

NEOVA^{GROUP}

Interim Report 1 January - 30 September 2024

Board of Directors 7.11.2024

Neova Interim Report January-September 2024

Third quarter net sales were slow, in line with normal seasonality. Restructuring costs of operations decreased profitability.

July-September 2024 in brief:

- The Group's net sales amounted to EUR 79.8 million (EUR 81.1 million).
- EBITDA was EUR -3.2 million (EUR -0.1 million), or -4.0% (-0.1%) of net sales.
- Comparable EBITDA was EUR 3.8 million (EUR 1.1 million). EBITDA included a total of EUR -7 million (EUR -1.2 million) of non-recurring items.
- Operating profit was EUR -12.2 million (EUR -9.0 million), or -15.3% (-11.1%) of net sales, including EUR -7.0 million (EUR -1.1 million) of non-recurring items.
- Free cash flow before taxes was EUR 7.5 million (EUR -2.7 million).

January-September 2024 in brief:

- The Group's net sales amounted to EUR 372.7 million (EUR 373.5 million).
- EBITDA was EUR 39.7 million (EUR 27.7 million), or 10.6% (7.4%) of net sales.
- Comparable EBITDA was EUR 47.7 million (EUR 34.2 million). EBITDA included a total of EUR -8.0 million (EUR -10.0 million) of non-recurring items relating to efficiency improvement measures.
- Operating profit was EUR 14.8 million (EUR 0.5 million), or 4.0% (0.1%) of net sales, including EUR -8.0 million (EUR -10.0 million) in non-recurring items that were mainly related to the restructuring of operations.
- Free cash flow before taxes was EUR 51.5 million (EUR 15.6 million).
- Gross investments totaled EUR 25.2 million (EUR 25.1 million).
- Earnings per share were EUR 322.36 (EUR -108.09).
- The ratio of interest-bearing net debt to EBITDA was 2.9 (3.7)
- Return on invested capital (% , previous 12months): 2.1 (2.6)

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

CEO Pekka Tennilä:

"The restructuring costs of the operations put a burden on the third quarter, which was modest as typical.

The third quarter of the year is normally the weakest for Neova Group, both in terms of sales and results. Kekkilä-BVB's consumer sales season ends at the end of the second quarter and Neova Terra's peat deliveries are at their lowest. This was also the case in this third quarter. Neova Group's net sales fell slightly short of the comparison period and operating profit was lower than in the comparison period due to non-recurring items of approximately EUR 7 million.

Kekkilä-BVB's net sales were at the level of the comparison period, but the operating profit was burdened by non-recurring items related to business restructuring, such as the closure of two growing media factories in Georgsdorf and Hardenberg in Central Europe.

Kekkilä-BVB's business areas Global and Materials made a strong quarterly result. In addition, net sales developed positively in the business aimed at professional growers in Central Europe. The net sales of landscaping increased in both Central Europe and the Nordic countries. Low consumer confidence reduced retail sales in both Central Europe and the Nordic countries instead.

Kekkilä-BVB's preparations for the upcoming season have begun. Retail business has shown slight signs of picking up in Central Europe.

The third quarter of Neova Terra was as expected in terms of net sales. Neova Terra's peat production achieved its quantitative targets in Finland and Estonia, but the very rainy summer in southern Sweden caused production there to fall short of the target and the production volumes of the previous year by about a quarter.

A significant event in Neova Terra's new businesses was the start of raw material deliveries of peat-based animal feed materials. Neova manufactures raw material for the animal feed at its Ilomantsi production plant. Several studies have found that peat and the humic substances it contains support animal welfare and growth. This year, animal feed raw material deliveries will remain at only hundreds of tonnes, but in the future this business is expected to be a significant contributor to earnings for Neova Terra.

The sales of the activated carbon manufacturer Novactor increased from previous year. During the last quarter, the Novactor production plant will have a two-week maintenance shutdown, during which investments will be made to improve its energy efficiency. The shutdown weakens production in the last quarter, but improves the plant's energy efficiency and profitability in the future.

Neova Group's business in January-September has developed favorably in comparison to the last year. The Group's net sales were at the previous year's level, but the Group's operating profit in January-September was EUR 15 million higher than in the comparison period, which indicates the positive impact of efficiency measures.

Full-year operating profit is expected to be clearly higher than last year."

Market environment

The Company's market environment remains challenging due to uncertainty in the general economic situation, which is expected to continue to affect Neova's financial performance. 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 increased energy costs and consumers' decreased 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 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 in the mid-term

horizon. 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

Net sales

Net sales by division

EUR million	7-9/2024	7-9/2023	Change	1-9/2024	1-9/2023	Change	2023
Kekkilä-BVB	62.3	62.0	0.6 %	262.6	270.7	-3.0 %	326.4
Neova Terra	24.9	25.7	-3.2 %	139.6	128.5	8.6 %	203.2
Other and eliminations	-7.4	-6.5		-29.5	-25.7		-33.7
Total	79.8	81.1	-1.6 %	372.7	373.5	-0.2 %	495.9

July-September

The Group's net sales on the third quarter decreased by 2 percent to EUR 79.8 million (EUR 81.1 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 1 percent compared to previous year and was EUR 62.3 million (EUR 62.0 million). Net sales development was impacted negatively by the rainy summer in Central Europe and the quiet retail market.

The Neova Terra division's net sales decreased by 3 percent compared to previous year and was EUR 24.9 million (EUR 25.7 million).

January-September

The Group's cumulative net sales was almost at last year's level at EUR 372.7 million (EUR 373.5 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 Germany. 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.

The Kekkilä-BVB division's net sales decreased by 3 percent compared to previous year and was EUR 262.6 million (EUR 270.7 million). Net sales and delivery volumes decreased due to the low consumer confidence and the rainy spring in the Netherlands and Germany.

The Neova Terra division's net sales increased by 9 percent compared to previous year and was EUR 139.6 million (EUR 128.5 million). Due to the cold weather at the beginning of the year, the demand for fuels was significantly higher than the previous year. Also the horticultural peat market has developed favorably, increasing delivery volumes and net sales compared to the previous year.

Result and profitability

Comparable EBITDA by division

EUR million	7-9/2024	7-9/2023	Change	1-9/2024	1-9/2023	Change	2023
Kekkilä-BVB	2.7	1.9	41.7 %	30.0	23.9	25.2 %	28.0
Neova Terra	1.2	1.0	17.7 %	19.5	14.4	35.6 %	25.5
Other and eliminations	-0.1	-1.9		-1.8	-4.0		-6.7

Total	3.8	1.1	260.7 %	47.7	34.2	39.6 %	46.8
--------------	------------	------------	----------------	-------------	-------------	---------------	-------------

July-September

The Group's comparable EBITDA, excluding non-recurring costs arising from restructuring measures, increased by 261 percent to EUR 3.8 million (EUR 1.1 million). EBITDA decreased compared to the previous year amounting to EUR -3.2 million (EUR -0.1 million), or -4.0 (-0.1) percent of net sales.

The Kekkilä-BVB division's comparable EBITDA amounted to EUR 2.7 million (EUR 1.9 million) and was 4.3 (3.1) percent of the division's net sales. Profitability increased due to improved gross margin, which was supported by cost efficiency programs' productivity and efficiency improvement actions.

The Neova Terra division's comparable EBITDA amounted to EUR 1.2 million (EUR 1.0 million) and was 4.9 (4.0) percent of the division's net sales. Profitability increased due to successful cost management, although lower delivery volumes negatively impacted profitability.

January-September

The Group's adjusted EBITDA, excluding non-recurring costs arising from restructuring measures, increased by 40 percent to EUR 47.7 million (EUR 34.2 million). EBITDA increased by 43 percent compared to previous year amounting to EUR 39.7 million (EUR 27.7 million), or 10.6 (7.4) percent of net sales.

The Kekkilä-BVB division's comparable EBITDA amounted to EUR 30.0 million (EUR 23.9 million) and was 11.4 (8.8) percent of the division's net sales. Profitability increased, as cost efficiency programs' productivity and efficiency improvement actions offsetted the negative impact from lower net sales volumes.

The Neova Terra division's comparable EBITDA amounted to EUR 19.5 million (EUR 14.4 million) and was 14.0 (11.2) percent of the division's net sales. Profitability increased due to higher net sales, driven by higher volumes and sales prices, and was supported by successful cost control actions.

Comparable operating profit by division

EUR million	7-9/2024	7-9/2023	Change	1-9/2024	1-9/2023	Change	2023
Kekkilä-BVB	-2.4	-3.1	23.2 %	14.9	9.2	62.2 %	7.9
Neova Terra	-2.4	-2.7	13.1 %	10.8	6.2	74.3 %	16.4
Other and eliminations	-0.5	-2.0		-3.0	-4.9		-7.7
Total	-5.2	-7.9	34.0 %	22.8	10.5	117.4 %	16.5

July-September

The Group's comparable operating profit was EUR -5.2 million (EUR -7.9 million) or -6.5 (-9.7) percent of net sales. Group's operating profit was in third quarter EUR -12.2 million (EUR -9.0 million) or -15.3 (-11.1) percent of net sales.

The Kekkilä-BVB division's comparable operating profit amounted to EUR -2.4 million (EUR -3.1 million) and was -3.8 (-5.0) percent of the division's net sales.

The Neova Terra division's comparable operating profit amounted to EUR -2.4 million (EUR -2.7 million) and was -9.5 (-10.5) percent of the division's net sales.

The Group's result for the period was EUR -11.3 million (EUR -7.3 million). Earnings per share were EUR -379.66 (EUR -240.45).

January-September

The Group's comparable operating profit was EUR 22.8 million (EUR 10.5 million) or 6.1 (2.8) percent of net sales. Group's operating profit was EUR 14.8 million (EUR 0.5 million) or 4.0 (0.1) percent of net sales.

The Kekkilä-BVB division's comparable operating profit amounted to EUR 14.9 million (EUR 9.2 million) and was 5.7 (3.4) percent of the division's net sales.

The Neova Terra division's comparable operating profit amounted to EUR 10.8 million (EUR 6.2 million) and was 7.7 (4.8) percent of the division's net sales.

The Group's result for the period was EUR 9.7 million (EUR -3.3 million). Earnings per share were EUR 322.36 (EUR -108.09).

Cash flow, investments and financing

The Group's free cash flow before taxes during the third quarter was EUR 7.5 million (EUR -2.7 million). Gross investments were EUR 9.7 million (EUR 9.6 million).

The Group's free cash flow before taxes January-September was EUR 51.5 million (EUR 15.6 million). The change in working capital affected the cash flow by EUR 29.6 million (EUR 10.2 million). Gross investments January-September 2024 amounted to EUR 25.2 million (EUR 25.1 million), or 95.9% (108.2%) of the amount of depreciation.

Interest-bearing net debt at the end of September amounted to EUR 117.4 million (EUR 135.2 million). The ratio of interest-bearing net debt to EBITDA (net debt/EBITDA) was 2.9 (3.7) on 30 September 2024. Of the Group's interest-bearing debt, 26% 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 loan facility, including EUR 75 million term loan and EUR 75 million revolving credit facility. With the loan arrangement Neova was preparing for the repayment of the EUR 100 million bond maturing in October 2024 and ensured liquidity in the coming years.

The equity ratio at the end of 30 September was 41.7% (41.7%) and the gearing ratio was 39.4% (46.4%). The balance sheet total was EUR 717.3 million (EUR 701.9 million). Net financing items were EUR -3.6 million (EUR -4.4 million), or -1.0% (-1.2%) of net sales.

Personnel

In January-September 2024 the Group employed an average of 830 (950) employees. At the end of the review period, the number of employees was 804 (922).

Number of employees	7-9/2024	7-9/2023	1-9/2024	1-9/2023	1-12/2023
Kekkilä-BVB	551	638	559	649	638
Neova Terra	226	262	230	256	255
Other and eliminations	36	46	41	44	44
Total	812	945	830	950	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.

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 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 third quarter increased by 1% to EUR 62.3 million (EUR 62.0 million). The comparable EBITDA was EUR 2.7 million (EUR 1.9 million) or 4.3% (3.1%) of net sales. The reported EBITDA was EUR -3.4 million (EUR 1.3 million) and the operating profit was EUR -8.5 million (EUR -3.6 million). Gross investments were EUR 6.6 million (EUR 7.8 million). The operating profit included non-recurring items of EUR -6.1 million (EUR -0.5 million) relating to efficiency improvement measures.

Net sales in third quarter remained on the same level than in the same period last year. Demand in consumer segment did not pick-up during the third quarter. As part of its efficiency programme, Kekkilä-BVB closed Hardenberg site in the Netherlands and Georgsdorf site in Germany during third quarter. Production will be transferred to other Kekkilä-BVB sites in the Netherlands.

Net sales for January-September amounted to EUR 262.6 million (EUR 270.7 million). The comparable EBITDA was EUR 30.0 million (EUR 23.9 million), or 11.4% (8.8%) of net sales. The reported EBITDA was EUR 23.9 million (EUR 19.2 million) and the operating profit was EUR 8.9 million (EUR 1.1 million). Gross investments totalled EUR 16.7 million (EUR 15.9 million). The operating profit included a total of EUR -6.1 million (EUR -8.1 million) of non-recurring items relating to efficiency improvement measures.

Decline in Net sales in January-September was due to the record wet weather in Central Europe during the spring and early summer and the related decline in consumer markets in second quarter. The growth in comparable operating profit in January-September was due to the measures announced last year related to the improvement of profitability and production efficiency.

Kekkilä-BVB	7-9/2024	7-9/2023	Change	1-9/2024	1-9/2023	Change	2023
Net sales (EUR million)	62.3	62.0	1%	262.6	270.7	-3%	326.4
EBITDA (EUR million)	-3.4	1.3	-359%	23.9	19.2	24%	15.7
Operating profit (EUR million)	-8.5	-3.6	-135%	8.9	1.1	733%	-8.6
Investments (EUR million)	6.6	7.8	-16%	16.7	15.9	5%	24.0
Number of employees	551	638	-14%	559	649	-14%	638

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 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 the third quarter was EUR 24.9 million (EUR 25.7 million). The EBITDA for the period was EUR 0.6 million (EUR 1.0 million) and the operating profit was EUR -3.0 million (EUR -2.7 million). Gross investments totalled EUR 3.2 million (EUR 2.8 million). The operating profit included non-recurring items in the amount of EUR -0.6 million (EUR 0.0 million).

Net sales for January-September amounted to EUR 139.6 million (EUR 128.5 million). The EBITDA was EUR 18.9 million (EUR 14.1 million) and the operating profit was EUR 10.2 million (EUR 5.9 million). Gross investment totalled EUR 8.1 million (EUR 9.4 million). The operating profit included non-recurring items in the amount of EUR -0.6 million (EUR -0.3 million).

In Real Estate Development and Renewable Energy business, the profitability of biofuels decreased due to lower delivery volumes, which was mainly due to the sales of the Turenki pellet plant at the beginning of the year and the sale of the Käsämäki pellet plant on 1.7.2024. The conversion of old peat production areas into wind and solar power parks is proceeding according to the project plans.

In Peat and New Materials business, the horticultural peat market developed favourably, increasing both delivery volume and net sales over 10% compared to the previous year. The demand for energy peat decreased, although the security of supply aspects have increased to interest for domestic fuels in energy production, thus slowing down the decline in the demand for energy peat. The peat production season was coming to end at the end of the third quarter. The targeted total production volume was reached in Finland and Estonia, but not in Sweden due to weather conditions. Good sales price development and good cost management had positive impact on profitability.

Production at the Novactor activated carbon plant started in September 2023 and deliveries to customers began in February 2024. After the maintenance shutdown in the spring 2024, production volumes have been increased to meet the strong demand for activated carbon. The mill's energy efficiency will be improved in late 2024 by investing into heat recovery.

In Innovation and New Business Accelerator business, the commercialisation of the first new peat- and moss-based innovations, biostimulants and peat-based animal feed progressed as planned. In the second quarter, Neova and Hankkija announced an agreement that Neova will start production of peat-based animal feed raw material and the deliveries have started in autumn. The animal feed business pilot is one of Neova's new high value-added peat biomass product development projects. The first market areas for biostimulants are Spain and Italy, where first two distribution agreements are already in place.

Neova Terra	7-9/2024	7-9/2023	Change	1-9/2024	1-9/2023	Change	2023
Net sales (EUR million)	24.9	25.7	-3%	139.6	128.5	9%	203.2
EBITDA (EUR million)	0.6	1.0	-41%	18.9	14.1	34%	22.0
Operating profit (EUR million)	-3.0	-2.7	-9%	10.2	5.9	73%	12.8
Investments (EUR million)	3.2	2.8	12%	8.1	9.4	-14%	32.0
Number of employees	226	262	-14%	230	256	-10%	255

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 July-September was EUR -0.8 million (EUR -2.6 million). The operating profit included non-recurring items of EUR -0.3 million (EUR -0.6 million)

The operating profit for January-September amounted to EUR -4.3 million (EUR -6.5 million). The operating profit included non-recurring items of EUR -1.3 million (EUR -1.6 million).

Other and eliminations	7-9/2024	7-9/2023	Change	1-9/2024	1-9/2023	Change	2023
Net sales (EUR million)	-7.4	-6.5	-13%	-29.5	-25.7	-15%	-33.7
Operating profit (EUR million)	-0.8	-2.6	70%	-4.3	-6.5	35%	-9.5
Investments (EUR million)	0.0	-1.0	97%	0.4	-0.2	302%	-15.8
Number of employees	36	46	-21%	41	44	-7%	44

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 for these targets, we have incorporated sustainability into the short-term incentive targets of all our employees 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 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. 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. During the first half of the year, we have received RPP certification again for one more new production area, and already 7,588 hectares of our areas are RPP certified. The target coverage for the end of 2024 is 9,200 hectares. We are aiming 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 have also clear processes for addressing any existing deficiencies.

In the third quarter, accident frequencies have remained at a low level. 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	1-9/2024	1-9/2023	12/2023
Accident frequency R12 (rolling 12 months): All accidents (MTR)	7.5	9.1	7.3
Accident frequency R12 (rolling 12 months): Accidents leading to lost time (LTA1)	2.7	3.6	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 Group launched an ERP program that also includes updating the company's business processes and designing compatible ERP processes. The personnel is 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 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. 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 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 have been applied since 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 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 cyclicity 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 Punttila, 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 Majja 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.

Outlook for 2024

During the current financial period, Kekkilä-BVB will focus on more efficient operations, an increase of its product portfolio, a profitable increase of its international sales and improving its profitability. Group's comparable operating profit is expected to be higher than in the previous year.

For Neova Terra, the demand for energy peat as a fuel is expected to continue to decline. The demand for horticultural peat is 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, 7 November 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	7-9/2024	7-9/2023	1-9/2024	1-9/2023	1-12/2023
Net sales	79.8	81.1	372.7	373.5	495.9
Operating profit (EBIT)	-12.2	-9.0	14.8	0.5	-5.3
% of net sales	-15.3	-11.1	4.0	0.1	-1.1
Operating profit (EBIT) before impairment	-12.2	-9.0	15.5	4.0	-0.7
% of net sales	-15.3	-11.1	4.2	1.1	-0.1
Result for the period	-11.3	-7.3	9.7	-3.3	-8.2
EBITDA	-3.2	-0.1	39.7	27.7	29.2
+/- Change in working capital	15.9	6.8	29.6	10.2	5.4
-net investments	5.2	9.4	17.8	22.2	31.2
Free cash flow before taxes	7.5	-2.7	51.5	15.6	3.4
Gross investments	9.7	9.6	25.2	25.1	40.2
Return on invested capital %*			2.1	2.6	-1.3
Return on invested capital % before impairment			1.7	4.6	-2.4
Return on equity %*			1.6	-6.5	-2.7
Total assets			717.3	701.9	737.3
Total equity			298.0	291.3	293.1
Interest-bearing net debt			117.4	135.2	144.4
Equity-to-assets ratio %			41.7	41.7	40.1
Interest-bearing net debt/EBITDA			2.9	3.7	4.9
Gearing %			39.4	46.4	49.3
Average number of employees			830	950	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 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
		1-9/2024	1-9/2023	9/2024	9/2023
SEK	Swedish krona	11.412	11.479	11.300	11.533

Consolidated Financial Statements, IFRS
Consolidated statement of income

EUR million	7-9/2024	7-9/2023	1-9/2024	1-9/2023	1-12/2023
NET SALES	79.8	81.1	372.7	373.5	495.9
Other income	2.8	0.1	5.8	1.8	2.6
Share of profit (loss) of associates and joint ventures	0.3	0.2	2.1	2.1	3.0
Operating expenses	-85.8	-81.3	-338.8	-347.6	-469.3
Depreciation and amortisation	-9.4	-9.1	-26.3	-25.7	-32.9
Impairments	0.0	0.0	-0.7	-3.6	-4.6
OPERATING PROFIT	-12.2	-9.0	14.8	0.5	-5.3
Financial income	3.1	0.3	11.2	3.6	11.4
Financial expenses	-3.3	-1.8	-14.7	-9.8	-18.0
PROFIT/LOSS BEFORE TAXES	-12.4	-10.5	11.2	-5.8	-12.0
Income tax expense	1.1	3.2	-1.6	2.5	3.8
PROFIT/LOSS FOR THE PERIOD	-11.3	-7.3	9.7	-3.3	-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	0.0	0.0	-0.1
Item that may be reclassified subsequently to profit or loss:					
Cash flow hedges	-0.1	-1.5	-0.3	-5.7	-0.6
Translation differences	0.1	0.5	-0.4	-1.4	-0.4
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-11.3	-8.3	8.9	-10.4	-9.3
Profit attributable to:					
Owners of the parent	-11.4	-7.2	9.7	-3.2	-8.2
Non-controlling interests	0.0	-0.1	0.0	-0.1	-0.1
	-11.3	-7.3	9.7	-3.3	-8.2
Total comprehensive income attributable to:					
Owners of the parent	-11.3	-8.4	8.9	-10.3	-9.3
Non-controlling interests	0.0	0.1	0.0	0.1	-0.1
	-11.3	-8.3	8.9	-10.4	-9.3
Earnings per share, EUR	-380	-240	322	-108	-272
No. of shares	30,000	30,000	30,000	30,000	30,000

Condensed consolidated balance sheet

EUR million	30.9.2024	30.9.2023	31.12.2023
ASSETS			
NON-CURRENT ASSETS			
Goodwill	31.3	31.4	31.6
Other intangible assets	37.2	37.6	37.9
Property, plant and equipment	254.1	244.5	244.5
Investments	24.0	22.4	23.4
Other receivables	3.4	3.2	3.2
Deferred tax assets	2.0	2.0	2.2
TOTAL NON-CURRENT ASSETS	352.1	341.2	342.8
CURRENT ASSETS			
Inventories	113.5	133.4	127.4
Trade receivables and other receivables	62.9	72.1	105.1
Income tax assets	6.4	3.5	4.8
Other financial assets	71.8	149.4	151.7
Other securities	10.9	0.0	0.0
Cash and cash equivalents	99.8	2.4	5.5
TOTAL CURRENT ASSETS	365.2	360.7	394.5
TOTAL ASSETS	717.3	701.9	737.3
EQUITY AND LIABILITIES			
EQUITY			
Equity attributable to equity owners of the parent company	297.7	291.1	292.8
Non-controlling interests	0.3	0.2	0.3
TOTAL EQUITY	298.0	291.3	293.1
NON-CURRENT LIABILITIES			
Deferred tax liabilities	8.0	10.3	8.6
Interest-bearing liabilities	192.4	260.0	150.1
Other non-current liabilities	0.5	0.1	0.3
Provisions	15.3	12.4	13.5
Pension liabilities	4.0	4.0	4.2
TOTAL NON-CURRENT LIABILITIES	220.2	286.8	176.7
CURRENT LIABILITIES			
Interest-bearing liabilities	110.5	30.2	154.7
Trade payables and other payables	87.1	93.4	111.6
Income tax liabilities	1.5	0.1	1.1
TOTAL CURRENT LIABILITIES	199.1	123.7	267.5
TOTAL EQUITY AND LIABILITIES	717.3	701.9	737.3

Consolidated cash flow statement

EUR million	1-9/2024	1-9/2023	1-12/2023
<u>Cash flow from operating activities</u>			
Profit/loss for the period	9.7	-3.3	-8.2
Adjustments to the result for the period	31.1	29.6	47.7
Change in working capital	26.8	8.5	4.9
Cash generated from operations	67.5	34.8	44.4
Interest received from operating activities	0.9	0.8	0.4
Interest paid from operating activities	-6.9	-4.4	-11.0
Other financial items from operating activities	2.5	-0.8	4.0
Taxes paid on operating activities	-3.2	-0.1	-0.8
Cash flow from operating activities	60.7	30.3	37.3
<u>Cash flow from investing activities</u>			
Capital expenditures	-25.2	-24.5	-39.6
Proceeds from disposal of tangible and intangible assets	9.6	3.8	11.2
Acquisitions of subsidiaries, net of cash	0.0	-0.6	-0.3
Proceeds from disposal of investments consolidated using the equity method	1.5	0.0	
Other investments	0.0	0.0	-9.2
Proceeds from disposal of other investments	71.6	19.8	19.8
Changes in loan receivables	-0.1	0.0	-2.8
Dividends received			
Cash flow from investing activities	57.4	-1.6	-20.9
Cash flow from investing activities	118.2	28.7	16.4
<u>Cash flow from financing activities</u>			
Increase (+) / decrease (-) in current debt	-43.1	-63.2	61.9
Change in non-current debt and other financing items	24.1	-2.3	-111.3
Repayments of lease liabilities	-0.9	0.6	0.0
Dividends paid	-4.0	-9.0	-9.0
Interests paid of hybrid bond			
Repayments of hybrid bond			
Cash flow from financing activities	-23.9	-73.9	-58.5
Net increase (+) / decrease (-) in cash and cash equivalents	94.2	-45.2	-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	94.2	-45.2	-42.1
Cash and cash equivalents at the end of the period	99.8	2.4	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				9.7	9.7	-0.0	9.7
Translation differences			-0.4		-0.4		-0.4
Other comprehensive income		-0.3			-0.3		-0.3
Total comprehensive income		-0.3	-0.4	9.7	8.9	-0.0	8.9
Other changes							
Other changes		0.0		-0.0	-0.0		-0.0
Total equity, 30 September 2024	50.5	29.5	-7.3	225.0	297.6	0.4	298.0

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
Transfere between items		0.0		-0.0	0.0		0.0
Result for the period				-3.2	-3.2	-0.1	-3.3
Translation differences			-1.4		-1.4		-1.4
Actuarial gains/losses		-0.0			-0.0		-0.0
Other comprehensive income		-5.7			-5.7		-5.7
Total comprehensive income		-5.7	-1.4	-3.3	-10.4	-0.1	-10.4
Other changes							
Other changes				-0.4	-0.4		-0.4
Total equity, 30 September 2023	50.5	24.8	-6.9	222.8	291.1	0.2	291.3

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	7-9/2024	7-9/2023	1-9/2024	1-9/2023	2023
Products	77.0	79.1	364.7	366.7	486.2
Kekkilä-BVB	59.3	59.7	253.8	263.2	316.5
Neova Terra	22.8	24.6	133.7	124.2	199.0
Other and eliminations	-5.1	-5.2	-22.9	-20.8	-29.3
Services	2.9	2.0	8.0	6.8	9.7
Kekkilä-BVB	3.1	2.3	8.8	7.5	10.1
Neova Terra	0.9	0.6	3.1	2.4	5.1
Other and eliminations	-1.1	-0.8	-3.9	-3.1	-5.5
Total	79.8	81.1	372.7	373.5	495.9

Net sales by operating segment

EUR million	7-9/2024	7-9/2023	1-9/2024	1-9/2023	2023
External net sales	79.8	81.1	368.1	373.5	495.9
Kekkilä-BVB	60.7	58.9	258.2	241.5	321.4
Neova Terra	19.0	19.6	114.2	142.9	173.8
Other and eliminations	0.0	0.0	-7.8	-1.3	0.9
Internal net sales	0.0	0.0	4.6	0.0	0.0
Kekkilä-BVB	1.5	1.0	4.3	3.7	5.2
Neova Terra	4.9	4.5	23.7	20.6	29.4
Other and eliminations	-6.4	-5.5	-23.3	-24.3	-34.5
Total	79.8	81.1	372.7	373.5	495.9

Net sales by region

EUR million	7-9/2024	7-9/2023	1-9/2024	1-9/2023	2023
Finland	18.9	21.9	112.8	116.0	180.2
Other Nordic countries	10.9	9.4	48.2	45.8	55.6
Rest of Europe	31.1	32.4	161.8	167.4	203.5
America	6.9	4.5	17.8	13.1	18.3
Other	12.0	12.9	32.0	31.1	38.4
Total	79.8	81.1	372.7	373.5	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	7-9/2024	7-9/2023	1-9/2024	1-9/2023	2023
Kekkilä-BVB	62.3	62.0	262.6	270.7	326.4
Neova Terra	24.9	25.7	139.6	128.5	203.2
Other and eliminations	-7.4	-6.5	-29.5	-25.7	-33.7
Total	79.8	81.1	372.7	373.5	495.9

Operating profit

EUR million	7-9/2024	7-9/2023	1-9/2024	1-9/2023	2023
Kekkilä-BVB	-8.5	-3.6	8.9	1.1	-8.6
Neova Terra	-3.0	-2.7	10.2	5.9	12.8
Other and eliminations	-0.8	-2.6	-4.3	-6.5	-9.5
Total	-12.2	-9.0	14.8	0.5	-5.3

Items affecting comparability (operating profit)

EUR million	7-9/2024	7-9/2023	1-9/2024	1-9/2023	2023
Kekkilä-BVB	-6.1	-0.5	-6.1	-8.1	-16.5
Neova Terra	-0.6	0.0	-0.6	-0.3	-3.6
Other and eliminations	-0.3	-0.6	-1.3	-1.6	-1.8
Total	-7.0	-1.1	-8.0	-10.0	-21.8

Comparable operating profit

EUR million	7-9/2024	7-9/2023	1-9/2024	1-9/2023	2023
Kekkilä-BVB	-2.4	-3.1	14.9	9.2	7.9
Neova Terra	-2.4	-2.7	10.8	6.2	16.4
Other and eliminations	-0.5	-2.0	-3.0	-4.9	-7.7
Total	-5.2	-7.9	22.8	10.5	16.5

EBITDA

EUR million	7-9/2024	7-9/2023	1-9/2024	1-9/2023	2023
Kekkilä-BVB	-3.4	1.3	23.9	19.2	15.7
Neova Terra	0.6	1.0	18.9	14.1	22.0
Other and eliminations	-0.4	-2.5	-3.1	-5.6	-8.5
Total	-3.2	-0.1	39.7	27.7	29.2

Items affecting comparability (EBITDA)

EUR million	7-9/2024	7-9/2023	1-9/2024	1-9/2023	2023
Kekkilä-BVB	-6.1	-0.6	-6.1	-4.7	-12.3
Neova Terra	-0.6	0.0	-0.6	-0.3	-3.5
Other and eliminations	-0.3	-0.6	-1.3	-1.6	-1.8
Total	-7.0	-1.2	-8.0	-6.5	-17.6

Comparable EBITDA

EUR million	7-9/2024	7-9/2023	1-9/2024	1-9/2023	2023
Kekkilä-BVB	2.7	1.9	30.0	23.9	28.0
Neova Terra	1.2	1.0	19.5	14.4	25.5
Other and eliminations	-0.1	-1.9	-1.8	-4.0	-6.7
Total	3.8	1.1	47.7	34.2	46.8

Total assets

EUR million	1-9/2024	1-9/2023	2023
Kekkilä-BVB	325.0	316.1	309.0
Neova Terra	276.6	311.2	346.0
Other and eliminations	115.6	74.6	82.3
Total	717.3	701.9	737.3

Total liabilities

EUR million	1-9/2024	1-9/2023	2023
Kekkilä-BVB	198.3	178.6	183.6
Neova Terra	128.3	160.7	206.5
Other and eliminations	92.5	71.3	54.0
Total	419.2	410.6	444.2

Depreciation and amortization

EUR million	7-9/2024	7-9/2023	1-9/2024	1-9/2023	2023
Kekkilä-BVB	5.2	5.0	15.2	18.4	24.4
Neova Terra	3.7	3.9	10.6	10.3	12.1
Other and eliminations	0.4	0.1	1.2	0.6	1.1
Total	9.4	9.1	27.0	29.3	37.6

Investments

EUR million	1-9/2024	1-9/2023	2023
Kekkilä-BVB	16.7	15.9	24.0
Neova Terra	8.1	9.4	32.0
Other and eliminations	0.4	-0.2	-15.8
Total	25.2	25.1	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	7-9/2024	7-9/2023	1-9/2024	1-9/2023	2023
Comparable profit/loss for the period	-4.3	-6.2	17.7	6.7	13.7
Items affecting comparability					
Gains/losses on disposals	0.0	0.0	0.0	0.0	0.0
Inventory measurement gains/losses	0.0	0.0	0.0	0.0	-0.2
Impairments	0.0	0.0	0.0	0.0	-3.3
Restructuring	-6.3	-0.6	-8.0	-3.3	-11.5
Other items	-0.7	-0.6	0.0	-3.2	-2.6
Items affecting comparability in EBITDA	-7.0	-1.2	-8.0	-6.5	-17.6
Gains/losses on disposals	0.0	0.0	0.0	0.0	0.0
Impairments	0.0	0.0	0.0	-3.5	-7.8
Restructuring	-6.3	-0.6	-8.0	-3.3	-11.5
Other items	-0.7	-0.6	0.0	-3.2	0.0
Items affecting comparability in operating profit	-7.0	-1.1	-8.0	-10.0	-21.8
Items affecting comparability total	-7.0	-1.1	-8.0	-10.0	-21.8
Profit/loss for the period	-11.3	-7.3	9.7	-3.3	-8.2

4. Fair values of financial assets and liabilities

EUR Million	30 September 2024			30 September 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	0.0	-0.1	-0.1	0.1	-0.3	-0.2	0.0	0.0	0.0
Electricity derivatives, hedge accounting									
Non-current	0.0	-0.4	-0.4	0.0	-0.2	-0.2	1.2	0.0	1.2
Current	0.2	0.0	0.2	0.6	0.0	0.6	0.0	-0.3	-0.3
Fund investments	71.8	0.0	71.8	149.4	0.0	149.4	151.7	0.0	151.7
Total financial instruments	72.0	-0.5	71.5	150.0	-0.5	149.5	152.9	-0.3	152.7

Investments in commercial papers totalling EUR 11 million are recognized in the balance sheet at amortised cost.

5. Derivatives

Nominal values of derivative agreements

EUR million	30 September 2024	30 September 2023	31 December 2023
Nominal value of currency derivatives	36.2	45.0	43.4
Nominal value of electricity derivatives	3.4	3.6	3.7
Short-term	39.6	48.6	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 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	30 September 2024				30 September 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	71.8	0.0	71.8	0.0	149.4	0.0	149.4	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	0.0	0.0	0.0	0.0	0.1	0.0	0.1	0.0	0.0	0.0	0.0
Derivatives - hedge accounting	0.0	0.2	0.0	0.2	0.0	0.6	0.0	0.6	0.0	1.2	0.0	1.2
Total	0.0	72.0	0.0	72.0	0.0	150.0	0.0	150.0	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	0.0	0.0	0.0	0.0
--------------------------------	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----

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	-0.3	0.0	-0.3	0.0	0.0	0.0	0.0
Derivatives - hedge accounting	0.0	-0.4	0.0	-0.4	0.0	-0.2	0.0	-0.2	0.0	-0.3	0.0	-0.3
Total	0.0	-0.5	0.0	-0.5	0.0	-0.5	0.0	-0.5	0.0	-0.3	0.0	-0.3

6. Contingent commitments

EUR million	30 September 2024	30 September 2023	31 December 2024
Liabilities for own commitments			
Guarantees	4.9	5.8	5.2
Contingent liabilities on behalf of group companies			
Guarantees	5.6	5.7	5.8
Contingent liabilities on behalf of others			
Guarantees	21.1	19.4	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 disposals in 2024

Acquisitions

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

Disposals

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 July 1, 2024. The transaction value will not have significant impact on the reported figures.

Acquisitions and disposals in 2023

Acquisitions

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

Neova did not make any disposals in January-September 2023.

8. Quarterly segment information

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

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

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

Comparable operating profit	Q3/2024	Q2/2024	Q1/2024	Q4/2023	Q3/2023	Q2/2023	Q1/2023	2023
Kekkilä-BVB	-2.4	6.2	11.2	-1.4	-3.1	11.1	1.2	7.9
Neova Terra	-2.3	0.2	13.0	10.2	-2.7	-0.3	9.2	16.4
Other and eliminations	-0.5	-1.0	-1.5	-2.8	-2.0	-1.6	-1.2	-7.7
Total	-5.2	5.3	22.6	6.0	-7.9	9.2	9.2	16.5

EBITDA	Q3/2024	Q2/2024	Q1/2024	Q4/2023	Q3/2023	Q2/2023	Q1/2023	2023
Kekkilä-BVB	-3.4	12.7	14.6	-3.5	1.3	15.3	2.7	15.7
Neova Terra	0.6	4.8	13.4	7.8	1.0	3.8	9.4	22.0
Other and eliminations	-0.4	-1.6	-1.1	-2.8	-2.5	-1.7	-1.6	-8.5
Total	-3.2	15.9	27.0	1.5	-0.1	17.3	10.4	29.2

Items affecting comparability (EBITDA)	Q3/2024	Q2/2024	Q1/2024	Q4/2023	Q3/2023	Q2/2023	Q1/2023	2023
Kekkilä-BVB	-6.1	1.3	-1.3	-7.6	-0.6	-0.5	-3.7	-12.3
Neova Terra	-0.6	0.0	0.0	-3.2	0.0	-0.1	-0.2	-3.5
Other and eliminations	-0.3	-1.0	0.0	-0.2	-0.6	-0.5	-0.4	-1.8
Total	-7.0	0.4	-1.3	-11.0	-1.2	-1.0	-4.3	-17.6

Comparable EBITDA	Q3/2024	Q2/2024	Q1/2024	Q4/2023	Q3/2023	Q2/2023	Q1/2023	2023
Kekkilä-BVB	2.7	11.3	15.9	4.1	1.9	15.8	6.4	28.0
Neova Terra	1.2	4.8	13.4	11.0	1.0	3.9	9.6	25.5
Other and eliminations	-0.1	-0.6	-1.1	-2.6	-1.9	-1.2	-1.2	-6.7
Total	3.9	15.5	28.3	12.5	1.1	18.4	14.7	46.8

Total assets	Q3/2024	Q2/2024	Q1/2024	Q4/2023	Q3/2023	Q2/2023	Q1/2023	2023
Kekkilä-BVB	325.0	332.9	337.0	309.0	316.1	349.7	353.8	309.0
Neova Terra	276.6	311.5	315.8	346.0	311.2	302.8	295.5	346.0
Other and eliminations	115.6	69.4	63.7	82.3	74.6	74.2	91.6	82.3
Total	717.3	713.8	716.5	737.3	701.9	726.6	740.9	737.3

Total liabilities	Q3/2024	Q2/2024	Q1/2024	Q4/2023	Q3/2023	Q2/2023	Q1/2023	2023
Kekkilä-BVB	198.3	197.3	205.2	183.6	178.6	210.1	218.5	183.6
Neova Terra	128.3	171.2	171.9	206.5	160.7	181.6	176.5	206.5
Other and eliminations	92.5	36.5	27.4	54.0	71.3	35.0	42.4	54.0
Total	419.2	405.0	404.6	444.2	410.6	426.8	437.4	444.2

Investments	Q3/2024	Q2/2024	Q1/2024	Q4/2023	Q3/2023	Q2/2023	Q1/2023	2023
Kekkilä-BVB	6.6	6.1	4.0	8.0	7.8	3.8	4.3	24.0
Neova Terra	3.2	3.7	1.2	22.6	2.8	3.9	2.7	32.0
Other and eliminations	0.0	0.0	0.4	-15.6	-1.0	0.2	0.6	-15.8
Total	9.7	9.8	5.7	15.1	9.6	7.9	7.6	40.3

Depreciation and amortisation	Q3/2024	Q2/2024	Q1/2024	Q4/2023	Q3/2023	Q2/2023	Q1/2023	2023
Kekkilä-BVB	5.2	5.2	4.8	6.2	5.0	4.9	8.5	24.4
Neova Terra	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	0.1	0.4	0.1	1.1
Total	9.4	10.3	7.3	8.4	9.1	9.7	10.4	37.6