

NEOVA^{GROUP}

**Financial statements release
1 January - 31 December 2024**

Neova Financial Statements release January-December 2024

Operational efficiency improvement actions improved the fourth quarter profitability from the previous year.

October-December 2024 in brief:

- The Group's net sales amounted to EUR 96.4 million (EUR 122.4 million).
- EBITDA was EUR 9.1 million (EUR 1.5 million), or 9.5% (1.3%) of net sales. EBITDA included a total of EUR -0.1 million (EUR -11.1 million) of non-recurring items.
- Comparable EBITDA was EUR 9.2 million (EUR 12.6 million).
- Operating profit was EUR -0.8 million (EUR -5.8 million), or -0.9% (-4.7%) of net sales, including EUR -2.4 million (EUR -11.8 million) in non-recurring items.
- Free cash flow before taxes was EUR 1.2 million (EUR -12.2 million).

January-December 2024 in brief:

- The Group's net sales amounted to EUR 469.0 million (EUR 495.9 million).
- EBITDA was EUR 48.8 million (EUR 29.2 million), or 10.4% (5.9%) of net sales. EBITDA included a total of EUR -8.1 million (EUR -17.6 million) of non-recurring items relating to efficiency improvement measures.
- Comparable EBITDA was EUR 56.9 million (EUR 46.8 million).
- Operating profit was EUR 14.0 million (EUR -5.3 million), or 3.0% (-1.1%) of net sales, including EUR -11.1 million (EUR -21.8 million) in non-recurring items that were mainly related to the restructuring of operations.
- Free cash flow before taxes was EUR 45.1 million (EUR 3.4 million).
- Gross investments totalled EUR 38.7 million (EUR 40.2 million).
- Earnings per share were EUR 287.81 (EUR -272.17).
- The ratio of interest-bearing net debt to EBITDA was 2.6 (4.9)
- Return on invested capital (% , previous 12months): 3.2 (-1.3)

Figures in brackets to the corresponding period in 2023 unless otherwise stated.

CEO Pekka Tennilä:**"Progress of transformation programme improved profitability"**

The year 2024 was challenging for the Neova Group in many ways, as turnover and production volume slightly decreased from the previous year, but profitability and cash flow developed favourably thanks to determined development measures.

The rainy and cold gardening season in Central Europe significantly reduced the sales and profitability of Kekkilä-BVB's consumer products in Central Europe during the spring and summer. On the other hand, sales outside Europe increased significantly. The turnover for the last quarter of the year was lower than the comparison period, mainly due to lower fuel sales volumes of Neova Terra, as the quarter was clearly warmer than the previous year.

EBITDA and operating profit were clearly at a higher level than the previous year, assisted by efficiency measures.

During 2024, a significant organisational reform was implemented in the Group. The company's operations were divided into two more independent divisions: Kekkilä-BVB and Neova Terra.

Kekkilä-BVB's profitability programme yielded results

The business of Kekkilä-BVB, which focuses on growing media, is divided into profit-responsible business areas according to geographical markets, so that we can respond to the rapidly changing needs of the markets and customers. The current organisational model has proven to be effective and has accelerated decision-making and strategy implementation in different business areas.

During 2023 and 2024, we have implemented structural reforms to improve financial performance in the future. These measures included the closure of four growing media plants and the concentration of production into larger units, the sale of assets, streamlining the organisational structure, improving procurement, and reducing staff by nearly 100 employees. Our goal has been to significantly improve Kekkilä-BVB's profitability during 2024, which we succeeded in. The improvement in our profitability was not due to an improvement in the general market situation but a combination of the aforementioned efficiency measures, which have improved Kekkilä-BVB's cost competitiveness, leading to stronger financial results in the coming years as well.

Kekkilä-BVB's markets developed differently. The Global and Materials business areas performed very well and clearly better than the previous year. This indicates successful business, supported by the growing demand for professional growing media products in Asia and South and North America. The professional growing media business of our largest business area, Central Europe, achieved its goals, but the sales volumes of consumer products decreased significantly due to the cold and rainy spring in the Netherlands. Also, in the Nordic countries, the sales of consumer products developed poorly, but on the other hand, green construction grew as expected, and its profitability improved.

The year was overall good for Kekkilä-BVB. We streamlined and rationalised production and reorganised to improve customer service. Our organisation is now ready for the new year, and we believe we will succeed in it.

Neova Terra facing new challenges

Neova Terra's year was twofold: the division exceeded its targets in a challenging market situation, although sales were lower than the previous year as expected. Improved profitability is the result of many different measures. The significant reduction in fixed costs from the previous year had a significant impact on improving profitability. The achievement was excellent, as the sales volumes of the division's most profitable product, energy peat, decreased as expected. Although the sale of energy peat is rapidly decreasing, energy peat has maintained its position as a blend fuel better than expected for security of supply reasons, and customers also buy energy peat to prepare for exceptional situations. The pellet market was in decline after its previous record year.

The peat production in 2024 was successful. In Estonia and Finland, production targets were exceeded, and thanks to the production season continuing well into the autumn, also Sweden came close to its target. Successful peat production provides a good foundation for 2025.

Neova Terra manages the Group's land assets in Finland and develops new business related to them. The most visible business opening is the development of former peat production areas into solar and wind power parks. In November 2024, Neova and the Swedish Rabbalshede Kraft AB signed an agreement under which Neova sold 50 percent of its nine solar and wind power projects to Rabbalshede Kraft. Neova prepares the projects in the planning phase, but Rabbalshede Kraft makes the actual power park investments and buys the completed power parks entirely into its ownership, and Neova will remain as the land lessor for the sites. The agreement had a positive impact on Neova's profitability in 2024.

The commissioning of the Novactor activated carbon production plant in Ilomantsi has progressed during 2024, and the quality level has been stabilised to target values. The demand for high-quality European activated carbon is still growing.

Neova Terra's strategy is to bring high value-added products based on peat to the market. During 2024, two significant successes were achieved. The marketing and sales of the biostimulant, a natural growth stimulator made from peat, began in Southern Europe under the NeoCore brand. Another new product brought to the market is a peat-based animal feed product that improves the intestinal well-being of animals, for which Neova is cooperating with the large feed manufacturer Hankkija. For both products, the goal is to achieve international commercialisation in the best possible way.

The importance of renewable raw materials and new products will increase in 2025

Kekkilä-BVB's strategic goal to increase the share of renewable and circular raw materials in growing media is progressing determinedly. There is a strong demand for development in this direction, especially from customers in Central Europe. As part of the Group's offering, Neova is growing over 1,500 hectares of reed canary grass for this purpose, which is mixed with other growing media raw materials as a new renewable component. During 2024, the Group also invested in its first wood fibre production line in the Netherlands.

In recent years, we have done significant work to improve our competitiveness, which I believe will enhance our operations already in 2025. The coming years will be more challenging for Neova Terra as the demand for energy peat decreases, and new products do not yet fully replace it. From Kekkilä-BVB, positive profitability development and increasing volumes can be expected as the global demand for growing media increases. Even amidst all the changes, one principle does not change: Responsible business will continue to be the key factor in our strategy and operations.”

Market environment

The Company's market environment remained challenging in the fourth quarter. Economic growth has been broadly weak due to geopolitical uncertainty, inflationary pressures, and financial market instability. Consumer confidence remains low and there have been no significant changes in consumption compared to the previous year. However, inflation has slowed, and at the same time, household purchasing power has strengthened, which is boosting consumption as the economy recovers.

In 2024, sustainable development and the circular economy were key drivers in Kekkilä-BVB's operating environment. The growing media market has expanded, particularly as consumers and businesses move towards more sustainable and recyclable solutions. At the same time, competition in the industry intensified, and there was pressure in the market to offer increasingly innovative and cost-effective solutions. Demand for wood-based raw materials has grown significantly in international markets as customers seek alternatives, which has also increased the import of wood-based raw materials from outside Europe. Peat maintained a significant but changing position as a raw material for growing media. In many markets, efforts have been made to reduce or replace the use of peat, especially in Europe, where regulation has increased. The market in Europe was stable. In America and Asia, the growing media market continued to grow well in 2024, as an increasing proportion of vegetable and berry cultivation moves to controlled environments.

The operating environment for Neova Terra's businesses was characterized by the continuation of the energy transition, particularly with the promotion of the circular economy and the green transition. The replacement of peat and coal with renewable energy sources has particularly increased the demand for wood fuels such as pellets, logging residues, and waste wood. Although the use of peat decreased from prior year, peat maintained its role as a fuel for industrial energy needs and remains a significant part of Finland's energy production. The construction of solar and wind power is expected to grow in the coming years. In new businesses, the market continued to grow due to the increasing demand for clean water, urbanization, and growing health awareness, particularly in developing regions where infrastructure development is accelerating. The markets for activated carbon, biostimulants, and peat-based animal feed are expected to continue growing, supporting the positive development prospects of new businesses.

Financial development

Net sales

Net sales by division

EUR million	10-12/2024	10-12/2023	Change	1-12/2024	1-12/2023	Change
Kekkilä-BVB	56.8	55.7	1.8 %	319.4	326.4	-2.2 %
Neova Terra	49.9	74.7	-33.2 %	189.5	203.2	-6.7 %
Other and eliminations	-10.3	-8.0		-39.8	-33.7	
Total	96.3	122.4	-21.3 %	469.0	495.9	-5.4 %

October-December

The Group's net sales on the fourth quarter decreased by 21 percent to EUR 96.4 million (EUR 122.4 million). Net sales decreased in Europe and increased in North and South America and Asia. Measured by net sales, the top three countries were Finland, the Netherlands and Sweden.

The Kekkilä-BVB division's net sales increased by 2 percent compared to previous year and was EUR 56.8 million (EUR 55.7 million).

The Neova Terra division's net sales decreased by 33 percent and was EUR 49.9 million (EUR 74.7 million).

January-December

The Group's cumulative net sales was below last year's level at EUR 469.0 million (EUR 495.9 million). Net sales decreased in both divisions due to lower sales volumes. Net sales decreased in Europe and increased in North and South America and Asia. Measured by net sales, the top three countries were Finland, the Netherlands and Germany.

The Kekkilä-BVB division's net sales decreased by 2 percent compared to previous year and was EUR 319.4 million (EUR 326.4 million). Net sales and delivery volumes decreased due to the low consumer confidence and the rainy weather during the spring season in the Netherlands and Germany.

The Neova Terra division's net sales decreased by 7 percent compared to previous year and was EUR 189.5 million (EUR 203.2 million). Due to the cold weather at the beginning of the year, the demand for fuels in early part of the year was higher than the previous year, but was clearly below last year in the last quarter. The horticultural peat market developed favorably during the year.

Result and profitability

Comparable EBITDA by division

EUR million	10-12/2024	10-12/2023	Change	1-12/2024	1-12/2023	Change
Kekkilä-BVB	2.2	4.1	-45.5 %	32.2	28.0	14.8 %
Neova Terra	8.2	11.1	-25.8 %	27.7	25.6	8.4 %
Other and eliminations	-1.2	-2.6		-3.0	-6.7	
Total	9.2	12.6	-26.8 %	56.9	46.8	21.7 %

October-December

The Group's comparable EBITDA, excluding non-recurring costs arising from restructuring measures, decreased by 27 percent to EUR 9.2 million (EUR 12.6 million). EBITDA increased compared to the previous year amounting to EUR 9.1 million (EUR 1.5 million), or 9.5 (1.3) percent of net sales.

The Kekkilä-BVB division's comparable EBITDA amounted to EUR 2.2 million (EUR 4.1 million) and was 3.9 (7.3) percent of the division's net sales.

The Neova Terra division's comparable EBITDA amounted to EUR 8.2 million (EUR 11.1 million) and was 16.5 (14.9) percent of the division's net sales. Effective cost management mitigated the negative impact of lower volumes.

January-December

The Group's comparable EBITDA, excluding non-recurring costs arising from restructuring measures, increased by 22 percent to EUR 56.9 million (EUR 46.8 million). EBITDA increased by 67 percent compared to previous year amounting to EUR 48.8 million (EUR 29.2 million), or 10.4 (5.9) percent of net sales.

The Kekkilä-BVB division's comparable EBITDA amounted to EUR 32.2 million (EUR 28.0 million) and was 10.1 (8.6) percent of the division's net sales. Profitability increased from the previous year, as the impact from cost efficiency programs' productivity and efficiency improvement actions started to materialise.

The Neova Terra division's comparable EBITDA amounted to EUR 27.7 million (EUR 25.6 million) and was 14.6 (12.6) percent of the division's net sales. Profitability increased due to higher sales prices and successful cost control actions.

Comparable operating profit by division

EUR million	10-12/2024	10-12/2023	Change	1-12/2024	1-12/2023	Change
Kekkilä-BVB	-2.3	-1.4	-71.6 %	12.8	7.9	62.2 %
Neova Terra	5.4	10.2	-47.4 %	16.8	16.4	2.2 %
Other and eliminations	-1.6	-2.8		-4.6	-7.7	
Total	1.5	6.0	-75.8 %	25.0	16.5	51.1 %

October-December

The Group's comparable operating profit was EUR 1.5 million (EUR 6.0 million) or 1.6 (4.9) percent of net sales. Group's operating profit was in fourth quarter EUR -0.8 million (EUR -5.8 million) or -0.9 (-4.7) percent of net sales.

The Kekkilä-BVB division's comparable operating profit amounted to EUR -2.3 million (EUR -1.4 million) and was -4.1 (-2.4) percent of the division's net sales.

The Neova Terra division's comparable operating profit amounted to EUR 5.4 million (EUR 10.2 million) and was 10.8 (13.7) percent of the division's net sales.

The Group's result for the period was EUR -0.9 million (EUR -4.9 million). Earnings per share were EUR -34.56 (EUR -166.08).

January-December

The Group's comparable operating profit was EUR 25.0 million (EUR 16.5 million) or 5.3 (3.3) percent of net sales. Group's operating profit was EUR 14.0 million (EUR -5.3 million) or 3.0 (-1.1) percent of net sales.

The Kekkilä-BVB division's comparable operating profit amounted to EUR 12.8 million (EUR 7.9 million) and was 4.0 (2.4) percent of the division's net sales.

The Neova Terra division's comparable operating profit amounted to EUR 16.8 million (EUR 16.4 million) and was 8.9 (8.1) percent of the division's net sales.

The Group's result for the period was EUR 8.8 million (EUR -8.2 million). Earnings per share were EUR 287.81 (EUR -272.17).

Cash flow, investments and financing

The Group's free cash flow before taxes during the fourth quarter was EUR 1.2 million (EUR -12.2 million). Gross investments were EUR 9.7 million (EUR 15.1 million).

The Group's free cash flow before taxes January-December was EUR 45.1 million (EUR 3.4 million). The change in working capital affected the cash flow by EUR 23.3 million (EUR 5.4 million). Gross investments January-December 2024 amounted to EUR 38.7 million (EUR 40.2 million), or 111.8% (122.1%) of the amount of depreciation.

Interest-bearing net debt at the end of December amounted to EUR 129.0 million (EUR 144.4 million). The ratio of interest-bearing net debt to EBITDA (net debt/EBITDA) was 2.6 (4.9) on 31 December 2024. Of the Group's interest-bearing debt, 42% is covered by a covenant related to the company's equity ratio. The terms of the covenant were met at the end of the review period.

Neova agreed during the second quarter on a EUR 150 million syndicated loan facility, including EUR 75 million term loan and EUR 75 million revolving credit facility. The EUR 100 million bond matured in October was paid with the withdrawn loan and cash reserves. The revolving credit facility (undrawn) ensures liquidity in the coming years.

The equity ratio at the end of 31 December was 49.8% (40.1%) and the gearing ratio was 43.5% (49.3%). The balance sheet total was EUR 599.7 million (EUR 737.3 million). Net financing items were EUR -5.8 million (EUR -6.6 million), or -1.2% (-1.3%) of net sales.

Personnel

In January-December 2024 the Group employed an average of 817 (936) employees. At the end of the review period, the number of employees was 777 (880).

Number of employees by average	10-12/2024	10-12/2023	1-12/2024	1-12/2023
Kekkilä-BVB	555	603	558	638
Neova Terra	200	249	222	255
Other and eliminations	21	45	36	44
Total	775	897	817	936

In the autumn of 2023, Neova carried out cooperation negotiations and similar processes to improve its profitability and modernise Kekkilä-BVB's operating model in eight of the company's operating countries: Finland, the Netherlands, Sweden, Estonia, Germany, Italy, France and Spain. The negotiations also covered part of Neova Oy's Group Services and Supply Chain Management organisations. The impact on headcount from these actions has materialised during year 2024.

Closing the Hardenberg and Georgsdorf factories in Central Europe during summer 2024 has also had impact on headcount.

Reporting segments

In accordance with the organisational reform that entered into force at the start of 2024, Neova's reporting segments consist of the Group divisions: Kekkilä-BVB; Neova Terra; and Other and eliminations.

The Kekkilä-BVB division includes Kekkilä-BVB's four business areas, Central Europe, Global, Nordics and Materials, in accordance with the organisational reform that took effect at the beginning of 2024.

The Neova Terra division includes Real Estate Development and Renewable Energy business; Peat and New Materials business; Novactor, responsible for the activated carbon business; and Neova Agro (earlier Innovation and New Business Accelerator), responsible for developing new business.

The Other and eliminations include the Group's unallocated shared services and Group management and eliminations between business segments.

Kekkilä-BVB

Kekkilä-BVB is Europe's leading producer of growing media suitable for professional and amateur use. Its product range also includes solutions for home gardeners and landscapers. Materials is responsible for the sales of animal bedding and horticultural peat to customers outside the Group. Kekkilä-BVB's other businesses are recycling and composting. Kekkilä-BVB provides products and services in more than 100 countries worldwide.

Net sales for fourth quarter increased by 2% to EUR 56.8 million (EUR 55.7 million). The comparable EBITDA was EUR 2.2 million (EUR 4.1 million) or 3.9% (7.3%) of net sales. The reported EBITDA was EUR 2.3 million (EUR -3.5 million) and the operating profit was EUR -4.4 million (EUR -9.7 million). Gross investments were EUR 6.5 million (EUR 8.0 million). The operating profit included non-recurring items of EUR -2.1 million (EUR -8.3 million) relating to sales of businesses and efficiency improvement measures.

Net sales in fourth quarter increased both in professional and retail businesses compared to the same period last year and the preparations for the upcoming season were ongoing.

Net sales for January-December amounted to EUR 319.4 million (EUR 326.4 million). The comparable EBITDA was EUR 32.2 million (EUR 28.0 million), or 10.1% (8.6%) of net sales. The reported EBITDA was EUR 26.2 million (EUR 15.7 million) and the operating profit was EUR 4.4 million (EUR -8.6 million). Gross investments totalled EUR 23.2 million (EUR 24.0 million). The operating profit included a total of EUR -8.3 million (EUR -16.5 million) of non-recurring items relating to sales of businesses and efficiency improvement measures. Kekkilä-BVB signed an agreement to sell its closed Georgsdorf site in Germany to Agricon Group in the fourth quarter.

Decline in Net sales in January-December was due to the weaker than usual high-season as cold and wet weather in Central Europe declined demand in consumer markets in second quarter. Demand in consumer segment didn't pick-up during the year and consumer confidence remained on a low level. Sales to professional growers and sales in Landscaping & Recycling and Materials businesses grew compared to previous year. The growth in comparable operating profit in January-December was due to the measures initiated in 2023 related to the improvement of profitability and production efficiency. The impact from profitability improvement measures more than offset the impact of lower volumes on comparable operating profit.

Kekkilä-BVB	10-12/2024	10-12/2023	Change	1-12/2024	1-12/2023	Change
Net sales (EUR million)	56.8	55.7	2%	319.4	326.4	-2%
EBITDA (EUR million)	2.3	-3.5	167%	26.2	15.7	66%
Operating profit (EUR million)	-4.4	-9.7	54%	4.4	-8.6	152%
Investments (EUR million)	6.5	8.0	-19%	23.2	24.0	-3%
Number of employees	555	603	-8%	558	638	-12%

Neova Terra

The Neova Terra division is responsible for Neova Group's business solutions supporting food and energy security of supply in Finland, Sweden and Estonia. The division supplies its customers with growing media raw materials based on peat, moss and reed canary grass, as well as bedding peat, local peat and biofuels for energy production, and activated carbon. The division manages the company's land and real estate property and is responsible for developing Neova's solar and wind power projects and new businesses, utilising the Group's peat and other resources by refining and commercialising them for new applications.

Net sales for the fourth quarter was EUR 49.9 million (EUR 74.7 million). The EBITDA for the period was EUR 8.2 million (EUR 7.8 million) and the operating profit was EUR 5.4 million (EUR 6.9 million). Gross investments totalled EUR 7.0 million (EUR -12.0 million). The operating profit included non-recurring items in the amount of EUR 0.0 million (EUR -3.3 million).

Net sales for January-December amounted to EUR 189.5 million (EUR 203.2 million). The EBITDA was EUR 27.1 million (EUR 22.0 million) and the operating profit was EUR 15.6 million (EUR 12.8 million). Gross investment totalled EUR 15.1 million (EUR 32.0 million). The operating profit included non-recurring items in the amount of EUR -1.2 million (EUR -3.6 million).

Neova Terra's net sales in the last quarter of the financial year decreased compared to the previous year, as the sales volumes of energy peat and pellets were significantly lower than in the previous year. Profit remained at the previous year's level. The profit was impacted by the sales profit from the sale of selected solar and wind power projects in November, as well as the better success of peat production than in the previous year and the increased peat production volume. In 2024, peat production succeeded almost as planned.

In the Peat and New Materials business, the horticultural and environmental peat market developed favourably, increasing both delivery volumes and net sales. The energy peat deliveries decreased from the previous year. Good sales price development and successful cost management had a positive impact on profitability.

In Real Estate Development and Renewable Energy, biofuel delivery volumes continued to decline. The conversion of areas released from peat production into solar and wind power parks proceeded according to the project plans. In November 2024 Neova sold 50 percent of nine solar and wind power development projects to Rabbalshede Kraft AB. Neova manages projects in the planning phase, but Rabbalshede will make the actual investments and will own the finalized power plants, while Neova will lease the land areas for them.

Production at Novactor's Ilomantsi activated carbon plant started in September 2023 and deliveries to customers began in February 2024. Production volumes have been increased during the year. The mill's energy efficiency was improved by investing in heat recovery.

In Neova Agro business, the commercialisation of the first new peat- and moss-based innovations, biostimulants and peat-based animal feed progressed as planned. The first market areas for biostimulants are Spain and Italy, where first distribution agreements are already in place. Cooperation by Neova and Hankkija on the production of peat-based animal feed raw material started during the year. The animal feed business pilot is one of Neova's new high value-added peat biomass product development projects.

Neova Terra	10-12/2024	10-12/2023	Change	1-12/2024	1-12/2023	Change
Net sales (EUR million)	49.9	74.7	-33%	189.5	203.2	-7%
EBITDA (EUR million)	8.2	7.8	6%	27.1	22.0	23%
Operating profit (EUR million)	5.4	6.9	-22%	15.6	12.8	22%
Investments (EUR million)	7.0	-12.0	158%	15.1	32.0	-53%
Number of employees	200	249	-20%	222	255	-13%

Other and eliminations

Other and eliminations include Neova Group's unallocated shared services and Group management and eliminations between business segments.

The impact of the Other and eliminations segment on the operating profit in October-December was EUR -1.8 million (EUR -3.0 million). The operating profit included non-recurring items of EUR -0.2 million (EUR -0.2 million)

The operating profit for January-December amounted to EUR -6.1 million (EUR -9.5 million). The operating profit included non-recurring items of EUR -1.5 million (EUR -1.8 million).

Other and eliminations	10-12/2024	10-12/2023	Change	1-12/2024	1-12/2023	Change
Net sales (EUR million)	-10.3	-8.0	-28%	-39.8	-33.7	-18%
Operating profit (EUR million)	-1.8	-3.0	41%	-6.1	-9.5	36%
Investments (EUR million)	0.0	19.0	-100%	0.5	-15.8	103%
Number of employees	21	45	-53%	36	44	-18%

Sustainability

The sustainability work at Neova Group is guided by a sustainability strategy. We have set medium-term and long-term targets and themes for three areas of sustainability: environmental responsibility; social responsibility; and economic responsibility. Sustainability strategies and programmes are systematically implemented in each business in accordance with customer needs and the UN Sustainable Development Goals.

The role of peat as a raw material is significant for society. To minimise the harmful environmental impacts of our operations, we are implementing our Green Factory concept, which allows us to carry out tangible measures to reduce greenhouse gas emissions. This concept is integrated into all our operating units. It also promotes natural biodiversity, supports the circular economy and takes the sustainable use of water into account. The Green Factory concept encourages factory management and personnel to actively participate in the implementation of the responsibility programme's targets. The key actions and development areas of our operations have been taken into account when defining the targets. We have updated the Green Factory action plans for all businesses. Furthermore, we use third-party Responsibly Produced Peat (RPP) certification as an indicator for the sustainability of our peat production. In 2024, we received RPP certification for a total of six new production areas. Currently, 8,700 hectares of our areas have RPP certification. The target coverage of 9,200 hectares by the end of 2024 was not fully achieved. RPP certifications will continue in 2025, with our goal being 15 RPP inspections for new areas to be certified.

At the end of 2024, risk assessments of psychosocial stress factors were completed in Finland and the Netherlands. Team-specific measures were established to reduce these stress factors.

Regarding the safety of the Group’s personnel, our target is zero accidents. In the fourth quarter, accident frequencies have increased slightly but remained at a low level. Key factors contributing to the low number of accidents are safety training and risk assessments, as well as active and open communication, reporting and investigation of safety issues, including accidents.

KPI	1-12/2024	1-12/2023
Accident frequency R12 (rolling 12 months): All accidents (MTR)	9.7	7.6
Accident frequency R12 (rolling 12 months): Accidents leading to lost time (LTA1)	4.7	3.8

The Group's certified management system, which covers the ISO 9001 quality system, ISO 14001 environmental system, and ISO 45001 occupational health and safety system, was recertified in 2024 for the quality and environmental systems. Our ISO 9001 and ISO 14001 management system certificates will be updated in these respects in early 2025. The certified management system helps us coordinate and manage our operations to satisfy customer and stakeholder requirements and regulatory obligations, as well as focus on the continuous improvement, profitability and efficiency of our operations.

In September 2023, Kekkilä-BVB Group launched an ERP program that also includes updating the company's business processes and designing compatible ERP processes. The new system will be implemented by the end of 2025. The personnel are informed about the progress of the project in monthly info sessions open to everyone.

Short-term business risks and market uncertainties

Neova is exposed, both directly and indirectly through its subsidiaries and associates, to several financial, operational, strategic, security and liability risks that may affect the company’s growth and financial performance, reputation and ability to meet its sustainability objectives.

Risks related to horticultural peat

With respect to horticultural peat, there are signs of political moves in Europe towards tighter regulation. The most significant threats to the horticultural peat business include restrictions on the use of peat in growing media, unexpected changes in legislation concerning peat, and more negative attitudes towards the use of peat in the retail sector.

To manage these risks, it is essential to provide transparent information on the environmental impacts of the use of peat and for the industry to actively produce and share objective information and emphasise peat’s role in greenhouse farming and global food production. The active promotion of recycling solutions and responsible peat production methods, as well as the restoration of peat production areas, play a very important role in the general acceptability of the use of peat.

The most important monitored issue is the monitoring of the industry’s interests in the field of finance taxonomy and the EU’s FIT for 55 legislative reform package, which focuses on reducing greenhouse gas emissions at the EU level by 2030.

Risks in the activated carbon business

The most significant risk related to the activated carbon business concerns the steady operation of the first production facility in Ilomantsi. This involves mechanical, functional and end product quality risks.

Neova's peat-based raw material for activated carbon, sold under the Novactor brand, also involves an approval risk related to the non-fossil requirement. However, the production facility in Ilomantsi is designed to have the capability to use also other raw materials for the production of activated carbon if necessary.

Market risks

Neova's businesses are subject to significant market risks related to end product demand, as well as the prices and availability of raw materials. The demand for wood-based raw materials has grown significantly in the international markets as customers seek environmentally friendly alternatives. Imports of wood-based raw materials from outside of Europe have also increased. As the market grows, the availability of appropriately priced raw material in relation to the price of the end product plays a key role in ensuring competitiveness. The potential expansion of the situation in Ukraine would have impacts in the form of not only higher energy prices and the availability of energy but also the availability of wood-based and peat-based raw materials. The crisis could also have a significant impact on the availability and cost of sea shipping.

The increase in material costs will affect Neova Group's profitability in the short term, as a significant proportion of our customer agreements are long-term, which means that increases in material costs will be reflected in customer prices with a delay.

The increase in logistics expenses has a significant impact on Neova Group's competitiveness and profitability, as we transport our products over long distances in our global business. Rising logistics expenses will also have a significant effect on fuel deliveries over short distances.

The use of energy peat is no longer commercially profitable, but due to the lack of available alternatives, the decline in demand has slowed down. In the longer term, the demand for energy peat will continue to decrease. The development of the prices of emission allowances and energy peat taxation have a highly significant impact on the demand for energy peat used in heat production. The high emission allowance prices in recent years and the taxation of energy peat have led to a situation where not only energy wood but also pulpwood is replacing energy peat in energy production.

The declining demand for peat also affects the measurement of Neova's peat assets on the balance sheet. The value is assessed regularly by means of impairment testing and, in line with its strategy, the Group seeks to create higher value-added uses for its peat assets. Examples of higher value-added uses of peat include activated carbon, growing media and stimulant-based products.

Weather risks

Weather is a risk that has extensive effects on Neova's businesses. In winter, the temperature affects the customers' fuel requirements. In spring, the weather conditions also determine the timing of the peak season in the gardening trade, which affects the profit performance for the full year. During summer, the effects of the weather concern the production volumes and quality of biofuels and environmental products.

Damage risks

Damage risks include occupational safety risk, property risk, interruption risk and environmental risk. Neova aims to prevent damage risks through proactive risk management measures and by reacting quickly to any observed hazards. Risks that cannot be managed by the company's own actions are insured where possible. The goal is to continuously promote a positive culture of occupational safety and asset protection throughout the organisation. Extensive investments in changing the organisation's safety culture are already being reflected in a reduced number of accidents and lower accident frequency, as well as an increase in safety observations and related improvement measures throughout Neova Group.

Political and geopolitical risks

The continuation of the war in Ukraine has increased geopolitical risks, which may have an impact on the Group's operating environment. Potential restrictions on international trade may restrict our operating conditions in various regions. If this risk were to materialise, it would have a significant impact on Kekkilä-BVB's business in particular. Neova complies with the sanctions imposed against Russia and, accordingly, sales to Russia and

Belarus, and raw material purchases from Russia and Belarus, have been discontinued. Neova does not have industrial operations of its own in the Russian, Belarussian or Ukrainian markets.

Financing and commodity risks

The company's main financial risks are currency risk, interest rate risk and liquidity risk. Neova has cash flows and assets denominated in currencies other than the euro, which exposes the Group to exchange rate fluctuations. The currency risk arises mainly from the Group's internal lending and commercial transactions in currencies other than the Group's home currencies. The most significant currency risk is related to the exchange rate between the euro and the Swedish krona due to Neova having extensive operations in Sweden. The Group actively hedges against currency risks. The Group does not apply hedge accounting to currency derivatives. Finnish companies use hedging against the electricity price risk using electricity derivatives, to which cash flow hedge calculation is applied.

The company manages its financing risk and maintains liquidity by balancing the proportional share of short-term and long-term loans and the repayment schedules of long-term loans. In addition, the risk related to the availability and price of financing is managed by diversifying fundraising between different banks and financial instruments. The Group treasury, guided by the financial policy approved by the Board of Directors, is responsible for identifying and managing financial risks. The Group's risk management tools include currency derivatives, currency swaps, foreign currency loans and commodity derivatives.

Natural seasonal fluctuation in activities

Kekkilä-BVB's business is sensitive to seasonal fluctuations, with consumer demand peaking in spring and early summer. Demand in the professional grower segment remains more stable, continuing into the autumn. Growing media raw material sales are more stable throughout the year.

The varying seasonal demand for heating brings significant seasonal variation to Neova Terra's business. Demand for energy fuel fluctuates significantly during the year, and the January–March quarter is usually the most significant heating season in our operating countries.

The success of the peat production season in summer plays a central role with regard to raw material reserves for the next year. The peat production season falls almost entirely into the second and third quarters of the year and introduces significant cyclical to business.

Resolutions by the annual General Meeting

Neova Oy's Annual General Meeting was held in Helsinki on 26 March 2024. The AGM adopted the financial statements for the financial year 2023, discussed the remuneration report for the financial year 2023, and discharged the members of the Supervisory Board, the Board of Directors and the CEO from liability. The AGM approved the Board proposal to distribute a dividend of EUR 134.00 per share for the financial year January 1 – 31 December 2023, which corresponds to a total amount of EUR 4,020,000.

The AGM decided that the number of Board members be confirmed as six (6). The AGM decided that Stefan Damlin, Jari-Pekka Punkari, Kirsi Puntila, Panu Routila and Eeva-Liisa Virkkunen would continue as members of the Board of Directors, and Dick Hordijk was appointed as a new member. Panu Routila will serve as the Chair of the Board of Directors, with Eeva-Liisa Virkkunen as Vice Chair.

The AGM decided that Harri Hietala, Janne Jukkola, Antti Kangas, Jari Koskela, Eero Kubin, Esko Kurvinen, Janne Laine, Heikki Miilumäki, Piritta Rantanen and Eerikki Viljanen would continue as members of the Supervisory Board. Antti Kangas will continue as the Chair of the Supervisory Board, and Heikki Miilumäki as Vice Chair.

The audit firm PricewaterhouseCoopers Oy was elected as auditor, with Panu Vänskä, Authorised Public Accountant, appointed as the principal auditor.

The AGM confirmed the fees paid to the Chair of the Board of Directors, Vice Chair of the Board of Directors and members of the Board of Directors. The monthly fees of the Board of Directors are EUR 2,750 for the Chair, EUR 1,900 for the Vice Chair and EUR 1,750 for the ordinary members. Each member of the Board of Directors

will be paid a meeting fee of EUR 600 per meeting, and members of the Board of Directors who live outside Finland will be paid an additional meeting fee of EUR 600 for each face-to-face meeting in Finland. The meeting fee is paid for meetings of the Board of Directors and its committees and working groups.

The Annual General Meeting confirmed the meeting fees of the Supervisory Board as EUR 800 for the Chair, EUR 600 for the Vice Chair and EUR 500 for the ordinary members. The Annual General Meeting resolved to pay the auditor's fees against the auditor's reasonable invoice.

The owners have resolved to elect Maija Strandberg (Chair) and Rami Vuola as members of the Shareholders' Nomination Board since 19 June 2024.

Changes in Group Management Team

Markus Tykkyläinen was appointed Neova Oy's Deputy CEO and a member of the Group Management Team in December 2023. Markus Tykkyläinen started working for the company on 1 March 2024. Tykkyläinen is responsible for the management and development of Neova Group's business operations under Neova Terra. He reports to Neova's Board of Directors regarding his areas of responsibility.

Hannu Nyman was appointed Neova Oy's CFO and a member of the Group Management Team in November 2023, and he began his work on 1 April 2024. Hannu reports to Neova Oy's CEO.

Jarmo Santala, Neova Oy's previous CFO and member of the Group Management Team, resigned from his post in the Group Management Team and transferred to his new position in the Kekkilä-BVB division's management on 1 April 2024, where he is now responsible for Kekkilä-BVB's Central European business.

Petri Järvinen, Neova Oy's Chief Supply Chain and Sustainability Officer and member of the Group Management Team, moved from Neova to a new position outside the company at the end of March.

Neova's Group management has moved to an organisational model where the daily business decisions are made in the divisions' management teams. For this reason, there were changes to the structure and tasks of Neova Group's Group Management Team (GMT) as of 1 May 2024. The responsibilities of the new Management Team will be the Group's financial reporting and financing, Group risk management, Group HR policy, Group IT policy, Group-wide projects, Group-level raw material issues, large investments, legislative compliance and the preparation of materials for the Board of Directors and Supervisory Board. The Chair of the GMT is Neova Oy's CEO Pekka Tennilä, and the members are Deputy CEO Markus Tykkyläinen, CFO Hannu Nyman and CLO Johan Nybergh. The GMT will be supported by Jenni Nevasalo for HR matters, Jukka Holm for ICT matters and Ahti Martikainen with sustainability and communications matters.

Events after the review period

There were no significant events after the review period.

Board of Directors' proposal for the distribution of profits

On 31 December 2024 the parent company's distributable assets amounted to EUR 257,5 million. There have been no substantial changes in the company's financial position after the end of the financial year.

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 1165 (134) per share be paid on the basis of the adopted balance sheet for 2024, amounting to a total of EUR 35.0 million (4.0). The rest of the distributable assets shall be carried forward in retained earnings.

Outlook for 2025

The megatrends of urbanisation, climate change and sustainable production are in many ways beneficial for Neova, and the company believes them to support positive development of the company's businesses. Inflation has slowed down, improving also households' purchasing power, which will improve demand as economy recovers. Demand growth is supported by wage increases and reasonable employment situation.

During the current financial period, Kekkilä-BVB will focus on sales growth as well as improving profitability. The efficiency programs of the past two years have created a good foundation for improving profitability and competitiveness of Kekkilä-BVB.

For Neova Terra, the demand for energy peat as a fuel is expected to continue to decrease. The demand for horticultural peat is expected to grow along the growing media market itself. The company will continue the commercialisation of new businesses, and the commercialisation of the first new peat-based innovations is proceeding as planned.

Key uncertainty factors affecting the outlook include the development of inflation and interest rates, as well as the success of the grow media sales season and peat production season. International conflicts and unstable world politics also cause uncertainty in the operating environment. These factors may have an indirect effect on demand and financial development.

Vantaa, 27 February 2025

Neova Oy

Board of Directors

For further information, please contact:

- Pekka Tennilä, CEO Neova, tel. +358 40 821 5302
- Hannu Nyman, CFO Neova, tel. +358 50 306 9913
- Ahti Martikainen, Director of communications and Public Affairs, Neova tel. +358 40 680 4723

1. Interim Report Tables

Basic information

Neova Oy (Business ID 0174817-6) is a Finnish limited liability company domiciled in Jyväskylä at the registered address Yrjönkatu 42, PO Box 22, 40101 Jyväskylä, Finland. Neova Oy and its subsidiaries constitute Neova Group (hereinafter referred to as “Neova” or “the Group”).

Basis of preparation

This unaudited interim report has been prepared in accordance with IAS 34. This interim report should be read with the consolidated financial statements prepared for the financial year that ended on 31 December 2023 which was prepared in accordance with the same accounting and measurement principles. The accounting principles applied in the preparation of this interim report are the same as the accounting principles applied in the consolidated financial statements, with the exception of new and amended standards.

The Group has applied new standards and interpretations published by the IASB that are to be applied for the first time in reporting periods starting on or after 1 January 2024. The new standards and interpretations do not have a significant impact on the Group’s profit, financial position or the presentation of the interim report.

The figures presented in this interim report are shown in millions of euros unless otherwise specified. Individual figures and sums in the tables are rounded to the nearest million, which may lead to rounding differences in the totalled rows and columns.

Use of estimates and the management’s judgment

When preparing the financial statements, the Group’s management has to make estimates and assumptions concerning the future, which affect the amounts of assets and liabilities on the balance sheet, the reporting of contingent assets and liabilities in the notes to the financial statements, and the amounts of income and expenses reported for the financial period. The management may also need to exercise judgement in applying the accounting principles used in the preparation of the financial statements. This particularly concerns situations in which the IFRS standards currently in effect include alternative methods of recognition, measurement or presentation.

The estimates and assumptions are based on the previous experience of the Group’s management and other factors, and they also include reasonable expectations concerning future events. The estimates and assumptions used are continuously reviewed. The Group monitors changes in estimates and assumptions, and the factors influencing estimates and assumptions, by using several internal and external sources of information. Potential changes to estimates and assumptions are taken into account in the financial periods during which the estimate or assumption changes.

The most significant components for which management discretion has been applied concern the amounts of reserves, impairment testing and the assumptions used therein, determining the terms of leases, and determining the fair values of the financial assets and debts.

Key exchange rates used in the consolidated financial interim report

		Average rate	Average rate	Closing rate	Closing rate
		1-12/2024	1-12/2023	12/2024	12/2023
SEK	Swedish krona	11.433	11.476	11.459	11.096

Consolidated key figures

EUR million	10-12/2024	10-12/2023	1-12/2024	1-12/2023
Net sales	96.4	122.4	469.0	495.9
Operating profit (EBIT)	-0.8	-5.8	14.0	-5.3
% of net sales	-0.9	-4.7	3.0	-1.1
Operating profit (EBIT) before impairment	1.4	-4.7	16.9	-0.7
% of net sales	1.4	-3.9	3.6	-0.1
Result for the period	-0.9	-4.9	8.8	-8.2
EBITDA	9.1	1.5	48.8	29.2
+/- Change in working capital	-6.3	-4.8	23.3	5.4
-net investments	5.2	9.0	27.1	31.2
Free cash flow before taxes	1.2	-12.2	45.1	3.4
Gross investments	9.7	15.1	38.7	40.2
Return on invested capital %*			3.2	-1.3
Return on invested capital % before impairment			2.6	-2.4
Return on equity %*			2.9	-2.7
Total assets			599.7	737.3
Total equity			296.6	293.1
Interest-bearing net debt			129.0	144.4
Equity-to-assets ratio %*			49.8	40.1
Interest-bearing net debt/EBITDA			2.6	4.9
Gearing %			43.5	49.3
Average number of employees			817	936

*) Previous 12 months

Consolidated Financial Statements, IFRS
Consolidated statement of income

EUR million	10-12/2024	10-12/2023	1-12/2024	1-12/2023
NET SALES	96.4	122.4	469.0	495.9
Other income	6.7	0.8	12.5	2.6
Share of profit (loss) of associates and joint ventures	0.6	0.9	2.7	3.0
Operating expenses	-93.9	-121.7	-432.7	-469.3
Depreciation and amortisation	-8.3	-7.2	-34.6	-32.9
Impairments	-2.2	-1.1	-2.9	-4.6
OPERATING PROFIT	-0.8	-5.8	14.0	-5.3
Financial income	0.4	7.8	11.5	11.4
Financial expenses	-2.5	-8.2	-17.3	-18.0
PROFIT/LOSS BEFORE TAXES	-3.0	-6.2	8.2	-12.0
Income tax expense	2.1	1.3	0.6	3.8
PROFIT/LOSS FOR THE PERIOD	-0.9	-4.9	8.8	-8.2
OTHER COMPREHENSIVE INCOME NET OF TAX:				
Items that will not be reclassified to profit or loss:				
Remeasurements on defined benefit plans	-0.3	-0.1	-0.3	-0.1
Item that may be reclassified subsequently to profit or loss:				
Cash flow hedges	0.3	5.1	0.0	-0.6
Translation differences	-0.3	1.0	-0.7	-0.5
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-1.3	1.1	7.7	-9.3
Profit attributable to:				
Owners of the parent	-1.0	-5.0	8.6	-8.2
Non-controlling interests	0.2	0.1	0.1	-0.1
	-0.9	-4.9	8.8	-8.3
Total comprehensive income attributable to:				
Owners of the parent	-1.1	1.1	7.6	-9.3
Non-controlling interests	-0.2	-0.1	0.1	-0.1
	-1.3	1.0	7.7	-9.3
Earnings per share, EUR	-35	-166	288	-272
No. of shares	30,000	30,000	30,000	30,000

Condensed consolidated balance sheet

EUR million	31.12.2024	31.12.2023
ASSETS		
NON-CURRENT ASSETS		
Goodwill	31.3	31.6
Other intangible assets	39.6	37.9
Property, plant and equipment	248.9	244.5
Investments	24.8	23.4
Other receivables	3.5	3.2
Deferred tax assets	6.1	2.2
TOTAL NON-CURRENT ASSETS	354.2	342.8
CURRENT ASSETS		
Inventories	120.4	127.4
Trade receivables and other receivables	72.5	105.1
Income tax assets	7.1	4.8
Other financial assets	35.2	151.7
Other securities	3.0	0.0
Cash and cash equivalents	6.5	5.5
TOTAL CURRENT ASSETS	244.6	394.5
ASSET HELD FOR SALE	0.9	0.0
TOTAL ASSETS	599.7	737.3
EQUITY AND LIABILITIES		
EQUITY		
Equity attributable to equity owners of the parent company	296.1	292.8
Non-controlling interests	0.5	0.3
TOTAL EQUITY	296.6	293.1
NON-CURRENT LIABILITIES		
Deferred tax liabilities	11.0	8.6
Interest-bearing liabilities	167.7	150.1
Other non-current liabilities	0.8	0.3
Provisions	16.4	13.5
Pension liabilities	4.3	4.2
TOTAL NON-CURRENT LIABILITIES	200.3	176.7
CURRENT LIABILITIES		
Interest-bearing liabilities	9.1	154.7
Trade payables and other payables	93.0	111.6
Income tax liabilities	0.8	1.1
TOTAL CURRENT LIABILITIES	102.9	267.5
TOTAL EQUITY AND LIABILITIES	599.7	737.3

Consolidated cash flow statement

EUR million	1-12/2024	1-12/2023
<u>Cash flow from operating activities</u>		
Profit/loss for the period	8.8	-8.2
Adjustments to the result for the period	35.5	47.7
Change in working capital	22.1	4.9
Cash generated from operations	66.4	44.4
Interest received from operating activities	1.1	0.4
Interest paid from operating activities	-12.7	-11.0
Other financial items from operating activities	2.8	4.0
Taxes paid on operating activities	-2.9	-0.8
Cash flow from operating activities	54.7	37.3
<u>Cash flow from investing activities</u>		
Capital expenditures	-33.4	-30.6
Proceeds from disposal of tangible and intangible assets	14.3	11.2
Acquisitions of subsidiaries, net of cash	0.0	-0.3
Other investments	0.0	-9.2
Proceeds from disposal of other investments	116.0	19.8
Changes in loan receivables	-1.1	-2.8
Dividends received	1.5	
Cash flow from investing activities	100.7	-11.9
Cash flow from investing activities	155.4	25.4
<u>Cash flow from financing activities</u>		
Increase (+) / decrease (-) in current debt	-144.4	61.9
Proceeds from non-current debt	75.0	0.0
Repayment of non-current debt	-75.1	-111.3
Repayments of lease liabilities	-5.9	-9.0
Dividends paid	-4.0	-9.0
Interests paid of hybrid bond		
Repayments of hybrid bond		
Cash flow from financing activities	-154.5	-67.5
Net increase (+) / decrease (-) in cash and cash equivalents	0.9	-42.1
Cash and cash equivalents at the beginning of the period	5.5	47.7
Net increase(+) / decrease (-) in cash and cash equivalents	0.9	-42.1
Cash and cash equivalents at the end of the period	6.5	5.5

Consolidated statement of changes in equity

EUR million	Share capital	Other reserves	Translation differences	Retained earnings	Total	Non-controlling interests	Total equity
Total equity, 1 January 2024	50.5	29.8	-6.8	219.4	292.8	0.3	293.1
Changes in equity							
Dividends paid				-4.0	-4.0		-4.0
Result for the period				8.6	8.6	0.1	8.8
Translation differences			-0.7		-0.7		-0.7
Actuarial gains/losses				-0.3	-0.3		-0.3
Other comprehensive income		-0.0			-0.0		-0.0
Total comprehensive income		-0.0	-0.7	8.3	7.6	0.1	7.7
Other changes							
Other changes		0.0		-0.3	-0.2	0.0	-0.2
Total equity, 31 December 2024	50.5	29.8	-7.5	223.4	296.0	0.5	296.6

EUR million	Share capital	Other reserves	Translation differences	Retained earnings	Total	Non-controlling interests	Total equity
Total equity, 1 January 2023	50.5	30.5	-5.5	235.5	310.9	0.3	311.2
Changes in equity							
Dividends paid				-9.0	-9.0		-9.0
Result for the period				-8.2	-8.2	0.1	-8.2
Translation differences			-0.4		-0.4		-0.4
Actuarial gains/losses				-0.1	-0.1		-0.1
Other comprehensive income		-0.6			-0.6		-0.6
Total comprehensive income		-0.6	-0.4	-8.3	-9.3	0.1	-9.3
Other changes							
Other changes		-0.1	-0.9	1.3	0.3		0.3
Total equity, 31 December 2023	50.5	29.8	-6.8	219.4	292.8	0.3	293.1

2. Net sales

Net sales by category, external

EUR million	10-12/2024	10-12/2023	1-12/2024	1-12/2023
Products	93.3	119.4	457.9	486.2
Kekkilä-BVB	53.7	53.0	307.4	316.5
Neova Terra	47.6	74.7	181.3	199.0
Other and eliminations	-7.9	-8.3	-30.8	-29.3
Services	3.1	3.0	11.1	9.7
Kekkilä-BVB	3.0	2.6	11.8	10.1
Neova Terra	1.3	1.4	4.4	5.1
Other and eliminations	-1.2	-1.06	-5.1	0.0
Total	96.3	122.4	469.0	495.9

Net sales by operating segment

EUR million	10-12/2024	10-12/2023	1-12/2024	1-12/2023
External net sales	96.3	122.4	469.0	495.9
Kekkilä-BVB	54.8	52.3	313.3	321.4
Neova Terra	41.4	67.6	155.8	173.8
Other and eliminations	0.0	0.0	0.0	0.9
Internal net sales	0.0	0.0	0.0	0.0
Kekkilä-BVB	1.8	1.4	6.1	5.2
Neova Terra	7.4	5.5	33.7	29.4
Other and eliminations	-9.3	-7.0	-39.8	-34.5
Total	96.3	122.4	469.0	495.9

Net sales by region

EUR million	10-12/2024	10-12/2023	1-12/2024	1-12/2023
Finland	38.0	64.1	150.8	180.2
Other Nordic countries	9.1	9.8	57.3	55.6
Rest of Europe	32.3	36.1	194.1	203.5
America	6.7	5.2	24.6	18.3
Other	10.3	7.3	42.3	38.4
Total	96.3	122.4	469.0	495.9

3. Segment information

Neova's reporting segments as of 1 January 2024 are Kekkilä-BVB, Neova Terra, and Other and eliminations. The segments' performance is assessed regularly by the senior operative decision maker to evaluate performance and allocate resources. The operating segments are reported consistently in the manner they are reported to the senior operative decision maker. The senior operative decision maker who is responsible for allocating resources to the operating segments and assessing their results is the Group's Chief Executive Officer, with the Board of Directors.

Net sales

EUR million	10-12/2024	10-12/2023	1-12/2024	1-12/2023
Kekkilä-BVB	56.8	55.7	319.4	326.4
Neova Terra	49.9	74.7	189.5	203.2
Other and eliminations	-10.3	-8.0	-39.8	-33.7
Total	96.3	122.4	469.0	495.9

Operating profit

EUR million	10-12/2024	10-12/2023	1-12/2024	1-12/2023
Kekkilä-BVB	-4.4	-9.7	4.4	-8.6
Neova Terra	5.4	6.9	15.6	12.8
Other and eliminations	-1.8	-3.0	-6.1	-9.5
Total	-0.8	-5.8	14.0	-5.3

Items affecting comparability (operating profit)

EUR million	10-12/2024	10-12/2023	1-12/2024	1-12/2023
Kekkilä-BVB	-2.1	-8.3	-8.3	-16.5
Neova Terra	0.0	-3.3	-1.2	-3.6
Other and eliminations	-0.2	-0.2	-1.5	-1.8
Total	-2.4	-11.8	-11.1	-21.8

Comparable operating profit

EUR million	10-12/2024	10-12/2023	1-12/2024	1-12/2023
Kekkilä-BVB	-2.3	-1.4	12.8	7.9
Neova Terra	5.4	10.2	16.8	16.4
Other and eliminations	-1.6	-2.8	-4.6	-7.7
Total	1.5	6.0	25.0	16.5

EBITDA

EUR million	10-12/2024	10-12/2023	1-12/2024	1-12/2023
Kekkilä-BVB	2.3	-3.5	26.2	15.7
Neova Terra	8.2	7.8	27.1	22.0
Other and eliminations	-1.4	-2.8	-4.5	-8.5
Total	9.1	1.5	48.8	29.2

Items affecting comparability (EBITDA)

EUR million	10-12/2024	10-12/2023	1-12/2024	1-12/2023
Kekkilä-BVB	0.1	-7.6	-6.0	-12.3
Neova Terra	0.0	-3.3	-0.6	-3.6
Other and eliminations	-0.2	-0.2	-1.5	-1.8
Total	-0.1	-11.1	-8.1	-17.6

Comparable EBITDA

EUR million	10-12/2024	10-12/2023	1-12/2024	1-12/2023
Kekkilä-BVB	2.2	4.1	32.2	28.0
Neova Terra	8.2	11.1	27.7	25.6
Other and eliminations	-1.2	-2.6	-3.0	-6.7
Total	9.2	12.6	56.9	46.8

Total assets

EUR million	1-12/2024	1-12/2023
Kekkilä-BVB	321.3	309.0
Neova Terra	303.7	346.0
Other and eliminations	-25.3	82.3
Total	599.7	737.3

Total liabilities

EUR million	1-12/2024	1-12/2023
Kekkilä-BVB	203.8	183.6
Neova Terra	164.3	206.5
Other and eliminations	-65.0	54.0
Total	303.1	444.2

Depreciation and amortisation

EUR million	10-12/2024	10-12/2023	1-12/2024	1-12/2023
Kekkilä-BVB	6.7	6.2	21.9	24.4
Neova Terra	3.4	1.8	14.0	12.1
Other and eliminations	0.4	0.4	1.6	1.1
Total	10.5	8.3	37.5	37.6

Investments

EUR million	1-12/2024	1-12/2023
Kekkilä-BVB	23.2	24.0
Neova Terra	15.1	32.0
Other and eliminations	0.5	-15.8
Total	38.7	40.2

Neova discloses comparable performance indicators to improve comparability between periods. Certain income and expense items are presented as items affecting comparability when they have a significant effect on the consolidated income statement. Items affecting comparability include income and expenses arising from the restructuring of Neova's operations, income and expenses that are not related to the Group's normal business operations such as impairment losses, and costs related to acquisitions and business combinations. A reconciliation calculation between the comparable operating result and the operating result is presented in the table below.

Items affecting comparability

EUR million	10-12/2024	10-12/2023	1-12/2024	1-12/2023
Comparable profit/loss for the period	1.5	7.0	19.8	13.7
Items affecting comparability				
Gains/losses on disposals	0.7	0.0	0.7	0.0
Inventory measurement gains/losses	0.0	-0.2	0.0	-0.2
Impairments	0.0	0.0	0.0	0.0
Restructuring	-0.6	-7.7	-8.6	-11.5
Other items	-0.2	-3.3	-0.2	-5.9
Items affecting comparability in EBITDA	-0.1	-11.1	-8.1	-17.6
Gains/losses on disposals	0.7	0.0	0.7	0.0
Impairments	-2.2	-1.0	-2.9	-4.5
Restructuring	-0.6	-7.7	-8.6	-11.5
Other items	-0.2	-3.2	-0.2	-5.8
Items affecting comparability in operating profit	-2.4	-11.8	-11.1	-21.8
Items affecting comparability total	-2.4	-11.8	-11.1	-21.8
Profit/loss for the period	-0.9	-4.9	8.8	-8.2

Derivatives - hedge accounting	0.0	0.0	0.0	0.0	0.0	1.2	0.0	1.2
Total	0.0	35.2	0.0	35.2	0.0	152.9	0.0	152.9

Liabilities measured at fair value
Available-for-sale financial liabilities

Available-for-sale investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
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Financial assets measured at fair value through profit or loss – held for trading

Derivatives - no hedge accounting	0.0	-0.1	0.0	-0.1	0.0	0.0	0.0	0.0
Derivatives - hedge accounting	0.0	-0.8	0.0	-0.8	0.0	-0.3	0.0	-0.3
Total	0.0	-0.9	0.0	-0.9	0.0	-0.3	0.0	-0.3

6. Contingent liabilities

EUR million	31 December 2024	31 December 2023
Liabilities for own commitments		
Guarantees	5.2	5.2
Contingent liabilities on behalf of group companies		
Guarantees	5.1	5.8
Contingent liabilities on behalf of others		
Guarantees	12.5	20.4

Contingent commitments on behalf of external companies are bank guarantees given by Neova Oy on behalf of Laania Oy as collateral for commercial guarantee liabilities and withdrawn loans, and they correspond to Neova Oy's 45% shareholding in the company.

Interest-bearing receivables

Non-current receivables from others	3.2	3.2
Total	3.2	3.2

Long-term interest-bearing receivables consist of a shareholder loan granted to Jyväskylän Voima Oy in 2006.

7. Acquisitions and disposals

Acquisitions in 2024

Neova did not make any acquisitions in January-December 2024.

Acquisitions in 2023

At the beginning of April, Neova's group company Kekkilä Oy completed the acquisition of the business operations of Dueemme Marketing. The transaction strengthens Kekkilä-BVB's position in the professional growing media market in Italy. The transaction value was not published, and it had no significant impact on the reported figures.

Disposals in 2024

On 1 July 2024, Neova Oy's group company Kekkilä-BVB Italy sold its growing media business to Agrochimica S.p.A. As a result of the completed business transaction, Agrochimica will also distribute BVB Substrates and Technic branded products in addition of Kekkilä Professional, Brill Professional and TerraBrill branded products to the Italian professional growing and retail markets from 1 July 2024. The transaction value will not have significant impact on the reported figures.

On 13 November 2024, Neova Oy's group company Vapo Terra Oy and the Swedish company Rabbalshede Kraft AB signed an agreement to form a joint venture. According to the agreement, Vapo Terra sold a 50 percent ownership stake in its wholly-owned subsidiary Sunbreeze Oy to Rabbalshede Kraft. The subsidiaries of Sunbreeze Oy in Finland were part of the deal. After the arrangement, the company continued as an independent limited company under the name Sunbreeze Oy. Vapo Terra's share of the joint venture is 50% and based on the agreement both parties have joint control over the joint venture. The total consideration on cash and debt-free basis amounts to 3.3 million euros, and Neova recorded a sales profit of approx.. 3 million euros in the Neova Terra segment's fourth-quarter results for 2024.

Disposals in subsidiaries

EUR Million	2024
Assets	
cash and cash equivalents	0.3
Total assets	0.3
Liabilities	
Trade payables and other payables	0.3
Debt total	0.3
Net assets acquired	0.0
Consideration paid	3.3
Goodwill	3.3
Consideration paid in cash	3.3
Impact on cash flow	3.3

Disposals in 2023

Neova did not make any disposals in January-December 2023

8. Quarterly segment information

Net sales	Q4/2024	Q3/2024	Q2/2024	Q1/2024	Q4/2023	Q3/2023	Q2/2023	Q1/2023	2023
Kekkilä-BVB	56.8	62.3	107.8	92.5	55.7	62.0	117.9	90.9	326.4
Neova Terra	49.9	24.9	41.1	73.6	74.7	25.7	37.3	65.6	203.2
Other and eliminations	-10.3	-7.4	-11.3	-10.9	-8.0	-6.5	-9.5	-9.6	-33.7
Total	96.3	79.8	137.6	155.3	122.4	81.1	145.6	146.8	495.9

Operating profit	Q4/2024	Q3/2024	Q2/2024	Q1/2024	Q4/2023	Q3/2023	Q2/2023	Q1/2023	2023
Kekkilä-BVB	-4.4	-8.5	7.5	9.9	-9.7	-3.6	10.6	-5.9	-8.6
Neova Terra	5.4	-3.0	0.2	13.0	6.9	-2.7	-0.4	9.0	12.8
Other and eliminations	-1.8	-0.8	-2.0	-1.5	-3.0	-2.6	-2.2	-1.6	-9.5
Total	-0.8	-12.2	5.7	21.3	-5.8	-9.0	8.0	1.4	-5.4

Items affecting comparability in operating profit	Q4/2024	Q3/2024	Q2/2024	Q1/2024	Q4/2023	Q3/2023	Q2/2023	Q1/2023	2023
Kekkilä-BVB	-2.1	-6.1	1.2	-1.3	-8.3	-0.5	-0.5	-7.1	-16.5
Neova Terra	0.0	-0.6	-0.5	0.0	-3.3	0.0	-0.1	-0.2	-3.6
Other and eliminations	-0.2	-0.3	-1.0	0.0	-0.2	-0.6	-0.5	-0.4	-1.8
Total	-2.4	-7.0	-0.3	-1.3	-11.8	-1.1	-1.0	-7.8	-21.8

Comparable operating profit	Q4/2024	Q3/2024	Q2/2024	Q1/2024	Q4/2023	Q3/2023	Q2/2023	Q1/2023	2023
Kekkilä-BVB	-2.3	-2.4	6.3	11.2	-1.4	-3.1	11.1	1.2	7.9
Neova Terra	5.4	-2.3	0.7	13.0	10.2	-2.7	-0.3	9.2	16.4
Other and eliminations	-1.5	-0.5	-1.0	-1.5	-2.8	-2.0	-1.6	-1.2	-7.7
Total	1.5	-5.2	6.0	22.6	5.9	-7.9	9.2	9.2	16.5

EBITDA	Q4/2024	Q3/2024	Q2/2024	Q1/2024	Q4/2023	Q3/2023	Q2/2023	Q1/2023	2023
Kekkilä-BVB	2.3	-3.4	12.6	14.6	-3.5	1.3	15.3	2.7	15.7
Neova Terra	8.2	0.6	4.8	13.4	7.8	1.0	3.8	9.4	22.0
Other and eliminations	-1.4	-0.4	-1.6	-1.1	-2.8	-2.4	-1.7	-1.6	-8.5
Total	9.1	-3.2	15.9	27.0	1.5	0.0	17.3	10.4	29.2

Items affecting comparability (EBITDA)	Q4/2024	Q3/2024	Q2/2024	Q1/2024	Q4/2023	Q3/2023	Q2/2023	Q1/2023	2023
Kekkilä-BVB	0.1	-6.1	1.3	-1.3	-7.6	-0.6	-0.5	-3.7	-12.3
Neova Terra	0.0	-0.6	0.0	0.0	-3.3	0.0	-0.1	-0.2	-3.5
Other and eliminations	-0.2	-0.3	-1.0	0.0	-0.2	-0.6	-0.5	-0.4	-1.8
Total	-0.1	-7.0	0.4	-1.3	-11.1	-1.2	-1.0	-4.3	-17.6

Comparable EBITDA	Q4/2024	Q3/2024	Q2/2024	Q1/2024	Q4/2023	Q3/2023	Q2/2023	Q1/2023	2023
Kekkilä-BVB	2.2	2.7	11.3	15.9	4.1	1.9	15.8	6.4	28.0
Neova Terra	8.2	1.2	4.8	13.4	11.1	1.0	3.9	9.6	25.5
Other and eliminations	-1.2	-0.1	-0.6	-1.1	-2.6	-1.8	-1.2	-1.2	-6.7
Total	9.3	3.9	15.5	28.3	12.6	1.2	18.4	14.7	46.8

Total assets	Q4/2024	Q3/2024	Q2/2024	Q1/2024	Q4/2023	Q3/2023	Q2/2023	Q1/2023	2023
Kekkilä-BVB	321.3	322.9	332.9	337.0	309.0	316.1	349.7	353.8	309.0
Neova Terra	303.7	275.7	310.4	315.8	346.0	311.2	302.8	295.5	346.0
Other and eliminations	-25.3	115.4	69.4	63.7	82.3	74.6	73.1	91.6	82.3
Total	599.7	714.0	712.6	716.5	737.3	701.9	725.5	740.9	737.3

Total liabilities	Q4/2024	Q3/2024	Q2/2024	Q1/2024	Q4/2023	Q3/2023	Q2/2023	Q1/2023	2023
Kekkilä-BVB	203.8	196.2	197.3	205.2	183.6	178.6	210.1	218.5	183.6
Neova Terra	164.3	128.5	171.3	174.3	206.5	160.7	181.6	176.5	206.5
Other and eliminations	-65.0	92.5	36.5	27.4	54.0	71.3	38.8	42.4	54.0
Total	303.1	417.3	405.0	406.9	444.2	410.6	430.6	437.4	444.2

Investments	Q4/2024	Q3/2024	Q2/2024	Q1/2024	Q4/2023	Q3/2023	Q2/2023	Q1/2023	2023
Kekkilä-BVB	6.5	6.6	6.1	4.0	8.0	7.8	3.8	4.3	24.0
Neova Terra	7.0	3.2	3.7	1.2	-12.0	2.8	3.9	37.3	32.0
Other and eliminations	0.0	0.0	0.0	0.4	19.0	-1.0	0.2	-34.0	-15.8
Total	13.5	9.7	9.8	5.7	15.1	9.6	7.9	7.6	40.3

Depreciation and amortisation	Q4/2024	Q3/2024	Q2/2024	Q1/2024	Q4/2023	Q3/2023	Q2/2023	Q1/2023	2023
Kekkilä-BVB	6.7	5.2	5.2	4.8	6.2	5.0	4.9	8.5	24.4
Neova Terra	3.4	3.7	4.7	2.1	1.8	3.9	4.4	1.9	12.1
Other and eliminations	0.4	0.4	0.4	0.4	0.5	0.1	0.4	0.1	1.1
Total	10.5	9.4	10.3	7.3	8.3	9.1	9.7	10.4	37.6