures in respect of revenues.

Related party transactions (Refer to Accounting policies for the consolidated financial statements and note 3.3)

We draw attention to Note 3.3 of the financial statements, which describes the risks related to the guarantee capital investments amounting to 8 million euro, which the Company has made to its related party company Reka Pension Fund.

The company has significant business transactions with its related parties. Related party transactions are one of our focus areas due to following, for example:

- The Group has several related party entities with which the Group companies have related party transactions.
- Related party transactions include for example leasing and pension related arrangements that also affect the Group's balance sheet structure.
- The Group companies have arranged statutory pension insurance for their employees through Reka Pension Fund, which is a related party. On December 31, 2024 the Group has a total of EUR 8.0 million of guarantee capital investments in Reka Pension Fund. Reka Cables Ltd, previous

- We assessed the Group's process for identifying related parties and recording and disclosing related party transactions in the financial statements.
- Our audit procedures included assessment of the principles related to the recognition and valuation of the company's guarantee capital investments and their presentation in the notes. We have acquainted ourselves with the company's reports on the continuity of the Reka Pension Fund and the valuation of guarantee capital investments.
- Our audit procedures included assessment of the administrative documents and agreements with related parties to understand the nature of the transactions. We used other KPMG professionals to consider the nature of the contracts and

Group company, has announced to leave Reka Pension fund at the end of March 2025, which means that the minimum legal requirement for the number of working members of the pension fund will no longer be met. If the number of working members of Reka Pension Fund does not increase to over 150 persons during the next 2 years, possibly with an additional 1 year, may the pension fund be dissolved in 2028. If Reka Pension fund is dissolved and at the time of dissolvement the pension fund's solvency is not sufficient to repay the guarantee capital investment, an investment loss will arise to the extent that the investment cannot be recovered. In the financial statements on December 31, 2024, an expense provision of EUR 2.3 million has been taken into account in case the development of Reka Pension Fund's membership does not develop favorably and thus the guarantee capital investment would be subject to a write-down risk in 2028.

- Due to the significance and diversity of the related party transactions the accuracy and the adequacy of the financial statement information on related party transactions is emphasized.

application of relevant IFRS standards, where appropriate.

- We also utilized external confirmations, as applicable, and assessed the consistency of accounting treatment regarding related party transactions with the above-mentioned material.
- In addition, we considered the appropriateness of the Group's disclosures in respect of related party transactions.

We have not identified other key audit matters relating to the parent company's financial statements.

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 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 the 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Reporting Requirements

Information on our audit engagement

We were first appointed as auditors by the Annual General Meeting on 29 March 2012, and our appointment represents a total period of uninterrupted engagement of 13 years.

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 Annual Report, but does not include the financial statements or our auditor's report thereon. We have obtained the report of the Board of Directors prior to the date of this auditor's report, and the Annual Report is expected to be made available to us after that date. 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 identified above 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 on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Helsinki 11 March 2025

KPMG OY AB

JUKKA RAJALA
Authorised Public Accountant, KHT

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