

NEOVA^{GROUP}

Interim Report 1 January – 31 March 2024

Board of Directors, 8 May 2024

Neova Interim Report January–March 2024

Neova Group's net sales, operating margin and operating profit grew in the first quarter. The results of cost savings programmes were reflected in improved profitability of operations.

January–March 2024 in brief:

- The Group's net sales amounted to EUR 155.3 million (EUR 146.8 million).
- The operating margin (EBITDA) was EUR 26.9 million (EUR 10.4 million), or 17.4% (7.1%) of net sales.
- Adjusted EBITDA was EUR 28.2 million (EUR 14.7 million). EBITDA included a total of -1.3 million (-4.3) of non-recurring items relating to efficiency improvement measures.
- Operating profit was EUR 21.3 million (EUR 1.4 million), or 13.7% (1.0%) of net sales, including EUR -1.3 million (EUR -7.8 million) in non-recurring items that were mainly related to the restructuring of operations.
- Free cash flow before taxes was EUR 29.1 million (EUR 5.7 million).
- Gross investments totalled EUR 5.7 million (EUR 7.6 million).
- Earnings per share were EUR 668.6 (EUR -94.2).
- The ratio of interest-bearing net debt to EBITDA was 2.7 (4.0)
- Return on invested capital (previous 12 months): 3.3 (3.8)

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

CEO Pekka Tennilä:**“A strong start to the year for the Group**

Neova Group's net sales, operating margin and operating profit grew in the first quarter. Net sales in the January–March period amounted to EUR 155.3 million (EUR 146.8 million in January–March 2023). Kekkilä-BVB's net sales grew by a little over one per cent, and Neova Terra's net sales grew by 12 per cent. Fuel demand was significantly higher than in the comparison year, despite the cold weather at the start of the year. The spring's political strikes and the resulting closure of Finnish ports made horticultural peat, growing media and activated carbon more difficult to export from Finland to global markets.

Neova Group carried out several cost savings programmes in 2023. Last year, Kekkilä-BVB rationalised its production structure by closing down two growing media factories and optimising its logistics. The new operating model also made the organisation lighter and improved operational efficiency. These measures are now reflected in a significant improvement in the profitability of operations. The Group's adjusted operating margin (EBITDA) was EUR 28.2 million (EUR 14.7 million). Kekkilä-BVB's adjusted operating margin was EUR 15.9 million (EUR 6.4 million). The improved operating margin was in particular due to sales growth in the Central Europe business area and better cost management in the entire segment. Neova Terra's adjusted operating margin was EUR 13.4 million (EUR 9.6 million). The positive development of the operating margin was supported by fuel demand and the security of supply stockpiling of energy peat.

The Novactor activated carbon production, included in the Neova Terra segment, is off to a good start. The quality of the activated carbon is even higher than expected, and demand is also good. In Neova's new projects, both biostimulants and animal feed materials have advanced to the commercialisation phase. The sales and marketing of peat-based biostimulant has started in Spain. The latest cultivation tests yielded results such as a 24% increase in highbush blueberry harvests using the biostimulant marketed under the NeoCore brand, compared with the reference cultivation using the same irrigation and fertilisation without the biostimulant. Neova is to start production of peat-based products suitable for animal feed for Hankkija. The production will be started this year at a pilot scale at Neova's Ilomantsi production plant.

Neova Group has clarified its management model and the segmentation of its financial reporting

In the first quarter, Neova Group's management model was clarified, and its businesses were divided into two divisions, which are more independent than before. Kekkilä-BVB serves professional and amateur growers and landscapers through an organisation based on geographical regions, and is responsible for the sales animal bedding material and horticultural raw material to external customers. The Kekkilä-BVB division is led by Neova Oy's CEO Pekka Tennilä.

The Neova Terra division is responsible for the peat production in Finland, Sweden and Estonia, and for the sales of energy peat to energy customers. The division is also responsible for the cultivation of peat, reed canary grass and other products required for high added-value products for the needs of the Group's internal customers, as well as real estate development, the energy pellet business, the activated carbon business, and the product development and commercialisation of new products based on organic wetland biomass. Neova Terra is led by Deputy CEO Markus Tykkyläinen from 1 March 2024.

Towards the 2024 season

The first quarter gave 2024 a good start, but the quarter cannot be assumed to be directly indicative of the entire year's profit performance.

Kekkilä-BVB's most important sales months are still ahead. We believe that the professional grower market's demand is recovering after a consistent downward trend for many quarters, but the success of seasonal sales also depends on the spring weather, as shown by the previous year.

The spring has been cold, and the start of peat production is late in all regions except Estonia. The success of the peat production season and the coming autumn's temperatures will define much of Neova Terra's financial success. Old energy peat stockpiles have now sold, so the energy peat harvest volumes and corresponding deliveries are based on volume commitments in commercial contracts concluded with energy companies this spring.”

Market environment

The growing media market is forecast to start growing again this year after two years of difficulties. Especially in Europe, the market has been on a downward trend for the last two years due to developments in the energy market and consumers' purchasing power. In America and Asia, the growing media market is also forecast to continue its good growth, with an increasing share of vegetable and berry cultivation moving to controlled environments.

The demand for horticultural peat is also expected to pick up, following the growth of the growing media market. The use of energy peat is forecast to continue to decrease in the coming years. The demand for activated carbon is expected to grow in the coming years as its use increases in applications such as air filtration, water purification and process industries. The market for biostimulants and fibre-based animal feed products, which are in the commercialisation phase, is growing in Europe, which supports the development prospects for the new business areas. The market development for wind and solar power is expected to be generally positive. Climate change and the need to reduce reliance on fossil fuels will increase demand for renewable energy. Due to technological innovations and reduced costs, the use of wind and solar power is expected to become increasingly attractive and competitive compared to traditional energy sources.

Financial development, January–March 2024

Net sales

Net sales by segment

EUR million	1–3/2024	1–3/2023	Change	2023
Kekkilä-BVB	92.5	90.9	1.8%	326.4
Neova Terra	73.6	65.6	12.3%	203.2
Other and eliminations	-10.9	-9.6	-13.1%	-33.7
Total	155.3	146.8	5.7%	495.9

The Group's reported net sales grew by 5.7% to EUR 155.3 million (EUR 146.8 million). Net sales development was positive for both the Kekkilä-BVB and Neova Terra divisions.

Result and profitability

Adjusted operating margin by segment

EUR million	1–3/2024	1–3/2023	Change	2023
Kekkilä-BVB	15.9	6.4	150.1%	28.0
Neova Terra	13.4	9.6	40.4%	25.5
Other and eliminations	-1.1	-1.2	8.8%	-6.7
Total	28.3	14.7	91.6%	46.8

The operating margin improved from the comparison period, amounting to EUR 26.9 million (EUR 10.4 million), or 17.4% (7.1%) of net sales. The Group's adjusted operating margin, excluding non-recurring costs arising from restructuring measures, grew compared to the previous year to EUR 28.2 million (EUR 14.7 million).

The Group's operating profit was EUR 21.3 million (EUR 1.4 million), or 13.7% (1.0%) of net sales. The Group's comparable operating profit was EUR 22.6 million (EUR 9.2 million), or 14.6% (6.3%) of net sales. The result for the period was 20.0 (-2.9). Earnings per share were EUR 668.6 (EUR -94.2).

Cash flow, investments and financing

The Group's free cash flow before taxes in January–March was EUR 29.1 million (EUR 5.7 million). The change in working capital affected the cash flow by EUR -0.9 million (EUR -12.1 million). Gross investments in January–March 2024 amounted to EUR 5.7 million (EUR 7.6 million), or 77.9% (108.2%) of the amount of depreciation.

Interest-bearing net debt at the end of March amounted to EUR 121.1 million (EUR 149.6 million). The ratio of interest-bearing net debt to operating margin (net debt/EBITDA) was 2.7 (4.0) on 31 March 2024. Short-term interest-bearing liabilities amounted to EUR 135.8 million (EUR 46.0 million). Of the Group's long-term interest-bearing debt, 17.5% 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.

The equity ratio at the end of March was 43.7% (41.1%), and the gearing ratio was 38.8% (49.3%). The balance sheet total was EUR 716.5 million (EUR 740.9 million). Net financing items were EUR -1.2 million (EUR -4.4 million), or -0.8% (-3.0%) of net sales.

Personnel

The Group employed an average of 844 (940) persons in the first quarter of the financial year. At the end of the review period, the number of employees was 837 (944).

Number of employees	1–3/2024	1–3/2023	1–12/2023
Kekkilä-BVB	572	651	638
Neova Terra	230	247	255
Other and eliminations	43	42	44
Total	844	940	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 new organisation and operating model entered into force on 1 January 2024.

Sustainability

Sustainability is at the heart of Neova Group’s strategy and targets. Our sustainability objective is to create green growth through net positive products and services by taking our impacts on the environment, health, society and the accumulation of knowledge capital into account. 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. To further increase our personnel’s commitment, we have incorporated sustainability into the short-term incentive targets of all our employees since 2022 in all our operating countries and at every level of the organisation.

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. The concept is integrated into all our operating units. The concept also promoted 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. In the first quarter, 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. At the end of 2023, RPP certification covered 7,326 hectares of our peat production areas. The target coverage for the end of 2024 is 9,500 hectares. The target is to prepare 13 new RPP applications in 2024.

Regarding the safety of the Group’s personnel, our target is zero accidents. We also want to support the growth of our employees and partners. We also have clear processes for addressing any existing deficiencies.

In the first quarter, the Group’s accident frequency continued to decrease. Key factors contributing to the low accident frequency include safety training activities and risk assessments, as well as active and open communication, reporting and investigation concerning safety issues, including accidents.

KPI	1-3/2024	1-3/2023	12/2023
Accident frequency R12 (rolling 12 months): All accidents (MTR)	7.3	11.3	7.3
Accident frequency R12 (rolling 12 months): Accidents leading to lost time (LTA1)	2.4	4.8	3.7

The Group’s certified management system – which includes the ISO 9001 quality management system, the ISO 14001 environmental management system and the ISO 45001 occupational health and safety 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. The Group-level assessment of business functions supports the development of the management of the Group’s businesses well across national borders. In September 2023, Kekkilä-BVB launched the ERP programme to also modernise the company’s business procedures and plan compatible ERP processes.

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 segment 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 segment includes Vapo Terra, responsible for fuel sales and real estate development; all peat production; Novactor, responsible for the activated carbon business; and Neova Innovation, responsible for developing new business.

Other and eliminations includes the Group's shared functions and eliminations between Group management and the segments.

Kekkilä-BVB

The Kekkilä-BVB division consists of Kekkilä-BVB's four business areas: Central Europe, Global, Nordics and Materials. 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 January–March amounted to EUR 92.5 million (EUR 90.9 million). The adjusted operating margin was EUR 15.9 million (EUR 6.4 million), or 17.2% (7.0%) of net sales. The reported operating margin was EUR 14.6 million (EUR 2.7 million), and the operating result was EUR 9.9 million (EUR -5.9 million). Gross investments totalled EUR 4.0 million (EUR 4.3 million). The operating result included a total of EUR -1.3 million (EUR -7.1 million) of non-recurring items relating to efficiency improvement measures.

The activation of consumer and landscaping demand has started at different rates in different market areas, depending on the timing of spring. In the comparison year, the cool weather of the early spring had a larger impact on demand than this year. Professional growing business demand has increased in the Global business area. The increased sales volumes improved the adjusted operating profit in the first quarter, but the growth in adjusted operating profit was mainly due to the measures announced last year related to the improvement of profitability and production efficiency. The goal of the business efficiency improvement measures is to improve the company's profitability by EUR 30 million.

Kekkilä-BVB	1–3/2024	1–3/2023	Change	1–12/2023
Net sales (EUR million)	92.5	90.9	1.8%	326.4
Operating margin (EUR million)	14.6	2.7	449.5%	15.7
Operating result (EUR million)	9.9	-5.9	267.2%	-8.6
Investments (EUR million)	4.0	4.3	-7.1%	24.0
Number of employees	572	651	-12.2%	638

Neova Terra

The Neova Terra division is responsible for Neova Group's business solutions supporting food and energy security 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 peat litter, local peat and biofuels for energy production, and activated carbon. The division also manages the company's land and real estate property and is responsible for developing Neova's wind and solar power projects and new businesses, utilising the Group's peat and other resources by refining and commercialising them for new applications.

Net sales for January–March amounted to EUR 73.6 million (EUR 65.6 million). The operating margin was EUR 13.4 million (EUR 9.4 million), and the operating result was EUR 13.0 million (EUR 9.0 million). Gross investments totalled EUR 1.2 million (EUR 2.7 million). The operating result included non-recurring items in the amount of EUR 0.0 million (EUR -0.2 million).

The Real Estate Development and Renewable Energy business's profitability for biofuels improved compared to the reference period, even though delivery volumes decreased. The Turenki pellet factory was divested at the turn of the year, and sales of the factory's stockpiles as part of the divestment increased net sales. However, the removal of the Turenki factory's volume had a negative impact on profitability compared to the previous year. In real estate development, the conversion of decommissioned peat production sites into wind and solar farms is progressing according to the project plans.

In the Peat and New Materials business, the horticultural peat market developed favourably, increasing delivery volumes and net sales in the first quarter compared to the previous year. The export market in particular shows clear signs of increased activity compared to the previous year's poor delivery volumes, but domestic demand is also growing. The business profitability remained at the same level as in the previous year. The strikes in Finland in March increased expenses for export deliveries. The delivery volume of energy peat decreased. The cold early year increased the use of fuel, but the strikes in March significantly reduced fuel deliveries. The security of supply has contributed to the increase in the use of domestic fuels in energy production, while also partly slowing the decrease in demand for energy peat. Customers are continuing to replace wood with energy peat due to the disruptions in the availability of imported wood fuels. The good selling price development of delivered fuels and the tight cost control had a positive effect on profitability.

Commercial production at Novactor's activated carbon factory started in September 2023, and deliveries to customers started in February 2024. Demand for the Ilomantsi activated carbon factory's production is strong. The entirety of the factory's production during the reporting period was sold as exports, but the port strike in March made deliveries more difficult and had a negative impact on profitability.

In the Innovation and New Business Accelerator business, the commercialisation of the first new peat-based innovations is proceeding as planned.

Neova Terra	1–3/2024	1–3/2023	Change	1–12/2023
Net sales (EUR million)	73.6	65.6	12.3%	203.2
Operating margin (EUR million)	13.4	9.4	43.4%	22.0
Operating result (EUR million)	13.0	9.0	43.9%	12.8
Investments (EUR million)	1.2	2.7	-54.4%	32.0
Number of employees	230	247	-6.8%	255

Other and eliminations

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

The operating result for January–March amounted to EUR -1.5 million (EUR -1.6 million). The operating result includes non-recurring items in the amount of EUR 0.0 million (EUR -0.4 million).

Other and eliminations	1–3/2024	1–3/2023	Change	1–12/2023
Net sales (EUR million)	-10.9	-9.6	-13.1%	-33.7
Operating result (EUR million)	-1.5	-1.6	9.7%	-9.5
Investments	0.4	0.6	-32.0%	-15.8
Number of employees	43	42	0.8%	44

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 in 2024 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 in 2024. 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 capacity to use 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 weaken. 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 business. 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 wood fuels and environmental products.

Of the Group's operating countries, peat production was reasonably successful in Estonia, Finland and Sweden in the summer of 2023.

Damage risks

Damage risks include occupational safety risk, property risk, interruption risk and environmental risk. Vapo 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 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 hedges have been applied from 1 January 2023. The higher interest rates have a clear impact on the cost of refinancing.

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 ratified 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 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 success of the peat production season in summer plays a central role with regard to Kekkilä-BVB's raw material reserves for the next year.

Demand for energy fuel fluctuates significantly during the year. The peat production season falling almost entirely in the second and third quarters of the year also introduces significant cyclicity to the fuel business. The Group's Neova Terra segment's business is cyclical to a significant extent due to seasonal variation in the demand for heating. The January–March quarter of the year is usually a significant heating season in our operating countries.

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 AGM resolved to elect Pekka Hurtola (Chair) and Rami Vuola as members of the Shareholders' Nomination Board.

Significant events in January–March 2024

At the end of December 2023, Neova announced that Neova Oy's subsidiary Vapo Terra Oy and Versowood Oy had agreed on an acquisition where Vapo Terra would sell its Turenki pellet factory to Versowood Oy. The transaction was completed on 1 January 2024. The eight employees of the Turenki pellet factory were transferred to the new owner as old employees. The parties have agreed that the transaction price will not be made public.

Neova's reporting segments changed under the new organisational structure that entered into force at the beginning of the financial year 1 January 2024. The new reporting segments are: Kekkilä-BVB; Neova Terra; and other and eliminations. The adjusted preliminary comparison data were published on 7 March 2024. The company has published the final comparison data on 8 May 2024 as part of the interim report.

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 Deputy CFO and a member of the Group Management Team in December 2023, and he began his work on 1 April 2023. Hannu reports to Neova Oy's CEO regarding his areas of responsibility.

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.

Events after the review period

On 4 April 2024, Neova announced it would make changes to the Group Management Team as of 1 May 2024. 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 will be 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, 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 will be Neova Oy's CEO Pekka Tennilä, and the members will be Vice Chair 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.

Outlook for 2024

During the current financial period, Kekkilä-BVB will invest in more efficient operations, an increase of its product portfolio, a profitable increase of its international sales and improvements in profitability.

For Neova Terra, the demand for energy peat as a fuel is expected to continue to decline. The demand for horticultural peat is also expected to pick up with the growth of the growing media market. 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 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, 8 May 2024

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

Consolidated key figures

EUR million	1-3/2024	1-3/2023	1-12/2023
Net sales	155.3	146.8	495.9
Operating result (EBIT)	21.3	1.4	-5.3
% of net sales	13.7	1.0	-1.1
Operating result (EBIT) before impairment	21.3	-2.0	-0.7
% of net sales	13.7	-1.4	-0.1
Result for the period	20.0	-2.9	-8.2
Operating margin (EBITDA)	26.9	10.4	29.2
+/- Change in working capital	-0.9	-12.1	5.4
- Net investments	3.1	7.4	31.2
Free cash flow before taxes	29.1	5.7	3.4
Gross investments	5.7	7.6	40.2
Return on invested capital % *	3.3	3.8	-1.3
Return on invested capital % before impairment *	3.0	5.8	-2.4
Return on equity % *	4.9	2.5	-2.7
Total assets	716.5	740.9	737.3
Total equity	311.9	303.5	293.1
Interest-bearing net debt	121.1	149.6	144.4
Equity-to-assets ratio %**	43.7	41.1	40.1
Interest-bearing net debt/EBITDA	2.7	4.0	4.9
Gearing %	38.8	49.3	49.3
Average number of employees	844	940	936

*) Previous 12 months

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 judgement

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
	1–3/2024	1–3/2023	3/2024	3/2023
SEK Swedish krona	11.2792	11.2030	11.5250	11.2805

Consolidated statement of income

EUR million	1-3/2024	1-3/2023	1-12/2023
NET SALES	155.3	146.8	495.9
Other income	1.9	1.2	2.6
Share of profit (loss) of associates and joint ventures	1.7	1.4	3.0
Operating expenses	-130.3	-137.5	-469.3
Depreciation and amortisation	-7.3	-7.0	-32.9
Impairments	0.0	-3.5	-4.6
OPERATING PROFIT/LOSS	21.3	1.4	-5.3
Financial income	3.5	1.0	11.4
Financial expenses	-4.7	-3.7	-18.0
PROFIT/LOSS BEFORE INCOME TAXES	20.1	-1.3	-12.0
Income tax expense	-0.1	-1.5	3.8
PROFIT/LOSS FOR THE PERIOD	20.0	-2.9	-8.2
OTHER COMPREHENSIVE INCOME NET OF TAX:			
Items that will not be reclassified to profit or loss:			
Remeasurements on defined benefit plans	0.0	0.0	-0.1
Items that may be reclassified subsequently to profit or loss:			
Cash flow hedges	-0.4	-3.1	-0.6
Translation differences	-2.6	-0.3	-0.4
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	17.0	-6.3	-9.3
Profit attributable to:			
Owners of the parent	20.1	-2.8	-8.2
Non-controlling interests	0.0	0.0	-0.1
	20.0	-2.9	-8.2
Total comprehensive income attributable to:			
Owners of the parent	17.0	-6.3	-9.3
Non-controlling interests	0.0	0.0	-0.1
	17.0	-6.3	-9.3
Earnings per share, EUR	669	-94	-272
No. of shares	30,000	30,000	30,000

Condensed consolidated balance sheet

EUR million	31 March 2024	31 March 2023	31 December 2023
ASSETS			
NON-CURRENT ASSETS			
Goodwill	31.4	31.3	31.6
Other intangible assets	38.4	38.7	37.9
Property, plant and equipment	238.0	249.0	244.5
Investments	23.6	21.8	23.4
Other receivables	3.3	1.1	3.2
Deferred tax assets	2.0	3.1	2.2
TOTAL NON-CURRENT ASSETS	336.7	345.0	342.8
CURRENT ASSETS			
Inventories	105.0	124.9	127.4
Trade receivables and other receivables	109.7	112.7	105.1
Income tax assets	5.1	3.5	4.8
Other financial assets	153.6	0.0	151.7
Other securities	0.0	147.2	0.0
Cash and cash equivalents	6.4	7.7	5.5
TOTAL CURRENT ASSETS	379.8	395.9	394.5
TOTAL ASSETS	716.5	740.9	737.3
EQUITY AND LIABILITIES			
EQUITY			
Equity attributable to equity owners of the parent company	311.6	303.3	292.8
Non-controlling interests	0.3	0.3	0.3
TOTAL EQUITY	311.9	303.5	293.1
NON-CURRENT LIABILITIES			
Deferred tax liabilities	7.8	12.4	8.6
Interest-bearing liabilities	148.4	261.6	150.1
Other non-current liabilities	0.5	0.0	0.3
Provisions	13.2	11.7	13.5
Pension liabilities	4.1	4.2	4.2
TOTAL NON-CURRENT LIABILITIES	174.0	290.0	176.7
CURRENT LIABILITIES			
Interest-bearing liabilities	135.8	46.0	154.7
Trade payables and other payables	94.3	96.9	111.6
Income tax liabilities	0.5	0.0	1.1
Provisions	0.0	4.4	0.0
TOTAL CURRENT LIABILITIES	230.6	147.4	267.5
TOTAL EQUITY AND LIABILITIES	716.5	740.9	737.3

Consolidated cash flow statement

EUR million	1-3/2024	1-3/2023	1-12/2023
<u>Cash flow from operating activities</u>			
Profit/loss for the period	20.0	-3.4	-8.2
Adjustments to the result for the period	6.9	14.1	47.7
Change in working capital	-2.3	-12.1	4.9
Cash generated from operations	24.6	-1.3	44.4
Interest received from operating activities	0.2	0.2	0.4
Interest paid from operating activities	-2.6	-2.7	-11.0
Other financial items from operating activities	1.7	0.3	4.0
Taxes paid on operating activities	-1.7	-0.2	-0.8
Cash flow from operating activities	22.1	-3.7	37.3
<u>Cash flow from investing activities</u>			
Capital expenditure	-5.7	-7.5	-39.6
Proceeds from disposal of tangible and intangible assets	4.0	0.0	11.2
Acquisitions of subsidiaries, net of cash	0.0	0.0	-0.3
Proceeds from disposal of investments consolidated using the equity method	1.5	0.0	0.0
Other investments	-1.9	19.8	-9.2
Proceeds from disposal of other investments	0.0	0.0	19.8
Changes in loans receivable	-0.1	0.0	-2.8
Cash flow from investing activities	-2.2	12.3	-20.9
Cash flow before financing activities	19.9	8.7	16.4
<u>Cash flow from financing activities</u>			
Increase (+) / decrease (-) in current debt	-18.6	-47.2	61.9
Change in non-current debt and other financing items	-0.5	-1.5	-111.3
Repayments of lease liabilities	0.0	0.1	0.0
Dividends paid	0.0	0.0	-9.0
Cash flow from financing activities	-19.1	-48.7	-58.5
Net increase (+) / decrease (-) in cash and cash equivalents	0.8	-40.0	-42.1
Cash and cash equivalents at the beginning of the period	5.5	47.7	47.7
Net increase (+) / decrease (-) in cash and cash equivalents	0.8	-40.0	-42.1
Cash and cash equivalents at the end of the period	6.4	7.7	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							
Result for the period				20.1	20.1	-0.0	20.0
Translation differences			-0.9		-0.9		-0.9
Other comprehensive income		-0.4			-0.4		-0.4
Total comprehensive income		-0.4	-0.9	20.1	18.8	-0.0	18.8
Other changes							
Other changes							
TOTAL EQUITY, 31 MARCH 2024	50.5	29.4	-7.6	239.5	311.6	0.3	311.9

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							
Result for the period				-2.8	-2.8	-0.0	-2.8
Translation differences			-0.3		-0.3		-0.3
Other comprehensive income		-3.1			-3.1		-3.1
Total comprehensive income		-3.1	-0.3	-2.8	-6.2	-0.0	-6.3
Other changes							
Other changes			-0.9	-0.5	-1.4		-1.4
TOTAL EQUITY, 31 MARCH 2023	50.5	27.4	-6.7	232.2	303.3	0.3	303.5

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	0.0	-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	1–3/2024	1–3/2023	2023
Products	152.8	144.6	486.2
Kekkilä-BVB	90.0	88.7	316.5
Neova Terra	72.3	64.1	199.0
Other and eliminations	-9.6	-8.2	-29.3
Services	2.5	2.2	9.7
Kekkilä-BVB	2.5	2.2	10.1
Neova Terra	1.3	1.2	5.1
Other and eliminations	-1.3	-1.2	-5.5
Total	155.3	146.8	495.9

Net sales by operating segment

EUR million	1–3/2024	1–3/2023	2023
External net sales	155.3	146.8	495.9
Kekkilä-BVB	91.3	89.6	321.3
Neova Terra	64.0	57.2	174.8
Other and eliminations	0.0	0.0	-0.1
Internal net sales	0.0	0.0	0.0
Kekkilä-BVB	1.2	1.2	5.2
Neova Terra	9.6	8.4	28.4
Other and eliminations	-10.9	-9.6	-33.6
Total	155.3	146.8	495.9

Net sales by country

EUR million	1–3/2024	1–3/2023	2023
Finland	60.6	57.0	180.2
Other Nordic countries	16.7	12.2	55.6
Europe	64.7	65.2	203.5
America	5.0	5.3	18.3
Other	8.4	7.1	38.4
Total	155.3	146.8	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	1-3/2024	1-3/2023	2023
Kekkilä-BVB	92.5	90.9	326.4
Neova Terra	73.6	65.6	203.2
Other and eliminations	-10.9	-9.6	-33.7
Total	155.3	146.8	495.9

Operating result

EUR million	1-3/2024	1-3/2023	2023
Kekkilä-BVB	9.9	-5.9	-8.6
Neova Terra	13.0	9.0	12.8
Other and eliminations	-1.5	-1.6	-9.5
Total	21.3	1.4	-5.4

Items affecting comparability (EBIT)

EUR million	1-3/2024	1-3/2023	2023
Kekkilä-BVB	-1.3	-7.1	-16.5
Neova Terra	0.0	-0.2	-3.6
Other and eliminations	0.0	-0.4	-1.8
Total	-1.3	-7.8	-21.8

Comparable operating result (EBIT)

EUR million	1-3/2024	1-3/2023	2023
Kekkilä-BVB	11.2	1.2	7.9
Neova Terra	13.0	9.2	16.4
Other and eliminations	-1.5	-1.2	-7.7
Total	22.6	9.2	16.5

Operating margin (EBITDA)

EUR million	1-3/2024	1-3/2023	2023
Kekkilä-BVB	14.6	2.7	15.7
Neova Terra	13.4	9.4	22.0
Other and eliminations	-1.1	-1.6	-8.5
Total	27.0	10.4	29.2

Items affecting comparability (EBITDA)

EUR million	1–3/2024	1–3/2023	2023
Kekkilä-BVB	-1.3	-3.7	-12.3
Neova Terra	0.0	-0.2	-3.5
Other and eliminations	0.0	-0.4	-1.8
Total	-1.3	-4.3	-17.6

Comparable operating margin (EBITDA)

EUR million	1–3/2024	1–3/2023	2023
Kekkilä-BVB	15.9	6.4	28.0
Neova Terra	13.4	9.6	25.5
Other and eliminations	-1.1	-1.2	-6.7
Total	28.3	14.7	46.7

Total assets

EUR million	1–3/2024	1–3/2023	2023
Kekkilä-BVB	337.0	353.8	309.0
Neova Terra	315.8	295.5	346.0
Other and eliminations	63.7	91.6	82.3
Total	716.5	740.9	737.3

Total liabilities

EUR million	1–3/2024	1–3/2023	2023
Kekkilä-BVB	205.2	218.5	183.6
Neova Terra	171.9	176.5	209.6
Other and eliminations	27.4	42.4	50.9
Total	404.6	437.4	444.2

Depreciation and amortisation

EUR million	1–3/2024	1–3/2023	2023
Kekkilä-BVB	4.8	8.5	24.4
Neova Terra	2.1	1.9	12.1
Other and eliminations	0.4	0.1	1.1
Total	7.3	10.4	37.6

Investments

EUR million	1–3/2024	1–3/2023	2023
Kekkilä-BVB	4.0	4.3	24.0
Neova Terra	1.2	2.7	32.0
Other and eliminations	0.4	0.6	-15.8
Total	5.7	7.6	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	1-3/2024	1-3/2023	2023
Comparable profit/loss for the period	21.4	4.8	13.7
Items affecting comparability			
Gains/losses on disposals	0.0	0.0	0.0
Inventory measurement gains/losses	0.0	0.0	-0.2
Impairments	0.0	0.0	-3.3
Restructuring	-1.3	-2.2	-11.5
Other items	0.0	-0.3	-0.6
Items affecting comparability in operating margin	-1.3	-4.3	-17.6
Gains/losses on disposals	0.0	0.0	0.0
Impairments	0.0	-3.5	-7.8
Restructuring	-1.3	-2.2	-11.5
Other items	0.0	-0.3	0.0
Items affecting comparability in operating profit	-1.3	-7.8	-21.8
Items affecting comparability total	-1.3	-7.8	-21.8
Profit/loss for the period	20.0	-2.9	-8.2

4. Fair values of financial assets and liabilities

EUR million	31 March 2024			31 March 2023			31 December 2023		
	Positive fair value	Negative fair value	Net fair value	Positive fair value	Negative fair value	Net fair value	Positive fair value	Negative fair value	Net fair value
Currency derivatives, no hedge accounting									
Current	0.2	-0.1	0.1	0.0	-0.1	-0.1	0.0	0.0	0.0
Electricity derivatives, hedge accounting									
Current	0.2	0.0	0.2	1.1	-0.1	1.0	1.2	0.0	1.2
Non-current	0.0	-0.5	-0.5	1.1	0.0	1.1	0.0	-0.3	-0.3
Current fund investments	153.6	0.0	153.6	147.2	0.0	147.2	151.7	0.0	151.7
Total financial instruments	154.0	-0.6	153.4	149.4	-0.2	149.2	152.9	-0.3	152.6

5. Derivatives

Nominal values of derivative agreements

EUR million	31 March 2024	31 March 2023	31 December
Nominal value of currency derivatives	43.6	59.1	43.4
Nominal value of electricity derivatives	3.9	2.7	3.7
Short-term	47.5	61.8	47.1

Fair value hierarchy levels

Neova determines and presents the fair value classification of financial instruments in accordance with the following hierarchy:

- Level 1. Financial instruments for which there is a publicly quoted market price in active markets
- Level 2. Instruments whose valuation uses directly observable market prices.
- Level 3. Instruments with no direct market prices available for measurement.

No classification changes have been made between the levels of the fair value hierarchy.

Level 2 includes derivatives and fund investments.

EUR million	31 March 2024				31 March 2023				31 December 2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets measured at fair value												
Available-for-sale financial assets												
Available-for-sale investments	0.0	153.6	0.0	153.6	0.0	147.2	0.0	147.2	0.0	151.7	0.0	151.7
Financial assets measured at fair value through profit or loss – held for trading												
Derivatives – no hedge accounting	0.0	0.2	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Derivatives – hedge accounting	0.0	0.2	0.0	0.2	0.0	2.2	0.0	2.2	0.0	1.2	0.0	1.2
Total	0.0	154.0	0.0	154.0	0.0	149.4	0.0	149.4	0.0	152.9	0.0	152.9

Liabilities measured at fair value**Financial liabilities 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	-0.1	0.0	-0.1	0.0	0.0	0.0	0.0	
Derivatives – hedge accounting	0.0	-0.5	0.0	-0.5	0.0	0.0	0.0	0.0	0.0	0.0	-0.3	0.0	-0.3
Total	0.0	-0.6	0.0	-0.6	0.0	-0.1	0.0	-0.1	0.0	-0.3	0.0	0.0	-0.3

6. Contingent commitments

EUR million	31 March 2024	31 March 2023	31 December 2023
Liabilities for own commitments			
Guarantees	5.8	5.7	5.2
Contingent liabilities on behalf of group companies			
Guarantees	5.1	5.8	5.8
Contingent liabilities on behalf of others			
Guarantees	20.6	22.5	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	3.2
Total	3.2	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 and divestments in 2024**

Neova did not make any acquisitions or disposals in January–March 2024.

Acquisitions and divestments in 2023

Neova did not make any acquisitions or disposals in January–March 2023.

8. Quarterly segment information

Net sales	Q1/24	Q4/23	Q3/23	Q2/23	Q1/23	2023
Kekkilä-BVB	92.5	55.7	62.0	117.9	90.9	326.4
Neova Terra	73.6	74.7	25.7	37.3	65.6	203.2
Other and eliminations	-10.9	-8.0	-6.5	-9.5	-9.6	-33.7
Total	155.3	122.4	81.1	145.6	146.8	495.9
Operating result	Q1/24	Q4/23	Q3/23	Q2/23	Q1/23	2023
Kekkilä-BVB	9.9	-9.7	-3.6	10.6	-5.9	-8.6
Neova Terra	13.0	6.9	-2.7	-0.4	9.0	12.8
Other and eliminations	-1.5	-3.0	-2.6	-2.2	-1.6	-9.5
Total	21.3	-5.8	-9.0	8.0	1.4	-5.4
Items affecting comparability (EBIT)	Q1/24	Q4/23	Q3/23	Q2/23	Q1/23	2023
Kekkilä-BVB	-1.3	-8.3	-0.5	-0.5	-7.1	-16.5
Neova Terra	0	-3.3	0.0	-0.1	-0.2	-3.6
Other and eliminations	0	-0.2	-0.6	-0.5	-0.4	-1.8
Total	-1.3	-11.8	-1.1	-1.0	-7.8	-21.8
Comparable operating result	Q1/24	Q4/23	Q3/23	Q2/23	Q1/23	2023
Kekkilä-BVB	11.2	-1.4	-3.1	11.1	1.2	7.9
Neova Terra	13	10.2	-2.7	-0.3	9.2	16.4
Other and eliminations	-1.5	-2.8	-2.0	-1.6	-1.2	-7.7
Total	22.6	6.0	-7.8	9.2	9.2	16.5
Operating margin (EBITDA)	Q1/24	Q4/23	Q3/23	Q2/23	Q1/23	2023
Kekkilä-BVB	14.6	-3.5	1.3	15.3	2.7	15.7
Neova Terra	13.4	7.8	1.0	3.8	9.4	22.0
Other and eliminations	-1.1	-2.8	-2.5	-1.7	-1.6	-8.5
Total	27.0	1.5	-0.1	17.3	10.4	29.2
Items affecting comparability (EBITDA)	Q1/24	Q4/23	Q3/23	Q2/23	Q1/23	2023
Kekkilä-BVB	-1.3	-7.6	-0.6	-0.5	-3.7	-12.3
Neova Terra	0	-3.3	0.0	-0.1	-0.2	-3.5
Other and eliminations	0	-0.2	-0.6	-0.5	-0.4	-1.8
Total	-1.3	-11.1	-1.2	-1.0	-4.3	-17.6
Comparable operating margin (EBITDA)	Q1/24	Q4/23	Q3/23	Q2/23	Q1/23	2023
Kekkilä-BVB	15.9	4.1	1.9	15.8	6.4	28.0
Neova Terra	13.4	11.1	1.0	3.9	9.6	25.5
Other and eliminations	-1.1	-2.6	-1.9	-1.2	-1.2	-6.7
Total	28.3	12.6	1.0	18.4	14.7	46.7

Total assets	Q1/24	Q4/23	Q3/23	Q2/23	Q1/23	2023
Kekkilä-BVB	337	309.0	316.1	349.7	353.8	309.0
Neova Terra	315.8	346.0	311.2	302.8	295.5	346.0
Other and eliminations	63.7	82.3	74.6	74.3	91.6	82.3
Total	716.5	737.3	701.9	726.8	740.9	737.3

Total liabilities	Q1/24	Q4/23	Q3/23	Q2/23	Q1/23	2023
Kekkilä-BVB	205.2	183.6	178.7	210.1	218.5	183.6
Neova Terra	171.9	209.6	160.7	181.6	176.5	209.6
Other and eliminations	27.4	50.9	71.3	35.0	42.4	50.9
Total	404.6	444.2	410.6	426.8	437.4	444.2

Depreciation and amortisation	Q1/24	Q4/23	Q3/23	Q2/23	Q1/23	2023
Kekkilä-BVB	4.8	6.2	4.9	4.9	8.5	24.4
Neova Terra	2.1	1.8	3.9	4.4	1.9	12.1
Other and eliminations	0.4	0.4	0.1	0.4	0.1	1.1
Total	7.3	8.4	9.0	9.7	10.4	37.6

Investments	Q1/24	Q4/23	Q3/23	Q2/23	Q1/23	2023
Kekkilä-BVB	4.0	8.0	7.8	3.8	4.3	24.0
Neova Terra	1.2	22.6	2.8	3.9	2.7	32.0
Other and eliminations	0.4	-15.6	-1.0	0.2	0.6	-15.8
Total	5.7	15.1	9.6	7.9	7.6	40.2