

exel
COMPOSITES

2024

**FINANCIAL STATEMENTS
RELEASE
JANUARY - DECEMBER**



A STRONG END TO A SOLID YEAR: ORDER INTAKE, REVENUE AND ADJUSTED OPERATING PROFIT INCREASED SIGNIFICANTLY IN Q4 2024

Q4 2024 in brief

- Order intake increased by 22.2% to EUR 28.8 million (Q4 2023: 23.6)
- Revenue increased by 13.6% to EUR 25.1 million (22.1)
- Operating profit was EUR -4.1 million (-3.7) and operating profit margin -16.3% (-16.7%)
- Adjusted operating profit increased to EUR 0.2 million (-1.3) and adjusted operating profit margin to 0.7% (-5.9%)
- Earnings per share was EUR -0.03 (-0.47)

Q1-Q4 2024 in brief

- Order intake increased by 6.9% to EUR 104.9 million (Q1-Q4 2023: 98.1)
- Revenue increased by 2.9% to EUR 99.6 million (96.8)
- Operating profit was EUR -2.9 million (-4.9) and operating profit margin -2.9% (-5.0%)
- Adjusted operating profit increased to EUR 1.7 million (-2.4) and adjusted operating profit margin to 1.7% (-2.5%)
- Earnings per share was EUR -0.07 (-0.77)

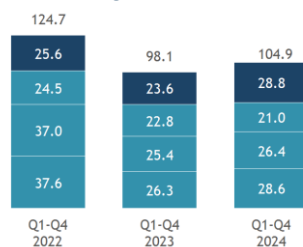
Guidance for the full year 2025

Exel Composites expects revenue to increase and adjusted operating profit to increase significantly in 2025 compared to 2024.

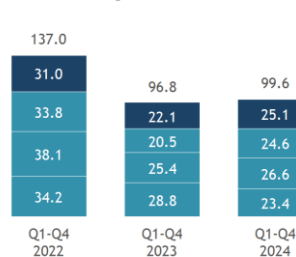
Dividend proposal

The Board proposes to the Annual General Meeting that no dividend be paid for 2024 based on the adopted financial statements for the financial year ended on 31 December 2024. (No dividend was paid for 2023).

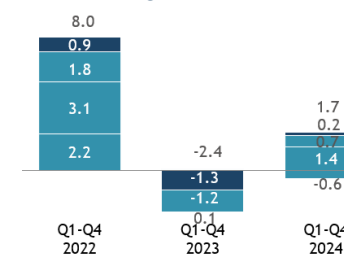
Order intake,
EUR million



Revenue,
EUR million



Adjusted operating profit,
EUR million



Paul Sohlberg, President and CEO:

Exel's fourth quarter of 2024 was a strong end to a solid year. We performed well despite the economic uncertainty, and our order intake, revenue and adjusted operating profit improved significantly, while our fixed costs also decreased at the same time. For the full year 2024, Exel's revenue increased and adjusted operating profit increased significantly compared to 2023, in line with our guidance for 2024. We continued the implementation of our transformative strategy with decisive steps and accomplished a lot during the first full year of the strategy period.

The year closed with great news from India, where our new factory was completed on schedule and within budget. We are pleased to be able to strengthen our capabilities to provide top-tier composite solutions to our clients in India and globally, especially in the wind power industry.

In 2024, we secured several new wind power customer engagements, which we expect to turn into revenue in 2025. Completion of the new India factory paves the way for the final approvals by our first customer, a major wind turbine manufacturer in South Asia, which are now ongoing and will enable us to move to volume production. In addition, spar cap deliveries from India factory for Vestas are expected to begin in the last quarter of 2025, once the products are tested and approved. The deliveries of heliostat systems for a major Western wind turbine manufacturer from our Nanjing factory in China are also expected to start in 2025.

We are also thrilled to announce that our partnership with airship manufacturer and operator Flying Whales will continue as we have signed a significant contract for delivery of carbon fiber composites tubes for the structure of world's largest airships. Earlier in 2024, we announced an R&D partnership for the development and prototyping of the tubes. The collaboration is a great example of our strategic intent to increase value to our customers by

being involved in their R&D processes from the very start. It showcases our advanced R&D and manufacturing capabilities and highlights our ability to meet stringent quality requirements and timeliness demands of the aerospace industry, for example.

Towards the end of the year, our factories in Finland received the IATF 16949 Certification for the automotive industry, which will help us grow our customer base in the automotive industry and further strengthen our position in transportation.

We renewed our business model in early 2024 and started to serve our customers from two global business units: Engineered Solutions Business Unit, concentrating on tailored solutions for multiple industries, and Industrial Solutions Business Unit, focusing on selected applications with significant growth potential. To meet the needs of the new business units, we reviewed our factory network with larger, more efficient and better-resourced production units in mind, with the aim of making more use of the capacity of our factories and increasing utilization rates.

The successful rights issue carried out in the second quarter strengthened our financial position, which gives us more room to maneuver and execute our strategy.

The year also included difficult decisions that could not be avoided. Following a strategic factory review in Oudenaarde factory in Belgium, which thoroughly assessed the factory's role and future options, and extensive consultations with employee representatives, we had to confirm that the factory will be closed as a necessary measure to address loss-making activities. The activities at the Oudenaarde unit will cease by the end of the first quarter of 2025. Unfortunately, the employment of approximately 50 employees will end.



Strong order intake amid cautious markets

Our order intake increased both in the last quarter and for the full year. In the fourth quarter order intake increased by 22.2% and amounted to EUR 28.8 million. In 2024, order intake increased by 6.9% to EUR 104.9 million, and our order backlog at the end of the year stood at EUR 34.2 million, up by 14.8% year-on-year.

The favorable development of order intake and order backlog were great achievements considering the still fragile macroeconomic sentiment that continued in the fourth quarter. The uncertainty about the global economic development affected customer behavior and demand across all geographies. During the year, our customers were cautious in their orders due to uncertainties related to the impacts of the Trump

administration and import trade tariffs on the global economy, as well as geopolitical tensions, among other things.

Revenue growth boosted by active customer work in business units

Revenue for the fourth quarter increased by 13.6% to EUR 25.1 million, boosted by strong order intake and active customer work. Brisk growth was seen in Buildings and infrastructure, Industrial and Energy customer industries. The strongest growth was witnessed in Buildings and infrastructure, where we were able to gain new customers despite the difficult market situation. Revenue decreased slightly in Transportation, and Other customer industries due to lower production levels of the Belgium factory, which we are planning to close. We expect the decline to be temporary.

Revenue for the full year increased by 2.9% to EUR 99.6 million. Revenue increased in Buildings and infrastructure, Industrial and Transportation, and decreased in Energy, and Other customer industries. In the Energy customer industry, the decrease was mainly due to the construction of the Indian factory in 2024 to meet the shift of wind power business demand from the US to Asia.

In the fourth quarter, Engineered Solutions Business Unit (ESBU) reported EUR 21.0 million in revenue, while Industrial Solutions Business Unit (ISBU) reported EUR 4.1 million. ESBU received several significant orders especially in Energy and Transportation customer industries. The key highlights of the year for ISBU included the successful commissioning of the new factory in India. In addition to significant wind power customer engagements, other significant orders received by ISBU included a new multi-year agreement with Foton Bus and Coach company to supply pultruded composite profiles for Foton's electric buses in the first quarter.

Profit improvement actions paying off

Our profitability in terms of adjusted operating profit strengthened significantly both for the fourth quarter and full year 2024. In Q4 2024, our adjusted operating profit increased to EUR 0.2 million (-1.3), representing 0.7% (-5.9%) of revenue.

Comparing to the second and third quarters of 2024, profitability in the fourth quarter was affected by lower production levels of the Belgium factory and some customer-initiated postponements of deliveries into 2025.

Profitability in 2024 improved thanks to our actions to optimize capacity, cost control, decrease in fixed costs, and operational measures. Full year adjusted operating profit increased to EUR 1.7 million (-2.4) and adjusted operating profit margin to 1.7% (-2.5%). We continued profit improvement actions, which focused on improving efficiency and capacity utilization in our factory network.

Operating profit for the quarter decreased to EUR -4.1 million (-3.7), impacted by loss-making activities in the Belgium factory and reservations for one-time costs associated with the planned closure of the factory. As a result, the operating profit margin was -16.3% (-16.7%). Operating profit for the full year was EUR -2.9 million (-4.9) and operating profit margin was -2.9% (-5.0%).

Our net cash flow from operating activities strengthened in the fourth quarter from the comparison period and was EUR 1.9 million (0.8), thus improving from the previous quarters and coming in at EUR 0.6 million (4.4) for the full year. Our financial position is strong, and we are advancing with a clear agenda towards our financial target of net debt to adjusted EBITDA <3x by 2028. Earnings per share for 2024 were EUR -0.07 (-0.77). The Board of Directors proposes to the Annual General Meeting that no dividend be paid for 2024.

Driving profitable growth also in uncertain times

Despite lingering uncertainties in the global economy affecting customer behavior, the global economy is estimated to grow by approximately 3.3% in 2025 (Source: OECD and IMF). At Exel, we are pleased with how our strategy is working and expect profitable growth to accelerate this year. Exel's both business units have new customer engagements that are expected to deliver revenue in 2025.

In the short term, announced strikes in Finland may have an impact on our revenue and profitability in the first quarter of the year. The closure of the Belgium factory is also expected to increase internal workload and costs in 2025, temporarily offsetting part of the fixed cost savings from the closure. We anticipate our customers to request other sites in our factory network to supply their products. Until such time, there might be a temporary impact on our revenue due to the closure of the Belgium factory.

Guidance for the full year 2025

Exel Composites expects revenue to increase and adjusted operating profit to increase significantly in 2025 compared to 2024.

While we are always committed to keep improving our results, we can be very satisfied with our performance in 2024. I would like to take this opportunity to thank our customers and other stakeholders for their good cooperation and to express my gratitude to all of Exel's personnel for their committed work during the year.

Sincerely,

Paul Sohlberg

Consolidated key figures

| EUR thousand | Q4 2024 | Q4 2023 | Change % | Q1-Q4 2024 | Q1-Q4 2023 | Change % |
|--|------------|------------|-------------|---------------|---------------|-------------|
| Revenue | 25,074 | 22,074 | 13.6 | 99,614 | 96,815 | 2.9 |
| Operating profit | -4,077 | -3,676 | -10.9 | -2,853 | -4,863 | 41.3 |
| % of revenue | -16.3 | -16.7 | | -2.9 | -5.0 | |
| Adjusted operating profit 1) | 177 | -1,311 | 113.5 | 1,704 | -2,446 | 169.6 |
| % of revenue | 0.7 | -5.9 | | 1.7 | -2.5 | |
| EBITDA | -1,453 | -177 | -722.1 | 4,246 | 3,832 | 10.8 |
| Adjusted EBITDA 1) | 1,623 | -2 | 95771.8 | 7,624 | 4,059 | 87.8 |
| Profit before tax | -2,237 | -5,661 | 60.5 | -3,778 | -8,254 | 54.2 |
| Profit for the period | -3,178 | -5,597 | 43.2 | -5,027 | -9,309 | 46.0 |
| Profit for the period excluding non-controlling interest | -3,064 | -5,566 | 45.0 | -4,663 | -9,130 | 48.9 |
| % of revenue | -12.2 | -25.2 | | -4.7 | -9.4 | |
| Shareholders' equity | 32,337 | 17,687 | 82.8 | 32,337 | 17,687 | 82.8 |
| Interest-bearing liabilities | 30,414 | 43,790 | -30.5 | 30,414 | 43,790 | -30.5 |
| Cash and cash equivalents | 10,904 | 10,952 | -0.4 | 10,904 | 10,952 | -0.4 |
| Net interest-bearing liabilities | 19,509 | 32,838 | -40.6 | 19,509 | 32,838 | -40.6 |
| Net debt to adjusted EBITDA 2) | 2.6 | 8.1 | -68.4 | 2.6 | 8.1 | -68.4 |
| Capital employed | 62,751 | 61,477 | 2.1 | 62,751 | 61,477 | 2.1 |
| Return on equity, % | -36.8 | -108.5 | 66.1 | -20.1 | -38.7 | 48.1 |
| Return on capital employed, % | -24.8 | -21.4 | -15.7 | -4.3 | -6.8 | 36.3 |
| Equity ratio, % | 36.8 | 20.9 | 75.9 | 36.8 | 20.9 | 75.9 |
| Net gearing, % | 60.3 | 185.7 | -67.5 | 60.3 | 185.7 | -67.5 |
| Net cash flow from operating activities | 1,895 | 753 | 151.8 | 581 | 4,445 | -86.9 |
| Net cash flow from investing activities | -1,037 | -865 | 19.9 | -2,595 | -3,076 | -15.6 |
| Capital expenditure | 973 | 815 | 19.4 | 2,658 | 3,523 | -24.6 |
| % of revenue | 3.9 | 3.7 | | 2.7 | 3.6 | |
| Research and development costs | 920 | 966 | -4.7 | 3,738 | 3,711 | 0.7 |
| % of revenue | 3.7 | 4.4 | | 3.8 | 3.8 | |
| Order intake | 28,811 | 23,583 | 22.2 | 104,872 | 98,142 | 6.9 |
| Order backlog | 34,177 | 29,765 | 14.8 | 34,177 | 29,765 | 14.8 |
| Earnings per share, diluted and undiluted, EUR | -0.03 | -0.47 | 93.8 | -0.07 | -0.77 | 90.5 |
| Equity per share, EUR | 0.30 | 1.47 | -79.80 | 0.49 | 1.47 | -66.38 |
| Average share price, EUR | 0.31 | 2.65 | -88.2 | 0.40 | 3.60 | -88.9 |
| Average number of shares, diluted and undiluted, 1,000 shares 3) | 106,085 | 11,854 | 794.9 | 63,729 | 11,854 | 437.6 |
| Employees, average | 638 | 631 | 1.0 | 632 | 667 | -5.3 |
| Employees, end of period | 637 | 623 | 2.2 | 637 | 623 | 2.2 |

1) Excluding material items affecting comparability, such as restructuring costs, impairment losses and reversals, and costs related to planned or realized business acquisitions or disposals

2) Last 12 months' adjusted EBITDA

3) As a result of Exel's rights issue completed in June 2024, the total number of shares in the company increased by 94,831,552 from 11,896,843 to 106,728,395.

Business model

Exel Composites provides advanced composite solutions made with continuous manufacturing technologies to customers in a wide range of industries around the world. Exel develops, designs and manufactures high quality composite solutions. The product portfolio includes, for example, composite profiles, tubes, and laminates. The products are used in many applications in several industries from wind power and transportation to buildings and infrastructure. The products manufactured by Exel Composites are most often components of the customer's end-product.

Examples of products and solutions for Exel's customer industries:

- Buildings and infrastructure: Window and door profiles and various structural profiles
- Energy: Wind turbine blade reinforcements, spar caps, blade root joints, spacers, conductor core products, cable trays and insulating rods
- Transportation: Interior and exterior panels for trains and buses, airship structures, and truck floor stiffeners
- Industrial: Components for paper and textile machines, various masts, telecom radomes, wastewater treatment profiles, and agriculture applications
- Other: Telescoping camouflage netting support poles for defence, various sanitation and maintenance products, sport and leisure products, and airport solutions

The composites Exel manufactures are materials consisting of reinforcements and resins. Exel uses glass and carbon fibers as its main reinforcements of resin, which is called a matrix. Different types of resins can be used as a matrix, and additives, like colorants, UV-stabilizers, or anti-bacterial additives, can be used for additional properties. Combining different types of reinforcements and matrix materials gives the desired chemical, physical or mechanical properties to the resulting composite. Composites have many advantages compared to other materials, like steel or aluminum. The main benefits of composites include lightness, energy efficiency, durability, chemical and corrosion resistance, and the need for less maintenance. Lightness and durability enable longer life cycles and improved performance of the end-product, thus lowering the negative impacts on the environment.

The main manufacturing technology utilized by Exel is pultrusion, where resin-impregnated fibers are pulled through a mold and hardened with heat. The final products are cut to a specified length or wound on a roll at the end of the production line. Other key methods include pullwinding, which is a combination of pultrusion and filament winding, as well as continuous lamination. Production efficiency is high in all these technologies due to continuous and high-volume production.

An important focus area for Exel Composites is to increase customer value by helping customers to use composites in their products through providing composites material engineering services, such as fiber and resin selection, already in the early stages of customers' processes. After profile manufacturing, Exel provides value-adding post-processing services, such as surface treatment and painting, cutting and drilling, and pre-assembly of profiles.

Exel Composites' manufacturing, R&D and sales network covers all main markets relevant to composites, i.e. Europe, Asia and North America. Exel is headquartered in Vantaa, Finland, and has production in seven production units located in Austria, Belgium, China, Finland (two factories), the USA and India (joint venture Kineco Exel Composites India). The factory in Belgium will be closed by the end of the first quarter 2025. Exel has customers in over 50 countries: in Europe, China, India, North America, South America and APAC.

Since the beginning of 2024, Exel Composites' operating model was divided into two business units: Industrial Solutions Business Unit concentrating on selected applications with significant growth potential and Engineered Solutions Business Unit concentrating on tailored solutions in multiple customer industries.

Market environment

The pultruded composites market is fragmented. Exel Composites is a leading company in the field of pultrusion and the only pultrusion company with significant presence on all major markets: Europe, Asia, and North America. Global presence differentiates Exel from its competitors and enables head-to-head competition with global suppliers of traditional materials. Companies specializing in pultrusion and pullwinding are typically smaller and more local, and their product range is narrower. Exel's competitive advantage is based on core expertise in chemistry, materials science, pultrusion knowledge as well as cost-efficient manufacturing processes.

According to industry associations, the annual value of global composites market of approximately EUR 85 billion is only about 1% of the huge global materials market, which is dominated by steel, plastic, and aluminum. Pultrusion markets represent approximately EUR 4.0 billion of the total composites market.

North America is the largest composites market, followed by Asia and Europe. North America and Europe are more mature markets with steady growth prospects, while Asia and especially China and India grow faster. The importance of markets varies depending on the product category.

Exel Composites' customers are typically original equipment manufacturers, system integrators or distributors. The company's customer industries are Buildings and infrastructure, Industrial, Energy, Transportation, and Other. Exel's business portfolio is diversified across a variety of customer industries and regions, reducing the impact of sudden fluctuations in demand within the portfolio. Demand drivers differ between customer industries as well as regions.

According to IMF and OECD, the global economic growth in 2024 was estimated to be 3.2%. Inflation has slowed in most countries, but relatively high inflation for services keeps overall inflation still elevated in many countries. The robust US economy bolstered growth in global trade, which picked up from 2023. However, medium-term growth in global economy has yet to recover to pre-pandemic levels. While global economy is estimated to grow by approximately 3.3% in 2025, there are uncertainties in the global economy, that affect customer behavior and thus also Exel's demand. The most recent growth forecasts are not yet accounting for the impacts on trade from the Trump administration. The uncertainty surrounding higher tariffs weighs on fixed investment. Geopolitical tensions and escalating conflicts are also a major risk for the global economy (Source: Bank of Finland).

The development of the global composites market correlates with global economic growth, but the growth rate has still been and is expected to be higher. In the coming years leading up to 2027, the global composites market is estimated to grow at an annual average rate of approximately 7%. Exel Composites sees growth potential for composites as a material as well as for pultrusion as a production technology within the composites market. The company has identified several growth opportunities in the wind power, construction and transportation sectors and in certain special applications, among others.

The increasing demands on sustainability aspects have increased the need for sustainable solutions that the company offers to the market. In the long-term, interest towards composite materials is steadily growing, supported by global megatrends such as sustainability, energy transition, longer life cycles and urbanization. For example, increased energy efficiency requirements in buildings and within the transportation industry, and the increased utilization of anti-corrosive materials in the construction industry drive the increased use of composites. The global wind power market has enjoyed, and is expected to continue to enjoy, tailwind from energy transition given its vital role in accelerating the global energy transition to reach 2050 net zero targets. Exel Composites' ambition is to leverage on these trends and mitigate the negative impacts of climate change by offering its customers sustainable composite products that respond to this demand.

Order intake and order backlog

Order intake for the fourth quarter increased by 22.2% compared to the fourth quarter of the previous year and was EUR 28.8 million (Q4 2023: 23.6)

Order intake for 2024 increased by 6.9% compared to the previous year and was EUR 104.9 million (98.1).

Order backlog on 31 December 2024 was at EUR 34.2 million (29.8), up by 14.8% year-on-year.

The company signed several new important customer agreements in 2024:

- In the fourth quarter, Exel Composites signed a significant contract with airship manufacturer and operator Flying Whales for delivery of carbon fiber composites tubes for the structure of world's largest airship. Earlier in 2024, Exel and Flying Whales announced an R&D partnership for the development and prototyping of the tubes. The tubes will be manufactured with pull-winding technology. Delivery of the tubes is expected to start by the third quarter of 2025.
- In the fourth quarter, Exel signed a multi-year supply agreement for helihoist systems for offshore wind turbines with a major Western wind turbine manufacturer. The composite components will be manufactured with pultrusion at Exel's Nanjing factory in China, followed by necessary post-processing and assembly work. Deliveries are expected to begin in 2025.
- In the third quarter, Exel Composites and its joint venture Kineco Exel India (KECI) won the bidding process in India for supplying pultruded carbon plank for wind turbine spar caps for Vestas Wind Systems A/S. The products will be manufactured with pultrusion in KECI's new factory in India, optimized for serving wind power industry customers in India and globally. The parties have started the qualification process of the production facility according to Vestas' specifications, after which KECI will be a qualified supplier of carbon planks for Vestas globally. Deliveries are estimated to begin in the last quarter of 2025. The agreement is an extension of an existing multi-year frame contract updated in 2023 and deepens the collaboration between the companies, which started over a decade ago.
- In the first quarter of 2024, Exel announced that KECI had signed a multi-year agreement for the supply of pultruded carbon fiber planks for spar caps to a major wind turbine manufacturer in South Asia.
- In the first quarter of 2024, a new multi-year agreement was signed with Foton Bus and Coach company for the delivery of pultruded composite profiles for Foton's electric buses.

Revenue

Exel Composites reports its revenue by business unit and customer industry. The reporting by business unit was started in the first half of 2024, and therefore comparison figures from 2023 are not available.

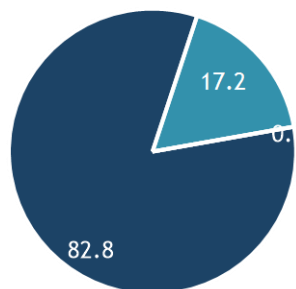
The Group revenue in the fourth quarter of 2024 increased by 13.6% compared to the fourth quarter of 2023 amounting to EUR 25.1 million (22.1). The revenue in Engineered Solutions Business Unit was EUR 21.0 million and EUR 4.1 million in Industrial Solutions Business Unit. In the fourth quarter of 2024, revenue increased from the comparison period of 2023 in Buildings and infrastructure, Industrial, and Energy customer industries, and decreased in Transportation and Other customer industries. The growth was strongest in Buildings and infrastructure, where Exel was able to gain new customers despite the difficult market situation.

The Group revenue for 2024 increased by 2.9% compared to 2023 amounting to EUR 99.6 million (96.8). In 2024, the revenue in Engineered Solutions Business Unit was EUR 82.5 million and EUR 17.1 million in Industrial Solutions Business Unit. Revenue increased in Buildings and infrastructure, Industrial and Transportation customer industries, and decreased in Energy, and Other customer industries. As in the fourth quarter, the growth was strongest in Buildings and infrastructure. In the Energy customer industry, the decrease was mainly due to the construction of the Indian factory in 2024 to meet the shift of wind power business demand from the US to Asia.

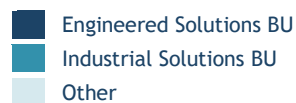
Revenue by business unit

| | Q1 | Q2 | Q3 | Q4 | Q1-Q4 |
|-------------------------|---------------|---------------|---------------|---------------|---------------|
| EUR thousand | 2024 | 2024 | 2024 | 2024 | 2024 |
| Engineered Solutions BU | 19,119 | 22,359 | 20,008 | 20,998 | 82,485 |
| Industrial Solutions BU | 4,246 | 4,228 | 4,567 | 4,069 | 17,109 |
| Other | 0 | 2 | 10 | 7 | 19 |
| Total | 23,365 | 26,589 | 24,585 | 25,074 | 99,614 |

Share of revenue by business unit, %



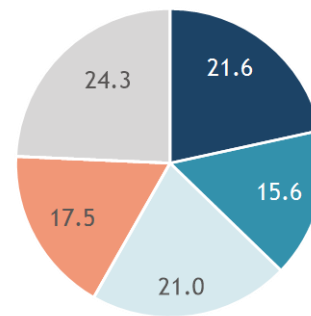
Q1-Q4 2024



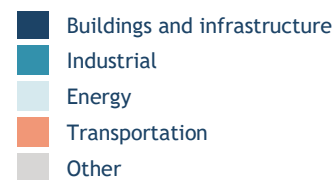
Revenue by customer industry

| | Q4 | Q4 | Change | Q1-Q4 | Q1-Q4 | Change |
|------------------------------|---------------|---------------|-------------|---------------|---------------|------------|
| EUR thousand | 2024 | 2023 | % | 2024 | 2023 | % |
| Buildings and infrastructure | 5,331 | 3,605 | 47.9 | 21,502 | 18,539 | 16.0 |
| Industrial | 4,184 | 3,496 | 19.7 | 15,588 | 15,358 | 1.5 |
| Energy | 6,110 | 5,075 | 20.4 | 20,923 | 22,108 | -5.4 |
| Transportation | 4,421 | 4,618 | -4.3 | 17,391 | 16,268 | 6.9 |
| Other | 5,028 | 5,279 | -4.8 | 24,210 | 24,541 | -1.3 |
| Total | 25,074 | 22,074 | 13.6 | 99,614 | 96,815 | 2.9 |

Share of revenue by customer industry, %



Q1-Q4 2024



Operating profit

In the fourth quarter of 2024, the Group's operating profit decreased to EUR -4.1 million (-3.7) due to the reservations related to the closure of the Belgium factory. Operating profit margin was -16.3% (-16.7). The Group's adjusted operating profit increased to EUR 0.2 million (-1.3) and adjusted operating profit margin increased to 0.7% (-5.9%), due to actions to optimize capacity, cost control, decrease in fixed costs and operational measures.

Operating profit for 2024 was EUR -2.9 million (-4.9) and operating profit margin -2.9% (-5.0%). Adjusted operating profit increased to EUR 1.7 million (-2.4) and adjusted operating profit margin to 1.7% (-2.5%). Profitability in 2024 improved due to actions to optimize capacity, cost control, decrease in fixed costs, and operational measures. Exel continued profit improvement actions focused on improving efficiency and capacity utilization in its factory network.

Adjusted operating profit

| EUR thousand | Q4 2024 | Q4 2023 | Q1-Q4 2024 | Q1-Q4 2023 |
|--|------------|------------|---------------|---------------|
| Operating profit | -4,077 | -3,676 | -2,853 | -4,863 |
| Restructuring costs | 4,165 | 2,311 | 4,425 | 2,234 |
| Impairment losses and reversals | 0 | 0 | 0 | 0 |
| Costs related to planned or realized business acquisition and disposal | 0 | 0 | 0 | 0 |
| Expenses related to legal proceedings and other claims | 90 | 54 | 132 | 183 |
| Adjusted operating profit | 177 | -1,311 | 1,704 | -2,446 |

Financial position

In the fourth quarter, net cash flow from operating activities increased to EUR 1.9 million (0.8). Net cash flow from investing activities was EUR -1.0 million (-0.9).

Net cash flow from operating activities for 2024 was EUR 0.6 million (4.4). The capital expenditure on fixed assets was EUR 2.7 million (3.5). Net cash flow from investing activities was EUR -2.6 million (-3.1) and net cash flow before financing activities was EUR -2.0 million (1.4). At the end of the reporting period, the Group's liquid assets stood at EUR 10.9 million (11.0). Total depreciation, amortization and impairment of non-current assets during the year amounted to EUR 7.1 million (8.7).

The company received gross proceeds of approximately EUR 21.8 million from the rights issue completed in June 2024. The gross proceeds will be used for the strengthening of the

balance sheet via debt repayments and the financing of working capital needs, the execution of the strategic factory network optimization plan and investments to support the company's growth. One-time costs related to the share issue totaling EUR 1.9 million were included in the change in invested unrestricted equity fund. The company used EUR 6.5 million of the net proceeds from the share issue to repay its debt on 1 July 2024.

Profit for the period

Net financial income/expenses in 2024 were EUR -0.9 million (-3.4). The change in net financial income/expenses is mainly due to foreign exchange rate impact on intercompany loans and an increase in interest rates. Profit before taxes was EUR -3.8 million (-8.3) and profit after taxes EUR -5.0 million (-9.3).

A new financing agreement of EUR 52.4 million with the company's main lenders, conditional on the completion of the rights issue, entered into force in June 2024. It will be used to refinance the company's existing bank loans. The one-time costs of the new financing agreement (EUR 1.1 million) are accrued in the interest-bearing liabilities to be amortized over the two-year period of the financing agreement. The maturity of the new financing is two years, which may be extended by one year by an agreement between the company and the lenders.

On 31 December 2024, the Group's consolidated total assets were EUR 89.0 million (85.0). Interest-bearing liabilities, including lease liabilities, amounted to EUR 30.4 million (43.8). Net interest-bearing liabilities were EUR 19.5 million (32.8). Current interest-bearing liabilities totaled EUR 21.6 million. EUR 13.0 million of current interest-bearing liabilities were commercial papers.

On 31 December 2024, equity was EUR 32.3 million (17.7) and equity ratio 36.8% (20.9%). Net gearing ratio was 60.3% (185.7%). Fully diluted total earnings per share were EUR -0.07 (-0.77). Return on capital employed was -4.3% (-6.8%). Return on equity was -20.1% (-38.7%).

Based on the resolution of the AGM held on 26 March 2024 no dividend was paid for the financial year 2023.

Business unit reviews

Engineered Solutions Business Unit

Engineered Solutions Business Unit (ESBU) concentrates on tailored solutions in multiple customer industries.

Revenue in Engineered Solutions Business Unit was EUR 21.0 million in the fourth quarter of 2024 and EUR 82.5 million in 2024.

Revenue in the fourth quarter increased compared to the previous quarter due to demand picking up towards the end of the year. During the quarter, ESBU received several significant orders especially in Energy and Transportation customer industries, which are strategic focus areas for ESBU. Significant customer agreements in the fourth quarter included a large conductor core order and a major contract with airship manufacturer and operator Flying Whales for delivery of carbon fiber composites tubes for the structure of the world's largest airship. Earlier in 2024, Exel and Flying Whales announced an R&D partnership for the development and prototyping of the tubes. The tubes will be manufactured with pullwinding technology. Delivery of the tubes is expected to start by the third quarter of 2025.

To strengthen Exel's position in Transportation customer industry, Exel's factories in Finland have received IATF 16949 Certification for automotive industry. Certification is often a contract pre-requisite for OEMs, and therefore, it supports Exel in sourcing new contracts and growing customer base in the automotive industry.

In the second half of 2024, the market demand for ESBU was slightly softer than in the first half. The market for tubes seems to have normalized after a difficult year of 2023, while in the buildings and infrastructure and electricity solutions the global market continued to be challenging. The market has not yet started to fully recover, and there is still uncertainty as to when the recovery in demand will further accelerate.

In 2024, the strategic focus of Engineered Solutions Business Unit was on securing new customers and optimizing the factory network. Exel conducted a strategic factory review at its Oudenaarde factory in Belgium to thoroughly assess the factory's role and future options. The consultation process with employees' representatives was completed in December, and as a result, Exel made the decision to close the factory. The activities at the Oudenaarde unit will cease by the end of the first quarter of 2025, and the employment of approximately 50 employees will end. The closure of the factory is necessary to address loss-making activities.

The work to refocus operations in the USA, following the strategic review completed in October 2023, progressed well in 2024. During the year, Exel secured new customers, mainly for tubes, electricity and buildings and infrastructure solutions.

Industrial Solutions Business Unit

Industrial Solutions Business Unit (ISBU) concentrates on selected applications with significant growth potential.

Revenue in Industrial Solutions Business Unit was EUR 4.1 million in the fourth quarter of 2024 and EUR 17.1 million in 2024. Revenue in the fourth quarter decreased compared to other quarters of the year due to seasonal fluctuations. During 2024, the market position of Industrial Solutions Business Unit developed favorably in the Energy, Transportation and Buildings and Infrastructure customer industries. Demand in the market is still cautiously positive, but a clear improvement may take some time.

The key highlights of the fourth quarter, and the year 2024, included the successful commissioning of the new factory in India in December. The new factory, built by Exel's joint venture Kineco Exel Composites India (KECI), focuses on wind power customers. It is thus at the heart of Exel's transformative strategy, which aims to capture organic profitable growth from large and fast-growing, sustainability-driven energy transition and decarbonization applications, among others. Deliveries for a major wind turbine manufacturer from the new India factory are expected to begin in the first quarter of 2025. In addition, in the third quarter of 2024, Exel and KECI won the bidding process in India for supplying pultruded carbon plank for wind turbine spar caps for Vestas Wind Systems A/S. These deliveries are estimated to begin in the last quarter of 2025.

Other significant customer engagements announced in the previous quarters of 2024 included a multi-year supply agreement for helihoist systems for offshore wind turbines with a major Western wind turbine manufacturer from Exel's Nanjing factory in China, with deliveries expecting to begin in 2025, and a new multi-year agreement with Foton Bus and Coach company for the delivery of pultruded composite profiles for Foton's electric buses.

Research and development

Research and development costs in 2024 totaled EUR 3.7 million (3.7), representing 3.8% (3.8%) of revenue.

Strategy

In October 2023, Exel Composites announced a new transformative strategy for 2024-2028 to capture profitable growth. The company's aim is to become a more integrated designer and manufacturer of composite solutions made with continuous manufacturing technologies for volume and customer-specific applications. The focus of the new strategy is to grow organically in volume and customer-specific applications as well as to improve the company's profitability by increasing efficiency in the company's operations.

Strategic focus areas

- **Organic growth:** Capturing organic profitable growth from large and fast-growing energy transition and decarbonization applications, driven by sustainability. Exel is increasingly focusing on industries with strong growth potential, where product needs are more standardized, and the volumes are higher. Such industries include, for example, wind power, buildings and infrastructure, and transportation.
- **Customer value:** Focusing on increasing value to customers and helping them choose composites for their applications by offering engineering support, productization and post-processing.
- **Profitability:** New operating model with two business units, larger factories with clear roles and efficiency improvements throughout to deliver solid profitability.
- **High ambition:** Focusing on rigorous execution and skills and capabilities enabling Exel to achieve over EUR 200 million annual revenue and double digit adjusted operating profit margin by 2028.

Measures set out in the transformative strategy include a factory network review at three of the company's factories and optimization of the network to better align manufacturing capabilities with market demand and to improve utilization rates, improving efficiency in the company's operations, and developing a more standardized offering of selected applications.

Long-term financial targets

- Annual revenue exceeding EUR 200 million by 2028
- Adjusted operating profit margin >10 per cent by 2028
- Net debt to adjusted EBITDA <3x by 2028

Strategy implementation in 2024

In 2024, the strategy implementation progressed as planned:

New operating model

To accelerate its transformation, Exel announced a new operating model in January 2024 with the aim of making operations more efficient and reducing costs to improve profitability. The new operating model includes two dedicated customer-centric business units: Engineered Solutions Business Unit concentrating on tailored solutions in multiple industries and Industrial Solutions Business Unit concentrating on selected applications with significant growth potential. The factory network will be organized to support the needs of the new business units.

Belgium factory review completed

In January 2024, Exel started a strategic factory review at its Oudenaarde factory in Belgium to thoroughly assess the factory's role and future options. As a result, in September, the company launched consultation process with its employees' representatives regarding intention to discontinue the production at Oudenaarde. The process was completed in December and resulted in the decision to close the factory. The activities at the Oudenaarde unit will cease by the end of the first quarter of 2025 and the employment of approximately 50 employees will end. The closure of the factory is necessary to address loss-making activities. The closure of the unit and the termination of employment of employees is expected to result in annual cost savings of approximately EUR 1.8 million, part of which will become visible in the second half of 2025. Exel Composites recorded a one-time cash cost of approximately EUR 1.7 million and a one-time non-cash asset write-down of approximately EUR 2.5 million in the fourth quarter of 2024 as items affecting comparability.

Exel Composites completed its first factory review in October 2023, resulting in restructuring of the factory in the United States. No decisions have been made regarding the third factory review.

New factory in India operational

The new manufacturing site of Exel Composites' joint venture Kineco Exel Composites India (KECI) near Goa, India was completed on time in December 2024. Production lines have been commissioned and deliveries from the new factory will start as planned during the first quarter of 2025. The new India factory manufactures composites with pultrusion and is optimized for serving wind power industry in India and globally. In addition, the factory will manufacture solutions for other customer industries, such as buildings and infrastructure. Production was successfully transferred from the old factory in India at the end of 2024.

Successful share issue and new financing agreement

In the second quarter, the company's capital structure was strengthened through a successful share issue that raised gross proceeds of approximately EUR 21.8 million. The offer shares subscribed for in the offering corresponded to approximately 140.8 per cent of the offer shares, and the offering was thus clearly oversubscribed. During the second quarter of 2024, Exel Composites also agreed on a new financing agreement of EUR 52.4 million to refinance its existing bank loans. The share issue and the financing agreement further accelerate the implementation of the company's transformative strategy.

Sale of the production facility in the UK

As part of optimizing its factory network, Exel shut down the pultrusion production at its Runcorn factory in the United Kingdom in autumn 2023. The sale of the factory property is underway, with an updated schedule, and the company aims to complete the sale during the first half of 2025.

Sustainability and corporate responsibility

Sustainability is an integral part of Exel Composites' business, both in its own operations and through the products and solutions it offers. The company is committed to responsible and sustainable operations, guided by its corporate values and the Code of Conduct. Exel provides sustainable composite solutions that help its customers save resources and mitigate climate change. Composites' properties, such as lightness and durability, enable longer life cycles and improved performance of the end-product, thus lowering the negative impacts on the environment. In addition, the company aims to make a positive impact through social responsibility and to reduce its environmental footprint.

Sustainability focus areas

- **Enabling solutions:** Responsible products and composites at end-of-life
- **Social handprint:** Health and safety, responsible employer, responsible business
- **Environmental footprint:** Energy efficiency and reduced emissions, circular economy and waste management, water consumption, responsible supply chain

Sustainability targets

- **Zero Harm:** no lost time injuries (LTI)
- **Environmental responsibility:**
 - Zero landfill by 2028
 - 100% of research having positive sustainability impact
 - Greenhouse Gas emissions (scope 1 and scope 2) reduction according to UN established targets
 - Short term, by 2030: 50% reduction of GHG
 - Long term, by 2050: Carbon neutrality
- **Employee engagement:**
 - Employee NPS score year-on-year improvements from base year of 2024

In 2024, several actions were taken related to promoting waste management and circularity, and Exel is already very close to reaching its zero-landfill target. Among others, Exel conducted audits of waste streams to ensure compliance and recycling. In addition, the company launched commercial-scale use of bio-based resins with INEOS Composites, reducing carbon emissions in the associated manufacturing. It also signed an agreement on carbon fiber composite scrap recycling from its plants in Finland with Fairmat. Actions to reduce energy consumption and improve energy efficiency continued on all sites.

Exel is committed to safety and taking all necessary steps in order to avoid damage to people or the environment. Through the years of systematic and goal-oriented development work, lost time injuries (LTI) have reduced significantly over a 10-year period. In 2024, lost time injuries were 7.0 (6.0) per million hours worked, which is the second lowest number in ten years. During the year, Exel continued monitoring of accidents, near misses and unsafe conditions, and conducting root cause analysis for all accidents to promote health and safety.

In 2024, Exel conducted its first global employee survey for measuring employee engagement and well-being. The new survey enables tracking employee engagement in a consistent manner across all countries. The progress in employee NPS score will be measured for the first time in 2025 against the baseline year 2024, and it will be reported in the 2025 annual reporting.

After the review period in January 2025, Exel ranked number one in the Nordic Business Diversity Index 2025 among the small cap companies of Nasdaq Helsinki and number five in the same category in the Nordic region. The index analyzed over 10,000 board and executive members from more than 840 companies across Finland, Sweden, Denmark,

Iceland, and Norway across four key aspects: gender, age, nationality, and education.

More detailed information about Exel's material sustainability topics, targets, policies and actions in 2024 is presented in the company's first Sustainability statement 2024, published according to the requirements of the Corporate Sustainability Reporting Directive (CSRD) as part of the Report of Board of Directors in the Annual Report 2024. The Annual Report will be published on 5 March 2025, at the latest.

Information on sustainability and corporate responsibility is available on the corporate website at www.exelcomposites.com.

Near-term risks and uncertainties

Exel Composites' most significant near-term business risks are related to the development of general market demand, and preferences and strategies of its largest customers. Uncertainties remain in the global economy. Factors such as the prolonged or intensified unrests or wars and increased geopolitical uncertainty, market environment impacted by inflation, and the consequences to interest rates may affect the demand for Exel Composites' products.

There may be volatility in transportation costs and availability of transportation between regions due to geopolitical tensions, including the Red Sea conflict, which escalated during the first quarter of 2024. In 2024, shipping costs from Asia to Western countries increased significantly from 2023 due to the Red Sea conflict, among other factors.

Exel's customers in all industries and geographies have been cautious in their orders as they have been waiting to see how the decisions of the Trump administration will affect the global economy. This has affected demand and Exel's order intake in the fourth quarter and may continue to do so in 2025. The import tariffs imposed by Trump may have an impact on Exel's customer orders, especially in China, as companies may reduce their dependence on imports from China.

During 2024, Exel's both business units secured new customer engagements that are expected to deliver revenue in 2025, while the timing will be dependent on the ramp up of these engagements. In the short term, announced strikes in Finland may have an impact on Exel's revenue and profitability in the first quarter of the year.

The extent to which Exel is able to provide continuity to customers affected by the closure of the Belgium factory may have an adverse impact on Exel's revenue and operating profit in 2025.

The risk management and risks related to the operation of Exel Composites are described in detail at the company's website www.exelcomposites.com.

Governance and general meetings

Exel Composites Plc's Annual General Meeting was held on 26 March 2024 in Helsinki, Finland. The AGM adopted the financial statements and consolidated financial statements, approved the Remuneration Report 2023 for the company's governing bodies, and discharged the members of the Board of Directors and the company's Presidents and CEOs in 2023 from liability for the financial year 2023.

The AGM decided according to the proposal of the Board of Directors that no dividend be paid based on the adopted financial statements for the financial year ended 31 December 2023.

According to the proposal by the Shareholders' Nomination Board, the AGM decided that the Board of Directors would consist of five (5) members. The AGM re-elected Jouni Heinonen, Petri Helsky, Helena Nordman-Knutson, Jouko Peussa and Kirsi Sormunen as members of the Board of Directors. The AGM elected Jouni Heinonen as Chairman of the Board of Directors.

In 2024, the Group established an Audit and Risk Committee and a People and Remuneration Committee. Helena Nordman-Knutson, Kirsi Sormunen, and Jouni Heinonen are members of the Audit and Risk Committee. Petri Helsky, Jouko Peussa, and Jouni Heinonen form the People and Remuneration Committee.

The AGM confirmed the annual remuneration for the Board members as follows: for the Chairman of the Board of Directors EUR 45,000 (previous year EUR 45,000) and for each other Board member EUR 21,000 (21,000). Additionally, a remuneration is to be paid for the Chairman of the Board of Directors of EUR 1,500 (1,500) for attendance at each Board and committee meeting and for each similar all-day Board assignment and for each other Board member EUR 1,000 (1,000) for attendance at each Board and committee meeting and for each similar all-day Board assignment. Additionally, for each committee meeting, the meeting fee for the committee Chairman is EUR 1,500 (1,500). Travel expenses and other out-of-pocket expenses arising from the Board work will be compensated in accordance with the company's established practice and travel rules. Out of the yearly remuneration 60% would be paid in cash and 40% in company's shares.

Ernst & Young with Timo Eerola as the Authorized Public Accountant (APA) having the principal authority, was elected as auditor of the company.

The AGM accepted the amendment of the Articles of Association to allow for remote participation in a General Meeting (hybrid meeting) or, if the Board of Directors so decides, to hold a General Meeting as a remote meeting without a physical meeting place. In a remote meeting, shareholders may exercise their full decision-making rights, including the right to ask questions and vote, by means of telecommunication and technical aid. The amendments do not preclude arranging General Meetings as traditional in-person meetings.

The AGM authorized the Board of Directors to decide on the repurchase and/or on the acceptance as pledge of the company's own shares by using unrestricted equity in

accordance with the proposal of the Board of Directors. The total maximum amount of shares to be acquired is 600,000. The authorization is effective until the end of the next AGM, however, no longer than until 30 June 2025.

The AGM authorized the Board of Directors to decide on the issuance of shares and special rights entitling to shares referred to in Chapter 10, Section 1 of the Companies Act. The maximum amount of the new shares to be issued is 2,379,000, which corresponded to approximately 20.0 per cent of all shares of the company, and/or a maximum of 600,000 company's own shares. The authorization is effective until the end of the next AGM, however no longer than until 30 June 2025. The authorization cancels previous unused authorizations to issue shares or special entitlement of shares.

The Extraordinary General Meeting (EGM) of Exel Composites held on 17 May 2024 in Helsinki, Finland authorized the Board of Directors to resolve on the rights offering. Under the authorization, a maximum of 265 million new shares could be issued.

The AGM of Exel Composites has elected a permanent Shareholders' Nomination Board, the purpose of which is to prepare proposals concerning the Board members and their remuneration for the General Meeting. In 2024, the composition of the Nomination Board, nominated by the four largest shareholders on 30 September 2024 and preparing the proposal for the Annual General Meeting 2025 was Markus Lindqvist, Chairman of the Shareholders' Nomination Board (Aktia), Matias Arola (Danske Invest Finnish Equity Fund), Jukka Vähäpesola (Elo Mutual Pension Insurance Company), Petteri Vaarnanen (Sp-Fund Management Company) and Jouni Heinonen, Chairman of the Board of Directors, Exel Composites Plc, as an expert member of the Shareholders' Nomination Board.

The Shareholders' Nomination Board proposes to the AGM 2025 that the Company's Board of Directors shall have five (5) members. The Shareholders' Nomination Board proposes that the current members of the Board of Directors Jouni Heinonen, Helena Nordman-Knutson, and Kirsi Sormunen be re-elected as members of the Board of Directors and Christian Busdiecker and Elisabeth Larsson be elected as new members of the Board of Directors for the term ending at the closure of the Annual General Meeting of 2026. Of the current members, Petri Helsky and Jouko Peussa have informed that they are not available for re-election to the Board of Directors for the new term. The Nomination Board further proposes Jouni Heinonen to be re-elected as Chairman of the Board of Directors for the term ending at the closure of the Annual General Meeting of 2026. The Nomination Board proposes that the annual remuneration for the Board members remain unchanged.

Organization and personnel

On 31 December 2024, Exel Composites employed 637 (623) people, of whom 255 (254) in Finland and 382 (369) in other countries. The average number of employees during the reporting period was 632 (667).

To accelerate its transformation, Exel announced a new operating model in January 2024. The company organized its operations into two dedicated customer-centric business units:

EXEL COMPOSITES

Financial Statements Review Q1-Q4 2024

Engineered Solutions Business Unit concentrating on tailored solutions in multiple industries and Industrial Solutions Business Unit concentrating on selected applications with significant growth potential. As a result of the new operating model, the composition of Exel's Leadership Team was also changed as of 23 January 2024.

The members of the Exel Leadership Team are:

Paul Sohlberg, President and CEO

Mikko Rummukainen, CFO

Juha Honkanen, Executive Vice President, Engineered Solutions Business Unit

Kathy Wang, Executive Vice President, Industrial Solutions Business Unit

Kim Sjö Dahl, Senior Vice President, Technology and Sustainability

Johanna Tuomisto, Senior Vice President, People and Culture

There were no changes in the Exel Leadership Team during the review period.

Incentive programs

Exel Composites' short-term incentive program covers all employees. President and CEO, the Exel Leadership Team and office employees alike are entitled to a short-term incentive in addition to their fixed salary. The performance measures of the short-term incentive are tied to the achievement of annually established goals emphasizing growth and profitability as well as possible individual targets. Production employees are also eligible for short-term incentive compensation. Their short-term incentives are mainly based on factory profitability and production related performance measures.

The Group has long-term incentive programs for President and CEO, the Exel Leadership Team and selected key employees of the company. The aim of the programs is to align the objectives of the shareholders and the executives, to increase the value of the company, to commit the executives to the company and to offer the executives a competitive reward program. The Board of Directors decides on the program and the performance measures annually.

On 25 April 2024, Exel Composites announced the continuation of the share-based long-term incentive program for the leadership of Exel Composites. The 2024 performance-based plan is part of the share-based long-term incentive program published on 4 May 2017.

The performance target applied to the plan commencing at the beginning of 2024 is the relative total shareholder return (TSR) of the Exel Composites' share where the TSR of Exel's share will be compared to the OMX Helsinki Gross Index (OMXHGI). The potential share rewards payable will be paid in the spring 2027, provided that the performance targets are achieved and the continuous employment condition is met. The potential rewards will be paid in listed shares of Exel Composites and in cash corresponding to value of taxes.

Share issue

Based on an authorization granted by the Extraordinary General Meeting on 17 May 2024, Exel Composites' Board of Directors resolved on a rights offering of approximately EUR 21.8 million to offer for subscription, based on pre-emptive subscription rights for the company's existing shareholders, up to 94,831,552 new shares in the company in proportion of their existing share ownership. The subscription price was EUR 0.23 per offer share.

The objective of the offering was to strengthen Exel Composites' capital structure and expedite the implementation of the company's transformative strategy. Through the offering, Exel sought to ensure sufficient working capital, as well as to accelerate necessary growth investments and the optimization of its factory network to gain efficiencies and to finance working capital needs for the expected business growth. In addition, the company sought to strengthen its capital structure as well as to improve its cash flow and profitability through debt repayments. The subscription period was 24 May 2024 - 7 June 2024.

The company announced the final results of the offering on 13 June 2024. A total of 133,499,474 offer shares were subscribed for in the offering, corresponding to approximately 140.8 per cent of the 94,831,552 offer shares, and the offering was thus clearly oversubscribed. A total of 88,645,256 offer shares were subscribed for with subscription rights. The remaining 6,186,296 offer shares were allocated in accordance with the terms and conditions of the offering in the secondary subscription to subscribers who subscribed for offer shares. The company received gross proceeds of approximately EUR 21.8 million from the offering.

As a result of the rights issue, the total number of shares in the company increased by 94,831,552 from 11,896,843 to 106,728,395 following the registration of shares on 14 June 2024. The offer shares issued in the offering amounted to approximately 88.9 per cent of the outstanding shares in the company following the offering. Trading in the offer shares commenced on the official list of Nasdaq Helsinki Ltd on 17 June 2024.

Share and shareholders

Exel Composites' share (trading code EXL1V) is listed on Nasdaq Helsinki Ltd in the Industrials sector. Exel Composites has only one class of shares, each share entitling one vote.

On 31 December 2024, Exel Composites' share capital was EUR 2.1 million and the number of shares was 106,728,395.

On 31 December 2024, Exel Composites held a total of 642,899 of its own shares which are part of the share-based long-term incentive program for the top management.

On the last trading day of the review period, the share price closed at EUR 0.28. During the reporting period, the average share price was EUR 0.40, the highest share price EUR 2.70 and the lowest share price EUR 0.26.

In 2024, a total of 35,344,343 Exel shares were traded at Nasdaq Helsinki Ltd., which represents 55.5% of the average number of shares. On 31 December 2024, Exel Composites' market capitalization was EUR 29.7 million (30.1). Total shareholder return (TSR) in 2024 was -89.0 (-50.4).

Exel Composites had a total of 9,017 (8,442) shareholders on 31 December 2024.

During the review period, Exel Composites received four notifications of changes in holdings in accordance with the Securities Markets Act:

- According to a notification received on 31 May 2024, the shareholding of funds managed by OP Fund Management Company Ltd in Exel Composites decreased below the 5% threshold to 4.23% of shares and votes on 30 May 2024.
- According to a notification received on 17 June 2024, the shareholding of funds managed by OP Fund Management Company Ltd in Exel Composites increased above the 5% threshold to 5.40% of shares and votes on 17 June 2024.
- On 15 July 2024, Exel Composites received a notification that the shareholding of funds managed by OP Fund Management company Ltd in Exel Composites decreased below the 5% threshold to 4.998% of shares and votes on 12 July 2024.
- On 12 August 2024, Exel Composites received a notification that the shareholding of Danske Bank A/S in Exel Composites increased above the 5% threshold to 5.02% of shares and votes on 9 August 2024.

Information on the company's shareholders is available on the corporate website at www.exelcomposites.com.

Events during the reporting period

On 15 January 2024, Exel Composites continued its strategy implementation by changing its structure and its Group leadership.

On 15 January 2024, Exel Composites announced it had decided to start a strategic review of its operations in Belgium.

On 25 April 2024, Exel Composites announce it was planning a rights offering of up to approx. EUR 23 million to accelerate the implementation of its transformative strategy and strengthen its capital structure.

On 25 April 2024, Exel Composites announced that the Board of Directors had decided on the continuation of the share-based long-term incentive program for the leadership of Exel Composites.

On 17 May 2024, Exel Composites' Board of Directors resolved on a rights offering of approximately EUR 21.8 million. The subscription period of the Offering commenced on 24 May and ended on 7 June 2024. Final results of the rights issue were published on 13 June 2024.

A new financing agreement of EUR 52.4 million with the company's main lenders, conditional on the completion of the rights issue, entered into force in June 2024. On 1 July 2024, Exel Composites used EUR 6.5 million of the net proceeds from the rights issue to repay its debt.

On 12 September 2024, Exel Composites announced that it had completed the strategic review at its factory in Belgium. As a result, the company entered into consultation with employee representatives regarding its intention to discontinue production at its Oudenaarde factory.

On 2 October 2024, Exel Composites announced the members of the Shareholders' Nomination Board. Further information on the composition of the Nomination Board can be found under Governance and general meetings.

On 20 December 2024, Exel announced that it had completed the consultation process regarding the intention to discontinue the production at its Oudenaarde factory in Belgium, and that the activities at the Oudenaarde unit will cease by the end of the first quarter of 2025.

Events after the reporting period

On 10 January 2025, Exel Composites' Shareholders' Nomination Board's presented its proposals to the Annual General Meeting 2025 regarding the Board composition and remuneration. Further information on the proposals of the Nomination Board can be found under Governance and general meetings.

Guidance for the full year 2025

Exel Composites expects revenue to increase and adjusted operating profit to increase significantly in 2025 compared to 2024.

Board proposal for dividend distribution

According to Exel Composites' financial targets and dividend policy, the company's ambition is to distribute a minimum of 40% of net income in dividends, when permitted by the financial structure and growth opportunities.

At the end of the financial year 2024, Exel Composites Plc's distributable funds totaled EUR 39.3 million, of which profit for the financial year accounted for EUR -1.6 million.

The Board proposes to the Annual General Meeting that no dividend be paid based on the adopted financial statements for the financial year ended on 31 December 2024.

As a basis for its proposal, the Board of Directors has assessed the Group's financial position and ability to meet its commitments, as well as the Group's outlook and investment requirements.

Financial reporting and AGM 2025

Exel Composites will publish the following financial reports in 2025:

- Business Review Q1 2025: 8 May 2025 at approximately 9:00 EET
- Half Year Financial Report Q1-Q2 2025: 14 August 2025 at approximately 9:00 EET
- Business Review Q1-Q3 2025: 6 November 2025 at approximately 9:00 EET

Annual Report 2024, including the Report of the Board the Directors as well as the Financial Statements, the Corporate Governance Statement and the Remuneration Report will be published on 5 March 2025, at the latest.

The Annual General Meeting will be held on 26 March 2025 at 10:00 EET at Original Sokos Hotel Tripla at the address Fredikanterassi 1 B, Helsinki, Finland.

Vantaa, 14 February 2025

Exel Composites Plc
Board of Directors

NOTES TO THE FINANCIAL STATEMENTS RELEASE

1 January - 31 December 2024

Accounting principles

This unaudited Financial Statements Release is prepared in accordance with IAS 34, Interim Financial Reporting and the same accounting policies have been applied as in the previous annual financial statements.

Preparation of financial statements in accordance with the IFRS standards requires Exel Composites' management to make estimates and assumptions that have an effect on the amount of assets and liabilities on the balance sheet at the closing date as well as the amounts of income and expenses for the financial period. In addition, the management must exercise its judgment regarding the application of accounting policies. Since the estimates and assumptions are based on the views at the date of the financial statements, they include risks and uncertainties. The actual results may differ from the estimates and assumptions.

The amounts presented in the income statement and balance sheet are Group figures. The amounts presented in the release are rounded, so the sum of individual figures may differ from the sum reported.

CONSOLIDATED COMPREHENSIVE INCOME STATEMENTS

| EUR thousand | Q4 2024 | Q4 2023 | Change % | Q1-Q4 2024 | Q1-Q4 2023 | Change % |
|---|------------|------------|-------------|---------------|---------------|-------------|
| Revenue | 25,074 | 22,074 | 13.6 | 99,614 | 96,815 | 2.9 |
| Other operating income | 111 | 999 | -88.8 | 375 | 4,902 | -92.3 |
| Increase (+) / Decrease (-) in inventories of finished goods and work in progress | -1,425 | -1,717 | -17.0 | -4,697 | -6,837 | -31.3 |
| Materials and services | -9,016 | -7,695 | 17.2 | -34,170 | -33,483 | 2.1 |
| Employee benefit expenses | -9,871 | -8,061 | 22.5 | -35,625 | -34,251 | 4.0 |
| Depreciation | -1,446 | -1,309 | 10.5 | -5,920 | -6,505 | -9.0 |
| Impairment | -1,179 | -2,190 | -46.2 | -1,179 | -2,190 | -46.2 |
| Other operating expenses | -6,326 | -5,776 | 9.5 | -21,252 | -23,314 | -8.8 |
| Operating profit | -4,077 | -3,676 | 10.9 | -2,853 | -4,863 | -41.3 |
| Financial income | 2,181 | -126 | -1828.4 | 2,575 | 597 | 331.3 |
| Financial expenses | -341 | -1,860 | -81.7 | -3,500 | -3,988 | -12.2 |
| Profit before tax | -2,237 | -5,661 | -60.5 | -3,778 | -8,254 | -54.2 |
| Income taxes | -940 | 65 | -1550.1 | -1,249 | -1,055 | 18.4 |
| Profit/loss for the period | -3,178 | -5,597 | | -5,027 | -9,309 | |
| Other comprehensive income to be reclassified to profit or loss in subsequent periods: | | | | | | |
| Exchange differences on translating foreign operations | -1,579 | -371 | -325.2 | -983 | -1,092 | 10.0 |
| Items that will not be classified to profit or loss: | | | | | | |
| Defined benefit plan actuarial gains(+)/ loss (-), net tax | 33 | -30 | 209.1 | 33 | -30 | 209.1 |
| Total comprehensive income | -4,723 | -5,998 | 21.3 | -5,977 | -10,432 | -42.7 |

| | Q4 | Q4 | Change | Q1-Q4 | Q1-Q4 | Change |
|---|--------------|--------------|-------------|--------------|--------------|--------------|
| EUR thousand | 2024 | 2023 | % | 2024 | 2023 | % |
| Profit/loss attributable to: | | | | | | |
| Owners of the parent company | -3,064 | -5,566 | -45.0 | -4,663 | -9,130 | -48.9 |
| Non-controlling interests | -114 | -31 | 267.7 | -364 | -179 | -103.4 |
| Comprehensive income attributable to: | | | | | | |
| Owners of the parent company | -4,644 | -5,956 | 22.0 | -5,631 | -10,240 | -45.0 |
| Non-controlling interests | -79 | -42 | -88.1 | -346 | -192 | -80.2 |
| Earnings per share, diluted and undiluted, EUR | -0.03 | -0.47 | 93.8 | -0.07 | -0.77 | -90.5 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| EUR thousand | 31 December 2024 | 31 December 2023 | Change |
|---------------------------------|---------------------|---------------------|--------------|
| ASSETS | | | |
| Non-current assets | | | |
| Goodwill | 12,494 | 12,585 | -92 |
| Other intangible assets | 1,146 | 1,671 | -525 |
| Tangible assets | 21,620 | 23,332 | -1,712 |
| Right-of-use assets 1) | 4,980 | 1,367 | 3,612 |
| Deferred tax assets | 165 | 643 | -478 |
| Other non-current investments | 48 | 48 | 0 |
| Other non-current receivables | 454 | 0 | 454 |
| Non-current assets total | 40,907 | 39,646 | 1,261 |
| Current assets | | | |
| Held for sale assets | 571 | 545 | 26 |
| Inventories | 17,373 | 16,867 | 506 |
| Trade and other receivables | 19,227 | 17,019 | 2,208 |
| Cash at bank and in hand | 10,904 | 10,952 | -47 |
| Total current assets | 48,076 | 45,383 | 2,693 |
| Total assets | 88,983 | 85,028 | 3,954 |

| EUR thousand | 31 December 2024 | 31 December 2023 | Change |
|---|---------------------|---------------------|----------------|
| EQUITY AND LIABILITIES | | | |
| Shareholders' equity | | | |
| Share capital | 2,141 | 2,141 | 0 |
| Other restricted equity | 1,080 | 1,080 | 0 |
| Invested unrestricted equity fund | 22,416 | 2,539 | 19,876 |
| Translation differences | 1,137 | 2,138 | -1,001 |
| Retained earnings | 9,412 | 18,669 | -9,257 |
| Profit for the period | -4,663 | -9,130 | 4,467 |
| Equity attributable to holders of the parent company | 31,523 | 17,438 | 14,085 |
| Non-controlling interests | 814 | 249 | 565 |
| Total equity | 32,337 | 17,687 | 14,650 |
| Non-current liabilities | | | |
| Interest-bearing liabilities 2) | 4,879 | 4,200 | 679 |
| Non-current lease liabilities | 3,904 | 221 | 3,682 |
| Interest-free liabilities | 1,163 | 1,300 | -137 |
| Deferred tax liabilities | 304 | 311 | -7 |
| Total non-current liabilities | 10,249 | 6,032 | 4,217 |
| Current liabilities | | | |
| Interest-bearing liabilities 2) | 20,054 | 38,105 | -18,050 |
| Current lease liabilities | 1,577 | 1,264 | 313 |
| Trade and other non-current liabilities | 24,765 | 15,824 | 8,941 |
| Current liabilities related to Held for sale assets | 0 | 6,116 | -6,116 |
| Total current liabilities | 46,396 | 61,309 | -14,912 |
| Total equity and liabilities | 88,983 | 85,028 | 3,955 |

1) Buildings EUR 4,895 thousand, Machinery and equipment (incl.vehicles) EUR 85 thousand

2) One-time arrangement costs of the new financing agreement are accrued to long-term loans EUR 195 thousand and short-term loans EUR 584 thousand. Costs are to be amortized over the two-year period of the financing agreement.

CONSOLIDATED STATEMENT OF CASH FLOWS

| EUR thousand | Q1-Q4 2024 | Q1-Q4 2023 | Change |
|--|---------------|---------------|---------------|
| Cash flow from operating activities | | | |
| Profit for the period | -5,027 | -9,309 | 4,282 |
| Adjustments 1) | 9,302 | 9,539 | -237 |
| Change in working capital | -251 | 6,416 | -6,667 |
| Cash flow from operating activities before financial items and taxes | 4,024 | 6,646 | -2,622 |
| Interest paid | -1,802 | -1,746 | -56 |
| Interest received | 332 | -1 | 332 |
| Other financial items | -1,269 | -702 | -567 |
| Income taxes paid | -703 | 247 | -951 |
| Net cash flow from operating activities | 581 | 4,445 | -3,863 |
| Cash flow from investing activities | | | |
| Purchases of non-current assets | -2,716 | -3,523 | 806 |
| Proceeds from sale of non-current assets | 122 | 447 | -326 |
| Net cash flow from investing activities | -2,595 | -3,076 | 481 |
| Cash flow before financing activities | -2,014 | 1,369 | -3,383 |

| EUR thousand | Q1-Q4 2024 | Q1-Q4 2023 | Change |
|--|---------------|---------------|--------------|
| Cash flow from financing activities | | | |
| Share issue | 21,811 | 0 | 21,811 |
| Share issue costs | -1,935 | 0 | -1,935 |
| Capital investment by non-controlling interrests | 911 | 0 | 911 |
| Proceeds from long-term borrowings 2) | 5,732 | 0 | 5,732 |
| Change in short-term loans 2) | -23,136 | -3,754 | -19,382 |
| Instalments of lease liabilities | -1,419 | -1,332 | -87 |
| Dividends paid | 0 | -2,371 | 2,371 |
| Net cash flow from financing activities | 1,734 | -7,457 | 9,191 |
| Change in liquid funds | -279 | -6,088 | 5,809 |
| Liquid funds in the beginning of period | 10,952 | 17,397 | -6,446 |
| Exchange rate fluctuations on liquid funds | 232 | -358 | 590 |
| Liquid funds at the end of period | 10,904 | 10,952 | -47 |

1) Adjustments include depreciations and amortization, profit/loss on sales of tangible and intangible assets, tax on income from operations, other financial income and expenses and other adjustments. In Q1-Q4 2024 depreciations and amortization were EUR 7,099 thousand, tax on income from operations EUR 1,249 thousand, other financial income and expenses EUR 925 thousand and other adjustments EUR 29 thousand.

2) One-time arrangement costs of the new financing agreement are accrued to long-term loans EUR 195 thousand and short-term loans EUR 584 thousand. Costs are to be amortized over the two-year period of the financing agreement.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

| EUR thousands | Share capital | Other restricted equity | Invested unrestricted equity fund | Translation differences | Retained earnings | Non-controlling interests | Total |
|---|---------------|-------------------------|-----------------------------------|-------------------------|-------------------|---------------------------|---------------|
| 2023 | | | | | | | |
| Balance at the beginning of the reporting period | 2,141 | 1,080 | 2,539 | 3,218 | 20,965 | 441 | 30,385 |
| Comprehensive result | | | | -1,080 | -9,130 | -192 | -10,401 |
| Defined benefit plan actuarial gains (+) / loss (-), net of tax | | | | | -30 | | -30 |
| Dividend | | | | | -2,371 | | -2,371 |
| Share-based payments reserve | | | | | 6 | | 6 |
| Postings related to previous financial period | | | | | 99 | | 99 |
| Balance at the end of the reporting period | 2,141 | 1,080 | 2,539 | 2,138 | 9,539 | 249 | 17,687 |
| 2024 | | | | | | | |
| Balance at the beginning of the reporting period | 2,141 | 1,080 | 2,539 | 2,138 | 9,539 | 249 | 17,687 |
| Comprehensive result | | | | -1,001 | -4,663 | -346 | -6,010 |
| Defined benefit plan actuarial gains (+) / loss (-), net of tax | | | | | 33 | | 33 |
| Other items | | | | | | 911 | 911 |
| Acquisition / transfer of Treasury shares | | | | | -230 | | -230 |
| Share-based payments reserve | | | | | 68 | | 68 |
| Share issue | | | 21,811 | | | | 21,811 |
| Share issue costs | | | -1,935 | | | | -1,935 |
| Postings related to previous financial period | | | | | 1 | | 1 |
| Balance at the end of the reporting period | 2,141 | 1,080 | 22,416 | 1,137 | 4,749 | 814 | 32,337 |

QUARTERLY KEY FIGURES

| EUR thousand | 2024 Q4 | 2024 Q3 | 2024 Q2 | 2024 Q1 | 2023 Q4 | 2023 Q3 | 2023 Q2 | 2023 Q1 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Revenue | 25,074 | 24,585 | 26,589 | 23,365 | 22,074 | 20,538 | 25,399 | 28,803 |
| Materials and services | -10,441 | -9,669 | -9,483 | -9,273 | -9,412 | -7,648 | -10,366 | -12,894 |
| Employee benefit expenses | -9,871 | -8,132 | -9,354 | -8,267 | -8,061 | -7,284 | -8,247 | -10,659 |
| Depreciation and impairment | -2,625 | -1,569 | -1,446 | -1,459 | -3,499 | -1,711 | -1,724 | -1,762 |
| Operating expenses | -6,326 | -4,732 | -5,196 | -4,998 | -5,776 | -4,566 | -5,432 | -7,540 |
| Other operating income | 111 | 137 | 48 | 78 | 999 | 15 | 121 | 3,768 |
| Operating profit | -4,077 | 620 | 1,159 | -555 | -3,676 | -655 | -249 | -283 |
| Net financial items | 1,840 | -2,389 | -323 | -53 | -1,986 | 234 | -447 | -1,192 |
| Profit before taxes | -2,237 | -1,769 | 836 | -608 | -5,661 | -421 | -696 | -1,475 |
| Income taxes | -940 | -55 | -263 | 9 | 65 | -218 | -239 | -662 |
| Profit/loss for the period | -3,178 | -1,824 | 573 | -598 | -5,597 | -639 | -935 | -2,138 |
| Earnings per share, diluted and undiluted, EUR | -0.05 | -0.03 | 0.02 | -0.05 | -0.47 | -0.05 | -0.08 | -0.18 |
| Average number of shares, diluted and undiluted 1,000 shares | 11,854 | 106,470 | 29,570 | 11,854 | 11,854 | 11,854 | 11,854 | 11,854 |
| Average number of personnel | 638 | 616 | 622 | 623 | 631 | 642 | 673 | 723 |

Revenue by customer industry by quarter

| | 2024 | 2024 | 2024 | 2024 | 2023 | 2023 | 2023 | 2023 |
|------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| EUR thousand | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 |
| Buildings and infrastructure | 5,331 | 5,715 | 5,530 | 4,801 | 3,605 | 4,283 | 5,031 | 5,654 |
| Industrial | 4,184 | 3,779 | 4,173 | 3,357 | 3,496 | 3,025 | 3,402 | 5,490 |
| Energy | 6,110 | 4,931 | 4,455 | 5,315 | 5,075 | 5,242 | 5,398 | 6,226 |
| Transportation | 4,421 | 3,956 | 4,969 | 3,937 | 4,618 | 3,266 | 4,005 | 4,356 |
| Other | 5,028 | 6,204 | 7,462 | 5,955 | 5,279 | 4,723 | 7,563 | 7,077 |
| Total | 25,074 | 24,585 | 26,589 | 23,365 | 22,074 | 20,539 | 25,399 | 28,803 |

Revenue by business unit by quarter

| | 2024 | 2024 | 2024 | 2024 |
|-------------------------|---------------|---------------|---------------|---------------|
| EUR thousand | Q4 | Q3 | Q2 | Q1 |
| Engineered Solutions BU | 20,998 | 20,008 | 22,359 | 19,119 |
| Industrial Solutions BU | 4,069 | 4,567 | 4,228 | 4,246 |
| Other | 7 | 10 | 2 | 0 |
| Total | 25,074 | 24,585 | 26,589 | 23,365 |

Quarterly information for 2023 is not available by business unit.

COMMITMENTS AND CONTINGENCIES

| EUR thousand | 31 December 2024 | 31 December 2023 |
|--|---------------------|---------------------|
| Commitments on own behalf | | |
| Mortgages | 177,410 | 0 |
| Floating charges | 57,720 | 0 |
| Operating leases | | |
| Not later than one year | 189 | 81 |
| 1 - 5 years | 81 | 107 |
| Other liabilities and commitments | | |
| Bank and Corporate guarantees | 1,200 | 3 |

Legal proceedings

Exel Composites' Belgian subsidiary was the defendant in a dispute, in which legal proceedings in the Dutch court took place during the autumn of 2023. The main point of the dispute was the disagreement between Exel Composites and the customer as to whether the products delivered to the customer have met the agreed criteria. The court dismissed the customer's claims in full, however, the counterparty has appealed against the decision. According to information available to the company, no date of hearing has yet been set, but Exel Composites estimates that it will be held in 2025.

CALCULATION OF KEY FIGURES

Adjusted operating profit

operating profit - material items affecting comparability (restructuring costs, impairment losses and reversals, costs related to planned or realized business acquisitions or disposals, etc.)

Adjusted EBITDA

operating profit + depreciations, amortization and impairments - material items affecting comparability (restructuring costs, costs related to planned or realized business acquisitions or disposals, etc.)

Net debt to adjusted EBITDA

total interest-bearing debt - cash and equivalents
 adjusted EBITDA

Return on equity, %

net income + provisions x 100
 equity + minority interest + voluntary provisions

Return on capital employed, %

profit before provisions and income taxes + interest and other financial x 100
 total assets less non-interest-bearing liabilities (average)

Equity ratio, %

equity + minority interest + voluntary provisions x 100
 total assets less advances received

Net gearing, %

net interest-bearing liabilities (= interest-bearing liabilities less liquid assets) x 100
 equity

Earnings per share (EPS), EUR

profit before provisions and income taxes less income taxes +/- minority interest

average adjusted number of shares in the financial period

Equity per share, EUR

equity + voluntary provisions

adjusted number of shares on closing date

Dividend per share, EUR

dividend for the financial period

adjusted number of shares on closing date

Payout ratio, %

dividend per share x 100
 earnings per share (EPS)

Effective yield of shares, %

dividend per share x 100 x 100
 adjusted average share price at year end

Price/earnings (P/E), %

adjusted average share price at year end x 100
 earnings per share

Price to book ratio, (P/B)

total number of shares on closing date excluding treasury shares x
 share price at year end

equity without non-controlling interests



Exel Composites is one of the largest manufacturers of composite profiles and tubes made with pultrusion and pullwinding technologies and a pultrusion technology forerunner in the global composite market. Our forward-thinking composite solutions made with continuous manufacturing technologies serve customers in a wide range of industries around the world. You can find our products used in applications in diverse industrial sectors such as wind power, transportation and building and infrastructure.

Our R&D expertise, collaborative approach and global footprint set us apart from our competition. Our composite solutions help customers save resources, reduce products' weight, improve performance and energy efficiency, and decrease total lifetime costs. We want to be the first choice for sustainable composite solutions globally.

Headquartered in Finland, Exel Composites employs over 600 forward-thinking professionals around the world and is listed on Nasdaq Helsinki. To find out more about our offering and company please visit www.exelcomposites.com.