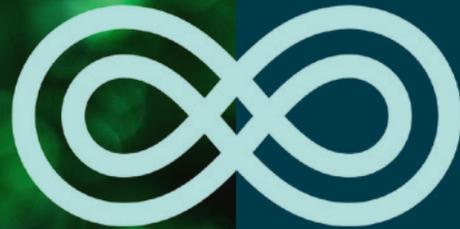




NEOVA GROUP



YEAR 2025

BUSINESS OPERATIONS

SUSTAINABILITY STATEMENT

**FINANCIAL STATEMENTS AND
BOARD OF DIRECTORS REPORT**



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HIGHLIGHTS 2025



Exploring circular solutions in growing media with Ansari

Kekkilä-BVB is committed to developing sustainable growing media by testing new circular raw materials in collaboration with its customers. The key experience has been discovering that these new blends are not only more sustainable, they also support efficient and high-quality cultivation. ▶ [Page 13](#)

NeoTerra soil conditioners launched

The first commercial deliveries of NeoTerra Aquafix™ and NeoTerra Organic-C™ products took place in September 2025. Customer feedback has been very positive: the growth of the root system has been accelerated and the well-being of the crops has been improved. ▶ [Page 16](#)



Growing together with Kekkilä Professional in Turkey

Founded in 1992 in Antalya's Aksu district, Ayer Torf Tarım is Türkiye's first nursery. For them, one of the keys to success has been Kekkilä Professional substrates. ▶ [Page 11](#)

Growing food security in Algeria

Kekkilä-BVB and the local distributors Agrismart and Astrachem Saodia are transforming horticulture in one of Africa's most challenging climates. ▶ [Page 12](#)

Novactor's activated carbon proves its strength in challenging cleanup

Novactor's activated carbon has proven to be very effective in the purification process in Pursiala, Mikkeli, in Finland at a site where the former sawmill had wood preservation activities that contaminated the area with chlorophenols. ▶ [Page 15](#)

Solar and wind power projects advancing

Neova is making strong progress in its renewable energy strategy in Finland. Four major projects have successfully completed Environmental Impact Assessments (EIA), enabling the transition to the component master plan proposal phase. ▶ [Page 30](#)

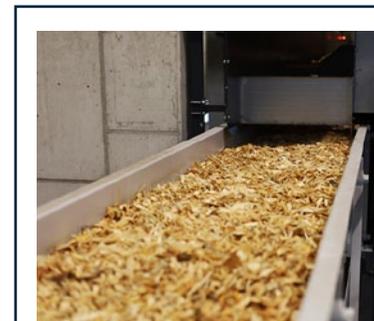


Lavassaare Biodiversity Project supports climate and biodiversity goals

The Lavassaare biodiversity project in Estonia promotes climate and biodiversity goals by restoring valuable wetland areas. The project is part of the EU Horizon 2020 Green Deal WaterLANDS initiative. ▶ [Page 37](#)

Safety First – building a culture of care

Safety is a core value at Neova, guiding all aspects of its operations. The company invests in training and awareness to ensure every employee feels safe and confident. ▶ [Page 45](#)



Investments elevate the use of circular raw materials to a new level

With increasing customer demand, Kekkilä-BVB is committed to raising the proportion of circular raw materials in its products. The first circular materials in which the company is investing heavily are wood fibre and reed canary grass. ▶ [Page 42](#)



WHO WE ARE

Neova is a significant player in the global food production value chain. The company refines raw materials it produces responsibly—peat, reed canary grass, and sphagnum moss—into higher value-added products such as growing media for greenhouses, biostimulants to support plant growth, and soil improvement pellets to enhance soil quality. Through its operations, Neova promotes professional cultivation and horticulture as well as the creation of attractive and pleasant living environments.

Bedding peat and animal feed contribute to animal welfare. In addition, activated carbon helps purify air, water, and contaminated soils, and it is also used as a raw material in the food and pharmaceuti-

cal industries. Neova develops solar and wind power solutions and provides energy pellets for heating to both business and private customers. Furthermore, the company plays an important role in Finland's security of supply by ensuring energy and district heating production in potential exceptional circumstances.

Neova is headquartered in Finland. Production is located in Europe, in addition to Finland also in Sweden, Estonia and the Netherlands. The company serves customers worldwide, both directly and through a distributor network.

In line with **Neova's** strategy, it has two independent business divisions, **Kekkilä-BVB** and **Neova Terra**, which are responsible for the group's profitable growth.



OUR VALUES

- Focus on customer success.
- Achieving together.
- Trust through respect.
- Courage to renew.

OUR STRATEGY

- We boost healthy local food production.
- We offer local fuels.
- We are part of the solution for the world's freshwater problem.
- We provide new solutions to purify polluted environments.
- We create well-being.

OUR GOAL

- We aim for sustainably profitable business growth based on global megatrends such as urbanisation, climate change, and geopolitical shift.



NEOVA GROUP

Financial year 1 January–31 December 2025

Net sales 472.7 EUR million	Comparable operating profit 19.4 EUR million	Balance sheet 546.5 EUR million	Equity ratio 46.4 percent	Personnel 791	Owners: The State of Finland 50.1% Suomen Energiavarat Oy 49.9%
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CEO'S REVIEW:

GEOPOLITICAL UNCERTAINTIES HIGHLIGHT THE IMPORTANCE OF EUROPEAN FOOD PRODUCTION

The year 2025 was twofold for the Neova Group. Kekkilä-BVB's net sales increased and the division's profitability programme delivered results. As expected, the net sales and result of the Neova Terra division declined due to decreased demand for energy peat. At the same time, Neova Terra continues its determined transition from an energy company into a strong player in the European food value chain. In terms of the Group's result, this meant that net sales remained at the 2024 level, but profitability weakened slightly.

Kekkilä-BVB returned to a growth path

All our business areas performed well, although the business area Global suffered from uncertainties around global trade. Demand remained stable across all our business lines: professional growing, landscaping and hobby gardeners. The business area Materials improved its result from the comparison period driven by increased demand in the markets.

However, we also faced challenges. A fire at our casing soil production facility in the Netherlands in November was a serious incident, and we are relieved that no personal injuries occurred. We have transferred production to our other facilities and external partners, enabling us to secure the

majority of on-time customer deliveries. Reconstruction of the production facility is expected to be completed in late 2026.

In autumn 2025, we successfully implemented Kekkilä-BVB's new ERP system in our Central European operations and in our remaining operations in January 2026. The implementation tied up resources and caused some delays in production and customer deliveries, but I am confident we will see the benefits of the system during the current year.

Neova Terra strengthened its position in the food production chain

Neova Terra's net sales decreased due to weakened demand for fuels. However, the division compensated part of the decline by increasing deliveries of horticultural peat. Neova Terra's operating result was burdened by a one-time write-off related to the completion of the construction phase of the Novactor's factory. Despite this, Novactor's net sales and production volumes grew in 2025. In addition, it took important steps towards further processing of activated carbon, which is expected to improve profitability going forward.

The peat production season at Neova Terra was moderately successful, considering the challenging weather



Pekka Tennilä, CEO of Neova Oy.



conditions in the Baltics. Demand for growing and bedding peat remained strong throughout the year. Our solar and wind power projects also progressed significantly, with the first projects reaching investment decision readiness.

Neova Agro expanded exports of its animal feed and biostimulants. In 2025, the business area launched a new range of soil improvement products that received positive feedback in customer trials.

Peat plays a significant role in enabling European food production

Geopolitical uncertainties and global trade wars characterised 2025. These factors were reflected partly in our business but even more strongly in Europe's political climate. The need to strengthen Europe's self-sufficiency is also visible in the food production value chain and in the discussions held with European decision-makers on the role and use of peat as a growing media material.

Greenhouse growing is an important part of food production, as it enables resource efficient cultivation close to consumers and reduces the need for water, fertilisers and plant protection products. In addition to fresh vegetables, many food crops traditionally cultivated in open fields begin their early growth stages in greenhouses before being transferred outdoors. Furthermore, nearly all tree seedlings planted in Europe start their development in growing media.

At present, horticultural peat is the only European raw material available in sufficient quantities to meet demand. It has unique properties as a growing medium: it is consistent, antibacterial and has excellent water retention capacity. As a company, we also invest in the development of new raw materials. We cultivate sphagnum moss and reed canary grass on former peat production areas, and in summer 2025 our first wood fibre production line was com-

pleted in the Netherlands. Currently, however, these or other new raw material alternatives cannot serve as the sole raw material for growing media; they must be blended with peat or with coir imported from Asia to ensure that plants grow and produce the desired yield. Kekkilä-BVB's target is that by 2030, half of the raw materials used in our production will be something other than peat, and we are progressing steadily towards this goal.

Peat has many uses

The properties of peat also enable its refinement into new value-adding products in agriculture. Peat-based biostimulants are a natural way to support plant growth. They promote root development, germination and soil health. Biostimulants improve plant growth, resilience and nutrient uptake, resulting in healthier crops and supporting more efficient cultivation practices. As a soil improver, peat increases soil organic carbon, which enhances soil structure, water retention, nutrient availability and microbial activity. Peat is also used as animal feed, supporting gut health, overall wellbeing and growth. Its effectiveness is based on fibres that modify the microbiota and humic acids that support intestinal function. Because of its many unique properties, we – Europe's largest peat producer – hope that the EU will in future recognise peat as a strategic European raw material within the food production value chain.

The peat sector has long developed responsible peat production methods and careful water management in connection with production. After production ends, former production areas are transferred to their next land use form, typically wetlands, forests or a combination of the two.

The carbon bound in horticultural peat does not escape into the atmosphere at once, as happens when energy peat is burned. Part of the carbon in horticultural peat is released

during use, and part is re sequestered into the soil when plants grown in peat are transferred to fields or forests. In addition, peat supports the growth of new plants, such as trees, contributing to carbon sequestration. Less than one per cent of Europe's peatland area is used for peat production. We believe that responsible peat production can continue to coexist with Europe's ambitious climate objectives.

Finally, I would like to thank our personnel for their successful work towards our 2025 result. Despite global political uncertainties, both our divisions are well positioned for the year ahead. We expect demand for horticultural peat to grow again this year, offering us opportunities alongside new raw materials.

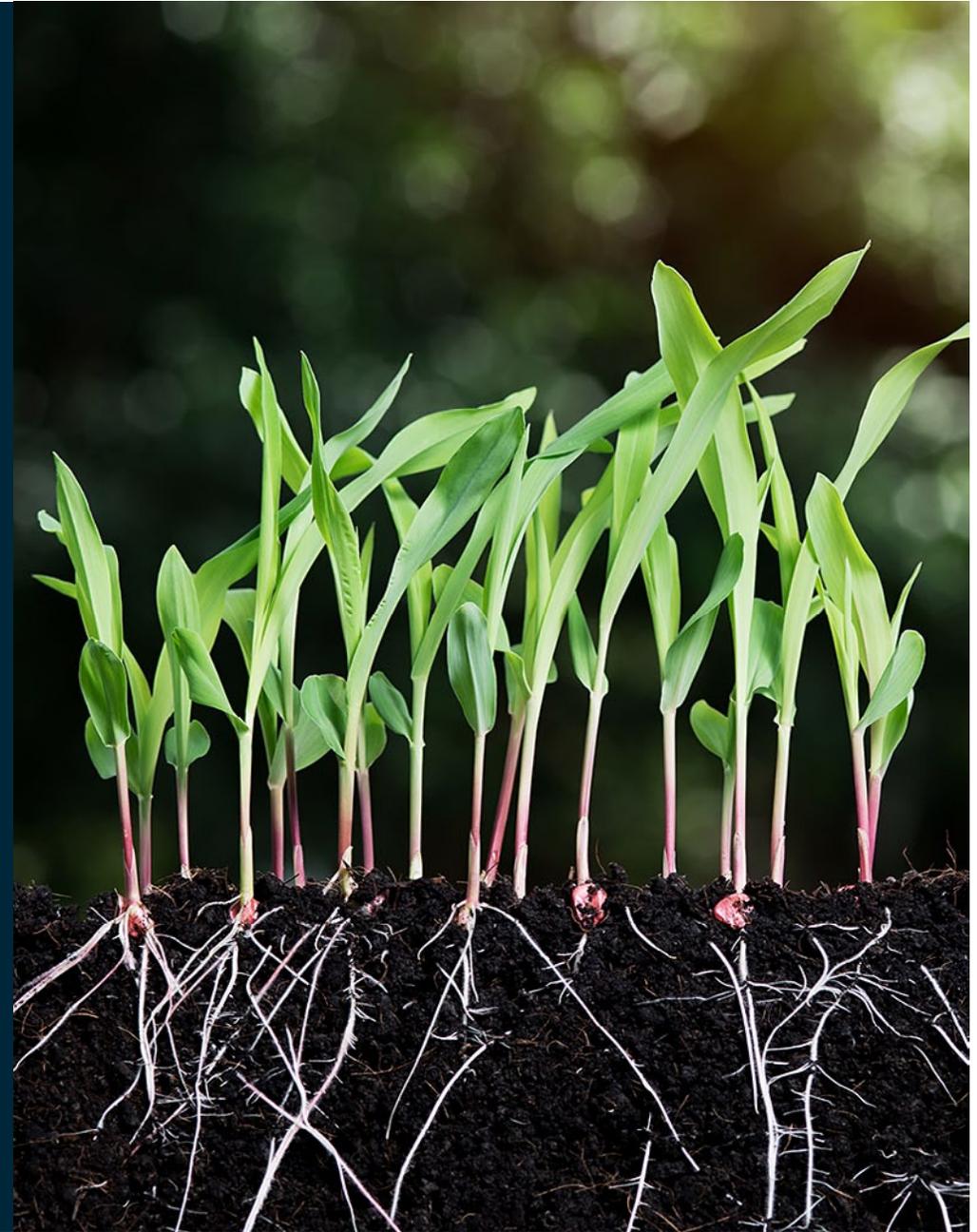
Pekka Tennilä

*Chief Executive Officer
Neova Oy*



BUSINESS OPERATIONS

Neova is a significant player in the global food production value chain.



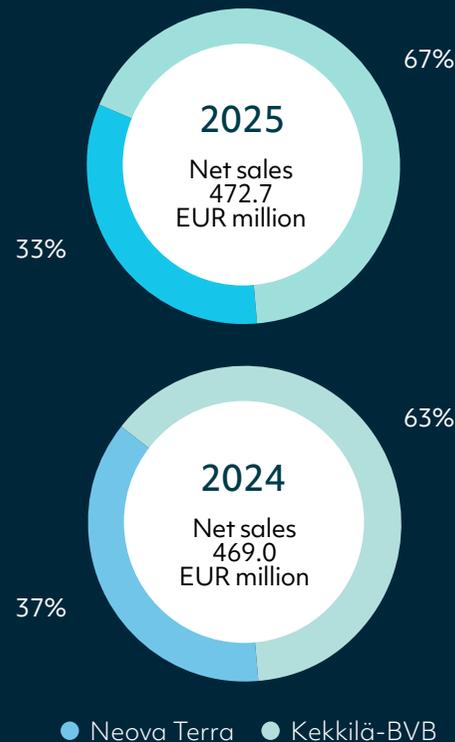
BUSINESS DIVISIONS

Our business is divided into two divisions: Kekkilä-BVB and Neova Terra.

KEKKILÄ-BVB

Kekkilä-BVB is Europe's leading producer of growing media for professional horticulture. Its product range also includes products for hobby gardeners and landscapers. The division seeks profitable growth in selected market areas and innovates new circular raw materials for growing media.

Net sales by business segment, %



NEOVA TERRA

Neova Terra has previously used peat mainly to secure local energy production and as a raw material for growing media and peat bedding. Now the division is undergoing a major transformation and will focus on refining peat into higher value-added products such as activated carbon, animal feed, soil conditioners and biostimulants. There is also major solar- and wind power development portfolio, especially in old peat harvesting areas.

KEKKILÄ-BVB ON A TARGETED GROWTH PATH

Kekkilä-BVB revised its strategy in spring 2024, targeting sales growth and improved profitability. The company aims to become the most trusted partner for its customers, the forerunner in sustainability, and a strong performer also financially by 2027. In 2025, the division continued on its targeted growth path based on the updated strategy. Among Kekkilä-BVB's business areas, Nordics, Central Europe and Materials increased their net sales while Global remained on par with 2024 levels. At the same time, the profitability of the entire division improved.

Kekkilä-BVB serves three customer segments – professional growers, landscapers and hobby gardeners – with six brands and wide selection of private-label product lines. The year 2025 was an exciting one for several product brands, as Kekkilä Garden, Hasselfors Garden and BVB Substrates refreshed their brand strategies. The aim of these refreshed brand strategies is to help to communicate the customer benefits even more clearly and further strengthen trust between the brands and customers.

Kekkilä-BVB's innovation work concentrates on developing new circular raw materials for growing media. In 2025, Kekkilä-BVB made major progress in increasing the

share of circular raw materials in its portfolio. In January, the division introduced a new raw material – reed canary grass. It is a unique, cultivated fibre, whose value chain is fully controlled by Kekkilä-BVB. The grass is grown on Neova's former peat production areas in Finland and harvested annually under exclusive rights to Kekkilä-BVB. This ensures the security of supply and close proximity to production facilities.

In addition, Kekkilä-BVB's new wood fibre production line in Grubbenvorst, the Netherlands was completed in June. The new line processes wood fibre into various grades, from very fine to coarse for larger pots. This technique enhances water retention and moisture-holding capabilities.

In September, Kekkilä-BVB implemented its new ERP system in the Central European operations. The remaining business areas followed in January 2026 and the entire division now uses the new ERP system, enabling streamlined processes, improved transparency and support for growth ambitions.

In November, Kekkilä-BVB faced unexpectedly bad news when its casing soil production facility in Wanssum, in the Netherlands was hit by a fire. Thanks to the rapid response of employees and local fire brigade, the impacts were managed to limit



Kekkilä BVB's innovation team investigates and tests more than a dozen new potential raw materials each year against strict criteria. Only a few of them progress into growing media blends. Every raw material used must have clearly justified properties that complement the mix.



Arena Torf Tarım – Growing together with Kekkilä Professional

Founded in 1992 in Antalya's Aksu district, Ayer Torf Tarım is Türkiye's first nursery, specialising in vegetable seedlings such as tomatoes, peppers, eggplants, melons, and watermelons – both grafted and standard – as well as cut flowers like anthuriums and lisianthus. For Ayer Torf Tarım, one of the keys to success has been Kekkilä Professional substrates.

"Our seedlings need a healthy environment for germination. Kekkilä Professional's C1 series has been indispensable, supporting strong root development, high-quality seedlings, and disease-free production," says General Manager Caner Altunkaya.

As Türkiye's official distributor of Kekkilä Professional products, Arena Torf Tarım ensures growers, such as Ayer Tarım, receive premium substrates on time. Sales Director Mutlu Erman explains: "We manage every step from order to delivery and rely on Kekkilä Professional's technical expertise whenever needed. Their consistent quality and innovative solutions, such as Top Guard, have helped us to eliminate 99% of weed issues in outdoor production."

This partnership, built on trust and a shared commitment to growers' success, continues to deliver sustainable, efficient solutions that strengthen Türkiye's horticulture industry.

to certain parts of the facility. However, the production in Wanssum had to be halted for several weeks and will return to the site step by step. The full rebuild of the production facility is expected to be completed in Q3/2026. In the meanwhile, the production is being handled at other Kekkilä-BVB sites and through external supplier networks.

In January 2026, an organisational change took place in the business area Materials. Going forward, Materials will be responsible for raw material sourcing for Kekkilä-BVB's own use and raw material sales to external customers outside Finland, Sweden and Estonia. Neova Terra will be responsible for peat sales to external customers in Finland, Sweden and Estonia.

Development by the business area

Central Europe

Central Europe is responsible for Kekkilä BVB's operations in Central Europe, mainly under the brand BVB Substrates. The business area delivered a strong year, achieving growth across nearly all segments. The professional, retail and landscaping segments contributed to the growth. Although the fire at the Wanssum factory impacted slightly to net sales expectations in the mushroom segment, Central Europe maintained operational continuity and ensured uninterrupted delivery of casing soil to customers.

At the beginning of 2025, production

from the closed sites of Hardenberg and Georgsdorf were successfully relocated to other production facilities in the Netherlands, ensuring fast deliveries to customers also in the future. In addition, the new wood fibre line in Grubbenvorst was commissioned in the third quarter, strengthening the business area's capability to produce circular raw materials and supporting future growth. Investments in other circular materials, such as reed canary grass and sphagnum moss, also continued.

Another significant project during the year was the clarification of the BVB Substrates brand and portfolio strategy for the professional segment. The launch of the performance selling concept marked an important commercial step, supporting value based customer discussions. With these developments, the business area is in a strong position to pursue further growth in 2026.

Nordics

Nordics is responsible for Kekkilä-BVB's operations in the Nordic countries and Baltics under the brands Kekkilä Garden, Hasselfors Garden, Algomin and Kekkilä Professional. 2025 was a year of good progress working towards Kekkilä-BVB's long term strategic targets and reinforcing the market position. Nordics achieved solid reliability in retail deliveries across Sweden and Finland, while Kekkilä Professional sales in Denmark and Norway showed steady growth. In

landscaping business new soil stations were established in Finland and Sweden to support the planned market expansion.

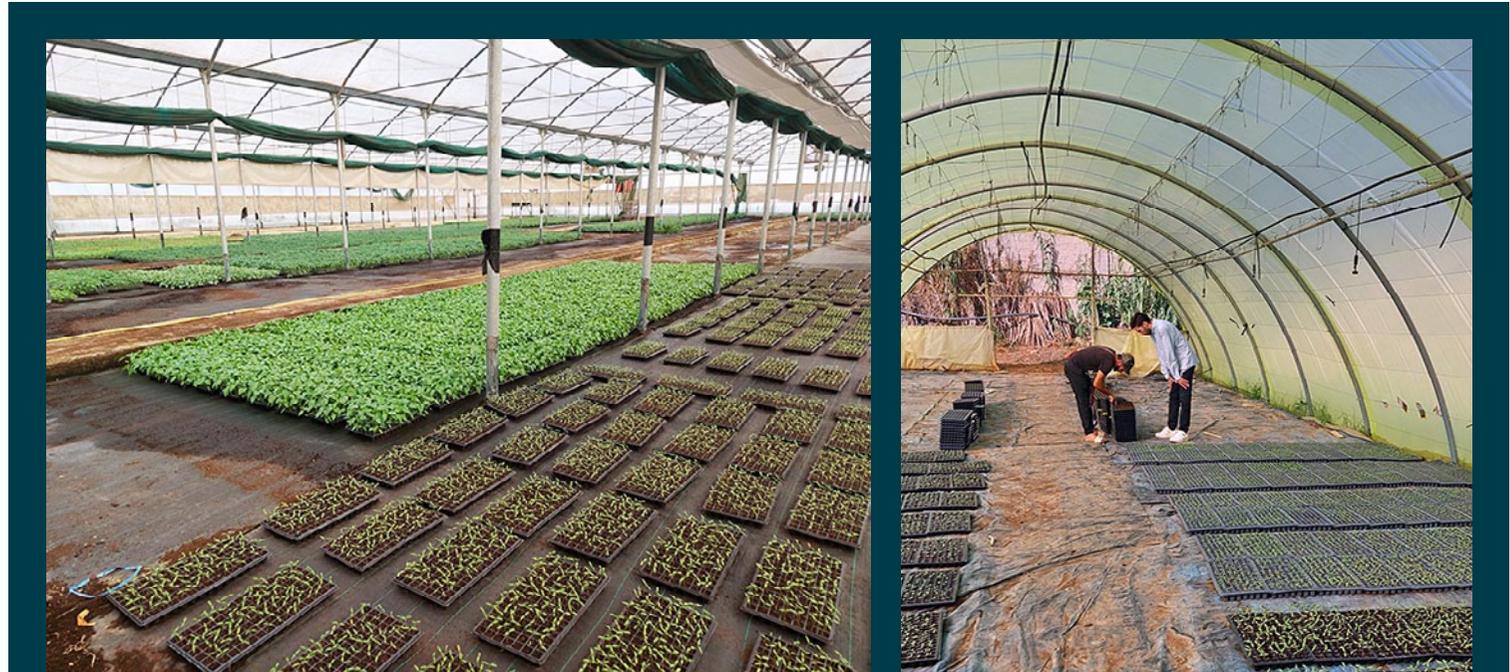
The product portfolio was developed well with a good focus, with notable growth in categories such as Algomin fertilizers and Kekkilä Garden Lawn concept products. A new brand strategy launched in autumn set the stage for the coming season, emphasising simplicity and sustainability. In 2025, Kekkilä Garden strengthened its brand presence, and the Green City Concept gained momentum through successful landscaping pilots and promising leads supporting local greening and circularity.

Operational efficiency of Nordics improved with streamlined fertilizer operations, and Sweden's retail production delivered excellent improvement on service levels. Great Place to Work certificates in Finland, Sweden, and Estonia proves that Nordics has engaged and high-performing teams.

Global

Global operates through three key channels: distributors, growers, and global key accounts. Distributors are primarily served with Kekkilä Professional portfolio, while growers benefit from BVB Substrate portfolio. The third focus area centres on global key accounts and strategic partnerships, ensuring strong solid relationships and global contracts.

The year 2025 began with ambitious growth targets after an exceptional 2024.



Growing food security in Algeria – Partnership driving change and sustainability

Kekkilä-BVB and the local distributors Agrismart and Astrachem Saodia are transforming horticulture in one of Africa's most challenging climates. Algeria, Africa's largest country, faces significant hurdles in food production. With its arid climate and limited cultivable land concentrated along the Mediterranean coast, feeding a population of 44 million demands innovative solutions. Water scarcity and traditional irrigation methods make growing conditions difficult, and substrates dry rapidly under these harsh circumstances.

To address these challenges, Kekkilä-BVB has partnered with Agrismart, a trusted local distributor of one its professional growing brands, BVB Substrates, and with Astrachem Saodia, an established local supplier representing Kekkilä Professional products to introduce substrates designed specifically for Algeria's climate prioritising water retention and reliability. By delivering proven products that meet real market needs, Kekkilä-BVB have helped growers improve crop quality while optimising water use.

These collaborations have strengthened

Algeria's food production capacity and driven Kekkilä-BVB's notable business growth. Despite the country's closed market, these partnerships have built trust and delivered consistent results.

Today, both BVB Substrates and Kekkilä Professional substrates play a vital role in supporting sustainable horticulture and reducing dependency on imports – a success for Algerian growers and for Kekkilä BVB's ambition to enable healthier food production. Collaboration with both partners is good and the business has grown significantly during 2025.



Exploring circular solutions in growing media with Ansari

Kekkilä-BVB is committed to developing sustainable growing media by testing new circular raw materials in collaboration with its customers. One of its valued partners in this journey is Oy Ansari-Yhtymä, a Finnish ornamental plant grower and part of the Schetelig Group.

Peat has long been the trusted growing medium raw material for professional greenhouse growers. Switching to peat-free or peat-reduced substrates is challenging – alternatives rarely match peat's performance, and cultivation methods may need a complete rethink. As Europe's leading growing media producer, Kekkilä-BVB listens to growers worldwide and invests in long-term innovation.

Ansari has completed two rounds

of testing with Kekkilä Professional's enhanced growing media, which includes added reed canary grass, sphagnum moss, and wood fibre. The first test was conducted with poinsettias, and the second with chrysanthemums. The tests were successful. The flowers went straight to the market and lasted well. Based on the tests, Ansari is ready to continue experimenting with more circular new solutions.

"The key experience for Ansari and Kekkilä-BVB's other customers has also been discovering that these new blends are not only more sustainable, they also support efficient and high-quality cultivation."

Kari Silokangas, Product Manager, Kekkilä-BVB.

However, tariffs in the US and market disruptions in China affected key regions, leaving business area's growth below expectations and profitability down.

Despite these challenges, the year brought significant achievements that strengthen the foundation for future success. New customers and major deals expanded the market presence, while India emerged as a high-potential growth market supported by a strong local partnership. Digitalisation advanced through the MyProfessional service, with all Kekkilä Professional distributors now onboarded to the portal – creating a solid platform for full range of marketing materials and improved service delivery.

Customer satisfaction remains a clear strength. Regular follow-ups have delivered excellent results and valuable insights, reinforcing the commitment to continuous improvement. Operationally, production reached record volumes thanks to improved processes and team agility. In addition, the introduction of new raw materials enables the creation of higher-value products, opening new sales opportunities and supporting profitability.

Materials

Materials is responsible for the procurement of peat raw materials for Kekkilä-BVB and the sales of peat and coir raw materials to customers outside Neova Group. These materials are used primarily in horticultural production and animal bedding. The busi-

ness area also oversees the harbour facility in Papenburg, Germany, which serves customers across Central Europe.

Materials delivered a strong performance during the reporting year. Demand for horticultural peat outside Kekkilä-BVB increased in 2025, partly due to lower harvesting volumes in the Baltics compared with previous years. Demand outside Europe has also grown. Demand for animal bedding in Finland and Sweden was strong. Throughout the year, the business area continued to provide customers with robust support in organising logistics for peat deliveries.

From 1 January 2026, the sales of horticultural and bedding peat in Finland, Sweden, and Estonia will be integrated into Neova Terra, while sales in other countries for horticultural purposes will remain under Materials as before.

NEOVA TERRA STRENGTHENS THE DEVELOPMENT OF RENEWABLE ENERGY AND NEW PRODUCTS

Real Estate Development and Renewable Energy

Imports of energy pellets have kept price levels low and competition tough in Finland. At the same time, the price of domestic raw materials has remained relatively high until the very end of the year. For these reasons, among others, the profitability of the pellet business has been more challenging than in previous years. In line with its strategy, Neova Terra has in recent years reduced its wood pellet production capacity and redirected its output to other pelletizing needs within the Group, such as raw materials for activated carbon and animal feed. The Vilppula pellet plant was sold in 2025. Going forward, Neova's pellet production will be handled by three pellet plants located in Ilomantsi, Haukineva and Ylistaro in Finland.

Business area is responsible for the development of Neova's land portfolio. In 2025, it continued the development of old peat production fields for cultivation to meet the Group's new raw material needs, such as reed canary grass. The study on commercial carbon sequestration based on the company's own land areas, which began in 2024, also progressed as planned during the reporting year.

Solar and wind power development has progressed as planned

Cooperation within the joint venture with Swedish company Rabbalshede Kraft AB has worked well. In 2025, the permit processes for the first three solar power projects were completed, and Rabbalshede Kraft began preparing the construction of the first sites.

Of Neova's other wind and hybrid projects, the environmental impact assessment procedures (EIAs) were completed for four projects. These projects will now move on to the next phase toward completing the zoning process.

In addition, development of new solar power projects has been initiated. At the end of the year, Neova's development portfolio included a total of 17 solar or wind power projects.

Peat and New Materials

Demand for horticultural peat offsets declining demand for energy peat

During 2025, the demand for energy peat continued its predicted decline. Several energy companies in Finland have decided to phase out the use of energy peat in the future, which also impacts Neova's operations.



Reed canary grass is cultivated on former Neova Terra peat production areas in Northern Finland. The cultivation area has expanded to more than 1,500 hectares.



Demand for horticultural peat remained strong throughout Europe, and demand for bedding peat stayed stable in Finland and Sweden.

Peat and New Materials continues to invest not only in the production and delivery of energy, horticultural, and bedding peat, but also in the production of new raw materials such as sphagnum moss and reed canary grass.

Overall peat production nearly met targets despite challenging conditions

In Finland, Neova's peat production in 2025 fell slightly short of targets, while in Sweden the targets were achieved. In Estonia, unfavorable summer weather conditions significantly reduced production, leaving targets clearly unmet. Overall, production volumes can be considered successful given the variable weather conditions.

Novactor

In 2025, Novactor focused on quality and security of supply in its activated carbon production and succeeded well in these goals.

Novactor's activated carbon production remained stable, clearly exceeding the production figures of previous years. Continuous development of the production process has paid off, and improved operational continuity – crucial for a continuous process – has enhanced product quality and reduced production costs per ton. The investment made in 2024 in a heat recovery system has

increased district heating capacity, which is supplied to the district heating network to the city of Ilomantsi in Finland.

Novactor's Finnish activated carbon products replace imports of mainly Asian products into the European market. As a European operator, Novactor offers customers responsibly produced activated carbon products, reduces the carbon footprint of the production and logistics chain, and strengthens European security of supply.

The company continued the further refinement of activated carbon products, and Novactor's screened products have been successfully delivered, for example, to meet the needs of the petrochemical industry. In addition, the company invested in the development of powdered activated carbon grades to meet strong demand in various food industry applications, such as the purification of edible oils.

Neova Agro

Neova Agro's products promote the growth of animals and plants and enable food production. The product range includes biostimulants, soil improvement products, and animal feeds based on organic and pure natural raw materials.

Crop cultivation solutions: biostimulants and soil improvers

Biostimulants enhance plant growth in greenhouse and field cultivation and help plants



Novactor's activated carbon proves its strength in challenging cleanup

Neova is remediating soil and groundwater in Pursiala, Mikkeli, in Finland at a site where the former sawmill, previously owned by Vapo, had wood preservation activities that contaminated the area with chlorophenols.

The cleanup is carried out using the Pump & Treat method: contaminated water is pumped through activated carbon filters, where chlorophenols are absorbed by the carbon. The product selected for the process was Novactor GAC 800 8x30, due to its versatile pore

size distribution and its particle size suitable for water purification.

Novactor's activated carbon has proven to be very effective in the purification process. The average chlorophenol content of groundwater has decreased from 8,600 micrograms per litre to about 26 micrograms per litre. This represents a reduction of up to 99.8 per cent meaning that when purified with activated carbon, the levels were clearly below the limits set for the treatment.



Neova launched NeoTerra soil conditioners

Neova's new NeoTerra product line utilizes peat to improve soil health. Neova's soil conditioners are high-quality pellets made from carefully selected peat raw materials. They are dense, easy to apply, and rich in organic matter, humic acids, and compounds that support beneficial microbial activity in the soil. Thanks to these properties, the products improve soil structure, increase water retention capacity, and enhance nutrient availability for plants – while supporting agricultural sustainability and productivity.

The launch of NeoTerra soil conditioner products are the result of Neova's own innovation process. The product development and testing has been carried out

in Neova's in-house innovation laboratory, and the products have been tested in field conditions in collaboration with potential customers. NeoTerra products were tested on several plants in five different countries during the 2025 growing season.

Customer feedback has been very positive: the growth of the root system has been accelerated and the well-being of the crops has been improved. The first commercial deliveries of NeoTerra Aquafix™ and NeoTerra Organic-C™ products to Spain took place in September 2025.

Soil conditioners are produced at the Haukineva plant in Peräseinäjoki, western Finland.

adapt to challenging conditions caused by climate change. In the biostimulant segment, Neova Agro focused on its own branded products and national strategic distributors. The flagship product is NeoCore™, which was exported to seven countries in 2025. Customer feedback on NeoCore has been excellent: it has improved root development, crop yield, and soil health. In 2025, Neova Agro introduced NeoGT for golf courses and green areas, NeoFlora™ and NeoB for improving flowering, and NeoVivo™ for promoting growth and stress tolerance.

Soil improvers are the newest product category, for which Neova Agro has studied market potential and customer needs. A significant portion of the world's agricultural land contains too little organic matter and carbon. By increasing these, yields improve as soil structure, water retention, nutrient availability, and microbial activity are enhanced. In 2025, Neova Agro launched its first soil improvement products, NeoTerra Aquafix™ and NeoTerra Organic-C™, for international markets to improve food production conditions. Market reception was excellent, and the first batches were exported to Spain and Ukraine.

Animal feed product family expands

Sales of Neova Agro's peat-based ProHumi® animal feed product family progressed in Finland through strategic partner Hankkija, which is a part of Danish Agro group. Feed-

back from Finnish piglet and broiler growers has been very positive. Test users have become regular customers. New feeding trials have further confirmed the product's positive effects on piglet and broiler growth. The product also serves as enrichment material for piglets, positively impacting animal welfare. Extensive efforts were made to expand the market from Finland to Central Europe and Asia. GMP+ certification work began at the end of 2025. The Ilomantsi production facility in Finland and ProHumi's manufacturing chain were granted Specific Pathogen Free (SPF) certification.

The development project (InnoFeed) for Neova Agro's new feed product, NeoNutra® Vital, progressed as planned during 2025. Business Finland granted research and development funding for 2025–2026 to create a scientific basis for developing a new peat-based feed product for international markets. During 2025, Neova Agro developed the formulation and production process, focusing especially on hygiene and dry product development. Neova Agro also studied the product's customer value and mechanisms of action. Based on customer feedback and initial feeding trials conducted at research institutes, the product is highly promising. Trials provided scientific evidence of positive effects on broiler and piglet feeding, especially during the weaning phase.



SUSTAINABILITY STATEMENT

At Neova, sustainability guides the strategy and shapes the everyday operations.



DEAR READER

The year 2025 included successes in our sustainability work, but unfortunately, despite our consistent Safety First! efforts, the Group's accident frequency rate rose slightly from the previous year. We thoroughly review the root causes of every incident together with our entire organisation and continue to develop our safety culture step by step. We involve all our personnel in safety work, and this will continue throughout the year.

At Kekkilä-BVB, we took important steps forward in the use of circular raw materials. In January, we launched Finnish reed canary grass, and later in the summer we opened our first wood fibre production line in the Netherlands. Horticultural peat is a unique material, but due to continuously increasing demand, we believe that this exceptional raw material will be used increasingly in mixes to which, for example, wood fibre and reed canary grass is added. This enables us to increase production volumes without increasing the amount of peat extraction.

At the end of 2025, our multi year EU funded cooperation project was completed in Lavassaare, Estonia, where we restored nearly 500 hectares of former peat production areas. In addition, our first solar and wind energy projects progressed to the building permit stage. By constructing renewable energy on our former peat production sites, we are contributing to Finland's green transition.

At Neova, we also engage in active dialogue with various stakeholders. We held constructive discussions with decision makers in Finland, Sweden and at the EU level. Peat is still largely associated with fuel use, and its diverse role in agriculture and the food production value chain remains unfamiliar

to many. In Neova's production, the volume of energy peat continues to decline, while at the same time the demand for horticultural peat is increasing both in Europe and globally.

The popularity of cultivation in other controlled environments is growing as the amount of arable land decreases, extreme weather events increase and populations concentrate in cities, bringing food production closer to consumers. Greenhouse cultivation is also the most resource efficient way to produce food, reducing irrigation needs by up to 50% and fertiliser use by up to 60%. In addition, greenhouse cultivation can improve yield productivity by up to ten times.

Besides horticultural peat, peat can also be used in many other agriculture related products for which natural alternatives are being sought. These include biostimulants, soil improvers and animal feed. We tell more about these products in this report.

One particularly interesting application area for peat is activated carbon, which we produce in Ilomantsi, Finland. Peat has exceptional properties for this purpose, and its porous surface can absorb, for example, PFAS compounds. At present, Europe mainly uses coal based activated carbon imported from China, so Finnish activated carbon made from peat and other biomasses is an important part of Europe's self sufficiency.

During 2025, we updated Neova's sustainability strategy based on the double materiality assessment completed the previous year. With our updated strategy, we continue our determined work to drive climate action, enhance biodiversity and accelerate circular economy practices by 2030. We continue our commitment to responsible business conduct



and global frameworks such as the UN Global Compact and UN Sustainable Development Goals.

I would like to thank all our stakeholders for their good cooperation and constructive discussions throughout 2025.

Susanna Inkinen

*Chief Communications and Sustainability Officer
Neova Group*



SUSTAINABLE SOLUTIONS FOR VARIOUS NEEDS

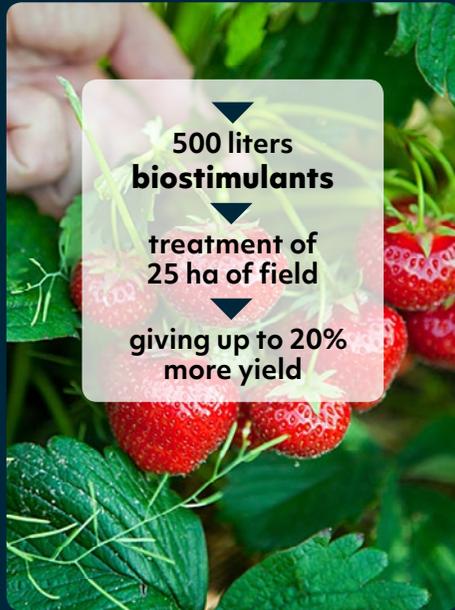
Neova Terra – Refining natural resources into impactful solutions

Neova Terra has transitioned from an energy producer into a significant operator in the global food and sustainability value chain. The business focuses on refining peat into high-value solutions that contribute to cleaner environments, improved food production, and more efficient resource use.

The product portfolio includes activated carbon for air and water purification, animal feed materials that promote animal wellbeing and productivity, as well as biostimulants and soil conditioners that enhance crop yields and soil quality. Neova Terra also remains a key supplier of raw materials for growing media and bedding peat.

In addition, Neova Terra develops and manages its own land assets to support future wind and solar energy, ensuring long-term value creation and supporting the renewable energy transition.

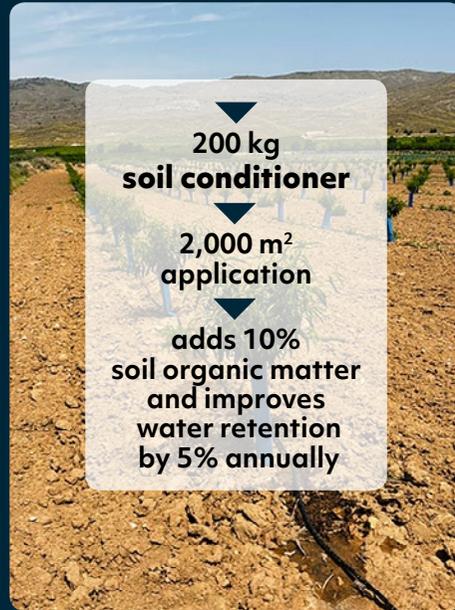
1 m³ peat enables...



500 liters
biostimulants

treatment of
25 ha of field

giving up to 20%
more yield



200 kg
soil conditioner

2,000 m²
application

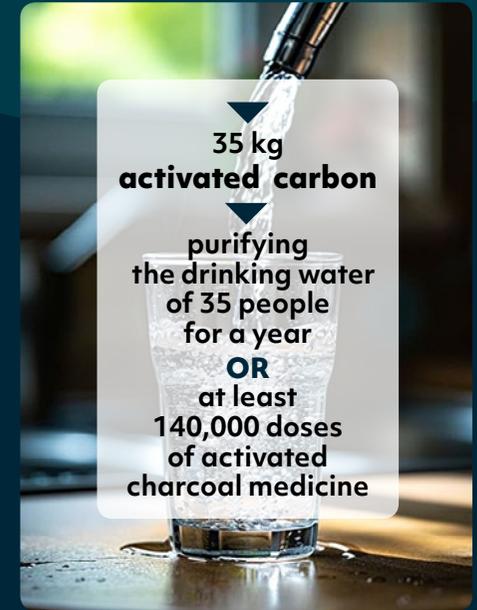
adds 10%
soil organic matter
and improves
water retention
by 5% annually



150 kg
animal feed

as enrichment
material alongside
base feed

500 kg more growth
in piglets



35 kg
activated carbon

purifying
the drinking water
of 35 people
for a year

OR
at least
140,000 doses
of activated
charcoal medicine



Kekkilä-BVB – Growing smarter for healthier food and greener living

Kekkilä-BVB has more than a hundred years of heritage and expertise in growing in the Netherlands, Finland, and Sweden. Originating from local, family-owned businesses, the company has grown to become a global leader in horticulture.

Today, Kekkilä-BVB is proud to provide products and services for professional greenhouse growers, home gardeners, and landscapers to more than 100 countries worldwide – creating optimal growth, enabling more joy, better health, and beautiful living environments.

Kekkilä-BVB supports growers to achieve the best possible performance with optimal growing media. Its expertise

in plant growth and cultivation, combined with a deep understanding of raw materials, will power Kekkilä-BVB's path towards more circular growing well into the future.

Kekkilä-BVB serves three customer segments

Professional growers, home gardeners, and landscapers are driving a greener, healthier future through innovative practices that transform how we produce food, nurture wellbeing, and create green areas.

By maximising yields while reducing reliance on water, fertilisers, and pesticides, professional growers are ensuring safe and fresh food for a growing world.

At the same time, home gardening is emerging as a natural remedy for modern life – reducing stress, aiding recovery, and fostering mental and physical wellbeing.

Beyond individual spaces, landscapers are shaping climate-smart cities with a green infrastructure that buffers water, cools urban environments through thriving canopies, and enriches biodiversity.

Together, these efforts contribute to a shared goal: resilient communities; flourishing ecosystems; and a healthier planet for generations to come.





GENERAL INFORMATION

Reporting principles

Sustainability statement reporting principles

Basic information

Neova is a Finnish company that plays an important role in the global food production value chain. Its business operations promote professional horticulture growing and home gardening, the construction of attractive and pleasant living environments, and the welfare of animals. It provides corporate and consumer customers with local fuels and develops products for air and water purification, agriculture, and solar and wind power.

Neova Group's business is divided into two divisions, Kekkilä-BVB and Neova Terra. Both divisions include four business areas each. All the businesses are served by Group Services.

The consolidated sustainability reporting covers the parent company, Neova Oy, and all subsidiaries in which the parent company directly or indirectly holds more than 50 per cent of the votes carried by shares, or which are otherwise controlled by the parent company, based on the shareholders' agreement, for example. Subsidiaries are consolidated in the consolidated financial statements from the date on which the Group

acquires control until the date on which the Group's control over the subsidiary ceases. The exceptions are the those Kekkilä-BVB's recycling stations in Sweden and the Netherlands, which operate under a franchising mode and Kekkilä-BVB's three peat bogs in Germany, which are not currently included in the reporting. The sustainability statement is reported annually in the spring. The reporting period corresponds to the financial reporting year – that is, from 1 January to 31 December.

Basis for preparation

The sustainability statement is prepared in accordance with the Global Reporting Initiative (GRI) standard. The company reports in accordance with Universal Standards GRI 1, GRI 2, and GRI 3, in effect at the beginning of 2023. Although Neova Group will not fall into the scope of European Sustainability Reporting Standards (ESRS) and the Corporate Sustainability Reporting Directive (CSRD), these requirements have guided the content and structure of this report.

Neova Group conducted a double materiality assessment in the autumn of 2024, and that work has been utilised in defining the disclosed sustainability matters and key figures in this report.

Risk management and internal controls over sustainability reporting

Neova Group's sustainability reporting complies with the Group's common principles and processes for statutory reporting, risk management, and internal control.

Neova Group's Chief Communications and Sustainability Officer, supported by Group services and businesses, is in charge of the implementation of sustainability reporting.

The risks identified in sustainability reporting include the accuracy of information and the timing of reporting. Neova Group aims continuously to improve its

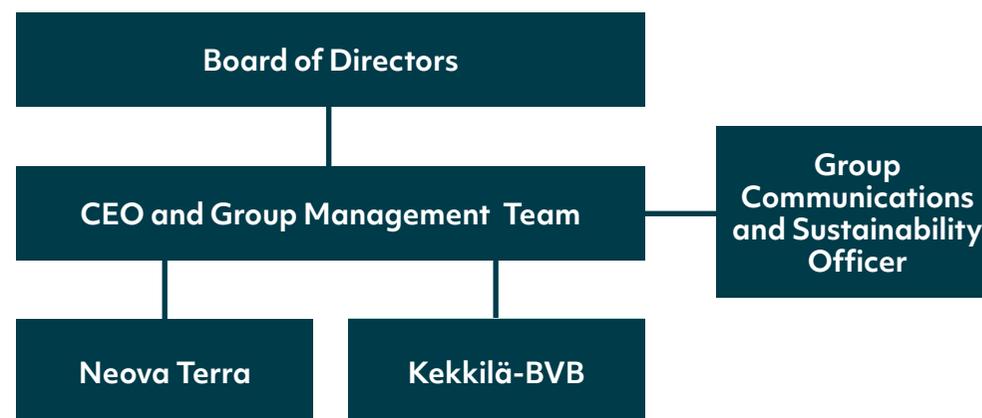
internal processes and data management to ensure the accuracy of information.

Sustainability governance and strategy

The role of information provided to and sustainability matters addressed by the administrative, management, and supervisory bodies

The sustainability statement provides details about sustainability governance. Neova's Corporate Governance Statement provides further information about how the administrative and supervisory bodies have been

Sustainability governance at Neova Group





organised, with general duties, composition, diversity, and experience.

Sustainability governance at Neova Group

Sustainability is strongly integrated into the management and continuous development of the company's business operations in accordance with the expectations of the stakeholders and changes in the business environment. Sustainability, ethical behaviour, and compliance with laws and regulations are at the heart of Neova's operations. The Board of Directors, CEO, and Group Management Team are responsible for sustainability-related matters with the divisions' Leadership Teams.

Neova Group's operations and ways of working are guided by the Group's Code of Conduct, as well as other policies and internal guidelines. The Code of Conduct and other policies are approved by the Board of Directors and reviewed annually. Sustainability strategy and targets are based on the materiality assessment, as well as both divisions' strategies and targets.

Supervisory Board

The Annual General Meeting of Neova Oy appoints a Supervisory Board annually, consisting of a minimum of eight and a maximum of 10 members elected by the Annual General Meeting for a term of one year in the manner specified in the Shareholders' Agreement between the company's owners.

In the 2025 financial period, the Supervisory Board convened 3 (4) times, discussing various sustainability themes, including safety, the importance of growing media in European self-sufficient food production, and security of supply.

Board of Directors

Neova Oy's Board of Directors oversees the company's sustainability work and approves the Group's Code of Conduct and other policies related to ESG matters. The Board of Directors approves the Group's sustainability targets and metrics, supervising their achievement.

The Board of Directors discusses Neova Group's sustainability matters as part of strategy reviews, investment plans, risk analysis and annual planning, and when necessary. Safety topics are discussed monthly.

In the 2025 financial period, the Board of Directors convened 12 (16) times and discussed the following sustainability topics:

- Monthly safety reports
- Circular raw material programme
- Revised sustainability strategy for 2025–2030.

Board Committees

Neova Oy's Board of Directors appoints an Audit Committee, a Personnel Committee, and a Strategy Committee from among its members. The Committees of the Board assist it by preparing matters for the Board.

The Committees report regularly to the Board of Directors. The task of the Audit Committee is to prepare, direct, and evaluate financial reporting, as well as auditing, internal audits, risk management, judicial risks, and internal auditing systems. In the 2025 financial period, the Audit Committee convened 6 (9) times, discussing the following sustainability topics:

- Group's SEQ and operating environment review.

CEO, Group Management Team, and divisions' Leadership Teams

Neova Oy's CEO is responsible for implementing sustainability measures in accordance with the Board's guidelines. Sustainability strategy development and coordination between the divisions and functions is led by the Group Management Team and Group Communications and Sustainability Officer. In 2025, the Group Management Team focused on projects related to improving Neova's safety culture and reviewing Neova's sustainability strategy for 2025–2030.

In Neova's sustainability strategy, the majority of the sustainability measures are allocated to the divisions which have the responsibility for Neova's daily business operations and therefore also daily sustainability activities. Business management is in charge of the planning and execution of the division-specific sustainability roadmaps. In

2025, the divisions' Leadership Teams followed sustainability themes regularly and approved their division-specific sustainability roadmaps for 2025–2030. The Group's CFO is responsible for the risk management within the Group and therefore also sustainability risks as part of the company's general risk assessment on an annual basis. The Chief HR Officer is responsible for leading the Group's people processes.

The expertise and skills of Board members regarding sustainability

The members of the Board have a broad range of skills, experience, perspectives, and knowledge of the relevant industries for Neova. Members regularly receive information about and insights into sustainability topics, and external experts and different training are utilised to increase their understanding of the topic if necessary.

Good governance

Neova Oy is a Finnish unlisted limited liability company whose decision making and management comply with applicable legislation such as the Finnish Limited Liability Companies Act, the Finnish Accounting Act and the company's Articles of Association, and the Shareholders' Agreement between the company's owners. Neova Oy also complies with the Government Resolution on the handling of Corporate Governance matters in publicly owned and affiliated companies issued by the Prime Minister's Office's Ownership



Steering Department, and, where applicable, the Securities Market Association's Finnish Corporate Governance Code, which took effect on 1 January 2020.

The company's Articles of Association include a redemption clause. Pursuant to the redemption clause, if a share is transferred to an outside party other than one that exercises control over a shareholder of the company, the other shareholders will have the right to redeem the transferred shares.

Integration of sustainability-related performance in incentive schemes

Neova Group's personnel are rewarded fairly and in alignment with local market levels, taking the need for business-critical competencies into account. The compensation is planned to attract, retain, and motivate employees. Short- and long-term incentives are used to guide the execution of the company's strategy, long-term targets, and sustainability ambitions.

The principles of Neova Group's remuneration and the overall remuneration of the administrative, management and supervisory bodies are described in more detail on the company's [website](#).

Based on the proposal of the Personnel Committee of the Board of Directors, the Board of Directors decides on the CEO's base salary and other benefits, which must be in line with the company's remuneration policy. Neova's Board of Directors also decides on the basic salary and other ben-

efits of the Group Management Team, as well as their short- and long-term incentive schemes based on a proposal of the Board's Personnel Committee. Neova's Board of Directors approves the Remuneration Policy, which defines issues such as the key remuneration principles for the Supervisory Board, Board of Directors, and the CEO. The Remuneration Policy is subject to an advisory vote by the Annual General Meeting.

In 2025, a sustainability-related target was set for all Neova Group employees. With the target, the company aims to encourage its employees to drive forward Neova's sustainability efforts. In 2025, the CEO's sustainability-related target included safety and progress in strategically significant sustainability projects.

Business model, value chain, and strategy

Business model and value chain

Neova is a Finnish company whose businesses promote clean, local, and water-conserving food production globally. Neova offers growing media, innovations for agriculture, and activated carbon for purifying water and air. Neova creates wellbeing through employment, recycling, and the creation of comfortable living environments. Neova Group consists of two divisions – Kekkilä-BVB and Neova Terra – and Group services. Kekkilä-BVB is responsible for about 70 per cent of the Group's net sales.

Neova Terra manages and develops Neova Group's owned and rented land portfolio in Finland, Sweden, and Estonia. Of the Group's land portfolio, around 30,000 ha is currently actively used in peat production. Neova Terra also cultivates reed canary grass and sphagnum moss in the old peat production areas. Since 2024, Neova Terra has concentrated on renewable energy project development – solar and wind parks in suitable areas – usually on areas that have entered the next land-use phase after the end of peat production.

Peat, produced by Neova Terra, is used as energy peat, as Neova plays an important role in the security of supply for Finnish local district heating operators such as local energy companies and industrial operators located outside district heating networks. Peat is also used in Neova Terra's new higher added-value applications such as activated carbon, bio-stimulants, soil improvers, and animal feed.

Neova Terra produces peat and wood pellets for energy and bedding material. Peat pellets are also used as a raw material for Neova Terra's new product applications such as activated carbon and animal feed. At the end of 2025, pellets were produced in three factories in Finland. Neova Terra has one activated carbon factory in Ilomantsi in Finland.

Neova Terra is Kekkilä-BVB's biggest raw material producer. Of Kekkilä-BVB's raw material portfolio, peat currently consti-

tutes approximately 60 per cent; circular raw materials such as coir, wood fibre, and compost have increased their share during recent years. This trend is expected even to accelerate going forward. In addition to Neova Terra, Kekkilä-BVB sources peat from external suppliers, mainly in Central Europe.

Kekkilä-BVB is a European leader in growing media, offering a wide portfolio of growing media products and services globally to different customer segments under different brands. When measured by the share of net sales, professional growers are the biggest customer segment for Kekkilä-BVB, followed by retail and consumers, and cities and municipalities for landscaping and recycling services. In addition, Kekkilä-BVB acts as sales agent for selling raw materials directly to other industry operators and bedding peat to customers in agriculture in Finland.

Kekkilä-BVB's products are produced in Europe. Kekkilä-BVB has 10 production sites in Finland, Sweden, Estonia, and the Netherlands. Kekkilä-BVB's products are transported around the world, Australia being the farthest export country, while Central Europe is the key market. Kekkilä-BVB's competitiveness is based on more than a hundred years of experience in growing media, as well as long-term expertise in plants and different growing conditions. Kekkilä-BVB's products are sold to customers directly and through the retail and distributor network.



Kekkilä-BVB's landscaping and recycling business has both its own and franchise soil stations in Finland, Sweden, and the Netherlands. In addition, it has four composting stations in Finland.

Neova Group's procurement is responsible for sourcing raw materials and other products and services for production. The Procurement Team ensures that the supplier network complies with Neova's Supplier Code of Conduct.

Neova Group employs approximately 800 persons in 10 countries, most of whom are located in Finland and the Netherlands. Neova Terra utilises subcontractors in peat production, and Kekkilä-BVB rented workforce and subcontractors on its production sites.

Strategy

Neova is a Finnish company that plays an important role in the global food production value chain. Its business goal is to ensure the basic necessities of life for everyone with its products: clean food; clean air; clean water; heat and energy. In all its businesses, the Group's goal is to produce more added value with fewer raw materials.

The Neova Group consists of two independent business divisions: Kekkilä-BVB and Neova Terra. Kekkilä-BVB is a leading European company in the growing media market and is among the leading companies globally. Neova Terra produces Nordic raw materials – peat, sphagnum moss, and

reed canary grass – and focuses on developing them into higher added-value products such as activated carbon, animal feed, and bio-stimulants in addition to fuels.

Interest and views of stakeholders

Neova Group's stakeholder engagement starts at the local level and extends all the way to international activities across national boundaries. Continuous dialogue, feedback, and ongoing cooperation are the key methods for promoting mutual understanding between stakeholders and Neova Group. The company aims to build networks with important parties, as well as to regularly collect and share information relevant for the Group's business and customers. Feedback from stakeholders is one of the inputs considered in the development of products and services, and it also influences how the company operates. Neova also monitors and evaluates public discussion.

Neova Group's companies in various countries are active members of local and European industry associations (e.g. Growing Media Europe and the Peat Alliance). Neova's advocacy work focuses on Finland, Sweden, and Estonia, as well as on EU bodies in Brussels.

The table on [page 25](#) summarises Neova's key stakeholders, the tools of engagement, and the themes most important to them.

Material sustainability-related impacts, risks, and opportunities

The identification and assessment of material impacts, risks, and opportunities

Neova Group's sustainability-related material impacts, risks, and opportunities were identified in a double materiality assessment project in the autumn of 2024. The work aimed to identify risks and opportunities related to sustainability which could have a potentially significant impact on the execution of the company's strategy and the achievement of its long-term goals. In addition, the project helped Neova Group identify and evaluate the significant impacts, risks, and opportunities related to sustainability that affect the Group's upstream and downstream value chain.

The project started with a value chain analysis that led to selected stakeholder interviews. The stakeholder interviews covered representatives from suppliers, regulators, customers, and affected communities. Employees' opinions were gathered in internal workshops at which impacts related to sustainability topics were identified and evaluated. The results were evaluated by the Leadership Teams of Kekkilä-BVB and Neova Terra. Internal working groups then identified and evaluated financial risks and opportunities from the sustainability topics, which were also evaluated by the

Leadership Teams of Kekkilä-BVB and Neova Terra. Ultimately, the final results were approved by the Board of Directors in December.

As a result, eight material topics were determined. These topics are presented in the Material impacts, risks, and opportunities table on [page 26](#). There were no significant changes in Neova's business scope, stakeholders, or operating environment in 2025.

Based on the results of the double materiality assessment, Neova reviewed its sustainability strategy in 2025. The new sustainability strategy and targets were approved by the Board in December 2025. It is presented in the table on [page 27](#).



Interests and views of stakeholders

Stakeholders	Stakeholder engagement	Themes important to stakeholders	Impact on operations, business model and strategy
Own workforce	<ul style="list-style-type: none"> Employee surveys Cooperation with employee representatives Safety and health at work and related observations Helping Hands programme Wellbeing programme 	<ul style="list-style-type: none"> Health and safety Equal treatment Competence development and good leadership Working conditions and other work-related rights 	<ul style="list-style-type: none"> Certified safety management systems Sustainability strategy Online trainings Development of leadership and key capabilities
Customers, consumers and end-users	<ul style="list-style-type: none"> Customer experience surveys Bilateral meetings Events, fairs and trainings Materiality assessment Website and social media 	<ul style="list-style-type: none"> Sustainable products Product safety and quality Product information Sustainable production methods Security of supply 	<ul style="list-style-type: none"> Circular raw materials program Product safety and quality Certified quality and environmental management systems Responsible peat production RPP certification Sustainability concept for peat
Owners	<ul style="list-style-type: none"> Annual General Meeting Board meetings Supervisory Board meetings Regular meetings of the CEO and CFO with owner's representative 	<ul style="list-style-type: none"> Climate change and biodiversity Security of supply Management of sustainability risks and good governance Steady financial performance Increase in shareholder value 	<ul style="list-style-type: none"> Sustainability targets in management remuneration Definition and management of sustainability risks Sustainability strategy Sustainability concept for peat
Authorities	<ul style="list-style-type: none"> Regular meetings and inspections Supervisory inspections Water management cooperation groups 	<ul style="list-style-type: none"> Compliance with laws and regulations Management of sustainability risks and good governance 	<ul style="list-style-type: none"> Sustainability strategy Sustainability concept for peat Permitting processes Open and transparent communication and reporting
Landowners and land users (if rented out)	<ul style="list-style-type: none"> Contracts and land lease agreements Bilateral meetings Public events Website and social media 	<ul style="list-style-type: none"> Future profit expectations Sustainability of operations Strategy and policies Possibilities for new land use e.g. renewable energy, wind and solar, carbon sinks, new raw materials Sustainable and resource-efficient land use 	<ul style="list-style-type: none"> Sustainability concept for peat Biodiversity program Certified quality and environmental management systems Cooperation with new partners Joint research and development projects
Researchers, educational institutions and students	<ul style="list-style-type: none"> Cooperation projects Cooperation events Meetings Thesis assignments and traineeships Materiality assessment 	<ul style="list-style-type: none"> Research and development cooperation Education, training and competence development Investments and jobs Working life Diversity, equality and inclusion 	<ul style="list-style-type: none"> Sustainability Strategy Biodiversity program Circular raw materials program Permit granting processes and consultations Sustainability concept for peat Open and transparent communications and reporting
NGOs	<ul style="list-style-type: none"> Bilateral meetings Materiality assessment Project cooperation Whistleblowing channel 	<ul style="list-style-type: none"> Climate change Biodiversity and impacts on water Protection of peatlands Restoration of peatlands 	<ul style="list-style-type: none"> Sustainability Strategy Biodiversity programme Circular raw materials programme Permit granting processes and consultations Sustainability concept for peat Open and transparent communications and reporting
Suppliers and service providers, contractors	<ul style="list-style-type: none"> Events and seminars Training and feedback events for contractors Joint development projects with suppliers Whistleblowing channel 	<ul style="list-style-type: none"> Safety and health Working conditions and other work-related rights Climate change Biodiversity Sustainable peat production Sustainable supply chain 	<ul style="list-style-type: none"> Safety management system for the company's own and contractors' employees Supplier Code of Conduct
Policymakers	<ul style="list-style-type: none"> Public hearings Bilateral meetings Events, seminars and panels Materiality assessment 	<ul style="list-style-type: none"> Circular economy Reducing environmental impacts Climate change mitigation Safeguarding biodiversity Logistics and public infrastructure New products and innovation Renewal and jobs 	<ul style="list-style-type: none"> Investments in new business opportunities Fossil free energy Resource-efficient production Waste-free production
Lobbying and industrial associations	<ul style="list-style-type: none"> Bilateral meetings Events, seminars and panels Materiality assessment 	<ul style="list-style-type: none"> Climate change Biodiversity and impacts on water Peatland restoration Advocacy cooperation 	<ul style="list-style-type: none"> Sustainability strategy Sustainability concept for peat Circular raw materials program Biodiversity program



Material impacts, risks and opportunities

	ESRS-topic	Sub-topic	Identified impacts	Material impacts	Of which identified risks & opportunities	Of which material risks & opportunities
Environment	ESRS E1: Climate change	E1.1 Climate change adaptation	●	●	●	●
		E1.2 Climate change mitigation	●	●	●	●
		E.1.3 Energy	●		●	●
	ESRS E2: Pollution	E2.1 Pollution of air	●		●	
		E2.2 Pollution of water	●		●	
		E2.3 Pollution of soil	●		●	
		E2.4 Pollution of living organisms and food resources	●			
		E2.5 Substances of concern				
		E2.6 Substances of very high concern				
		E2.7 Microplastics			●	
	ESRS E3: Water and marine resources	E3.1 Water			●	
		E3.2 Marine resources				
	ESRS E4: Biodiversity and ecosystem	E4.1 Direct impact drivers of biodiversity loss	●	●	●	
		E4.2 Impacts on the state of species	●	●	●	
		E4.3 Impacts on the extent and condition of ecosystems	●	●	●	
E4.4 Impacts and dependencies on ecosystem services		●	●			
ESRS E5: Circular economy	E5.1 Resources inflows, including resource use	●	●	●	●	
	E5.2 Resource outflows related to products and services	●				
	E5.3 Waste	●	●	●		

	ESRS-topic	Sub-topic	Identified impacts	Material impacts	Of which identified risks & opportunities	Of which material risks & opportunities
Social	ESRS S1: Own workforce	S1.2 Working conditions	●	●	●	
		S1.2 Equal treatment and working opportunities for all	●		●	
		S1.3 Other working related rights	●			
	ESRS S2: Workers in the value chain	S2.1 Working conditions	●	●	●	
		S2.2 Equal treatment and working opportunities for all				
		S2.3 Other working related rights	●		●	
	ESRS S3: Affected communities	S3.1 Communities' economic, social and cultural rights	●	●	●	
		S3.2 Communities' civil and political rights				
		S3.3 Rights of indigenous peoples				
	ESRS S4: Consumers and end-users	S4.1 Information-related impacts for consumers and/or end-users	●			
S4.2 Personal safety of consumers and/or end-users		●	●	●	●	
S4.3 Social inclusion of consumers and/or end-users						
Governance	ESRS G1: Business conduct	G1.1 Corporate culture	●	●	●	
		G1.2 Protection of whistle blowers	●			
		G1.3 Animal welfare	●		●	
		G1.4 Political engagement				
		G1.5 Management of relationships with suppliers including payment practices				
		G1.6 Corruption and bribery				



Sustainability metrics and targets

Key Indicator	Definition	2023	2024	2025	Target by 2030
Climate					
Reduction of carbon footprint, own operations (scope 1+2)	Cumulative reduction from 2018 level (851kt CO ₂ e)	-34%	-37%	-40%	-50%
Reduction of carbon intensity in our value chain (scope 1+2+3)	Cumulative reduction of carbon intensity (tCO ₂ / M€ revenue) from 2020 level (9,777 tCO ₂ / M€)	-22%	-35%	-40%	-50%
Biodiversity and ecosystems					
Restoring areas and building carbon sinks in collaboration with stakeholders	Equal amount than new production hectares taken in use between 2025–2030 (current estimation)	n/a	n/a	540 ha	1,000 ha
Commitment to Responsibly produced peat certification (RPP)	Share of RPP peat in Kekkilä-BVB's own production	64%	83%	86%	To maintain above 80%
Circular Economy					
The use of circular raw materials	The use of circular raw materials in Kekkilä-BVB's own production	1.4 Mm ³ (25%)	1.4 Mm ³ / (26%)	1.7 Mm ³ (31%)	Other than peat 50%
Recovery rate for waste	% (incl. reuse and utilisation as material or energy)	96%	91%	96%	95%
Water					
Impact on watercourses from peat production: Finland	Solid matter reduction from 2008	-75%	-77%	-82%	To maintain above -75%
	Nitrogen reduction from 2008	-66%	-74%	-78%	To maintain above -75%
	Phosphorus reduction from 2008	-71%	-77%	-81%	To maintain above -75%
People					
Great Place to Work Trust Index	Based on annual employee survey	65%	67%	70%	Over 80%
Towards zero accidents:					
• Fatal accidents, own workforce, subcontractors and rented workforce	• Number of fatal accidents	0	0	0	0
• Lost time accident frequency rate, LTAF1, own workforce	• The total number of lost time accidents (absence of 1 day or more) divided by the total number of hours worked x 1,000,000 hours	3.6	4.8	6.7	Continuous reduction
• Lost time accidents, LTA1, subcontractors and rented workforce	• Number of accidents (absence of 1 day or more)	7	7	4	Continuous reduction
Business conduct					
Share of employees conducted CoC training every two years		n/a	n/a	33%	100%



E1 – CLIMATE CHANGE

Material impacts, risks, and opportunities related to climate change

Sub-topic	Impacts	Risks and opportunities for Neova Group	Management
Climate change adaptation	+ Neova Group's products help adapt to climate change, as growing in a controlled environment is not dependent on the weather, and landscaping solutions help manage heat and storm waters in cities.	+ Managing extreme weather conditions in cities and aiming to increase the comfort of living creates business opportunities for Kekkila-BVB's landscaping business.	Neova Group has a strategic target of reducing its GHG emissions throughout the value chain. The main tools are increasing energy efficiency and reducing the use of fossil fuels.
Climate change mitigation	- Production and logistics movements related to Neova Group's different production facilities and peat bogs produce GHG emissions.		Neova Group is seeking a feasible option to utilise its land portfolio as carbon sinks.
	- Use of peat-based products produces GHG emissions.	- Increased cost of logistics could increase Neova Group's operating costs. + Food production in arid countries and closer to densely populated urban areas will require growing media and offer business opportunities to Kekkila-BVB.	Neova Group has implemented GHG emission reporting in Group logistics and based on this data, aims to reduce GHG emissions.
Energy		+ Old peat production areas can be rented for renewable energy projects such as solar and wind parks, which will generate income for Neova Terra.	

Physical risks related to climate change adaptation, and their management

Risks for Neova Group	Management
Acute hazards Summers that are too wet or too dry may impact the peat harvesting season and result in challenges in supply and longer transport requirements.	Neova has multiple production areas in Finland, Sweden, and Estonia to mitigate local weather risks. In addition, the company can source raw materials from external producers.
Chronic Chronic changes in the environment (such as rising temperatures, water levels) may disrupt access to raw materials.	Neova manages a wide portfolio of raw materials and builds long-term strategic partnerships with suppliers to mitigate risks and ensure security of supply.

Sustainability targets for climate change

Key Indicator	Definition	2023	2024	2025	Target by 2030
Carbon footprint: CO₂ emissions from our own operations (Scopes 1+2)	Reduction from 2018 level (= 852 ktCO ₂ -eq.)	-34%	-37%	-40%	-50%
Carbon intensity in our value chain (Scopes 1+2+3)	Reduction of carbon intensity (tCO ₂ /M€ revenue) from 2020 level (=9,813 tCO ₂ /M€)	-22%	-35%	-40%	-50%



The identification and assessment of material impacts, risks, and opportunities

The material impacts, risks, and opportunities related to climate change have been identified in a double materiality assessment. The materiality assessment is discussed on [page 24](#).

Policies

Neova Group is committed to environmental protection in its corporate responsibility policy. Neova monitors and reduces the environmental impacts of operations based on the principles of continuous improvement. The company aims to prevent environmental degradation, and monitor and reduce the environmental burden of its operations.

Neova uses natural resources sustainably and enhances biodiversity, and follows actions and targets set for its environmental responsibility as part of sustainability work. Neova plans and takes action to advance a carbon-neutral society. Neova boosts the circular economy by enhancing efficient recycling, utilising recycled raw materials, and encouraging a circular economy mindset during the innovation stage of new products. Neova develops its environmental responsibility based on open communication and open dialogue with stakeholders.

Neova Group operations are guided by a Code of Conduct and Supplier Code of

Conduct. The Code of Conduct and Supplier Code of Conduct outline the minimum standards employees, management, the Board of Directors, and suppliers and their subcontractors are required to comply with when working for or doing business with Neova, in addition to observing all laws and regulations governing their activities. Neova's Supplier Code of Conduct also covers the entire production chain, from subcontractors to customer deliveries.

In 2022, the Green Factory concept was implemented in all Neova Group operating units, i.e. Kekkilä-BVB production facilities, pellet factories, activated carbon factory, and peat and sphagnum moss operations. The focus areas and targets of the Green Factory programme are tailored for the Group's operational staff and site managers. The Green Factory concept is an effective way to engage factory management and personnel in tangible activities related to greenhouse gas emissions, biodiversity, circularity, and water.

The Kekkilä-BVB Innovation roadmap has been running since 2022. In 2025, the company set a new target for its circular raw material usage, aiming to increase the share of non-peat materials to 50 per cent in its own production by 2030. This will help reduce the products' carbon footprint and environmental impacts. The Innovation roadmap guides the work through raw material end-to-end development projects, which target ensuring the availability, safety,

quality, and performance of the key circular raw materials.

Environmental management and environmental performance are guided by Kekkilä-BVB and Neova Terra's management systems. All Neova's operations are ISO 14001 (environment)-certified, and all Neova's operations, except for peat production in Sweden and Estonia, are ISO 9001 (quality) certified. Neova's peat production and production facilities require environmental permits, and this process is based on the national laws and regulations of each of Neova's operations.

Actions

Greenhouse gas emissions and energy in the company's own operations

Neova Group's biggest source of emissions in its own operations is peat production. Soil emissions result from the decomposition of peat in a peat production area. This occurs when the carbon stored in the peat is released due to drainage in the area.

The main efforts to reduce emissions in Neova's own operations focus on converting closed peat production areas to the next land use. The closure of peatlands means that peat production in the area will stop, and the life cycle of the production area will move on to the aftercare phase and the process of terminating the environmental permit.

During 2025, a total of 40 (47) peat production areas were in the aftercare phase

after production in Finland. During 2025, a total of 445 (1,695) hectares of peat production areas owned by Neova Group in Finland were converted to the next land use 354 (940) hectares into afforestation and 91 (33) hectares into wetlands. A total of 1,536 (6,100) hectares of rented production areas were returned to landowners with the right to decide on the next land use in their areas. Since 2018, the company has reduced peatland soil emissions in Group by 42 per cent.

Neova Group's main tools in reducing GHG emissions in Kekkilä-BVB's production facilities are to increase energy efficiency and reduce the use of fossil fuels. Kekkilä-BVB has switched to 100% renewable electricity in all its production countries, reducing the share of electricity-related emissions in its own operations to 0% (previously 21%). In Kekkilä-BVB's production facilities in the Netherlands, 11 per cent (12%) of electricity consumption is covered through our own solar panels.

Greenhouse gas emissions in the value chain

Neova Group's main raw material is peat, which is a slowly renewable raw material, and its harvesting and use create a significant amount of GHG emissions. The company's biggest source of emissions in the value chain is the use of sold products such as energy peat and growing media.

Since 2021, Neova Group's logistics-related greenhouse gas emissions have



been reported annually based on supplier-specific reporting or performance data. The reporting period covers 12 months. Until 2024, the reporting cycle ran from July to June, but since 2025, it has followed the calendar year. This change improves consistency with other sustainability data.

Overall, the Group's logistics GHG emissions are 1.7 per cent (1.0) of total Scopes 1+2+3 emissions and 2.1 per cent (1.3) of total Scope 3 emissions. The relative carbon dioxide intensity of logistics increased in 2025 to 165 kilograms per delivered tonne. The rise resulted from more detailed emissions accounting, transport data coverage and longer transport distances in some operations, which raised relative emissions despite lower tonnes and kilometres. Adjustments in bulk transport routes, and demand influenced emission intensity over time. Neova continues reducing logistics emissions by improving payload efficiency, renewing equipment, expanding container deliveries and using more efficient vessels.

Products and services

The biggest impact Neova's products and services have on climate change is related to peat, the main raw material.

Of Neova Group's business divisions, Neova Terra's main business is peat harvesting and energy peat production, and production of their higher added-value materials from peat, such as growing media, acti-

vated carbon, bio-stimulants, and animal feed. Of these products, the production of activated carbon requires the most energy.

Neova Group's other business division, Kekkilä-BVB, produces growing media for its customers globally. The main raw material is peat, but through increasing use of circular raw materials, Kekkilä-BVB can reduce its GHG emissions in the value chain. The demand for growing media is growing rapidly in the global market, and completely new raw materials are needed to meet the demand. Kekkilä-BVB aims to increase the share of raw materials other than peat to 50 per cent by 2030, of which 45 per cent should be circular raw materials.

Neova Group also provides products and services which help in mitigating and adapting to climate change. Neova Terra's bio-stimulants are designed to improve plant growth, resilience, and nutrient uptake, supporting healthier crops and more efficient cultivation practices. The use of bio-stimulants has become more common especially in agriculture because they can be used to reduce the use of fertilisers and to respond better to the extreme weather phenomena caused by the changing climate.

As part of renewable energy development, Neova plans to convert the land areas released from peat production to solar and wind power project planning. Most of the planned projects are hybrid projects that combine the benefits of solar and wind power. The projects support the transition



The wind measurement mast in Palloneva, where a hybrid wind and solar power park is planned.

Neova's renewable energy projects advance to planning proposal phase

Neova is making strong progress in its renewable energy strategy in Finland. Four major projects have successfully completed Environmental Impact Assessments (EIA), enabling the transition to the component master plan proposal phase.

In the summer of 2025, the Konnunsuo wind power project in Pyhäntä, the Palloneva hybrid wind and solar project in Kauhajoki, and the Kynkänsuo hybrid wind and solar project in Oulu received the authorities' reasoned conclusions. Earlier, in the autumn of 2024, the Kairineva hybrid wind and solar project in Halsua and Kokkola reached the same milestone. These conclusions confirm that environmental impacts have been thoroughly assessed, allowing planning to proceed

without revisiting the EIA process.

The projects showcase strong partnerships: Konnunsuo is developed with Metsähallitus, while Palloneva, Kynkänsuo, and Kairineva are co-owned with Swedish renewable energy developer Rabbalshede Kraft AB. Together, they will transform former peat production areas into hubs for clean energy.

Next, Neova will prepare detailed zoning proposals and conduct supplementary studies. Required supplementary studies were already partly done in 2025 and will continue during 2026. The approved zoning plans create a basis for applying for building permits and bring Neova closer to its goal of increasing Finland's renewable energy capacity.



to renewable electricity production. During 2025, Neova advanced many development projects, and its current project portfolio includes 17 different projects.

Neova is also investigating in opportunities to build new carbon sinks for its old peat production areas.

Kekkilä-BVB's landscaping services help cities and municipalities create green roofs, facades, and outside areas, which reduces the risk of flooding and helps cool cities in the summer. Landscaping services has created a Green City Concept that offer innovative soil products and focus on by offering innovative soil products and focusing on four key areas of environmental and sustainability goals, with reduced emissions, functional soil products, circular solutions, and increased biodiversity in Scandinavia.

Climate change adaptation

Climate change adaptation requires Neova Group to adapt to extreme weather conditions. Neova harvests peat in Finland, Sweden, and Estonia, and the peat harvesting season is extremely dependent on weather conditions. Dry weather is generally favourable for peat harvesting, but extreme drought can pose a fire hazard, leading to restrictions on harvesting activities. Excessive wet weather conditions are problematic, as they prevent the peat drying properly and can make the production area too swampy for harvesting. This kind

of phenomenon was witnessed in Estonia in the summer of 2025.

Neova's other production is not significantly dependent on weather, nor are its production facilities located in places where there is a major risk of unexpected weather conditions such as storms and hurricanes.



Greenhouse gas emissions (Scopes 1+2) from Neova Group's own operations 2023–2025, kt CO₂e

	Finland			The Netherlands			Sweden			Estonia			Germany			Neova Group		
	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025
Peat operations	387	350	340				61	56	54	59	59	62				506	465	457
Kekkilä-BVB operations	3.4	0.4	0.3	3.7	2.6	1.4	0.5	0.4	0.4	0.5	0.7	0.4		0.3		8	4	3
Pellet operations	31	23	17													31	23	17
Power plant (Ilomantsi)	16															16	0	0
Novactor/New Businesses	3	40	39													3	40	39
Shared/Group	0.1	0.1	0.1													0	0	0
Total	440	414	396	4	3	1	61	57	55	59	59	62	0	0	0	564	532	515

Neova Group's emissions consists of direct and indirect energy consumption on production sites, fuel use of on-site vehicles, soil and stockpile emissions of peat production areas. The emission factors used to calculate soil emissions of peat production are based on national greenhouse gas inventories. Emissions for direct energy consumption is calculated based on actual fuel consumption figures and fuel-specific emission factor. Direct energy consumption of pellet and power plant operations in Finland includes only fossil fuels. For indirect energy consumption country is used market-based emission factors. Emissions from on-site vehicles are calculated based on fuel use. Emission of peat production machines is estimated based on the total production volume and average fuel consumption in peat production.

Greenhouse gas emissions 2023–2025, kt CO₂e

	Finland			The Netherlands			Sweden			Estonia			Germany			Neova Group			Description
	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025	
SCOPE 1 soil emission	381	345	337				60	56	53	58	58	62			0	500	459	452	Emissions from land areas reserved for peat production. Emission from peat stockpiles.
SCOPE 1 other fossil emission	36	49	48	1.4	1.4	1.4	1.2	1.3	1.4	0.5	0.7	0.5	0.4	0.4	0	39	53	52	Fuel use in own facilities and production in CO ₂ . Fuels consumption of on-site vehicles.
SCOPE 1 biogenic emission	21	6	0.6												0	21	6	1	Fuel use in own facilities and production in CO ₂ . Not included in total emissions.
SCOPE 2 market based electricity emission	23.6	19	11	2	1.2	0	0.0	0.0	0.0	0.1	0.1	0.2	0	0	0	26	20	11	Purchased electricity emission as market-based and district heating. Company target setting is based on market based calculation.
SCOPE 2 location based electricity emission	9	19	1.1	2	1.7	1.5	0.1	0.1	0.0	1.0	1.0	0.7	0.2	0.2	0	12	22	3	Purchased electricity emission as location-based and district heating.
SCOPE 3 total	2,214	1,487	1,346	313	292	392	330	331	268	300	305	235	58	58	4	3,215	2,473	2,244	See separate table for detailed breakdown.
Total emissions	2,655	1,901	1,742	317	295	393	392	388	323	359	364	297	58	58	4	3,780	3,005	2,758	Including: SCOPE 1 soil + other fossil emissions + SCOPE 2 market based emissions

In 2025, corrected contractors' fuel use from direct (scope 1) to indirect energy (scope 3) use. Years 2018, 2020, 2023 and 2024 data has been adjusted accordingly. Reported direct energy includes only fuels purchased and consumed by the company.



Greenhouse gas scope 3 emissions 2023–2025, kt CO₂e

Categories	Finland			The Netherlands			Sweden			Estonia			Germany			Neova Group			Description
	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025	
1. Purchased goods and services	41	43	30	42	64	55	7	16	14	8	14	12	5	6	3	103	142	114	Purchased goods and services in the reporting year based on data in amount of materials and when not available, calculation was done based on spend. The main emission source here is purchased horticultural peat.
2. Capital goods	12	1	2	2	0	2	3	0	1	2	0	1	11	0.05	0.04	30	2	5	Capital investments in, e.g. construction and investment projects.
3. Fuel and energy related activities	7	6	4	1	1	1	0.7	1	1	0.7	1	1	0.1	0.01	0	10	9	7	Extraction, production, and transportation of fuels and energy purchased or acquired. Calculated based on scope 1 and 2.
4. Transportation and distribution	19	10	23	10	9	16	2	2	4	6	10	5	2	0.1	0	39	31	47	Transportation and distribution paid by the company.
5. Waste generated in operations	0	1	0.1	0.1	0.02	0.02	0.1	0.04	0	0.02	0.01	0.05	0.001	0	0	1	1	0	Waste and waste water generated by the company.
6. Business travel	3	1	1	0.3	0.4	0.3	0.2	0.1	0	0	0	0	1.7	0.4	0	5	2	1	Emissions from flights and other business travel as well as hotel stays.
7. Employee commuting	0.3	0.2	0.3	0.4	0.4	0.4	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0	0.4	1	1	1	Daily commuting of employees to workplace.
8. Upstream leased assets	1	0.1	0.5	0.3	0	0	0.1	0	0.0	0.1	0.0	0.0	0.04	0	0.0	1	0	1	Leased assets not already included in scope 1 or scope 2 inventories and fuel consumption of leased vehicles that was not included in the Scope 1 calculation.
9. Downstream transportation and distribution	3	3	3	3	1	2	4	2	1	3	4	2	1.4	0.3	0	14	10	8	Transportation and distribution of sold products not paid by the company (and vehicles and facilities not owned or controlled by the reporting company).
10. Processing of sold products	Neova Group companies does not sell intermediate products which would require processing.																		
11. Use and 12. End-of-life of sold products	2,130	1,421	1,283	254	216	315	313	311	248	281	277	214	36	51	0	3,014	2,276	2,060	The use and the total expected end-of-life emissions from all products sold in the year. Categories 11 and 12 were combined, as the emissions for horticultural peat were given as one value and could not be separated. The main emission source here is the use of energy peat.
13. Downstream leased assets	Neova Group companies do not have assets leased to others.																		
14. Franchises	Neova Group companies do not have franchising business.																		
15. Investments	Neova Group has no joint ventures or operations of investments in the reporting year that is not included in scope 1 or scope 2.																		
Total	2,214	1,487	1,346	313	292	392	330	331	268	300	305	235	58	58	4	3,215	2,473	2,244	



Energy consumption 2023–2025, MWh

	2023	2024	2025
Kekkilä-BVB			
Total energy consumption	29,878	25,927	26,234
Direct energy consumption	15,356	12,193	11,808
Non-renewable	4,458	2,753	3,385
Other renewables	2,157	1,485	569
On-site vehicles	8,741	7,954	7,854
Indirect energy consumption	15,091	14,313	15,071
Electricity	14,147	13,203	13,119
Solar panels	453	679	1,497
Heating	491	430	455
Energy sold	569	579	645
Vapo Terra – Pellet production			
Total energy consumption	110,548	96,158	23,130
Direct energy consumption	80,443	50,492	33,434
Non-renewable	70,125	36,350	32,966
Renewable	9,432	13,645	0
On-site vehicles	886	497	468
Indirect energy consumption	69,043	59,311	9,272
Electricity	23,838	16,333	9,272
Heating	45,205	42,978	
Total energy sold	38,938	13,645	19,576
Novactor and Ilomantsi power plant			
Total energy consumption	48,573	11,904	13,030
Direct energy consumption	41,564	1,082	1,611
Non-renewable	40,356	931	1,459
Renewable	1,057		
On-site vehicles	152	152	152
Indirect energy consumption	7,009	10,822	11,418
Electricity	7,009	10,822	11,418
Total energy sold	27,818	22,773	28,090
Peat production			
Total energy consumption	19,991	16,462	15,536
Direct energy consumption	11,093	8,364	8,383
Fuel consumption	11,093	8,364	8,383
Indirect energy consumption	8,898	8,098	7,153
Electricity	8,898	8,098	7,153

Number of environmental observations 2023–2025

	Finland			The Netherlands			Sweden			Estonia		
	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025
Neova Terra	254	131	148	0	0	0	74	42	38	22	5	7
Kekkilä-BVB	30	14	5	44	17	14	16	21	14	11	2	4
Group Services	14	0	2	0	0	0	0	0	0	1	0	2
Total	298	145	155	44	17	14	90	63	52	34	7	13

Observation tool for logging environmental observations combines the reporting of various observations, inspections and audits as well as related management and documentation tasks. People outside the organisation can also be authorised to record observations on the system. Deviations to environmental permits are always reported to environmental authority in accordance with the environmental permits, but also in the observation system. The causes of deviations are investigated, and the necessary measures are taken to rectify the situation. Environmental feedback and irregularities are processed by the business area in question and reported to the Board of Directors.



E4 – BIODIVERSITY AND ECOSYSTEMS

Material impacts, risks and opportunities related to biodiversity and ecosystems

Sub-topic	Impacts	Management
Direct impact drivers of biodiversity loss	- The production of peat and other raw materials used by Neova Group creates negative biodiversity impacts from land use and land-use changes, and temporary losses of biodiversity in the peatlands from where the peat is harvested.	Neova Group's peat production requires environmental permits in all its operating countries.
	+ Products and services produced by Kekkilä-BVB, such as landscaping solutions and growing media used for plant and tree nurseries contribute to an increase in biodiversity.	Neova Group's peat production complies with Neova's sustainability concept for peat.
Impacts on the state of species	+ The next land-use phase, where Neova Terra's old peat production areas are e.g. rewetted or reforested, improves the biodiversity of the area and its surroundings.	Neova Group has strategic targets for the restoration of old peat production areas.
	- Peat harvesting may generate emissions to water (suspended solids, nitrogen and phosphorous emissions) and may negatively affect the living conditions of local species through eutrophication and darkening of waters.	Neova Group utilises best available techniques (BAT) in its water treatment systems in peat production areas.
Impacts on the extent and condition of ecosystems	+ Kekkilä-BVB's products offer possibilities to grow food in a controlled environment, which decreases land degradation and leakages of nutrients into the environment, as well as the use of pesticides.	
Impacts and dependencies on ecosystem services	- Neova Group is dependent on ecosystem services, as the majority of the raw materials come from natural resources.	

Sustainability targets for biodiversity

Key Indicator	Definition	2023	2024	2025	Target by 2030
Restoring areas and building carbon sinks in collaboration with stakeholders	Equal amount than new production hectares taken in use between 2025–2030 (current estimation)	n/a	n/a	540 ha	1,000 ha
Commitment to Responsibly produced peat certification (RPP)	Share of RPP peat in Kekkilä-BVB's own production	64%	83%	88%	To maintain above 80%
Impact on watercourses from peat production: Finland	Solid matter reduction from 2008	-75%	-77%	-82%	To maintain above -75%
	Nitrogen reduction from 2008	-66%	-74%	-78%	To maintain above -75%
	Phosphorus reduction from 2008	-71%	-77%	-81%	To maintain above -75%



The identification and assessment of material impacts, risks, and opportunities

The material impacts, risks, and opportunities related to biodiversity and ecosystems have been identified in a double materiality assessment, which is described in more detail on [page 24](#).

Neova Group's biggest impacts on biodiversity take place through its land use, which is related to peat production in Finland, Sweden, and Estonia. In all these countries, peat production is strictly regulated, and subject to environmental permitting and environmental impact assessments.

Peat production may also affect waters near production areas through leakages of suspended solids, and nitrogen and phosphorous emissions. Neova Group's business operations use best available techniques for water treatment in its peat production areas. During the harvesting, both Neova's own specialists and the external authorities monitor the fulfilment of requirements in the environmental permits.

Regulatory risks related to peat production and the use of peat are assessed and managed in cooperation with business operations and Communications and Public Affairs services.

Policies

Neova Group has a clearly defined management system, including corporate and

business governance, policies, operating procedures, and instructions. They are ISO 14001 (Environmental management system) -certified. The Group's policies such as the Code of Conduct, Supplier Code of Conduct, and Corporate Responsibility Policy set rules and limits for how Neova and its subcontractors operate in the peat production areas.

In 2025, 11,500 ha of Neova's peat production areas have a certification from Responsibly Produced Peat (RPP), which requires a third-party audit. The certification ensures that:

1. peat producers comply with all EU and local laws and regulations,
2. have clear after-use plans available for production sites, and
3. the relevant public authorities and affected communities are heard in the process.

In Neova's operating countries, the most common forms of next land use are afforestation, wetland creation, or restoration. In Finland, agriculture is also used for reed canary grass cultivation, for example, but its share is reducing.

Neova Group is committed to enhancing biodiversity through its sustainability strategy and has set targets for implementing restoration measures and building carbon sinks in collaboration with its stakeholders.

Actions

Direct impact drivers of biodiversity loss

Neova Group harvests peat in Finland, Sweden, and Estonia. Peat production is strictly regulated and subject to environmental permitting. It operates under environmental permits issued by the national environmental permitting authorities. The impact of peat production on biodiversity is mitigated by strict environmental regulation. Peat production permits are not granted for areas with significant nature values. Peat is only produced on peatlands that are no longer in their natural state. During peat production, Neova Group's environmental specialists, independent environmental experts, and the authorities monitor the fulfilment and implementation of environmental permit requirements, ensuring that they are reported under agreed guidelines.

In 2025, Neova had 24,300 ha of active peat production areas in Finland, Sweden, and Estonia.

Impacts on the state of species

Peat production areas leach solids, nutrients, and humus into waterways near production areas. Although the share of peat production in the phosphorus and nitrogen load entering waterways is small when examined nationally compared with agriculture, for example, peat production may

have significant local impacts on the state of waterways and their species. The load on waterways caused by peat production is reduced by conducting all runoff water through water treatment systems. The water treatment systems in Neova's peat production in all countries are well managed and based on best available techniques (BAT).

Neova Group has been running an internal development programme that aims to significantly reduce the share of suspended solids, nitrogen, and phosphorus emissions in its peat production areas in Finland compared with 2008 levels. The targeted reduction level of -75 per cent has been reached in solid matters and phosphorus. It has almost been reached in nitrogen. The company has also set a target of maintaining its emissions at the current level in the coming years.

Impacts on the extent and condition of ecosystems

In its sustainability strategy, Neova Group aims to increase biodiversity by restoring old peat production areas and building carbon sinks in collaboration with local stakeholders.

In 2025, Neova continued its biodiversity work, finalising restoration with the following sites:

- **Komppasuo, Finland** – After peat production, the next land-use forms have been planned and implemented in the Komppasuo peat production area in



Northern Finland under the EU's Merlin project. The Komppasuo project area is **120 hectares** of the former peat production area, where peat production ended in 2021. In the Komppasuo area, the project has focused on quickly restoring the nature of the mire, constructing various wetlands, and afforestation. The researchers of the Finnish Environment Institute (SYKE) and Tapio Oy implemented the project at Komppasuo. The project lasted from 2022 to 2025 and was then returned to Neova.

- **Peningi, Estonia** – Wetland restoration work started in June 2025 in Peningi in Neova's old peat production area. The wetland construction was completed at the end of the year, and a total new biodiversity area of **140 hectares** was ready in northern Estonia.
- **Lavassaare, Estonia** – The restoration of the Lavassaare bog was completed in 2025 in Neova's old peat production area, covering **250 hectares**. This marks a major step towards safeguarding biodiversity and improving water balance in a unique wetland in southern Estonia. The Lavassaare biodiversity project is part of the EU Horizon 2020 Green Deal WaterLANDS initiative, which aims to restore and expand wetlands to enhance carbon sequestration, biodiversity, and ecosystem services.
- **Borsmossen, Sweden** – At the start of 2025, the Borsmossen after-use plan was



In the left-side image, the area is currently under restoration, and in the right-side image, the ditches were closed approximately 5–8 years ago.

Lavassaare Biodiversity Project in Estonia supports climate and biodiversity goals

The Lavassaare biodiversity project is part of Neova's sustainability strategy and promotes climate and biodiversity goals by restoring valuable wetland areas. The Lavassaare project is part of the EU Horizon 2020 Green Deal WaterLANDS initiative, aiming to restore and expand wetlands to improve carbon sequestration, biodiversity, and ecosystem services. In Estonia, the project covers former peat production areas in Lavassaare and Elbu, totalling 525 hectares.

Key partners include the University of Tartu, the Estonian Fund for Nature, the State Forest Management Centre, and AS

Tootsi Turvas, a subsidiary of Neova. The project began in 2021 and will conclude by the end of 2026.

In 2025, a comprehensive follow-up study led by the University of Tartu was published, which included greenhouse gas measurements, insect and bird counts, and vegetation monitoring. According to the study, the carbon cycle of the former peat production area of Lavassaari is shifting from being a net source (of emissions) to a state of balance.

Although the area remains a minor source of greenhouse gases, the vigorous growth of vegetation and improved

moisture conditions have enhanced carbon sequestration and reduced emissions.

In the coming years, this site may again become a net carbon sink and start to capture atmospheric carbon. The study's findings underscore that even ecosystems degraded by human activity have the potential to recover and resume their natural role as carbon reservoirs, provided that appropriate conditions are restored.

Link to the study: [Carbon balance in an abandoned peat extraction area influenced by spatial heterogeneity and vegetation development –ScienceDirect.](#)



submitted for approval to the environmental authorities. Following the plan approval, the water level in the former peat production area was increased, resulting in the completion of a new **20-hectare** wetland at the end of the year.

Neova is building an increased understanding of restoration activities for biodiversity. In new biodiversity areas, the company has conducted bird monitoring in wetlands by monitoring the nesting bird population in the areas and any changes in it during and after the project.

In addition, Kekkilä-BVB's growing media is used for cultivation in controlled environments such as greenhouses. These cultivation methods need fewer resources such as water, nutrients, and pesticides, which reduces the pressure on local biodiversity. The use of a controlled environment also reduces the pressure for land use and land degradation.

Impacts and dependencies on ecosystem services

Peat is the most important ecosystem service for Neova Group, as most of the Group's businesses depend on peat. In addition to all laws and regulations, Neova follows its principles of responsible peat production in its peat production areas to safeguard the sustainable use of this natural resource. Neova aims to transfer all old peat produc-

tion areas to the next land use within two years of the end of production. The form of the next land use depends on the landowners and type of area, but the most common forms of next land use in Finland, Sweden, and Estonia are afforestation, wetland creation, and restoration. In the next land use, the areas return to carbon-accumulating ecosystems as the forest starts to grow, or new peat begins to form as a result of restoration.

According to the IPCC, peat is a slowly renewable raw material. Neova's annual harvesting levels do not exceed the annual accumulation of new peat. Today, around 0.6 per cent of peatlands in Finland are used for peat production.



E5 – RESOURCE USE AND THE CIRCULAR ECONOMY

Material impacts, risks and opportunities related to resource use and the circular economy

Sub-topic	Impacts	Risks and opportunities for Neova Group	Management
Resource inflows, including resource use	+ Kekkilä-BVB's landscaping and recycling services support upcycling of raw materials.	+ Reuse of growing media taken back from Kekkilä-BVB's customers and the use of circular raw materials and waste streams in new products offer new business opportunities to Kekkilä-BVB.	Kekkilä-BVB's circular raw materials programme focuses on innovating new circular and renewable raw materials for growing media.
	+ Kekkilä-BVB invents, tests, and uses an increasing number of circular raw materials.		Kekkilä-BVB's recycling services follow all local legislation and regulations in managing and producing compost.
	- Fossil, mineral, and peat-related raw materials are still needed in Kekkilä-BVB's products and packaging.		
Waste	+ Kekkilä-BVB supports municipalities and cities to recycle their waste and other material streams with its Green City Concept.		
	- Parts of plastics, glass and other impurities from biowaste will remain in the compost that Kekkilä-BVB uses, and they can increase the share of microplastics in nature.		

Sustainability targets for resource use and the circular economy

Key Indicator	Definition	2023	2024	2025	Target by 2030
The use of circular raw materials	The use of circular raw materials* in Kekkilä-BVB's own production	1.4 Mm ³ (25%)	1.4 Mm ³ (26%)	1.7 Mm ³ (31%)	Other than peat 50%
Recovery rate for waste	% (incl. reuse and utilisation as material or energy)	96%	91%	96%	95%

*Circular raw materials definition: raw materials from a renewable source or given a second life after their first use like compost from garden waste.



Progress in targets

Neova Group aims to reduce its waste through continuous improvement. Neova aims to increase the use of recycled materials in its packaging, but progress has been slow, due partly to availability and price level challenges. In 2025, the proportion of recycled material in Kekkilä-BVB's plastic packaging was 34 per cent. To ensure packaging quality and availability, the packaging industry currently advises using up to 40 per cent recycled content.

The second target is directed at Kekkilä-BVB to increase the share of raw materials other than peat in its own production to 50 per cent, of which 45 per cent should be circular raw materials. In recent years, Kekkilä-BVB has invested in renewable raw materials like wood fibre, sphagnum moss, and reed canary grass. In 2025, the share of circular raw materials in Kekkilä-BVB's own production was 31 per cent. Interest in circular growing media has increased in recent years, with many trials and research initiatives ongoing. The expected volume growth will happen in the coming years, when the results of these experiments are translated to full scale implementation.

The identification and assessment of material impacts, risks, and opportunities

The material impacts, risks, and opportunities related to resource use and the circular

economy have been identified in a double materiality assessment. The materiality assessment is described on [page 24](#).

Neova Group's most used raw material is peat, which the company harvests itself and partly sources from external suppliers, and of which it produces different applications such as growing media, fuel, bedding peat, and activated carbon. In addition to peat, Kekkilä-BVB uses coir, wood fibre, bark, perlite, and sand, for example, for its growing media products. Neova Terra also uses wood as a raw material for pellets.

For all Neova Group's packaging, virgin and recycled plastics are key input materials.

Policies

In its corporate responsibility policy, Neova Group is committed to boosting the circular economy by enhancing efficient recycling, utilising recycled raw materials, and encouraging a circular economy mindset during new products' innovations stage.

Neova Group's divisions have their own managements systems, of which Kekkilä-BVB's management system is both ISO 9001 (quality) and ISO 14001 (environment) -certified. Neova Terra's management system in Finland also has ISO 9001 (quality) and ISO 14001 (environment) certifications. Kekkilä-BVB's operations are also RHP-certified. RHP is a Dutch non-profit organisation whose quality mark assures compliance with several growing media quality requirements.

Neova Group holds PEFC (Programme for the Endorsement of Forest Certification) certifications for its wood supply in Finland and the Netherlands.

In addition, the Green Factory concept was implemented in all Neova Group operating units, that is, Kekkilä-BVB production facilities, pellet factories, activated carbon factory, and peat and sphagnum operations in 2022. The focus areas and targets of the Green Factory programme are tailored for operational staff and site managers, and include tangible activities related to advancing the circular economy.

Actions

Resource inflows, including resource use

For Neova Group, the most important circularity activity is to increase the share of circular raw materials in its Kekkilä-BVB's product portfolio. For growing media to be sustainable, it must match the specific crop's needs to grow effectively. Kekkilä-BVB calls this "fit for purpose". Optimising the growing process and substrate can be time-consuming, but using a growing media in which a plant grows poorly is a waste of resources, energy, and labour – the opposite of what a circular economy stands for.

Many aspects are considered when selecting raw materials for Kekkilä-BVB's growing media recipes. The company first examines the physical, chemical, and bio-

logical performance of raw materials or a mix. It is important that the growing media solution has consistent performance and is safe to use, with low risks of impurities and diseases.

Kekkilä-BVB has undertaken the following activities to increase the use of circular raw materials in 2025:

- Further development of reed canary grass, and sphagnum moss value chain, from growing to ready-to-use growing media constituent – a joint project of Kekkilä-BVB and Neova Terra.
- Building the supply chain for hygienised spent strawberry to be used for the consumer market.
- Start of wood fibre production in Kekkilä-BVB's own production facility in the Netherlands.
- Development and market introduction of mushroom casing soil with 50 per cent circular content.
- Active involvement in several public-private partnerships, among them:
 - SoilProS, to better understand soil biodiversity, and how this could improve crop growth.
 - AlterPeat, to develop circular materials that can be used for ornamentals, soft fruit, and/or mushroom growing
 - Kiertokas: pesticide residues, to better manage pesticide residues in organic fertilisers and substrates and determine thresholds.



- Custom nutrition soil to enable increased use of local soil for landscaping projects.
- Establishment of RENEW portfolio for Landscaping, containing sphagnum moss.
- Gaining market share with Green City Concept in Sweden and Finland, offering circular, climate adaptive, and nature positive landscaping solutions.

Waste

Neova aims to continuously reduce its waste amounts. This will be achieved by increasing material efficiency, utilising recycled materials when feasible, and implementing efficient recycling of waste streams like packaging and mixed waste with the Group's sup-

pliers and processors. Already, barely any waste goes to landfill. Currently, the Group's biggest waste fraction in terms of volume is old peat stock pile plastic, which is difficult to replace with other materials (2,795 tonnes collected in 2025). It can become possible to recycle these plastics going forward. Other big waste streams are pallets and used plastic packaging. Kekkilä-BVB delivers growing media to professional growers in bulk, reducing the need for packaging materials.

Neova's raw material waste is already below one per cent. For example, Kekkilä-BVB offers off-spec batches for less specific applications to prevent any raw materials going to waste. Anything else left of the raw materials goes to composting.

Waste volume

	2023	2024	2025
Recovery, tonnes	7,961	8,538	8,150
Energy, tonnes	3,621	5,347	4,850
Recycling, tonnes	4,340	3,191	3,300
Disposal, tonnes	339	884	339
Landfill, tonnes	200	703	280
Other disposal, tonnes	139	181	59
Total, tonnes	8,300	9,422	8,489
Recycling rate, %	52	34	39
Recovery rate, %	96	91	96

Investments elevate the use of circular raw materials to a new level

With increasing customer demand, Kekkilä-BVB is committed to raising the proportion of circular raw materials in its products. The company focuses on identifying new circular materials that combine optimal growth performance, a long lifespan, and a lower environmental impact. The first circular materials in which the company is investing heavily are wood fibre and reed canary grass.

New wood fibre line operational in the Netherlands

In the summer of 2025, Kekkilä-BVB commissioned a new wood fibre production line in Grubbenvorst in the Netherlands. Wood fibre was already one of the key raw materials in Kekkilä-BVB's growing media products in Central Europe, and in 2025, investment in our own production line was finalised to better meet the rising demand. The production capacity of the new line is up to 400,000 m³ per year.

Wood fibre reduces the environmental footprint of the growing media, as it is a renewable material. The material can be used in growing media mixtures at rates of up to 20 to 30 per cent, depending on the grower's needs.

During the autumn of 2025, wood fibre production in Grubbenvorst was officially RHP-certified. This milestone confirms that the facility meets the strict phytosanitary requirements of the RHP standard, further ensuring the quality and safety of the products.

RHP is a non-profit foundation and has been the European knowledge centre for growing media since 1963. The RHP quality mark monitors the quality of growing media in the chain, from raw materials production to processing and delivery at the user's company.



The characteristics of wood fibre:

- High porosity and excellent drainage
- Improved air content and reduced bulk density
- Stable, airy structure
- Enhanced water distribution.

Reed canary grass line under construction in Finland

One of Kekkilä-BVB's innovations is the addition of reed canary grass to growing media. After three years of raw material research, technology development, production line design, and logistics planning, the reed canary grass production line in Parkano in Finland is under construction. The line will be commissioned during 2026. Once fully operational, the annual capacity of the production line will be 100,000 m³.

Neova cultivates reed canary grass in Finland on former energy peat production areas, where it thrives. High yields were one of the reasons reed canary grass was selected, in addition to its low carbon footprint. The supply chain is entirely under Neova's control. The grass is harvested in the early spring, with exclusive rights held by the Kekkilä-BVB, ensuring security of supply and proximity to production facilities.

In the spring of 2025, reed canary grass was harvested from approximately 600 hectares. Neova has been increasing the cultivation areas, and reed canary grass is currently cultivated on more than 1,500 hectares. After harvesting, the grass is baled and transported to Parkano, where it is hygienised and cut to varying degrees of coarseness. From Parkano, reed canary grass is distributed to Kekkilä-BVB's other production facilities.



The characteristics of reed canary grass:

- High air capacity, which promotes root development and uniform distribution in the pot
- High drainage capacity for improved fertigation management
- Suitable for plants in small to medium pots with medium to short growing cycles
- Suitable for winter mixes, when increased drainage is required.



S1 – OWN WORKFORCE

Material impacts, risks and opportunities related to own workforce and ecosystems

Sub-topic	Impacts	Management
Working conditions	<p>+ The majority of Neova Group's operations have the ISO 45001 occupational and safety certificate, which supports the building of a safe workplace and the reduction of accidents.</p>	Neova Group follows all local legislation and regulation in its operations.
	<p>- There are health and safety risks in Neova's own operations and a possibility of serious injury on the production sites.</p>	Kekkilä-BVB and Neova Terra's management systems support safe ways of working.
		All accidents and near misses are reported, and root causes are analysed and discussed with employees.

Sustainability targets for own workforce

Key indicator	Definition	2023	2024	2025	Target by 2030
Great Place to Work Trust Index	Based on annual employee survey	65%	67%	70%	Over 80%
Towards zero accidents:					
• Fatal accidents, own workforce, subcontractors, and rented workforce	• Number of fatal accidents	0	0	0	0
• Lost time accident frequency rate, LTAF1, own workforce	• The total number of lost time accidents (absence of one day or more) divided by the total number of hours worked x 1,000,000 hours	3.6	4.8	6.7	Continuous reduction
• Lost time accidents, LTA1, subcontractors and rented workforce	• Number of accidents (absence of 1 day or more)	7	7	4	Continuous reduction
Business conduct					
Share of employees conducted CoC training every two years			n/a	33%	100%



Progress in targets

Neova Group's long-term vision is zero accidents. In 2025, the company did not progress as desired with its safety targets. The lost time accident frequency rate of own employees grew. In 2025, the company launched the new S.A.F.E. initiative to further improve its safety culture.

The Great Place to Work personnel survey's Trust Index improved by three percentage points in 2025. The results improved across all our key countries and both divisions. The Learning together index improved by six percentage points (53% > 59%), both Engagement (69% > 73%) and Leadership indexes (54% > 58%) by four percentage points, and the Equal treatment index went up by two percentage points (87% > 89%). Thanks to the good results, the company has been awarded the Great Place to Work certification in three of its operating countries: Finland, Sweden, and Estonia.

The identification and assessment of material impacts, risks, and opportunities

The material impacts, risks, and opportunities related to the company's own workforce have been identified in a double materiality assessment, which is described in more detail on [page 24](#).

Policies

Neova Group's employees' ways of working and ethical behaviour are guided by Neova Group's different policies, which are approved by the Board of Directors. Of these, the Code of Conduct is the most important. Policies are complemented by instructions and guidelines, as well as Kekkila-BVB's and Neova Terra's own management systems. Occupational safety training is compulsory for all Neova Group employees and rented workforce. In addition, occupational safety topics are regularly discussed with subcontractors.

Equal treatment and opportunities for all

Neova Group is committed to the fair treatment of its personnel, which is guided by the Equal Opportunities guidelines. The company is actively seeking ways to improve diversity, equity, and inclusion (DEI). It has zero tolerance for inappropriate behaviour and discrimination based on race, national or ethnic origin, citizenship, skin colour, language, gender, age, family conditions, sexual orientation, health, religion, social opinions, political or professional activism, or any other comparable reason.

Training and skills development

Neova Group's personnel's competence development is guided by the Personnel Policy. Neova Group applies the 70-20-10

principle in competence development. This means that 70 per cent of learning should be based on on-the-job learning through new assignments, projects, or internal job rotations. Learning through internal or external knowledge-sharing should constitute 20 per cent of learning. Formal training courses and self-studying are considered to be 10 per cent of learning and development.

Every employee discusses their own development needs and future aspirations with their line managers. According to the company guidelines, this is part of annual target-setting and development discussions. The progress of development plans is monitored every six months.

Working conditions

Neova Group is a responsible employer in all its operating countries, following local law, regulations, and fair and just employment practices. The company respects and observes international human and labour rights, including the UN Universal Declaration on Human Rights and the Fundamental Conventions of the International Labour Organization.

Ninety-nine per cent of Neova Group's employees are located in EU countries that have high statutory requirements concerning working conditions like working hours and annual leave. Every year, HR conducts a salary review using external salary market analysis and wage data to ensure not only

a living wage but also a competitive salary in the markets. Neova Group's employees can choose whether they belong to a trade union.

Health and safety

In Neova Group, occupational health and safety is guided by Kekkila-BVB's and Neova Terra's safety management systems, and complementary instructions and guidelines. The Group's management systems comply with each operating country's legislation. Neova Group's safety teams are responsible for leading and developing a Safety first! culture to prevent accidents and safety deviations through effective risk reduction, training, and supporting business operations. All Kekkila-BVB's operations in Finland, the Netherlands, Sweden, and Estonia are ISO 45001 (Occupational Health and Safety Management System) -certified. Neova Terra's operations, excluding peat operations, also have the ISO 45001 certification. All Neova employees are required to participate regularly in safety training.

Health and wellbeing topics are guided by the Personnel Policy. Neova Group supports its employees' wellbeing in various ways and encourages employees to emphasise their work-life balance. Flexible ways of working, including a hybrid model, are supported when possible. The Group's wellbeing team promotes wellbeing activities regularly in internal communication channels.



Safety First – building a culture of care

Safety is a core value at Neova, guiding all aspects of its operations. The company invests in training and awareness to ensure every employee feels safe and confident. These efforts have delivered continuous improvements in safety performance. *Safety First* is more than a slogan – it is a daily practice: every regular meeting begins with a safety reminder and a review of recent events, keeping safety to the fore of everyone's minds across all teams.

Building safety awareness through training

All employees complete the S.A.F.E. training programme, tailored to the specific requirements of their roles. This ensures safety knowledge is practical and relevant, enabling informed decisions and risk prevention in daily tasks. To reinforce this foundation, training is complemented by ongoing safety campaigns.

Visual reminders such as posters and stickers are displayed throughout the company premises, while QR codes provide quick access to additional information online. These tools make safety resources easily accessible and encourage proactive engagement, creating a culture where safety is always prioritised.

Collecting safety observations

An important part of Neova's safety culture is encouraging employees to report safety observations. These reports help identify potential risks early and enable corrective actions before incidents occur. By involving everyone in this process, the company fosters a culture of participation and continuous improvement.

A step forward every day

Neova's journey towards a safer workplace is ongoing. By embedding safety into the company culture, safety standards continue to improve. The organisation promotes an environment where everyone feels responsible for their own safety and the safety of others.



I only start work when it is **S.A.F.E.**



Secure myself –
I do not put myself in danger

Assure environment –
I ensure a safe working environment

Forewarn others –
I inform the people around me

Engage attentively –
I work mindfully

Neova Group organises healthcare for its employees in accordance with each operating country's laws and regulations.

Other work-related rights

According to its Code of Conduct, Neova Group respects and observes international human and labour rights, including the UN Universal Declaration on Human Rights and the Fundamental Conventions of the International Labour Organization. Neova Group does not allow forced or child labour in its operations. Neova Group is also committed to the UN Global Compact initiative, and its principles of human rights and employee relations.

The Compensation Policy supports Neova Group's strategy and competitiveness. It aims to ensure that Neova's employees are rewarded fairly, and that their remuneration is aligned with local market practices, ensuring the company's ability to retain and attract professionals with business critical competencies.

Engaging with the workforce and workforce representatives about impacts

Collective agreements

Neova Group complies with the principles of the Cooperative Act in each country of operation. The applicable collective agreement depends on the sector of activity and



the duties of the personnel. Each employee's employment contract specifies which collective agreement applies to them.

Cooperative activities

Neova Group complies with local legislation and the applicable collective agreements in all its operating countries. Cooperation with employee representatives and trade unions is carried out according to the legislation of each country. In Finland, the Netherlands, and Sweden, the personnel have elected representatives. Each country has cooperation forums in accordance with local legislation, where personnel representatives have the opportunity to influence their work, working conditions, and position in the company.

Employee surveys

Neova Group conducts a larger employee survey, measuring employee experience every year. The Great Place to Work survey is the responsibility of the HR function, which supports the company management in handling the survey results and addressing the development areas.

Neova Group's Trust Index, which measures employee experience, was 70 per cent (67%) in 2025, improving by three percentage points from the previous year. The Great Place to Work Survey provides the Engagement, Leadership, Learning together, and Equal treatment indexes. The Learning together index improved by six

percentage points (53% > 59%), both the Engagement (69% > 73%) and Leadership indexes (54% > 58%) by four percentage points, and the Equal treatment index went up by two percentage points (87% > 89%).

The results are discussed at different organisational levels and with employee representatives. Line managers are trained to process the results and prepare development actions with their teams. HR and the management of business areas monitor the implementation of development measures.

Neova Group measures employees' wellbeing at work and their views on current changes with the Wellbeing Pulse Survey, conducted once or twice a year. The results of the Pulse Surveys are used as indicators of strategy implementation and wellbeing.

Processes to remediate negative impacts and channels for the company's own employees to raise concerns

Whistleblowing channel

Neova Group's Whistleblowing channel provides an opportunity to report suspicions of misconduct – anything that is not in line with the company's values and policies for all stakeholders. The whistleblowing channel is an early warning system for reducing risks. It is an important tool for fostering high ethical standards and maintaining customer and public confidence. The ser-

vice is managed externally by WhistleB, a Whistleblowing system by Navex. In 2025, Neova Group received seven messages through the channel.

Guidelines regarding inappropriate behaviour and discrimination

Neova Group has guidelines and processes to prevent inappropriate behaviour and discrimination. The guidelines are reviewed occasionally. In 2025, HR organised a training session for the personnel in Finland, and it has been part of other internal info and strategy sessions in other countries.

Psychosocial risk assessment

Neova Group conducted a psychosocial load factors risk assessment in Finland in 2024 and continued to update the assessment in 2025 as part of a regular process. In 2025, the risk assessment was also carried out in Estonia. In Sweden, conducting the risk assessment had already been part of significant changes prior to this. Of Neova's operating countries, the Netherlands is the only one where the psychosocial risk assessment has yet to be started.

Working conditions

Guru is the Neova Group's tool for workplace observations and inspections. Employees can raise concerns, as well as expressing opinions and development ideas regarding occupational safety and wellbeing by recording their observations and ideas in

the Guru system. In 2025, Neova Group received 3,299 (2,791) safety, environment, quality, and success observations through the system.

Early support model

Neova Group utilises an early support model. The early support model includes the monitoring of sickness absences, intervention in possible health- and wellbeing-related problems, a substance abuse prevention programme, and support for returning to work after long sick leaves.

Actions

Working conditions

Working time

Neova Group complies with local laws regarding working hours. The company supports work-life balance and high performance by enabling a hybrid working model for office workers in those positions where it is possible.

Adequate wages

The Compensation Policy ensures that Neova's employees are rewarded fairly, and that their remuneration is aligned with local market practices. The company's HR conducts an annual salary review using external salary market analysis and wage data. In the internal salary analysis, attention is paid to overall salary development against external salary development and gender equality.



Total compensation is based on the requirements and content of the position, individual performance in the job, and the affordability for the company.

Social dialogue

The Group maintains a discussion culture by regularly inviting employees to local gatherings. In 2025, 10 strategy workshops were held in Finland, the Netherlands, Sweden, and Estonia, covering all employees.

Work-life balance

The work-life balance of the company's own workforce is supported in Neova Group by prioritising work, clarifying roles, wellbeing campaigns, and the hybrid work model.

Health and safety

In 2025, Neova launched the S.A.F.E. initiative to strengthen the company's safety culture. Employees are encouraged to consciously prioritise safety before starting any task. This safety training is intended for employees and subcontractors across all production countries. A total of 182 S.A.F.E. training courses were delivered throughout the year.

In Finland, seven occupational safety card trainings were held, with 58 participants. In the Netherlands, classroom safety training events were organised for a total of 175 participants. In Estonia, 23 persons received safety training. Additionally, 92 individuals in Finland, 54 in the Nether-

lands, and 28 in Estonia received first aid training.

Preventive safety measures encompass emergency exercises, safety walks, and various safety campaigns. In 2025, 43 emergency exercises were conducted. The Group organised 36 management safety walks, mainly in production premises, and all planned walks were successfully completed. Additionally, there were 24 different Group-wide safety campaigns, with 12 focusing on fire safety.

In 2025, HR also conducted one training session on guidelines for inappropriate behaviour and discrimination for personnel in Finland.

Other working-related rights

Privacy

The Neova Group ensures compliance with the Data Privacy Policy and the Information Security Policy by monitoring adherence through the completion of the relevant online courses the company offers and by regularly reminding personnel about data protection and security, as well as the importance of taking the courses. The company launched a new interactive CyberCoach training application in 2025, which includes dozens of different security awareness modules. During the year, 476 employees participated in the training, completing a total of 3,478 training sessions, or an average of approximately 14 modules per application user.



Share of personnel, 31.12.

Total number of personnel in all countries 2023–2025

	Finland			The Netherlands			Sweden			Estonia			Germany			Spain			France			China			Italy			USA		
	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025
Kekkilä-BVB	111	116	117	299	282	293	72	64	69	20	23	23	52	20	10	6	5	6	5	4	4	3	3	4	4	1	0	1	1	2
Neova Terra	181	153	149	6	0	1	16	19	18	14	13	14	0	0	0	1	1	1	0	0	0	0	0	0	0	1	1	0	0	0
Group Services	52	52	52	13	11	14	18	8	9	21	22	23	5	2	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	344	321	318	318	293	308	106	91	96	55	58	60	57	22	11	7	6	7	5	4	4	3	3	4	4	2	1	1	1	2

Personnel covered by by collective bargaining agreements (CBAs) 2023–2025, %

	Number of personnel			Personnel covered by CBAs, %			Number of CBAs		
	2023	2024	2025	2023	2024	2025	2023	2024	2025
Finland	344	321	318	32	31	31	2	2	2
The Netherlands	318	293	308	7	9	9	1	1	1
Sweden	106	91	96	95	100	100	2	2	2
Estonia	55	58	60	0	0	0	0	0	0
Germany	57	22	11	0	0	0	0	0	0
Spain	7	6	7	100	100	100	1	1	1
France	5	4	4	0	0	0	0	0	0
China	3	3	4	0	0	0	0	0	0
Italy	4	2	1	0	0	0	0	0	0
USA	1	1	2	0	0	0	0	0	0



Type of employment 2023–2025

	2023		2024		2025	
Permanent	833	92.6%	741	92.5%	725*	89.4%
Female	271	30.1%	243	30.3%	248	30.6%
Male	562	62.4%	497	62.0%	476	58.7%
Other			1	0.1%	1	0.1%
Fixed term	67	7.4%	60	7.5%	86**	10.6%
Female	21	2.3%	22	2.7%	21	2.6%
Male	46	5.1%	38	4.7%	64	7.9%
Other					1	0.1%
Total	900	100%	801	100%	811	100%

* Region: FI 302, NL 254, SE 86, EE 54, DE 11, ES 7, FR 4, CN 4, IT 1, US 2

** Region: FI 16, NL 54, SE 10, EE 16

Type of employment 2023–2025

	2023		2024		2025	
Full time	805	89.4%	721	90.0%	733*	90.4%
Female	236	26.2%	236	26.2%	230	28.4%
Male	570	63.3%	570	63.3%	501	61.8%
Other					2	0.2%
Part time	95	10.6%	80	10.0%	78**	9.6%
Female	64	7.1%	56	7.0%	39	4.8%
Male	43	4.8%	39	4.9%	39	4.8%
Total	900	100%	801	100%	811	100%

* Region: FI 309, NL 247, SE 91, EE 60, DE 9, ES 6, FR 4, CN 4, IT 1, US 2

** Region: FI 9, NL 61, SE 5, DE 2, ES 1

Gender distribution 2023–2025

	2023		2024		2025	
Female	292	32%	265	33%	269	33%
Male	608	68%	535	67%	540	67%
Other	N/A		1	0.1%	2	0.2%
Total	900	100%	801	100%	811	100%

Duration of employment 2023–2025, %

	2023	2024	2025
Under 5 years	41%	39%	40%
5–10 years	20%	25%	26%
10–20 years	23%	22%	20%
Over 20 years	16%	14%	14%

Employee turnover 2023–2025

	2023		2024		2025**	
Employee turnover (outgoing)*	14%	128	15%	118	8%	67

* Includes all causes of employment termination.

** Female 14 (21%), Male 53 (79%)

Under 30 years: 3 (4%), 30–50 years: 28 (42%), over 50 years: 36 (54%)

Region/coyntry: FI 24, NL 21, SE 3, EE 2, DE 16, IT 1



Number of all accidents 2023–2025 (MTR*)

	Finland			The Netherlands			Sweden			Estonia			Germany			Spain			Total		
	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025
Kekkilä-BVB	0	3	3	3	7	2	3	2	4	0	0	0	3	0	0	0	0	0	9	12	9
Neova Terra	2	2	1	N/A	N/A	N/A	0	0	0	0	0	0	N/A	N/A	N/A	N/A	N/A	N/A	2	2	1
Group Services	1	0	2	0	0	0	0	0	0	0	0	0	N/A	N/A	N/A	N/A	N/A	N/A	1	0	2
Total																			12	14	12

* MTR count includes all workplace accidents, including those that did not lead to absence from work. It also includes accidents during commute (between the home and workplace).

Number of accidents that lead to absence from work 2023–2025 (LTA1*)

	Finland			The Netherlands			Sweden			Estonia			Germany			Spain			Total		
	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025
Kekkilä-BVB	0	1	2	1	0	2	2	5	3	0	0	0	3	0	0	0	0	0	6	6	7
Neova Terra	0	1	1	0	0	N/A	N/A	N/A	0	0	0	0	N/A	N/A	N/A	N/A	N/A	N/A	0	1	1
Group Services	0	0	1	0	0	0	0	0	0	0	0	0	N/A	N/A	N/A	N/A	N/A	N/A	0	0	1
Total																			6	7	9

* LTA1 count includes those workplace accidents that lead to a minimum of one day of absence from work. It also includes accidents during commute (between the home and workplace).

Accident frequency over 1 million working hours 2023–2025 (MTRF*)

	Finland			The Netherlands			Sweden			Estonia			Germany			Spain			Total		
	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025
Kekkilä-BVB	0.0	13.8	13.7	5.5	14.4	4.0	22.7	20.2	39.0	0.0	0.0	0.0	33.4	0.0	0.0	0.0	0.0	0.0	9.0	12.8	10.3
Neova Terra	4.0	6.2	3.7	N/A	N/A	N/A	0.0	0.0	0.0	0.0	0.0	0.0	N/A	N/A	N/A	N/A	N/A	N/A	4.0	5.4	3.0
Group Services	6.8	0.0	20.5	N/A	N/A	N/A	0.0	0.0	0.0	0.0	0.0	0.0	N/A	N/A	N/A	N/A	N/A	N/A	6.8	0.0	14.0
Total																			7.3	9.6	8.9

* MTRF accident frequency reflects count of workplace accidents over million working hours. It includes all workplace accidents including those that did not lead to absence from work.



Accident frequency over 1 million working hours 2023–2025 (LTA1F*)

	Finland			The Netherlands			Sweden			Estonia			Germany			Spain			Total		
	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025
Kekkilä-BVB	0.0	4.6	9.1	3.7	10.3	4.0	7.6	0.0	29.3	0.0	0.0	0.1	33.4	0.0	0.0	0.0	0.0	0.0	6.0	6.4	8.0
Neova Terra	0.0	3.1	3.7	N/A	N/A	N/A	0.0	0.0	0.0	0.0	0.0	0.0	N/A	N/A	N/A	N/A	N/A	N/A	0.0	2.7	3.0
Group Services	0.0	0.0	10.2	N/A	N/A	N/A	0.0	0.0	0.0	0.0	0.0	0.0	N/A	N/A	N/A	N/A	N/A	N/A	0.0	0.0	7.0
Total																			3.6	4.8	6.7

* LTA1F accident frequency reflects count of workplace accidents over million working hours. It includes those workplace accidents that lead to a minimum of one day of absence from work.

Number of recorded safety observations 2023–2025

	Finland			The Netherlands			Sweden			Estonia			Germany			Spain			Total		
	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025
Kekkilä-BVB	203	241	428	535	287	974	140	136	313	46	79	162	24	15	3	0	1	7	948	759	1,887
Neova Terra	852	650	1,084	N/A	N/A	N/A	79	71	191	32	19	62	N/A	N/A	N/A	N/A	N/A	N/A	963	740	1,337
Group Services	81	26	75	6	0	0	1	1	5	5	7	6	0	0	0	0	0	0	93	34	86
Total																			2,004	1,533	3,310

Safety observations are done by all own personnel as well as by our contractors working in Neova's production/operations sites.

Main types of workplace injuries 2023–2025, %

	2023	2024	2025
Fall, slip, trip (impact with fixed object)	30%	18%	68%
Collision, hit, pressure (impact with moving object)	20%	20%	8%
Crush, compression, contusion (caused by object)	15%	23%	8%
Cut, stab, sting (caused by object)	12%	1%	8%
Shock, burn, poisoning, pressure (impact of electrical voltage, temperature, noise, hazardous substances)	2%	7%	0%
Sprain, Stretch, Rupture	12%	16%	0%
Other	9%	15%	8%

Statistics also include injuries from accidents during commute (between the home and workplace).



Contractors – Number of all accidents 2023–2025 (MTR*)

	Finland			The Netherlands			Sweden			Estonia			Germany			Total		
	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025
Kekkilä-BVB	0	0	0	1	2	0	2	3	0	0	0	0	1	0	0	4	5	0
Neova Terra	4	3	4	N/A	N/A	N/A	0	1	1	0	0	2	N/A	N/A	N/A	4	4	7
Group Services	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0	0
Total																8	9	7

* MTR count includes all workplace accidents that have been reported to us, including those that did not lead to absence from work.

Contractors – Number of accidents that lead to absence from work 2023–2025 (LTA1*)

	Finland			The Netherlands			Sweden			Estonia			Germany			Total		
	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025
Kekkilä-BVB	0	0	0	1	2	0	2	2	0	0	0	0	1	0	0	4	4	0
Neova Terra	3	2	2	N/A	N/A	N/A	0	1	0	0	0	2	N/A	N/A	N/A	3	3	4
Group Services	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0	0
Total																7	7	4

* LTA1 count includes those workplace accidents that lead to a minimum of one day of absence from work that have been reported to Neova.



S4 – CONSUMERS AND END USERS

Material impacts, risks and opportunities related to consumers and end users

Sub-topic	Impacts	Risks and opportunities for Neova Group	Management
Personal safety of consumers and/or end-users	+ Neova Group contributes to global food safety by enabling secure and healthy food production, even in harsh conditions.		Kekkilä-BVB's circular raw materials programme has focused on innovating new and safe circular raw materials for growing media.
		+ Consumer and retail preference move towards non-peat products may increase the sales of Kekkilä-BVB's new circular raw material products.	
Other		- Consumer and retail preference move towards non-peat products may decrease the sales of Kekkilä-BVB if the new circular raw material products are unavailable or undesired.	

The identification and assessment of material impacts risks and opportunities

The material impacts, risks, and opportunities related to consumers and end users have been identified in a double materiality assessment based on the principles of the company's risk management process. The materiality assessment is described on [page 24](#).

Growing smarter for healthier food and greener living

Neova Group's Kekkilä-BVB division is the European leader in horticulture. Growing media are needed to safely and efficiently

feed the world. Greenhouse production yields are up to around 10 times higher per unit area than those of field production. It can reduce water use by up to 50 per cent and fertiliser use by up to 60 per cent. Horticulture enables food to be produced closer to urban areas, requiring less transport. It can also improve food safety and hygiene.

Kekkilä-BVB's landscaping services support the building of greener environments, which contributes to better health and well-being. Trees, shrubs, and urban meadow areas reduce the risk of flooding and help cool cities in summer. In the present biodiversity loss crisis, urban green areas also support biodiversity.

Hobby gardening is good for both physical and mental health. Green eating and working in a garden, whether big or small, improve one's physical health and stamina. Handling plants and working in a green environment help relieve stress and improve mindfulness and resilience – all aspects supporting a good life.

Enabling the essentials of life while using less natural resources

Neova Terra is transitioning from an energy producer into a significant operator in the global food value chain. Its business focuses on refining peat into high-value solutions that contribute to cleaner environments,

improved food production, and more efficient resource use. Its land assets are developed for solar and wind power projects, and the cultivation of reed canary grass and sphagnum moss.

Progress in targets

In 2025, Neova Group passed its ISO 9001 and RHP audits, with no significant remarks or deviations, showcasing the company's efforts to build and maintain a strict quality process.

To ensure that Kekkilä-BVB can fulfil its customers' demand for new circular raw materials, the division has set a target of



increasing the share of circular raw materials to 45 per cent in its own production by 2030. In 2025, the share of circular raw materials in Kekkilä-BVB's own production was 31 per cent.

Policies

Neova Group's operations and ways of working are guided by the Group's Code of Conduct and Supplier Code of Conduct, which emphasises the Group's commitment to international human and labour rights. Both Codes of Conduct are supplemented by other policies and guidelines such as the Group's Corporate Responsibility Policy, which also includes quality. The policies and their implementation are directed by the Group's management systems, values, and strategic goals. Neova's operations are developed through continuous improvement, and the company encourages all its employees, partners, and customers to make observations and improvement proposals.

Neova Group invests in the high quality and hygiene level of production and raw materials in all its business units. Neova addresses the diverse needs of its customers to ensure maximum customer loyalty and create value for them together. Neova Terra and Kekkilä-BVB have their own management systems, and with the exception of peat operations in Estonia and Sweden, the management systems have the ISO 9001 quality

certificate. An additional quality evaluation of Kekkilä-BVB is performed by RHP, which ensures that raw material transport, storage, and processing of growing media raw materials is done in accordance with the highest industry quality standards. Kekkilä-BVB also holds the Foundation Quality Mark Good Soil (QMGS) quality mark in its Dutch operations. The quality mark is for potting soils for consumer markets.

To enhance its quality work, Kekkilä-BVB has two laboratories to support the development and optimisation of new and existing substrates. The laboratories are capable of conducting analyses of substrates and raw materials using state-of-the-art equipment. Kekkilä-BVB also owns two phytotrons (trial greenhouses) where all developments related to substrates and raw materials are subject to rigorous testing. All specialised substrates have been developed based on years of experience, multiple trials, and feedback from researchers, advisers, and growers. With this rigid process, Kekkilä-BVB ensures the quality, health, and safety of its products for its customers.

With the aim of increasing the share of circular raw materials, the risk of contamination also increases. Quickly renewable raw materials need to be hygienised to mitigate phytosanitary risks, for example. To name another example, composts need a careful assessment of potential contamination of input materials before they can be accepted in growing media. The use of new

materials also sets new requirements for Kekkilä-BVB's quality process. The Quality Team is constantly working on this, alongside the development of new raw materials.

The fertilisers Kekkilä-BVB uses and sells are regulated by REACH (the European Regulation on Registration, Evaluation, Authorisation and Restriction of Chemicals). Kekkilä-BVB purchases fertilisers from strategic supply partners that are responsible for importing the materials to Europe and administrative processes related to REACH.

Engaging with consumers and end users about impacts

The majority of Neova Group's customers are corporate customers. Neova's consumer customers are served mainly through retailers and the webpages of Kekkilä-BVB's Kekkilä Garden and Hasselfors Garden consumer brands. Some block peat, energy pellets, and animal bedding are also sold directly to consumers. The main channels for Neova's direct engagement with consumers are customer service and websites.

Neova develops its products and services through active dialogue with its customers. This creates a wider understanding of the needs of both consumers and end users. The channels for this dialogue are in-person meetings, customer surveys, and customer feedback forms.

Processes to remediate negative impacts and channels for consumers and end users to raise concerns

All feedback from corporate customers, consumers and end users is handled in the part of Neova's organisation responsible for the relevant product or service. Feedback and development ideas are taken into account in product and service development.

All product complaints are investigated, and any corrective measures are taken in the case of quality deviations. Neova's operating units have internal measurements and KPIs for quality, which are monitored and analysed regularly.

Neova's whistleblowing channel is open for all internal and external stakeholders to raise concerns about Neova's operations, ways of working, and offered products and services based on the principles described in the whistleblowing directive.

Societal benefits of growing media outweigh the environmental impact

A first-of-its kind study was performed this year with Growing Media Europe to explore the environmental and social benefits of healthy food and green living compared with the lifecycle impact of growing media. In recent years, discussions about the sustainability of growing media have focused mostly on the environmental footprint, while they are at the foundation of horticulture. Many studies have explained the benefits of gardening, residing in green (urban) surroundings, and eating healthy food, but a comparison with growing media impact had yet to be made.

The impact of growing media was assessed for the following segments:

1. soft fruits,
2. tree nurseries,
3. landscaping projects,
4. consumer potting soils.

For each segment, common recipes and more sustainable alternatives were assessed. It was found that the social and environmental benefits of healthy food and green living enabled by growing media were significantly higher than the lifecycle impact of their production and use. The societal benefits outweighed the growing media environmental impact, with factors ranging from 3.5 (landscaping projects) to almost 20,000 (tree nurseries).

Although monetised impacts and benefits allow comparison, the outcome of the estimates is uncertain. For the growing



media LCA calculations, the evaluations are based on standard values that may generate biases that may not reflect the actual local situation, transport means, or production locations, for example. The choice of monetisation approach (willingness to pay, abatement cost, etc.) also influences the outcome of the evaluation. Sticking to one approach (PEF methodology) and one source of monetisation does

not fully remove the uncertainty, but it at least provides consistency.

Despite the limitations in availability of data fit for comparing benefits and impact, monetisation has proven a useful tool to deal with that challenge. Lifecycle assessments, impact evaluations, and monetisation each come with their own assumptions, methodologies, and scoping. The results of this study should therefore be interpreted

with caution. Further research into different horticulture segments, valuation methods, and scoping of impacts and benefits is highly recommended.

The full article can be found in Acta Horticulturae, published by the International Society for Horticultural Science:

www.actahort.org/



Neova Group's total tax contribution: information by country, figures for the financial year 1 Jan–31 Dec 2025

	Finland	The Netherlands	Sweden	Estonia	Germany	Other countries
Unrelated party revenue	213.8	174.4	59.5	5.3	35.8	0.3
Related party revenue	92.6	47.0	9.0	41.6	15.1	2.2
Total revenue	306.4	221.4	68.5	46.9	51.0	2.4
Profit/loss before income tax	14.8	-7.0	-0.8	2.6	14.0	0.0
Income tax paid (on cash basis)	0.5	-1.0	0.0	1.0	0.5	0.4
Income tax accrued - current year	0.3	-1.8	0.1	1.0	1.0	0.1
Stated capital	260.7	21.7	26.5	19.5	11.4	1.4
Accumulated earnings	171.6	8.7	-1.6	30.2	17.5	3.8
Number of employees	326	275	87	58	11	17
Tangible assets other than cash and cash equivalents	165.7	84.8	61.0	41.4	5.5	0.1
Direct taxes payable for the financial year, EUR million						
Income taxes	-0.1	-1.3	-0.1	1.0	1.0	0.4
Employer contributions	0.4	3.0	1.5	0.7	0.2	0.2
Property taxes	0.2	0.0	0.0	0.0	0.0	0.0
Other taxes	0.0	0.7	0.2	0.5	0.0	0.0
Indirect taxes payable for the financial year, EUR million						
Excise taxes	0.1	0.0	0.0	0.0	0.0	0.0
Taxes remitted for the financial year, EUR million						
Payroll taxes	7.1	4.5	1.4	0.5	0.4	0.2
Value added tax, net	-4.3	5.8	-2.0	0.6	2.7	0.0
Value added tax, sales	49.7	21.4	13.9	6.7	4.9	0.0
Value added tax, purchases	-53.9	-15.6	-15.9	-6.1	-2.1	0.0
Total	3.5	12.7	1.0	3.2	4.2	0.8



GRI-INDEX

GRI Standard and disclosure	Location	Omissions
GRI 2: General disclosures 2021		
2-1 Organizational details	Group p. 4–5, Sustainability Statement p. 19–20, About us	
2-2 Entities included in the organization's sustainability reporting	Neova Oy (Finland) and its companies located in Sweden, Estonia, the Netherlands and Germany.	
2-3 Reporting period, frequency and contact point	Sustainability Statement p. 21, Sustainability and the sustainability strategy and targets: Susanna Inkinen, Chief Communications & Sustainability Officer, Environmental sustainability: Teija Hartikka, Senior Manager, SEQ, Economical sustainability: Hannu Nyman, CFO, Social sustainability: Jenni Nevasalo, Chief HR Officer	
2-4 Restatements of information	The figures presented in the sustainability report represent the entire Neova Group to the extent that the data was available. Any changes to previous reports are included in the topic-specific disclosures.	
2-5 External assurance		This report has not been externally assured. Emission calculation logic and emission factors used in Neova Group's 2020 Scope 1 & 2 emission calculation have been checked by Gaia consulting Oy. Scope 3 emission calculation 2020 and 2021 has been done by third party, Gaia Consulting Oy. The emission calculation for 2024 has been done with the same bases as previous years. Correction (2025): Contractors' fuel use has been moved from direct to indirect energy use. The base year has been adjusted accordingly to maintain comparability of the reduction target. Reported direct energy includes only fuels purchased and consumed by the company.
2-6 Activities, value chain and other business relationships	Sustainability Statement p. 23–24	
2-7 Employees	Sustainability Statement p. 43–51	
2-8 Workers who are not employees		Not reported.
2-9 Governance structure and composition	Corporate Governance	
2-10 Nomination and selection of the highest governance body	Corporate Governance	
2-11 Chair of the highest governance body	Corporate Governance	Chairman of the Board does not work for the company.
2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Governance	



GRI Standard and disclosure	Location	Omissions
2-13 Delegation of responsibility for managing impacts	Sustainability Statement p. 21–22	
2-14 Role of the highest governance body in sustainability reporting	Sustainability Statement p. 22, The Board of Directors approves the Sustainability Statement. The Audit Committee oversees the Group's sustainability reporting.	
2-15 Conflicts of interest		
2-16 Communication of critical concerns	Sustainability Statement p. 46–47	
2-17 Collective knowledge of the highest governance body	Responsibility is incorporated into CEO's reporting to the Board of Directors. Separate training has not been organised because the Board of Directors' level of knowledge has been sufficient for decision-making.	
2-18 Evaluation of the performance of the highest governance body	Corporate Governance	
2-19 Remuneration policies	Remuneration	
2-20 Process to determine remuneration	Remuneration	
2-21 Ratio of highest annual remuneration to average remuneration	Corporate Governance	Not reported.
2-22 Statement on sustainable development strategy	Sustainability Statement p. 18	
2-23 Policy commitments	Sustainability Statement: The policies guiding activities in each area of sustainability are listed under Policies in each section.	
2-24 Embedding policy commitments	Sustainability statement: The embedding of policies is separately described in each section.	
2-25 Processes to remediate negative impacts	Sustainability Statement p. 28, 35, 39, 43, 53	
2-26 Mechanisms for seeking advice and raising concerns	Sustainability Statement p. 46, 56	
2-27 Compliance with laws and regulations	Hasselfors Garden Ab: illegal environmental measures, permit documents were submitted too late. Corporate fine 50,000 SEK.	
2-28 Membership associations	Memberships	
2-29 Approach to stakeholder engagement	Sustainability Statement p. 24–25	
2-30 Collective bargaining agreements	Sustainability Statement p. 48, 49	



GRI Standard and disclosure	Location	Omissions
GRI 3: Material topics 2021		
3-1 Process to determine material topics	Sustainability Statement p. 24, 26	
3-2 List of material topics	Sustainability Statement p. 26, 27	
3-3 Management of material topics	Described in the chapter describing the operation of each aspect of sustainability.	
GRI 101: Biodiversity 2024		
101-1 Policies to halt and reverse biodiversity loss	Sustainability Statement p. 36	
101-2 Management of biodiversity impacts	Sustainability Statement p. 36	
101-4 Identification of biodiversity impacts	Sustainability Statement p. 36, Double materiality assessment p. 26	
101-5 Locations with biodiversity impacts	Sustainability Statement p. 36–37	
101-6 Direct drivers of biodiversity loss	Sustainability Statement p. 35–36	
101-7 Changes to the state of biodiversity	Sustainability Statement p. 37	
101-8 Ecosystem services	Sustainability Statement p. 35–38	
GRI 102: Climate Change 2028		
102-4 GHG emissions reduction targets and progress	Sustainability Statement p. 28	
102-5 Scope 1 GHG emissions	Sustainability Statement p. 32	
102-6 Scope 2 GHG emissions	Sustainability Statement p. 32	
102-7 Scope 3 GHG emissions	Sustainability Statement p. 32–33	
102-8 GHG emissions intensity	Sustainability Statement p. 28	
GRI 103: Energy 2025		
103-1 Energy policies and commitments	The organization is committed to advancing the use of renewable energy sources and enhancing energy efficiency, particularly through the development of wind and solar power projects.	
103-2 Energy consumption and self-generation within the organization	Sustainability Statement p. 34	In Novactor's operations, the energy sold is generated from the raw-material-based process rather than from the company's own fuel use, which means the amount sold can exceed Novactor's own energy consumption; no negative values are shown in the table, and the sold energy is reported in the 'energy sold' section in accordance with the GRI standard.



GRI Standard and disclosure	Location	Omissions
GRI 201: Economic performance 2016		
201-1 Direct economic value generated and distributed	Financial Statements and Board of Directors' Report p. 64–67, 70	
GRI 205: Anti-corruption 2016		
205-2 Communication and training about anticorruption policies and procedures	Sustainability Statement p. 27, 43	Anti-corruption is part of the mandatory CoC training.
205-3 Confirmed incidents of corruption and actions taken	No reported incidents.	
GRI 206: Anti-competitive Behaviour 2016		
206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	No reported incidents.	
GRI 207: Taxes 2019		
207-4 Country-by-country reporting	Sustainability Statement p. 56	
GRI 301: Materials 2016		
301-2 Recycled input materials used	Sustainability Statement p. 27, 53–54	Circular raw materials have been reported for Kekkilä-BVB's growing media production.
GRI 303: Water and Effluents 2018		
303-1 Interactions with water as a shared resource	Sustainability Statement p. 27, 35–36	For emissions into waterways, report nitrogen, phosphorus and solid matter emissions from Finnish peat operations where environmental permits include the obligation to calculate the annual load. The calculations are based on samples.
303-2 Management of water discharge-related impacts	Sustainability Concept for Peat	Environmental permit is required for peat production. At peat production areas, the best available techniques (BAT) are defined on a case-by-case basis taking into account the particular conditions at each production area and the remaining operational time. The profile of the receiving waterbody is considered in permit processes. n samples.
GRI 306: Waste 2020		
306-1 Waste generation and significant waste-related impacts	Sustainability Statement p. 39–41	
306-2 Management of significant waste-related impacts	Sustainability Statement p. 39–41	
306-3 Waste generated	Sustainability Statement p. 41	
306-4 Waste diverted from disposal	Sustainability Statement p. 41	
306-5 Waste directed to disposal	Sustainability Statement p. 41	



GRI Standard and disclosure	Location	Omissions
GRI 401: Employment 2016		
401-1 New employee hires and employee turnover	Sustainability Statement p. 49	Reported partly.
GRI 402: Labour/Management Relations 2016		
402-1 Minimum notice periods regarding operational changes	Arrangements compliant to legislation.	
GRI 403: Occupational Health and Safety 2018		
403-1 Occupational health and safety management system	Sustainability Statement p. 44–45	
403-2 Hazard identification, risk assessment, and incident investigation	Sustainability Statement p.18, 27, 43, 50–52, Financial Statements and Board of Directors' Report p. 66	
403-3 Occupational health services	The Neova group provides its entire personnel with occupational health care, which includes preventive, statutory occupational health care. Statutory occupational health care includes health examinations, health counselling and activities that support work ability and functional capacity. Statutory occupational health care applies to everyone from the beginning of the employment relationship.	
403-4 Employee participation, consultation and communication on occupational health and occupational safety	Employees and partners participate in risk assessments. Finland has an active occupational safety and health organisation that cooperates closely with occupational health services. The Group distributes a monthly safety report to all personnel.	
403-5 Worker training on occupational health and safety	Sustainability Statement p. 45, 47	
403-8 Workers covered by an occupational health and safety management system	All personnel and partners operating in our areas.	
403-9 Work related injuries	Sustainability Statement p. 27, 50–52	



GRI Standard and disclosure	Location	Omissions
GRI 404: Training and Education 2016		
404-2 Programs for upgrading employee skills and transition assistance programs	Sustainability Statement p. 44, 46	Reported partly.
404-3 Percentage of employees receiving regular performance and career development reviews	All personnel.	
GRI 405: Diversity and Equal Opportunity 2016		
405-1 Diversity of governance bodies and employees	<p>Board of Directors: 7 members total: 3 women (43%) and 4 men (57%). Under 30 yrs: 0, 30–50 yrs: 2 (29%), over 50 yrs: 5 (71%).</p> <p>Group Management Team: 4 members, 0 women (0%) and 4 men (100%), under 30 yrs: 0, 30–50 yrs: 1 (25%), over 50 yrs: 3 (75%)</p>	
GRI 406: Non-discrimination 2016		
406-1 Incidents of discrimination and corrective actions taken	No reported cases.	
GRI 415: Public Policy 2016		
415-1 Political contributions	Neova does not support any political parties.	
GRI 416: Customer Health and Safety 2016		
416-1 Assessment of the health and safety impacts of product and service categories	Sustainability Statement p. 53–55	
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	No reported incidents.	
GRI 417: Marketing and Labelling 2016		
417-1 Requirements for product and service information and labelling	Sustainability Statement p. 53–54	
417-2 Incidents of non-compliance information and labelling	No incidents of non-compliance.	
417-3 Incidents of non-compliance concerning marketing communications	No incidents of non-compliance.	
GRI 418: Customer Privacy 2016		
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	No incidents.	



FINANCIAL STATEMENTS AND BOARD OF DIRECTORS' REPORT

Neova aims for sustainably profitable business growth based on global megatrends such as urbanisation, climate change and geopolitical shift.





BOARD OF DIRECTORS' REPORT

1 JANUARY TO 31 DECEMBER 2025

Operating environment

The Company's market environment in 2025 was defined by resilience and complexity. While global economic conditions benefited from easing inflation and continued investment in technology and modern agriculture, the environment was also shaped by elevated geopolitical tensions and new tariff regimes.

The global growing media market exhibited steady growth. The demand was supported the long-term market drivers: rising consumer interest in fresh, locally produced food, the growth of greenhouse and vertical farming operations, and the ongoing shift toward more sustainable cultivation methods. In addition, landscaping and home gardening markets have recovered. In 2025, market dynamics were shaped evolving trade conditions. Notably, the U.S. tariff changes impacted on economic development and investment environment slowing down investments.

Demand for growing media is expected to continue to grow, and a wide selection of other raw materials like coir and wood fiber are needed along peat to fulfil the growing demand. Regionally, Asia Pacific is expected to remain the fastest growing market, supported by rapid urbanisation, rising disposable incomes, and investment in modern horticultural infrastructure. North America and Europe sustain strong demand through advanced horticultural practices and early adoption of sustainable substrates. These regions also remain central hubs for research and development, impacting the global horticulture ecosystem.

The global peat market is undergoing significant change, shaped by environmental awareness, regulatory actions, and the emergence of alternatives. The European peat mar-

ket continued to develop modestly, characterized by a mix of growth and decline, as environmental concerns, regulatory actions, depletion of old peat production areas, and the emergence of alternatives to peat-based products restrict growth. In Finland, energy peat usage has dropped to one-third of 2019 levels, as a share of combustion-based heat production has decreased in recent years as heat production has become more electrified. However, energy peat plays a role as a security-of-supply fuel and regionally balances the availability of wood biomass. A warm start to the year in the Nordics reduced heating demand and led to oversupply of energy wood.

The biostimulants market has grown rapidly in recent years in response to soil degradation, water scarcity, climate change, and the need for higher crop yields. Demand for activated carbon market is driven by environmental regulations and increased demand for water purification, air filtration, and mercury emission reduction.

Financial development

Net sales

Net sales by division

EUR million	2025	2024	Change
Kekkilä-BVB	342.7	319.4	7.3%
Neova Terra	172.0	189.5	-9.2%
Other and eliminations	-42.0	-39.8	
Total	472.7	469.0	0.8%

The Group's net sales increased by 1 percent to EUR 472.7 million (EUR 469.0 million). Net sales increased in Europe, Africa and Asia and decreased in North and South America due to lower volumes. Measured by net sales, the top three countries were Finland, the Netherlands and Sweden.

The Kekkilä-BVB division's net sales increased by 7 percent and was EUR 342.7 million (EUR 319.4 million). Net sales increased in all geographical business areas in consumer, materials and landscaping businesses compared to previous year.

The Neova Terra division's net sales decreased by 9 percent and was EUR 172.0 million (EUR 189.5 million). The beginning of the year and winter were milder than normal, leading to decreased demand for fuels, which has been partly offset by favorable development of the horticultural peat market.

Result and profitability

Comparable EBITDA by division

EUR million	2025	2024	Change
Kekkilä-BVB	33.9	32.1	5.4%
Neova Terra	17.3	27.7	-37.6%
Other and eliminations	-1.2	-2.9	
Total	50.0	56.9	-12.1%

The Group's comparable EBITDA, excluding non-recurring costs, decrease by 12 percent to EUR 50.0 million (EUR 56.9 million). EBITDA increase by 7 percent compared to previ-



ous year amounting to EUR 52.2 million (EUR 48.8 million), or 11.0 (10.4) percent of net sales.

The Kekkilä-BVB division's comparable EBITDA amounted to EUR 33.9 million (EUR 32.1 million) and was 9.9 (10.1) percent of the division's net sales. Profit increased from the previous year due to higher sales and price increases.

The Neova Terra division's comparable EBITDA amounted to EUR 17.3 million (EUR 27.7 million) and was 10.1 (14.6) percent of the division's net sales. Profit decreased from previous year due to lower sales volumes.

Comparable operating profit by division

EUR million	2025	2024	Change
Kekkilä-BVB	15.7	12.8	23.1%
Neova Terra	6.1	16.8	-63.8%
Other and eliminations	-2.4	-4.5	
Total	19.4	25.0	-22.6%

The Group's comparable operating profit was EUR 19.4 million (EUR 25.0 million) or 4.1 (5.3) percent of net sales. Group's operating profit was EUR -3.2 million (EUR 14.0 million) or -0.7 (3.0) percent of net sales.

The Kekkilä-BVB division's comparable operating profit amounted to EUR 15.7 million (EUR 12.8 million) and was 4.6 (4.0) percent of the division's net sales.

The Neova Terra division's comparable operating profit amounted to EUR 6.1 million (EUR 16.8 million) and was 3.5 (8.9) percent of the division's net sales.

The Group's result for the period was EUR -11.4 million (EUR 8.8 million). Earnings per share were EUR -382 (EUR 288).

Cash flow, investing and financing

The Group's cash flow before taxes for January-December 2025 was EUR 4.7 million (EUR 45.1 million). The change in

working capital affected the cash flow by EUR -26.2 million (EUR 23.3 million). Gross investments January-December 2025 amounted to EUR 29.9 million (EUR 38.7 million) or, 94.4% (111.8%) of the amount of depreciations.

Interest-bearing net debt at the end of December amounted to EUR 172.1 million (EUR 129.0 million). The ratio of interest-bearing net debt to EBITDA (net debt/EBITDA) was 3.3 (2.6) on December 2025. Of the Group's interest-bearing debt 41,5% 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 December was 46.4 % (49.8%) and the gearing ratio was 43.5% (49.3%). The balance sheet total was EUR 546.5 million (EUR 599.7 million). Net financing items were EUR -7.9 million (EUR -5.8 million), or -1.7% (-1.2%) of net sales.

Personnel

In January-December 2025 Group employed an average of 791 (817) employees. At the end of the review period, the number of employees was 790 (777).

Number of employees by average

	2025	2024
Kekkilä-BVB	564	558
Neova Terra	205	222
Other and eliminations	23	36
Total	791	817

Sustainability

The sustainability work at Neova Group is guided by a sustainability strategy. The Board of Directors approved the revised sustainability strategy for 2030 in December 2025.

The strategy promotes sustainable growth, environmental responsibility, and the welfare of employees and partners. It has been designed to meet international standards, such as the UN Sustainable Development Goals, and the expectations of Neova's stakeholders.

The role of peat as a raw material is significant for society in local food production and creating healthy living environments, for example. Peat-based activated carbon can be used to purify water and air. Neova continues to create new, high value-added peat products for agriculture.

The Group's certified management system covers the ISO 9001 quality system, ISO 14001 environmental system, and ISO 45001 occupational health and safety system. The certified management system helps Neova to coordinate and manage its operations to satisfy customer and stakeholder requirements and regulatory obligations, as well as focus on the continuous improvement, profitability and efficiency of its operations.

Environmental responsibility

To reduce the harmful environmental impacts of Neova's operations, the company has implemented Green Factory concept, which allows it to carry out tangible measures to reduce greenhouse gas emissions. It also promotes natural biodiversity, supports the circular economy and takes the sustainable use of water into account. The Green Factory concept encourages factory management and personnel to actively participate in the implementation of the responsibility programme's targets. The key actions and development areas of Neova's operations have been taken into account when defining the targets.

Neova Group's active peat production areas (Finland, Sweden, Estonia) in the summer of 2025 totalled approximately 24,300 (24,700) hectares, with Finland accounting for 17,900 (18,000) hectares of the total, including stacking areas.



At the end of the financial year, a total of 40 peat production areas were in the post-production aftercare stage. Environmental permits for peat production include aftercare obligations, which is why it is important for aftercare to be carried out responsibly and in line with the provisions of the environmental permit. Centres for Economic Development, Transport and the Environment (ELY Centres) conducted a total of 66 on-site inspections at Neova's peat production areas in 2025. Of these, 54 regular inspections in accordance with the monitoring plan and 12 other inspections.

A total of 445 (1,695) hectares of land owned by the company was transferred to next land use in the Finnish peat production operations during the financial year. A total of 354 (940) hectares were assigned for reforestation and 91 (33) hectares for building wetlands. A total of 1,536 (6,100) hectares were returned to landowners.

In peat production, Neova use RPP certification (Responsibly Produced Peat) granted by an independent third party as an indicator of responsibly produced peat. In 2025, the Neova Group was awarded a total of 21 new RPP certificates: 14 in Finland, four in Estonia and three in Sweden. With these new certificates, Neova achieved the 2025 target of 11,500 hectares of RPP certified production area.

In total, Neova's production sites in Finland, Sweden and Estonia comprise 46 RPP certified areas, covering 11,500 hectares. Across all operators, there are 156 RPP certified areas with a combined area of 35,000 hectares, of which Neova Group companies account for approximately one third, making Neova the largest single operator within the RPP certification scheme.

In accordance with its environmental permit application principles, the Group only applies for new production permits for ditched peatlands. Neova Group's (Finland, Sweden, Estonia) environmental investments in peat production areas in 2025 amounted to EUR 0.7 million (0.4) and were primarily related to the improvement and the building of

water treatment structures at peat production sites. Excluding input from the company's own personnel, environmental protection costs for the financial year amounted to EUR 9.9 million (10.9). They primarily consisted of the maintenance of water treatment structures in peat production and impact monitoring.

Occupational safety

Neova aims towards ambitious target of zero accidents. Neova develops Safety First! culture to prevent accidents and incidents through effective risk assessment, employee training and by supporting business operations. In 2025, the company continued systematic occupational safety work by carrying out a significant number of risk assessments, safety inspections and safety walks. Kekkilä-BVB implemented a comprehensive four-point action plan and Neova Terra a five point action plan to improve safety.

In 2025, the Group's accident frequency (LTA1: lost-time accidents per one million working hours) increased from the previous year to 6.3 (4.7). Most accidents, particularly serious ones, typically occur in production operations. During 2025, nine lost time accidents occurred among Neova's own personnel, of which four were classified as serious. Neova's contractors experienced four lost time accidents.

In 2025, a total of 1,718 safety observations (1,533) were made in Neova.

The Neova Group applies a zero tolerance policy towards inappropriate behavior and discrimination, and the Group has a formal process for handling such cases. In 2025, training sessions covering this topic were organized for supervisors and personnel, and every reported case was handled without delay.

Neova Group participated in the Great Place to Work employee survey in 2025 for the seventh time. Our Trust Index, which measures employee experience, was 70 percent, compared to 67 percent in 2024. Based on the survey

results, the Neova Group achieved Great Place to Work certification in Estonia, Finland and Sweden.

KPI

	1-12/2025	1-12/2024
Accident frequency R12 (rolling 12 months): All accidents (MTR)	8,4	9,7
Accident frequency R12 (rolling 12 months): Accidents leading to lost time (LTA1)	6,3	4,7

Reporting segments

Neova's reporting segments consist of the Group divisions: Kekkilä-BVB; Neova Terra; and Other and eliminations.

Kekkilä-BVB division includes Kekkilä-BVB's four business areas, Central Europe, Global, Nordics and Materials.

Neova Terra division includes Real Estate Development and Renewable Energy business; Peat and New Materials business; Novactor, responsible for the activated carbon business; and Neova Agro, 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 use, home gardeners and landscapers. Kekkilä-BVB provides products and services in more than 100 countries worldwide.

Net sales for financial year increased by 7% to EUR 342.7 million (EUR 319.4 million). The Comparable EBITDA was EUR 33.9 million (EUR 32.1 million), or 9.9% (10.1%) of net sales. The reported EBITDA was EUR 36.3 million (EUR 26.2 million)



and the operating profit was EUR 15.1 million (EUR 4.4 million). Gross investments totalled EUR 19.3 million (EUR 23.2 million). The operating profit included non-recurring items of EUR -0.6 million (EUR -8.3 million) relating to sales of businesses, fire at Wanssum factory and efficiency improvement measures. Kekkilä-BVB completed the sale of its closed Georgsdorf site in Germany to Agricon Group in the first quarter.

Net sales in January–December grew in all geographical business areas including Global business area, which had a temporary decline in demand in the second and third quarter. Comparable operating profit in the financial year includes positive impact from increased sales and negative impact from new ERP implementation costs.

Kekkilä-BVB

	2025	2024	Change
Net sales (EUR million)	342.7	319.4	7%
EBITDA (EUR million)	36.3	26.2	39%
Operating profit (EUR million)	15.1	4.4	239%
Investments (EUR million)	19.3	23.2	-17%
Number of employees	564	558	1%

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 financial year amounted to EUR 172.0 million (EUR 189.5 million). The EBITDA was EUR 17.3 million (EUR 27.1 million) and the operating profit was EUR -15.7 million (EUR 15.6 million). The operating profit included non-recurring items in the amount of EUR -21.8 million (EUR -1.2 million). Gross investments totalled EUR 10.6 million (EUR 15.1 million).

Neova Terra's net sales and profit for the fourth quarter and the full year were lower than in the previous year due to a decrease in energy peat delivery volume and a decrease in pellet sales volume and price. Poor peat production in the Baltics caused a shortage in the horticultural peat market, which increased horticultural peat deliveries from Finland and Sweden, improving profitability together with good cost development.

In the Peat and New Materials business, sales of horticultural and bedding developed favourably partly compensating for the decline in sales of energy peat. Good sales price development and successful cost management had a positive impact on profitability. Rainy weather hampered peat production in Estonia

In Real Estate Development and Renewable business, pellet delivery and production volumes decreased after the closure of the Vilppula plant at the end of April. The conversion of the areas that had been removed from peat production into solar and wind farms proceeded according to project plans, and the first income from the development projects was realised during the financial year.

Production and sales at Novactor's activated carbon plant in Ilomantsi increased compared to the previous year and the development work for further refining of the activated carbon progressed. In connection with the summer maintenance break, process efficiency for the production of different activated carbon fractions was further developed. During the last quarter of the year, a non-recurring amortization of EUR 21.2 million was made to the Ilomantsi plant, reflecting the current business plans at the completion of the plant investment project.

The commercialisation of Neova Agro's animal feed, biostimulant and soil improvement business is processing as planned. The reception of animal feed sold under the brand name ProHumi has been good. The sale, registration and testing of the biostimulants, which is marketed under the brand name NeoCore, is underway in several countries. Commercial deliveries of new soil improvement products marketed under the NeoTerra brand name continued.

Neova Terra

	2025	2024	Change
Net sales (EUR million)	172.0	189.5	-9%
EBITDA (EUR million)	17.3	27.1	-36%
Operating profit (EUR million)	-15.7	15.6	-201%
Investments (EUR million)	10.6	15.1	-29%
Number of employees	205	222	-8%

Other and eliminations

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

The Operating profit for the financial year amounted to EUR -2.6 million (EUR -6.1 million). The operating profit included non-recurring items of EUR -0.2 million (EUR -1.5 million).

Other and eliminations

	2025	2024	Change
Net sales (EUR million)	-42.0	-39.8	-5%
Operating profit (EUR million)	-2.6	-6.1	57%
Investments (EUR million)	0.0	0.5	-109%
Number of employees	23	36	-37%



Short term business risks and market uncertainties

Neova is exposed, both directly and indirectly through its subsidiaries and associates, to a number of 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

The most significant threats to the horticultural peat business include restrictions on the use of peat in growing media, more negative attitudes towards the use of peat in the retail sector and possible changes in legislation concerning peat.

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.

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 capable to use also other raw materials for the production of activated carbon.

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 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 increase in material costs will affect Neova Group's profitability in the short term, as changes in material costs can 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.

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 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, growing media, activated carbon, animal feed and biostimulant-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 peat.

Damage risks

Damage risks include occupational safety risk, property risk, interruption risk and environmental risk. Neova aims to pre-

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

Political and geopolitical risks

The continuation of the war in Ukraine has increased geopolitical risks, which may have an impact on the Group's operating environment. Potential restrictions on international trade may restrict our operating conditions in various regions. If this risk were to materialise, it would have a significant impact on Kekkilä-BVB's business in particular. Neova complies with the sanctions imposed against Russia and, accordingly, sales to Russia and Belarus, and raw material purchases from Russia and Belarus, have been discontinued. Neova does not have industrial operations of its own in the Russian, Belarussian or Ukrainian markets.

Geopolitical tensions often give rise to tightening trade policies, including increasing tariffs and other hindrances of international trade.

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 ac-



counting to currency derivatives. Finnish companies use hedging against the electricity price risk physical electricity delivery contracts, to which cash flow hedge calculation is not applied.

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

Natural seasonal fluctuation in activities

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

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

The success of the peat harvesting season in summer plays a central role with regard to raw material reserves for the next year. The peat harvesting season falls almost entirely into the second and third quarters of the year and introduces significant cyclical to business. In 2025, the harvesting was hampered by the rainy weather especially in the Baltic countries.

Research and development

The Group's research and development investments during the financial year 1 January to 31 December 2025

amounted to EUR 5.2 (8.1) million which corresponds to 1.1 (1.7) percent of net sales. Research and development activities focused on supporting the company's strategic renewal in all Neova Group companies. In 2025, Kekkilä-BVB continued its long-term research, development, and innovation work to increase the availability of circular raw materials and diversify raw material selection. The company started research for 12 new raw materials and additives and continued co-creation projects together with its customers

In Neova Terra's Neova Agro business, development and commercialisation of animal nutrition and crop solutions proceeded as planned. The product portfolio was supplemented with new soil conditioner products that enhance soil carbon content and water retention capacity, as well as biostimulant products for foliar application. Product development of feed products expanded to a new liquid product.

Resolutions by the annual General meeting

Neova Oy's Annual General Meeting was held in Helsinki on 26 March 2025. The AGM adopted the financial statements for the financial year 2024, discussed the remuneration report for the financial year 2024, 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 1,165 per share for the financial year January 1–31 December 2024, which corresponds to a total amount of EUR 34,950,000.

The AGM decided that the number of Board members be confirmed as six (6). The AGM decided that Stefan Damlin, Jari-Pekka Punkari, Dick Hordijk and Panu Routila will continue as members of the Board of Directors, and Karoliina Joensuu and Riikka Timonen were elected as new members. Panu Routila will serve as the Chair of the Board of Directors.

The AGM decided that Harri Hietala, Janne Jukkola, Antti Kangas, Jari Koskela, Janne Laine, Piritta Rantanen and Eerikki Viljanen will continue as members of the Super-

visory Board. Mika Härkönen, Pasi Kivisaari and Marianne Munkki were elected as new members. Antti Kangas continues as Chair of the Supervisory Board and Mika Härkönen was elected as the Vice Chair.

The audit firm PricewaterhouseCoopers Oy was elected as auditor, with Panu Vänskä, Authorised Public Accountant, appointed as the principal auditor. The AGM decided, in accordance with the proposal of the Board of Directors, to elect PricewaterhouseCoopers Oy as the verifier for CSRD sustainability reporting. The election is conditional on CSRD reporting obligations applying to company at the time of reporting in 2025.

The AGM confirmed the remuneration of the Chair of the Board, the Chair of the Audit Committee of the Board and the board members. The Chair's monthly remuneration is EUR 3,000, the Chair's of the Audit Committee monthly remuneration is EUR 1,900 and the member's monthly remuneration is EUR 1,750. A meeting fee of EUR 600 is paid to each member of the Board of Directors for meetings, and in addition, board members who live elsewhere than in Finland are paid an additional meeting fee of EUR 600 for attendance meetings held in Finland. The meeting fee is paid for the meetings of the board and its committees and working groups.

The AGM confirmed the meeting fee of the Chair of the Supervisory Board at EUR 800, the meeting fee of the Vice Chair at EUR 600 and the meeting fee of the members at EUR 500 per meeting. It was decided to pay the auditor's fee according to a reasonable invoice.

The owners have elected Maija Strandberg (Chair) and Rami Vuola as members of the Shareholders' Nomination Board. No separate remuneration is paid to the members of the Nomination Board.

At an Extraordinary General Meeting on 4 June 2025, the shareholders appointed Kristiina Michelsson as a new member to the Board of Directors of Neova Oy. After the decision, Neova Oy's Board of Directors has seven (7) members: Stefan Damlin, Dick Hordijk, Karoliina Joensuu, Kristiina Michelsson, Jari-Pekka Punkari, Panu Routila and Riikka Timonen. Panu Routila will serve as the Chair of the Board of Directors.



Board of Directors' proposal for the distribution of profits

On 31 December 2025 the parent company's distribution assets amounted to EUR 225.1 million.

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 166.00 (1165.00) per share be paid on the basis of the adopted balance sheet for 2025, amounting to a total of EUR 4.98 million (35.0). The rest of the distributable assets shall be carried forward in retained earnings.

Events after the review period

There were no significant events after the review period.

Outlook for 2026

The megatrends of urbanisation, climate change and sustainable production are in many ways beneficial for Neova, and the company believes them to support positive development of the company's businesses.

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

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

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

Consolidated key figures

EUR Million	1-12/2025	1-12/2024
Net sales	472.7	469.0
Operating profit (EBIT)	-3.2	14.0
% of net sales	-0.7	3.0
Operating profit (EBIT) before impairment	21.6	16.9
% of net sales	4.6	3.6
Profit for the period	-11.4	8.8
EBITDA	52.2	48.8
+/- Change in working capital	-26.2	23.3
- Net investments	21.4	27.1
Free cash flow before taxes	4.7	45.1
Gross investments	29.9	38.7
Return on invested capital % *	-0.7	3.2
Return on invested capital % before impairment *	-6.3	2.6
Return on equity %*	-4.2	2.9
Total assets	546.5	599.7
Shareholders' equity	252.3	296.6
Interest-bearing net debt	172.1	129.0
Equity-to-assets ratio %*	46.4	49.8
Interest-bearing net debt/EBITDA	3.3	2.6
Gearing %	68.2	43.5
Average number of employees	791	817

* Last 12 months



SIGNATURES TO THE FINANCIAL STATEMENTS AND THE REPORT OF THE BOARD OF DIRECTORS

Vantaa, 26 February 2026
Board of Directors of Neova Oy

Panu Routila
Chair

Stefan Damlin

Dick Hordijk

Karoliina Joensuu

Kristiina Michelsson

Jari-Pekka Punkari

Riikka Timonen

Pekka Tennilä
CEO

Auditor's note
A report on the audit
has been issued today.
Helsinki, 3 March 2026
PricewaterhouseCoopers Oy
Authorised Public Accountants

Panu Vänskä
Authorised Public Accountant, KHT



CONSOLIDATED FINANCIAL STATEMENTS, IFRS

Consolidated statement of comprehensive income

EUR million	Note	1-12/2025	1-12/2024
NET SALES	2.2	472.7	469.0
Change in inventories of finished goods and work in progress		3.2	1.1
Other income	2.3	8.0	12.5
Share of profit of associates and joint ventures		1.1	2.7
Materials and services	2.4	-227.9	-231.9
Expenses arising from staff benefits	2.5	-61.2	-63.1
Depreciation and amortisation	3.5	-31.7	-34.6
Impairments	3.5	-24.8	-2.9
Other operating expenses	2.3	-142.7	-138.8
OPERATING PROFIT		-3.2	14.0
Financial income	5.1	8.2	11.5
Financial expenses	5.1	-16.1	-17.3
PROFIT BEFORE INCOME TAXES		-11.1	8.2
Income tax expense	2.6	-0.3	0.6
PROFIT FOR THE PERIOD		-11.4	8.8

EUR million	Note	1-12/2025	1-12/2024
OTHER COMPREHENSIVE INCOME ITEMS			
Items that will not be reclassified to profit or loss:			
Remeasurements on defined benefit plans		0.0	-0.3
Items that may be subsequently reclassified to profit or loss:			
Cash flow hedges		0.7	0.0
Translation differences		1.4	-0.7
TOTAL COMPREHENSIVE INCOME		-9.3	7.7
PROFIT FOR THE PERIOD			
Profit attributable to:			
Owners of the parent		-11.5	8.6
Non-controlling interests		0.1	0.1
		-11.4	8.8
Total comprehensive income attributable to			
Owners of the parent		-9.4	7.6
Non-controlling interests		0.1	0.1
		-9.3	7.7

Earnings per share from result attributable to the owners of the parent (in euro per share)

Earnings per share, EUR	2.7	-382	288
No. of shares		30,000	30,000



Consolidated balance sheet

EUR million	Note	31 December 2025	31 December 2024
ASSETS			
Non-current assets			
Goodwill	3.1	31.5	31.3
Intangible assets	3.2	39.2	39.6
Property, plant and equipment	3.3	174.5	196.0
Right-of-use assets	3.4	46.3	52.9
Shares in associates and joint ventures	6.3	25.1	24.4
Deferred tax assets	4.5	1.9	6.1
Other financial assets	5.2	0.4	0.5
Other receivables	4.6	3.4	3.5
Total non-current assets		322.3	354.2
Current assets			
Inventories	4.1	131.3	120.4
Trade receivables and other receivables	4.2	82.8	72.5
Income tax receivables		7.3	7.1
Other financial assets	5.2	0.0	35.2
Other securities	5.2	0.0	3.0
Cash and cash equivalents	5.3	2.7	6.5
Total current assets		224.1	244.6
Assets held for sale	6.4	0.0	0.9
TOTAL ASSETS		546.5	599.7

EUR Note	Note	31 December 2025	31 December 2024
EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital		50.5	50.5
Fair value fund and other funds		30.4	29.8
Translation differences		-6.1	-7.5
Retained earnings		177.0	223.4
Equity attributable to equity owners of the parent company		251.8	296.1
Attributable to non-controlling interests		0.5	0.5
Total equity	5.5	252.3	296.6
Non-current liabilities			
Interest-bearing liabilities	5.2	162.1	167.7
Deferred tax liabilities	4.5	6.4	11.0
Pension liabilities	4.7	4.1	4.3
Provisions	4.4	15.6	16.4
Other non-current-interest-bearing liabilities	5.2	0.1	0.8
Total non-current liabilities		188.2	200.3
Current liabilities			
Interest-bearing liabilities	5.2	15.9	9.1
Trade payables and other payables	4.3	89.4	93.0
Income tax liabilities		0.5	0.8
Total current liabilities		105.9	102.9
TOTAL EQUITY AND LIABILITIES		546.5	599.7



Consolidated statement of cash flow

EUR million	2025	2024
Cash flows from operating activities		
Profit for the period	-11.4	8.8
Adjustment to the result for the period		
Depreciation and amortisation	56.5	37.5
Gains and losses from non-current assets	-0.3	-2.9
Share of results of entities consolidated using the equity method	-1.1	-2.7
Financial income and expenses	7.9	5.8
Income tax expense	0.3	-0.6
Other adjustments	0.4	-1.6
Total adjustments to the result for the period	63.6	35.5
Change in working capital		
Increase/decrease in inventories	-10.6	5.7
Increase/decrease in trade receivables and other receivables	-8.9	32.7
Increase/decrease in trade payables and other debts	-4.0	-19.2
Change in provisions	-1.3	2.9
Total change in working capital	-24.8	22.1
Interest paid	-8.6	-12.7
Interest received	0.3	1.1
Other financial items	0.3	2.8
Taxes paid	-1.4	-2.9
Cash flows from operating activities	18.1	54.7

EUR million	2025	2024
Cash flows from investing activities		
Investments in tangible and intangible assets	-27.9	-33.4
Proceeds from disposals of tangible and intangible assets	5.0	14.3
Disposals of subsidiaries, net of cash	0.0	3.3
Purchase of equity accounted investments	-1.0	0.0
Proceeds from disposals or other investments	38.3	116.0
Repayment of loan receivables	0.0	-1.1
Dividends received	1.4	1.5
Cash flows from investing activities	15.7	100.7
Cash flows from financing activities		
Changes in short-term loans	5.7	-144.4
Proceeds from long-term loans	0.0	75.0
Repayment of long-term loans	0.0	-75.1
Repayment of lease liabilities	-8.2	-5.9
Dividends paid	-35.0	-4.0
Cash flows from financing activities	-37.5	-154.5
Net increase (+) / decrease (-) in cash and cash equivalents	-3.7	0.9
Cash and cash equivalents at the beginning of the period	6.5	5.5
Net increase (+) / decrease (-) in cash and cash equivalents	-3.7	0.9
Effect of changes in exchange rates	-0.1	0.0
Cash and cash equivalents at the end of the period	2.7	6.5



Consolidated statement of changes in equity

Attributable to owners of the parent company

EUR million	Share Capital	Other reserves	Translation differences	Retained earnings	Total	Non-controlling interests	Total equity
Total equity 1 January 2025	50.5	29.8	-7.5	223.4	296.1	0.5	296.6
Results for the period				-11.5	-11.5	0.1	-11.4
Other comprehensive income:							
Remeasurements on defined benefit plans				0.0	0.0		0.0
Cash flow hedges		0.7			0.7		0.7
Translation differences			1.4		1.4		1.4
Total comprehensive income for the period		0.7	1.4	-11.4	-9.4	0.1	-9.3
Transactions with owners							
Dividends paid				-35.0	-35.0	-0.1	-35.0
Total equity 31 December 2025	50.5	30.4	-6.1	177.0	251.8	0.5	252.3

Attributable to owners of the parent company

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
Results for the period				8.6	8.6	0.1	8.8
Other comprehensive income:							
Remeasurements on defined benefit plans				-0.3	-0.3		-0.3
Cash flow hedges		-0.0			-0.0		-0.0
Translation differences			-0.7		-0.7		-0.7
Total comprehensive income for the period		-0.0	-0.7	8.3	7.6	0.1	7.7
Transactions with owners							
Dividends paid				-4.0	-4.0		-4.0
Other changes		0.0		-0.3	-0.2	0.0	-0.2
Total equity 31 December 2024	50.5	29.8	-7.5	223.4	296.1	0.5	296.6



GROUP KEY FIGURES 2021-2025

EUR million	2021	2022	2023	2024	2025
Net sales	514.6	544.9	495.9	469.0	472.7
Growth %	-5.6	5.9	-9.0	-5.4	0.8
EBITDA	562.8	46.8	29.2	48.8	52.2
% of net sales	109.4	8.6	5.9	10.4	11.0
Depreciations and amortisations	-35.3	-32.3	-32.9	-34.6	-31.7
Impairments	-16.3	12.1	-4.6	-2.9	-24.8
Operating profit (EBIT)	511.2	29.2	-5.3	14.0	-3.2
% of net sales	99.3	5.4	-1.1	3.0	-0.7
Operating profit (EBIT) before impairments	527.6	17.2	-0.7	16.9	21.6
% of net sales	102.5	3.2	-0.1	3.6	4.6
Net financial items	-7.2	-10.6	-6.6	-5.8	-7.9
Profit before taxes	504.0	18.7	-12.0	8.2	-11.1
Taxes	-2.5	0.0	3.8	0.6	-0.3
Profit for the period	501.5	18.6	-8.2	8.8	-11.4
Return on invested capital %	73.1	6.4	-1.3	3.2	-0.7
Return on invested capital before impairments %	75.4	3.8	-2.4	2.6	-6.3
Restricted capital on average	699.4	454.9	411.3	430.4	445.9
Turnover of restricted capital (net sales / restricted capital on average)	0.7	1.2	1.2	1.1	1.1
Average working capital	172.8	138.5	112.3	92.2	111.6
Average working capita % of net sales	33.6	25.4	22.6	19.7	23.6
Restricted capital at the end of the year	451.3	461.2	407.5	430.3	428.1
Working capital at the end of the year	147.6	114.0	108.6	85.3	111.4

EUR million	2021	2022	2023	2024	2025
Gross investments	84.6	167.5	40.2	38.7	29.9
% of net sales	16.4	30.7	8.1	8.3	6.3
Gros investments/depreciation and amortisations	2.4	5.2	1.2	1.1	0.9
EBITDA	562.8	46.8	29.2	48.8	52.2
+/- Change in working capital	-51.1	48.4	5.4	23.3	-26.2
- Net investments	77.7	136.7	31.2	27.1	21.4
Free cash flow before taxes	434.0	-41.5	3.4	45.1	4.7
Total assets	780.9	810.3	737.3	599.7	546.5
Shareholders' equity	427.9	311.2	293.1	296.6	252.3
Shareholders' equity (average)	508.2	368.5	297.1	304.0	271.4
Interest-bearing liabilities	233.9	357.9	304.8	176.9	178.0
Interest-bearing net debt	11.2	140.0	144.4	129.0	172.1
Equity ratio, %	55.2	38.7	40.1	49.8	46.4
Gearing %	2.6	45.0	49.3	43.5	68.2
Interest-bearing net debt/EBITDA	0.0	3.0	4.9	2.6	3.3
Liquidity	3.1	2.6	2.1	2.2	2.5
Return on equity %	98.7	5.1	-2.7	2.9	-4.2
Dividends paid	310.0	9.0	4.0	35.0	5.0 ¹⁾
Dividend % of profit	61.8	48.3	neg.	397.9	neg. ¹⁾
Average number of employees	922	958	936	817	791
Key figures per share					
Number of shares	30,000	30,000	30,000	30,000	30,000
Earnings per share, EUR*	16,638	487	-272	288	-382
Shareholders' equity per share, EUR	12,812	10,338	9,759	9,871	8,393
Dividend per share, EUR	10,333	300	134	1,165	166

* Profit attributable to owners of the parent company

¹⁾ Board of Directors' proposal to the Annual General Meeting



PRINCIPLES FOR CALCULATING KEY FIGURES

EBITDA	Operating profit (EBIT) + depreciation and amortisation +/- shares of associates' results
Working capital	Inventories + non-interest-bearing receivables of businesses – non-interest-bearing liabilities
Restricted capital	Fixed assets of businesses + working capital
Turnover of restricted capital	$\frac{\text{Net sales floating 12 months}}{\text{Restricted capital (on average)*}}$
Return on invested capital, % (ROIC)	$\frac{\text{Operating profit (EBIT) rolling 12 months}}{\text{Restricted capital (on average)*}} \times 100$
Return on equity, %	$\frac{\text{Profit before taxes rolling 12 months - income tax}}{\text{(Shareholders' equity + non-controlling interests) on average*}} \times 100$
Liquidity	$\frac{\text{Short-term non-interest-bearing receivables}}{\text{Current non-interest-bearing liabilities}}$
Equity ratio, %	$\frac{\text{Shareholders' equity + non-controlling interests + capital loan}}{\text{Total assets – advances received}} \times 100$
Interest-bearing net debt	Interest-bearing liabilities – interest-bearing loan receivables – cash and cash equivalents
Gearing, %	$\frac{\text{Interest-bearing net debt}}{\text{Shareholders' equity + non-controlling interests}} \times 100$
Free cash flow before taxes	EBITDA +/- change in working capital – net investments
Earnings per share	Profit attributable to owners of the parent company / number of shares
Shareholders' equity/share	Parent company's shareholders' equity / number of shares
Dividend per share	Dividends paid for the financial period / number of shares
Dividend / profit, %	100* dividend per share / earnings per share

* The calculations are based on average 31 March 2025, 30 June 2025, 30 September 2025 and 31 December 2025.



BOARD OF DIRECTORS OF NEOVA OY

Chairman of the Board of Directors

Panu Routila

b. 1964, M.Sc. (Econ.)

Relevant concurrent positions of trust:

Chairman of the Board: Patria Oyj.
Member of the Board: Ambientia Oy, Ensto Oy, Veritas Oy.

Relevant work experience:

Konecranes Oyj, President and CEO 2015–2019.
Ahlström Capital Oy, CEO 2008–2015.
Kuusakoski Alteams, CEO 2002–2007.
Outokumpu, 1995–2002.

At Neova:

Chairman of the Board of Directors 2022–
Member of the Board of Directors 2021–

Members

Stefan Damlin

b. 1968, M.Sc. (Econ.)

Managing Director, Vaasan Sähkö Oy 17 September 2018–

Relevant concurrent positions of trust:

Member of the Board:

EPV Energia, Voima Corporation, Energiateollisuus ry, Vaasan Voima Oy, Vaasan Sähkö Myynti Oy, EPV Alueverkko Oy, Comsel Oy, Power-Deriva Oy, PD Power Oy, Pohjanmaan Kauppakamari.
Deputy member of the Board: Pohjolan Voima.

Relevant work experience:

Wärtsilä Finland Oy, Managing Director 2012–2018.
Wärtsilä Corporation, Vice President, Business Development Centre, Global Industrial Operations 2011–2012.
Wärtsilä Corporation, Vice President, Business & Finance Centre, Global Engine Division 2005–2010.
Finn-Power, Group Business Controller 2004–2005.

Member of the Board:

Aktia Bank plc 2016–2020,
Wärtsilä Yuchai Engine Company (China) 2015–2018,
Wärtsilä Transmashholding (Russia) 2012–2014,
DTS (The Netherlands) 2008–2011,
Ostrobothnia Chamber of Commerce 2012–2015, 2025–

At Neova:

Member of the Board of Directors 2020–2023, 2024–
Member of the Audit Committee 2020–2021
Member of the Personnel Committee 2021–2023

Dick Hordijk

b. 1967, M.Sc. (Econ.)

CEO, Topigs Norsvin, 04-2025–

Relevant concurrent positions of trust:

Supervisory Board member of Origin, Ireland, October 2022–

Relevant work experience:

Royal Agrifirm Group, CEO 2016–2024.
Cargill Nutrition EMEA, MD 2013–2016.
Cargill Nutrition EMEA, Finance and Operations Director 2008–2013.
Quest International, Finance, Supply Chain functions 1992–2007.

At Neova:

Member of the Board of Directors 2024–
Member of the Audit Committee 2024–

Karoliina Joensuu

b. 1981, M.Sc. (Eng.)

Senior Vice President, BU Industry, Elomatic Consulting & Engineering Oy

Relevant work experience:

Caverion Industria Oy, Vice President, Partnerships and Advisory Services 2024.
Caverion Industria Oy, Vice President, Energy Business 2022–2023.
Caverion Industria Oy, Head of Sales, Energy 2021–2022.
FCG Finnish Consulting Group Oy, Senior Vice President, Energy, Water and Environment, 2019–2021.
ÅF-Consult Oy, Vice President, Energy Business Consulting, 2017–2019.
Pöyry Energy Oy, Global Head Renewable Energy, 2015–2017.
Pöyry Energy Oy, Manager Wind Power Finland, 2012–2015.

At Neova:

Member of the Board of Directors 2025–

Kristiina Michelsson

b. 1973, M.Sc. (Econ.)

Chief Operating Officer, OP Life Assurance Ltd

Relevant work experience:

Coxa Ltd, CEO, 2020–2024.
Pohjola Insurance, Director, 2018–2019.
Finla Occupational Health Ltd, CEO, 2014–2017.
City of Tampere, Director, Business Development, 2009–2014.
City of Tampere, Accounting Manager, 2005–2009.
KPMG Finland, 1999–2005.

At Neova:

Member of the Board of Directors 2025–

Jari-Pekka Punkari

b. 1965, M.Sc. (Econ.)

Ministerial Adviser, Prime Minister's Office

Relevant concurrent positions of trust:

Member of the Board: IONCOR Oy.

Relevant work experience:

Skaala IFN Oy, Managing Director 2019–2020.
Talokeskus Yhtiöt Oy, Managing Director 2016–2019.
Skaala Oy, Managing Director 2011–2016.
GS-Hydro Oy, Chief Financial Officer 2008–2011.
Kone Corporation, Vice President 2006–2008.
Kone Corporation, various managerial positions 1991–2006.

At Neova:

Member of the Board of Directors 2022–

Riikka Timonen

b. 1975, DI, eMBA

Vice President, Commercial EMEA & APAC, New Ventures & Services, Kemira Oyj

Relevant work experience:

Kemira Oyj, Vice President, New markets and Biomaterials 2023–2024.
Valmet Oyj, Director, Business Accelerator 2020–2022.
Kemira Industry & Water, Director, Marketing & Application development, EMEA 2015–2019.
Kemira Oyj, Director, Corporate Responsibility 2011–2014.
Kemira Oyj, different responsibilities 2001–2010.

At Neova:

Member of the Board of Directors 2025–

The members of the Board of Directors do not own shares in Neova Oy.



NEOVA^{GROUP}

Neova Oy

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