



2025

**HALF YEAR
FINANCIAL REPORT**

JANUARY – JUNE



STRONG ORDER INTAKE, GOOD PROGRESS IN STRATEGIC TRANSFORMATION AND PROFITABILITY

Q2 2025 in brief

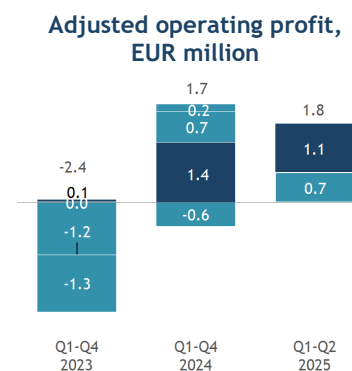
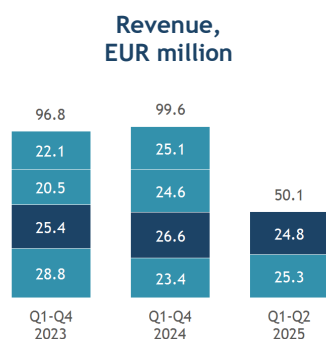
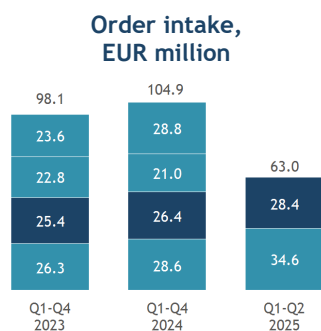
- Order intake increased by 7.7% to EUR 28.4 million (Q2 2024: 26.4)
- Revenue decreased by 6.7% to EUR 24.8 million (26.6)
- Operating profit was EUR 0.8 million (1.2) and operating profit margin 3.1% (4.4%)
- Adjusted operating profit decreased to EUR 1.1 million (1.4) and adjusted operating profit margin was 4.5% (5.2%)
- Earnings per share was EUR -0.03 (0.02)

Q1-Q2 2025 in brief

- Order intake increased by 14.6% to EUR 63.0 million (Q1-Q2 2024: 55.0)
- Revenue was stable at EUR 50.1 million (50.0)
- Operating profit was EUR 0.9 million (0.6) and operating profit margin 1.8% (1.2%)
- Adjusted operating profit increased significantly to EUR 1.8 million (0.8) and adjusted operating profit margin was 3.6% (1.6%)
- Earnings per share was EUR -0.05 (0.01)

Guidance for the full year 2025 (unchanged)

Exel Composites expects revenue to increase and adjusted operating profit to increase significantly in 2025 compared to 2024. (Published on 14 February 2025)



Paul Sohlberg, President and CEO:

The year 2025 has continued positively for Exel. As in the first quarter, we continued effectively navigating the business environment. We increased our order intake by almost 8% in the second quarter and by 15% in the first half of 2025, compared to the respective periods a year ago. Growth was strong especially in the strategic Energy customer industry, relating to both wind power as well as electrical transmission and distribution customers, and supported by favorable demand also from the defense and industrial customers.

Revenue for the first half of the year was on previous year's level, totaling EUR 50.1 million. This was primarily due to the timing of deliveries related to the ongoing transition of production from our closed factory in Belgium to our other factories, a process that will continue through 2025. The ramp-up of production at our other sites progressed well following the closure.

While revenue declined by 6.7% in the second quarter due primarily to the aforementioned ongoing transition of Belgian volumes and due in part to some caution in customers related to macroeconomic factors, we focused on driving profitability. This allowed us to deliver an adjusted operating profit margin of 4.5% for the quarter.

Strategic transformation delivering results

Our strategic transformation is progressing as planned and delivering results. Aligned with our first strategic focus area, organic growth, we are pleased that our order backlog at the end of June stood at EUR 46.6 million, 35% higher than in the comparison period. We are advancing our second strategic focus area, customer value, through projects that involve complex composites design, for example airship tube design for Flying Whales, wind turbine helihoist platforms and value-adding post processing of transport profiles.

We are seeing encouraging results from our third strategic pillar of profitability, as we are optimizing capacity,

sweating our assets and maintaining tight cost control to improve our operations. This significantly improved our profitability in the first half of 2025: our adjusted operating profit rose to EUR 1.8 million, up from EUR 1.1 million in the comparison period, thus already exceeding that of full year 2024.

As outlined in our strategy, we are preparing to move from the stability and profitability phase to the growth phase, supported by the growing order backlog and the ramp-up of production at our new factory in India. Building readiness for a larger volume of deliveries and executing our planned investments impacted on our working capital and cash flow. As a result, net cash flow from operating activities stood at EUR -3.8 million (1.0), resulting from the change in working capital of EUR -5.4 million (-0.9) and net cash flow from investing activities was EUR -1.9 million (-0.9).

Cyberattack in July

Exel Composites was the target of a cyberattack, resulting in a confirmed data breach on 18 July 2025. We acted swiftly with internal and external experts to contain the incident and secure our systems. Unfortunately, some personal data of employees and shareholders, in addition to some of Exel's business information, was compromised. We launched a support program for affected individuals and continue to provide data protection services. Latest information about the breach and the services is available on our investor website.

While we have invested significantly in cybersecurity over time and across the whole organization, this incident highlights the evolving nature of cyber threats. We regret the breach and are taking further steps to strengthen our defenses and to train and support our employees.

2025 outlook and guidance maintained

We maintain our financial guidance for 2025 and expect revenue to increase and adjusted operating profit to



increase significantly compared to 2024.

As recently implemented tariffs may influence sourcing and supply chain decisions, we see opportunities emerging as customers explore alternative manufacturing regions and strategies. We have secured first major supply agreements driven by tariff reactions and continue to be well positioned to respond to such changes in customer demand.

We are energized by the strategic advances and the promising results we are seeing and continue executing our strategy to drive sustainable and profitable growth, supported by a strong order backlog. I would like to extend my sincere thanks to our customers and investors for their continued trust, and to the entire Exel team for their dedication, hard work, and commitment to excellence.

Paul Sohlberg

Consolidated key figures

EUR thousand unless otherwise indicated	Q2 2025	Q2 2024	Change %	Q1-Q2 2025	Q1-Q2 2024	Change %	Q1-Q4 2024
Revenue	24,809	26,589	-6.7	50,087	49,954	0.3	99,614
Operating profit	772	1,159	-33.4	885	604	46.5	-2,853
% of revenue	3.1	4.4		1.8	1.2		-2.9
Adjusted operating profit 1)	1,129	1,374	-17.8	1,811	819	121.1	1,704
% of revenue	4.5	5.2		3.6	1.6		1.7
EBITDA	2,013	2,605	-22.7	3,464	3,509	-1.3	4,246
Adjusted EBITDA 1)	2,370	2,819	-15.9	4,390	3,724	17.9	7,624
Profit before tax	-2,926	836	-450.2	-5,168	228	-2364.0	-3,778
Profit for the period	-2,898	573	-606.0	-5,133	-26	-19989.6	-5,027
Profit for the period excluding non-controlling interest	-2,724	669	-506.9	-4,790	130	-3770.9	-4,663
% of revenue	-11.0	2.5		-9.6	0.3		-4.7
Shareholders' equity	28,803	37,230	-22.6	28,803	37,230	-22.6	32,337
Interest-bearing liabilities	32,945	49,129	-32.9	32,945	49,129	-32.9	30,414
Cash and cash equivalents	7,305	32,431	-77.5	7,305	32,431	-77.5	10,904
Net interest-bearing liabilities	25,640	16,699	53.5	25,640	16,699	53.5	19,509
Net debt to adjusted EBITDA 2)	3.1	3.9	-21.2	3.1	3.9	-21.2	2.6
Capital employed	61,748	86,359	-28.5	61,748	86,359	-28.5	62,751
Return on equity, %	-39.0	8.5	-559.1	-33.6	-0.2	-17944.8	-20.1
Return on capital employed, %	5.1	6.4	-20.5	3.0	1.8	61.8	-4.3
Equity ratio, %	32.9	32.4	1.6	32.9	32.4	1.6	36.8
Net gearing, %	89.0	44.9	98.5	89.0	44.9	98.5	60.3
Net cash flow from operating activities	-376	3,606	-110.4	-3,830	994	-485.2	581
Net cash flow from investing activities	-733	-424	72.9	-1,925	-856	124.9	-2,595
Capital expenditure	679	375	81.3	1,902	815	133.4	2,658
% of revenue	2.7	1.4		3.8	1.6		2.7
Research and development costs	982	919	6.9	1,933	1,996	-3.2	3,738
% of revenue	4.0	3.5		3.9	4.0		3.8
Order intake	28,427	26,404	7.7	63,031	55,018	14.6	104,872
Order backlog	46,621	34,487	35.2	46,621	34,487	35.2	34,177
Earnings per share, diluted and undiluted, EUR	-0.03	0.02	-213.6	-0.05	0.01	-817.2	-0.07
Equity per share, EUR	0.27	1.26	-78.65	0.27	1.79	-85.06	0.49
Average share price, EUR	0.35	0.49	-28.6	0.36	0.70	-48.6	0.40
Average number of shares, diluted and undiluted, 1,000 shares 3)	105,947	29,570	258.3	106,016	20,712	411.9	63,729
Employees, average	605	622	-2.7	624	622	0.3	632
Employees, end of period	624	621	0.5	624	621	0.5	637

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) Exel's rights issue completed in June 2024 increased the total number of shares from 11,896,843 to 106,728,395. Average number of shares excludes shares held by the company.

Order intake and order backlog

Order intake for the second quarter increased by 7.7% year on year and was EUR 28.4 million (26.4).

Order intake for the first half of the year increased by 14.6% year on year and was EUR 63.0 million (55.0).

Customer engagements during the first six months of the year included an agreement with the French-Canadian airship manufacturer and operator Flying Whales. We also received an order worth approximately EUR 10 million from a major wind turbine manufacturer in South Asia. Manufacturing is on-going and deliveries are expected to extend into 2026.

Order backlog on 30 June 2025 was EUR 46.6 million (34.5).

Revenue

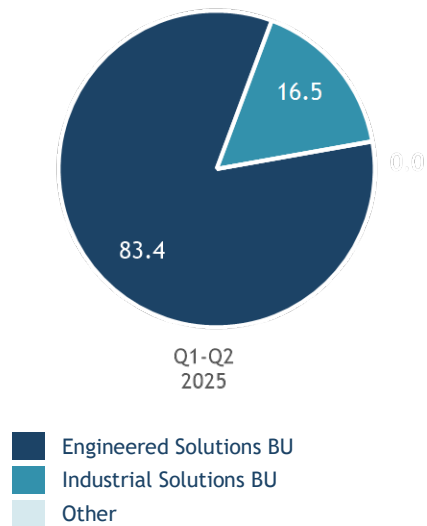
In the second quarter, Group revenue decreased by 6.7% year on year and amounted to EUR 24.8 million (26.6). Revenue in the Engineered Solutions Business Unit was EUR 20.2 million (22.4) and in the Industrial Solutions Business Unit EUR 4.6 million (4.2). Revenue increased by 19% year on year in the Energy Customer industry, while in the Industrial customer industry, revenue was at the comparison period's level. In the Buildings and infrastructure as well as in the Transportation customer industries, revenue decreased respectively by 18% and 13% year on year.

In the first half of the year, Group revenue was at the comparison period's level, amounting to EUR 50.1 million (50.0). This was due to the timing of deliveries related to the ongoing transition of production from our closed factory in Belgium to our other factories, and also in part to some caution in customers related to macroeconomic factors. Revenue in the Engineered Solutions Business Unit was EUR 41.3 million (41.5) and in the Industrial Solutions Business Unit EUR 8.8 million (8.5). Revenue increased by 8% from the comparison period in the Transportation customer industry, and in the Energy customer industry, revenue increased by 5%, whereas in the Buildings and Infrastructure customer industry, revenue decreased 5%.

Revenue by business unit

	Q2	Q2	Change	Q1-Q2	Q1-Q2	Change	Q1-Q4
EUR thousand	2025	2024	%	2025	2024	%	2024
Engineered Solutions BU	20,197	22,359	-9.7	41,290	41,478	-0.5	82,485
Industrial Solutions BU	4,611	4,228	9.1	8,789	8,474	3.7	17,109
Other	1	2	-52.5	8	2	300.7	19
Total	24,809	26,589	-6.7	50,087	49,954	0.3	99,614

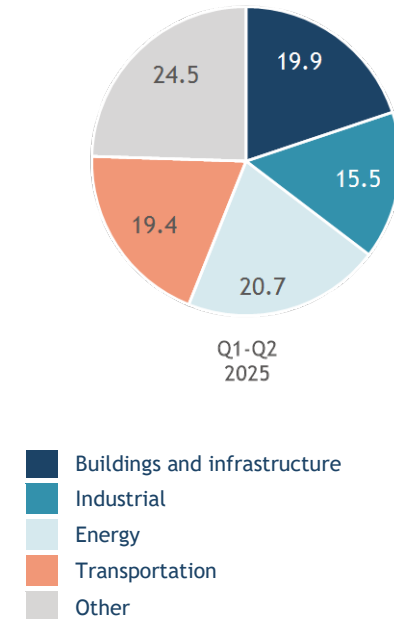
Share of revenue by business unit, %



Revenue by customer industry

	Q2	Q2	Change	Q1-Q2	Q1-Q2	Change	Q1-Q4
EUR thousand	2025	2024	%	2025	2024	%	2024
Buildings and infrastructure	4,531	5,530	-18.1	9,952	10,456	-4.8	21,502
Industrial	4,255	4,173	2.0	7,760	7,625	1.8	15,588
Energy	5,320	4,455	19.4	10,368	9,881	4.9	20,923
Transportation	4,314	4,969	-13.2	9,734	9,014	8.0	17,391
Other	6,389	7,462	-14.4	12,274	12,978	-5.4	24,210
Total	24,809	26,589	-6.7	50,087	49,954	0.3	99,614

Share of revenue by customer industry, %



Operating profit

In the second quarter of 2025, the Group's operating profit decreased to EUR 0.8 million (1.2). Operating profit margin was 3.1% (4.4%). Adjusted operating profit decreased to EUR 1.1 million (1.4) and adjusted operating profit margin to 4.5% (5.2%).

In the first half of the year, operating profit increased significantly to EUR 0.9 million (0.6). Operating profit margin was 1.8% (1.2%). Adjusted operating profit increased significantly and in the first half of the year already exceeded that of full year 2024, amounting to EUR 1.8 million (0.8) as a result of implementing strategic actions. Adjusted operating profit margin grew to 3.6% (1.6%).

Adjusted operating profit

EUR thousand	Q2 2025	Q2 2024	Q1-Q2 2025	Q1-Q2 2024	Q1-Q4 2024
Operating profit	772	1,159	885	604	-2,853
Restructuring costs	357	171	926	171	4,425
Impairment losses and reversals	0	0	0	0	0
Costs related to planned or realized business acquisition and disposal	0	0	0	0	0
Expenses related to legal proceedings and other claims	0	44	0	44	132
Adjusted operating profit	1,129	1,374	1,811	819	1,704

Financial position

Net cash flow from operating activities for the first half of 2025 was EUR -3.8 million (1.0) relating to the change in working capital which was EUR -5.4 million (-0.9). Net cash flow from investing activities amounted to EUR -1.9 million (-0.9) driven by investments in India.

At the end of the reporting period, the Group's liquid assets stood at EUR 7.3 million (32.4), comparison period being significantly above normal due to the completed rights offering. Total depreciation, amortization and impairment of non-current assets during the first half amounted to EUR 2.6 million (2.9).

On 30 June 2025, the Group's consolidated total assets were EUR 89.5 million (116.1). Interest-bearing liabilities, including lease liabilities, amounted to EUR 32.9 million (49.1). Net interest-bearing liabilities were EUR 25.6 million (16.7). Current interest-bearing liabilities were EUR 29.6 million (45.9). EUR 12.0 million (14.0) of current interest-bearing liabilities were commercial papers. On 30 June 2025, net debt to adjusted EBITDA was 3.1x (3.9x).

On 30 June 2025, the Group's equity was EUR 28.8 million (37.2) and equity ratio 32.9 (32.4). Net gearing was 89.0 percent (44.9). Fully diluted earnings per share were EUR -0.05

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Profit for the period

Profit before taxes for the first half of 2025 was EUR -5.2 (0.2) million and profit after taxes EUR -5.1 million (0.0). Net financial income/expenses were EUR -6.1 million (-0.4). The significant growth in financial expenses was due to the recent changes in the exchange rates significantly affecting intra-Group financial items and reported profit for the period.

(0.01). Return on capital employed was 3.0 percent (1.8), and return on equity was -33.6 percent (-0.2).

Business Unit reviews

Engineered Solutions Business Unit

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

Overall, order intake was at last year's level in the second quarter. Demand in the Defense, Industrial, and Energy customer industries showed positive momentum - particularly driven by conductor core orders in the Energy customer industry. The market for tube-based pultruded profiles also showed signs of improvement. In the first quarter, Exel signed an agreement with the airship manufacturer Flying Whales for pullwound carbon fiber tubes for deliveries expected to start by the third quarter of 2025.

In the second quarter, revenue for ESBU was EUR 20.2 (22.4) million, and in the first half of the year, revenue was EUR 41.3 (41.5) million. The second quarter's 8.9% decline in revenue was primarily due to lower volumes in the Transportation segment, following the

strategic factory review in 2024 and Exel closing its Oudenaarde factory in Belgium. The closure of the factory was necessary to address loss-making activities.

Industrial Solutions Business Unit

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

In the second quarter, revenue for ISBU was EUR 4.6 million (4.2), and in the first half of the year, revenue was EUR 8.8 million (8.5). ISBU's market developed favorably, and customer demand increased especially in the Energy customer industry. However, the recent turmoil in global trade and the implemented tariffs may influence customers' order patterns. Extended high tariffs may affect ISBU's operations in China with customers moving manufacturing to other regions including India.

Production capacity ramp-up in Exel's new factory in India built by the company's joint venture Kineco Exel Composites India (KECI), and processes to achieve customer approvals continued.

Research and development

Research and development costs in the first half of 2025 totaled EUR 1.9 million (2.0), representing 3.9% (4.0%) 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% by 2028
- Net debt to adjusted EBITDA <3x by 2028

Strategy implementation in the first half of 2025

In the first half of 2025, strategy implementation progressed as planned:

Belgium factory closing 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 2024 and resulted in the decision to close the factory, which was closed on 31 March 2025. The closure of the factory was necessary to address loss-making activities.

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. The new 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 ramp-up started in the first quarter of 2025 along with processes to achieve customer approvals.

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 process regarding the sale of the factory continues.

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

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 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.

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.

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 in the first half of 2025 and may continue to do so throughout the year. The import tariffs imposed by Trump may have an impact on Exel's customer orders.

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.

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.

In July 2025, Exel Composites was the target of a cyberattack that resulted in a confirmed data breach affecting a limited number of servers and workstations. While the company's core operations and business systems were not disrupted, the incident may pose reputational and regulatory risks.

The risk management and risks related to the operation of Exel Composites are described in detail in the Corporate Governance Statement 2024 and on the company's website at www.exelcomposites.com.

Governance and General Meetings

Exel Composites Plc's Annual General Meeting was held on 26 March 2025 in Helsinki, Finland. The AGM adopted the financial statements and consolidated financial statements, approved the Remuneration Report 2024 and discharged the members of the Board of Directors and the company's President and CEO from liability for the financial year 2024.

The AGM resolved in accordance with the proposal of the Board of Directors that no dividend be paid for the financial year ended 31 December 2024.

The AGM resolved that the Board of Directors consists of five (5) members and re-elected Jouni Heinonen, Helena Nordman-Knutson and Kirsi Sormunen as members of the Board and

elected Christian Busdiecker and Elisabeth Larsson as new members of the Board. The AGM elected Jouni Heinonen as Chairman of the Board of Directors.

The AGM confirmed the annual remuneration for the Board members as follows: for the Chairman of the Board of Directors EUR 45,000 and for each other Board member EUR 21,000. Additionally, a remuneration is to be paid for the Chairman of the Board of EUR 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 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. Travel expenses and other out-of-pocket expenses will be compensated in accordance with the company's established practice and travel rules. Out of the annual remuneration, 60% will be paid in cash and 40% in the company's shares.

Ernst & Young Oy, with Timo Eerola, Authorized Public Accountant (APA) and Authorized Sustainability Auditor having the principal responsibility, was re-elected as auditor and sustainability auditor of the company.

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 number of shares to be acquired is 5,300,000. The authorization is effective until the end of the next AGM, however, no longer than until 30 June 2026.

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 number of new shares to be issued is 10,650,000, which corresponds to approximately 10.0 per cent of all shares of the company, and/or a maximum of 5,300,000 company's own shares. The authorization is effective until the end of the next AGM, however no longer than until 30 June 2026.

Organization and personnel

On 30 June 2025, Exel Composites employed 624 (621) people, of whom 268 (260) in Finland and 356 (361) in other countries. Average number of employees during the reporting period was 624 (622).

On 30 June 2025, the members of the Exel Leadership team were

Paul Sohlberg, President and CEO
Mikko Rummukainen, CFO
Juha Honkanen, Executive Vice President, Engineered Solutions Business Unit
Kari Loukola, Executive Vice President, Industrial Solutions Business Unit
Kim Sjödahl, Senior Vice President, Technology and Sustainability
Johanna Tuomisto, Senior Vice President, People and Culture

Incentive programs

Exel Composites' short-term incentive program covers all employees. The 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 the President and CEO, the Exel Leadership Team and selected key employees of the company. The objective of the programs is to align the interests of the leadership with those of the company's shareholders and, thus, to promote shareholder value creation in the long term, to commit the leadership to achieving the strategic targets of the company and to retain the company's key individuals. The Board of Directors decides on the program and the performance measures annually.

On 11 June 2025, the Board of Directors of Exel Composites Plc initiated a new share-based long-term incentive program 2025-2027 for the leadership of the company. The performance targets of the plan commencing in 2025 are total shareholder return (TSR) of Exel Composites' share and progress of reducing greenhouse gas emissions.

Potential share rewards of the long-term incentive programs will be paid annually, provided that the performance targets are achieved and the continuous employment condition is met, and with lock-in applied until spring 2028. Potential rewards will be paid partly in listed Exel Composites shares and partly in cash.

In June 2025, the Board of Directors further harmonized the terms of the LTI 2024-2026 program with those of the 2025-2027 program, including an annual payout and lock-in structure. The performance targets and the performance period of the 2024-2026 program remained unchanged.

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 30 June 2025, Exel Composites' share capital was EUR 2.1 million 2.1, and the number of shares was 106,728,395 (106,728,395).

On 30 June 2025, Exel Composites held a total of 942,899 (42,899) of its own shares which are part of the share-based long-term incentive programs for the top management.

On the last trading day of the reporting period, the company's share price closed at EUR 0.36 (0.30). During the reporting period, average share price was EUR 0.36 (0.70), highest share price EUR 0.44 (2.70) and lowest share price EUR 0.29 (0.28).

In January-June 2025, a total of 17,780,147 (7,119,309) Exel Composites' shares were traded at Nasdaq Helsinki Ltd., which represents 16.8% (34.4) of the average number of shares. On 30 June 2025, Exel Composites' market capitalization was EUR 38.1 million (32.0).

On 30 June 2025, Exel Composites had a total of 9,411 (8,425) shareholders.

During the review period, Exel Composites did not receive any notifications of changes in holdings in accordance with the Securities Markets Act.

Information on the company's shareholders is available on the company's investor website at <https://investors.exelcomposites.com/>.

Events during the reporting period

On 14 February 2025, Exel Composites signed an agreement with French-Canadian airship manufacturer and operator Flying Whales for pull-wound carbon tubes for the first full structure of an LCA60T airship manufactured by the company. Deliveries are expected to start by the third quarter of 2025.

On 24 February 2025, Exel Composites' joint venture Kineco Exel Composites India (KECI) received a purchase order of approximately EUR 10 million for pultruded carbon fiber planks for spar caps to a major wind turbine manufacturer in South Asia. The deliveries are expected to extend into 2026.

On 24 February 2025, Exel Composites announced having appointed Kari Loukola as Executive Vice President, Industrial Solutions business unit and member of the Exel Leadership Team as of 25 February 2025.

On 31 March 2025, Exel closed its Oudenaarde factory in Belgium as planned.

Events after the reporting period

On 25 July 2025, Exel Composites announced that it had been the target of a cyberattack in July, and that a data breach had been confirmed by investigations on 18 July 2025. The unauthorized intrusion affected a limited number of workstations and servers. The company informed about exposure of personal data which primarily includes names, addresses, and personal identity numbers of current and former employees and shareholders. The breach also involves company-related business information, including financial data, which led the company to release preliminary information from the half-year report for January-June 2025. The company acted immediately, working with internal and external experts to contain the breach and to protect its systems from further exposure as well as to analyze the extent of the compromised information. The cyberattack did not affect the company's business, manufacturing or the operational capacity of the company's factories.

Financial reporting in 2025

Exel Composites will publish the following financial reports in 2025:

- Business Review Q1-Q3 2025: 6 November 2025 at approximately 9:00 EET

Vantaa, 14 August 2025

Exel Composites Plc
Board of Directors

NOTES TO THE HALF YEAR FINANCIAL REPORT

1 January - 30 June 2025

Accounting principles

This Half Year Financial Report has been prepared in accordance with IAS 34, Interim Financial Reporting. The same accounting policies have been applied as in the previous 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.

This Half Year Financial Report is unaudited.

CONSOLIDATED COMPREHENSIVE INCOME STATEMENTS

EUR thousand	Q2 2025	Q2 2024	Change %	Q1-Q2 2025	Q1-Q2 2024	Change %	Q1-Q4 2024
Revenue	24,809	26,589	-6.7	50,087	49,954	0.3	99,614
Other operating income	75	48	57.1	203	126	60.3	375
Increase (+) / Decrease (-) in inventories of finished goods and work in progress	473	-226	-309.3	1,568	-1,690	-192.8	-4,697
Materials and services	-9,426	-9,257	1.8	-19,511	-17,066	14.3	-34,170
Employee benefit expenses	-8,927	-9,354	-4.6	-18,170	-17,621	3.1	-35,625
Depreciation	-1,242	-1,446	-14.1	-2,579	-2,905	-11.2	-5,920
Impairment	0	0		0	0		-1,179
Other operating expenses	-4,991	-5,196	-3.9	-10,712	-10,194	5.1	-21,252
Operating profit	772	1,159	-33.4	885	604	46.5	-2,853
Financial income	187	625	-70.0	331	1,287	-74.3	2,575
Financial expenses	-3,885	-948	309.7	-6,383	-1,663	283.9	-3,500
Profit before tax	-2,926	836	-450.2	-5,168	228	-2364.0	-3,778
Income taxes	28	-263	-110.8	35	-254	-113.8	-1,249
Profit/loss for the period	-2,898	573		-5,133	-26		-5,027
Other comprehensive income to be reclassified to profit or loss in subsequent periods:							
Exchange differences on translating foreign operations	1,100	48	-2208.7	1,639	-326	602.7	-983
Items that will not be classified to profit or loss:							
Defined benefit plan actuarial gains(+)/ loss (-), net tax	0	0		0	0		33
Total comprehensive income	-1,797	620	389.8	-3,494	-352	893.9	-5,977

	Q2	Q2	Change	Q1-Q2	Q1-Q2	Change	Q1-Q4
EUR thousand	2025	2024	%	2025	2024	%	2024
Profit/loss attributable to:							
Owners of the parent company	-2,724	669	506.9	-4,790	130	-3770.9	-4,663
Non-controlling interests	-174	-97	79.4	-342	-156	-119.2	-364
Comprehensive income attributable to:							
Owners of the parent company	-1,581	716	320.9	-3,081	-202	1428.3	-5,631
Non-controlling interests	-216	-96	-125.0	-412	-150	-174.7	-346
Earnings per share, diluted and undiluted, EUR	-0.03	0.02	213.6	-0.05	0.01	-817.2	-0.07

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	30 June 2025	30 June 2024	Change	31 December 2024
EUR thousand				
ASSETS				
Non-current assets				
Goodwill	11,455	12,818	-1,364	12,494
Other intangible assets	965	1,479	-514	1,146
Tangible assets	21,099	22,242	-1,143	21,620
Right-of-use assets 1)	4,374	4,718	-344	4,980
Deferred tax assets	226	763	-537	165
Other non-current investments	48	48	0	48
Other non-current receivables	445	646	-201	454
Non-current assets total	38,612	42,715	-4,104	40,907
Current assets				
Held for sale assets	555	560	-4	571
Inventories	19,355	18,582	773	17,373
Trade and other receivables	23,681	21,857	1,824	19,227
Cash at bank and in hand	7,305	32,431	-25,125	10,904
Total current assets	50,896	73,429	-22,533	48,076
Total assets	89,508	116,144	-26,635	88,983

	30 June 2025	30 June 2024	Change	31 December 2024
EUR thousand				
EQUITY AND LIABILITIES				
Shareholders' equity				
Share capital	2,141	2,141	0	2,141
Other restricted equity	1,080	1,080	0	1,080
Invested unrestricted equity fund	22,416	22,416	0	22,416
Translation differences	2,846	1,806	1,040	1,137
Retained earnings	4,709	9,556	-4,848	9,412
Profit for the period	-4,790	130	-4,920	-4,663
Equity attributable to holders of the parent company	28,402	37,131	-8,729	31,523
Non-controlling interests	401	99	302	814
Total equity	28,803	37,230	-8,427	32,337
Non-current liabilities				
Interest-bearing liabilities	0	-487	487	4,879
Non-current lease liabilities	3,319	3,694	-375	3,904
Interest-free liabilities	1,181	1,375	-193	1,163
Deferred tax liabilities	233	523	-290	304
Total non-current liabilities	4,733	5,104	-372	10,249
Current liabilities				
Interest-bearing liabilities 2)	28,206	44,817	-16,610	20,054
Current lease liabilities	1,419	1,105	314	1,577
Trade and other non-current liabilities	26,347	27,887	-1,541	24,765
Total current liabilities	55,972	73,810	-17,837	46,396
Total equity and liabilities	89,508	116,144	-26,636	88,983

1) Buildings EUR 4,263 thousand, Machinery and equipment (incl.vehicles) EUR 110 thousand

2) One-time arrangement costs of the financing agreement are accrued to short-term loans EUR 487 thousand. Costs are to be amortized over the remaining period of the financing agreement (1 year).

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR thousand	Q1-Q2 2025	Q1-Q2 2024	Change	Q1-Q4 2024
Cash flow from operating activities				
Profit for the period	-5,133	-26	-5,107	-5,027
Adjustments 1)	8,664	3,552	5,112	9,302
Change in working capital	-5,368	-949	-4,418	-251
Cash flow from operating activities before financial items and taxes	-1,837	2,577	-4,414	4,024
Interest paid	-1,027	-1,028	1	-1,802
Interest received	19	191	-172	332
Other financial items	-615	-408	-208	-1,269
Income taxes paid	-369	-338	-32	-703
Net cash flow from operating activities	-3,830	994	-4,824	581
Cash flow from investing activities				
Purchases of non-current assets	-1,956	-864	-1,092	-2,716
Proceeds from sale of non-current assets	31	8	23	122
Net cash flow from investing activities	-1,925	-856	-1,069	-2,595
Cash flow before financing activities	-5,755	138	-5,893	-2,014

EUR thousand	Q1-Q2 2025	Q1-Q2 2024	Change	Q1-Q4 2024
Cash flow from financing activities				
Share issue	1,935	21,811	-19,876	21,811
Share issue costs	-1,935	-1,935	0	-1,935
Capital investment by non-controlling interests	0	0	0	911
Proceeds from long-term borrowings	195	-487	681	5,732
Change in short-term loans 2)	3,222	2,476	746	-23,136
Instalments of lease liabilities	-726	-684	-42	-1,419
Net cash flow from financing activities	2,576	21,182	-18,607	1,734
Change in liquid funds	-3,179	21,321	-24,500	-279
Liquid funds in the beginning of period	10,904	10,952	-47	10,952
Exchange rate fluctuations on liquid funds	-420	158	-579	232
Liquid funds at the end of period	7,305	32,431	-25,125	10,904

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-Q2 2025 depreciations and amortization were EUR 2,579 thousand, loss on sales of tangible assets were EUR -9 thousand, tax on income from operations EUR -35 thousand, other financial income and expenses EUR 6,053 thousand and other adjustments EUR 76 thousand.

2) One-time arrangement costs of the financing agreement are accrued to short-term loans (EUR 487 thousand). Costs are to be amortized over the remaining period of the financing agreement (1 year).

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
2024							
Balance at the beginning of the reporting period	2,141	1,080	2,539	2,138	9,539	249	17,687
Comprehensive result				-332	130	-150	-352
Share-based payments reserve					17		17
Share issue			21,811				21,811
Share issue costs			-1,935				-1,935
Balance at the end of the reporting period	2,141	1,080	22,416	1,806	9,687	99	37,230
2025							
Balance at the beginning of the reporting period	2,141	1,080	22,416	1,137	4,749	814	32,337
Comprehensive result				1,709	-4,790	-412	-3,494
Acquisition / transfer of Treasury shares					-116		-116
Share-based payments reserve					76		76
Share issue							0
Share issue costs							0
Balance at the end of the reporting period	2,141	1,080	22,416	2,846	-82	401	28,803

QUARTERLY KEY FIGURES

	2025	2025	2024	2024	2024	2024
EUR thousand	Q2	Q1	Q4	Q3	Q2	Q1
Revenue	24,809	25,278	25,074	24,585	26,589	23,365
Materials and services	-8,954	-8,989	-10,441	-9,669	-9,483	-9,273
Employee benefit expenses	-8,927	-9,244	-9,871	-8,132	-9,354	-8,267
Depreciation and impairment	-1,242	-1,338	-2,625	-1,569	-1,446	-1,459
Operating expenses	-4,991	-5,721	-6,326	-4,732	-5,196	-4,998
Other operating income	75	127	111	137	48	78
Operating profit	772	113	-4,077	620	1,159	-555
Net financial items	-3,698	-2,355	1,840	-2,389	-323	-53
Profit before taxes	-2,926	-2,241	-2,237	-1,769	836	-608
Income taxes	28	7	-940	-55	-263	9
Profit/loss for the period	-2,898	-2,235	-3,178	-1,824	573	-598
Earnings per share, diluted and undiluted, EUR	-0.03	-0.02	-0.05	-0.03	0.02	-0.05
Average number of shares, diluted and undiluted 1,000 shares	105,947	106,085	106,085	106,470	29,570	11,854
Average number of personnel	605	643	638	616	622	623

Revenue by customer industry by quarter

	2025	2025	2024	2024	2024	2024
EUR thousand	Q2	Q1	Q4	Q3	Q2	Q1
Buildings and infrastructure	4,531	5,421	5,331	5,715	5,530	4,801
Industrial	4,255	3,505	4,184	3,779	4,173	3,357
Energy	5,319	5,047	6,110	4,931	4,455	5,315
Transportation	4,314	5,420	4,421	3,956	4,969	3,937
Other	6,389	5,885	5,028	6,204	7,462	5,955
Total	24,809	25,278	25,074	24,585	26,589	23,365

Revenue by business unit by quarter

	2025	2025	2024	2024	2024	2024
EUR thousand	Q2	Q1	Q4	Q3	Q2	Q1
Engineered Solutions BU	20,197	21,093	20,998	20,008	22,359	19,119
Industrial Solutions BU	4,611	4,177	4,069	4,567	4,228	4,246
Other	1	7	7	10	2	0
Total	24,809	25,278	25,074	24,585	26,589	23,365

Quarterly information for 2023 is not available by business unit.

COMMITMENTS AND CONTINGENCIES

EUR thousand	30 June 2025	30 June 2024	31 December 2024
Commitments on own behalf			
Mortgages	177,410		177,410
Floating charges	57,720		57,720
Operating leases			
Not later than one year	144	77	189
1 - 5 years	98	83	81
Other liabilities and commitments			
Bank and Corporate guarantees	1,200	200	1,200

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, the hearing will be held in December 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 expenses 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.