

## Business review 1 January - 31 March 2026

**Strong first quarter for growing media business.**

### January-March 2026 in brief:

- The Group's net sales amounted to EUR 147.9 million (EUR 143.6 million).
- EBITDA was EUR 23.2 million (EUR 24.6 million), or 15.7% (17.1%) of net sales. EBITDA included a total of EUR 1.7 million (EUR -0.3 million) of non-recurring items.
- Comparable EBITDA was EUR 21.4 million (EUR 24.9 million).
- Operating profit was EUR 17.7 million (EUR 17.9 million), or 11.9% (12.5%) of net sales, including EUR 1.7 million (EUR -0.3 million) of non-recurring items.
- Free cash flow before taxes was EUR -12.4 million (EUR -15.0 million).
- Gross investments totalled EUR 4.6 million (EUR 8.6 million).
- Earnings per share were EUR 437.42 (EUR 501.22).
- The ratio of interest-bearing net debt to EBITDA was 4.0 (3.5)
- Return on invested capital (% , previous 12 months): -0.8 (2.4).

Figures in brackets to the corresponding period in 2025 unless otherwise stated.

### Key figures

EUR million	1-3/2026	1-3/2025	1-12/2025
Net sales	147.9	143.6	472.7
EBITDA	23.2	24.6	52.2
Comparable EBITDA	21.4	24.9	50.0
Operating profit (EBIT)	17.7	17.9	-3.2
Comparable operating profit (EBIT)	15.9	18.2	19.4
Profit for the period	13.0	15.0	-11.4
Free cash flow before taxes	-12.4	-15.0	4.7
Pre-tax return on invested capital, %	-0.8	2.4	-0.7
Equity ratio, %	45.4	46.4	46.4
Interest-bearing net debt/EBITDA	4.0	3.5	3.3
Average number of personnel	801	775	791

**Pekka Tennilä, CEO, comments:**

“The first quarter of the year was in line with expectations for Neova. The Group's net sales grew, but profitability declined due to the trend-like decline in demand for energy peat. The cold winter months affected Neova's business in different ways. Demand for fuels was good in January-February, but on the other hand, cold weather slowed down substrate production in Finland and the Baltic countries. The exceptionally strong ice situation in the Baltic Sea made it difficult to transport horticultural peat to Central Europe and postponed some of the export deliveries related to peat and Neova Agro's products to the spring season.

Kekkilä BVB's result for the first quarter was good. The division's net sales grew and profitability was at the planned level. Kekkilä-BVB's success was supported especially by the business area Materials and the continued good demand from professional growers. Spring started early in our home market in Europe, which has increased the demand for growing media and thus accelerated the start of the season. The timing of Easter deliveries to March had a positive impact on sales in the first quarter.

In line with our strategy, we will continue to invest in the development of circular raw materials in our growing media. In March, a record harvest of reed canary grass was harvested in Finland. In addition, we have secured the availability of wood fibre to all our customers with the help of an investment in wood fibre line in the Netherlands and our new partner in Estonia. This allows us to utilise wood fibre at each of our production sites in four countries. In addition, we took a new ERP system in use in all parts of our division in January. Our goal is to be able to reap the first benefits of the new system before the end of the year.

As expected, Neova Terra's net sales and profitability declined in the first quarter of the year as demand for energy peat decreased. This effect was reduced by the frosty period in January-February, which temporarily increased the sales of both energy peat and pellets.

The generally low peat volumes in the Baltic countries during the last harvesting season have been reflected in strong demand for horticultural peat throughout the winter, and Neova has been able to respond well to its customers' needs. Preparations for the upcoming season have been able to start in Finland, Sweden and Estonia well in advance.

Demand for Neova Agro's biostimulants was strong at the beginning of the year, and we believe that this positive development will continue throughout the year. During the review period, we discovered technical damage at Novactor's activated carbon plant, which requires repair work from us. Our solar and wind power projects are progressing as planned.

The unstable situation in the Strait of Hormuz is affecting us in the form of rising energy and logistics costs, as well as general inflationary pressures. We are in active dialogue with our customers and keep them well informed about the development of the situation for our part. Disruptions in global supply chains underline the importance of national and regional self-sufficiency plans. This may mean new investments in local food production, such as greenhouse growing and other forms of cultivation in controlled environments. This would have a positive impact on the global demand for growing media, which would support the development prospects of Neova's businesses in the longer term.”

**Condensed consolidated statement of income**

EUR million	1-3/2026	1-3/2025	1-12/2025
<b>NET SALES</b>	147.9	143.6	472.7
Other income	4.3	0.6	8.0
Share of profit (loss) of associates and joint ventures	1.2	1.1	1.1
Operating expenses	-129.0	-119.6	-428.5
Depreciation and amortisation	-6.7	-7.8	-31.7
Impairments	0.0	0.0	-24.8
<b>OPERATING PROFIT</b>	<b>17.7</b>	<b>17.9</b>	<b>-3.2</b>
Financial income	0.5	3.1	8.2
Financial expenses	-3.2	-5.0	-16.1
<b>PROFIT/LOSS BEFORE TAXES</b>	<b>14.9</b>	<b>16.1</b>	<b>-11.1</b>
Income tax expense	-2.0	-1.1	-0.3
<b>PROFIT/LOSS FOR THE PERIOD</b>	<b>13.0</b>	<b>15.0</b>	<b>-11.4</b>
<b>OTHER COMPREHENSIVE INCOME NET OF TAX:</b>			
<b>Items that will not be reclassified to profit or loss:</b>			
Remeasurements on defined benefit plans	0.0	0.0	0.0
<b>Item that may be reclassified subsequently to profit or loss:</b>			
Cash flow hedges	0.0	0.0	0.7
Translation differences	-0.3	1.4	1.4
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>12.7</b>	<b>16.3</b>	<b>-9.3</b>
<b>Profit attributable to:</b>			
Owners of the parent	13.1	15.0	-11.5
Non-controlling interests	-0.2	-0.1	0.1
	13.0	15.0	-11.4
<b>Total comprehensive income attributable to:</b>			
Owners of the parent	12.8	16.4	-9.4
Non-controlling interests	-0.2	-0.1	0.1
	12.7	16.3	-9.3
Earnings per share, EUR	437	501	-382
No. of shares	30,000	30,000	30,000

**Condensed consolidated balance sheet**

EUR million	31.3.2026	31.3.2025	31.12.2025
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Goodwill	31.5	31.5	31.5
Other intangible assets	38.1	40.3	39.2
Property, plant and equipment	227.9	247.6	220.8
Investments	26.6	26.4	25.5
Other receivables	3.3	3.5	3.4
Deferred tax assets	2.4	5.7	1.9
<b>TOTAL NON-CURRENT ASSETS</b>	<b>329.9</b>	<b>355.0</b>	<b>322.3</b>
<b>CURRENT ASSETS</b>			
Inventories	120.4	113.7	131.3
Trade receivables and other receivables	116.5	104.2	82.8
Income tax assets	7.4	6.9	7.3
Other financial assets	0.0	18.0	0.0
Cash and cash equivalents	0.9	4.4	2.7
<b>TOTAL CURRENT ASSETS</b>	<b>245.3</b>	<b>247.2</b>	<b>224.1</b>
<b>TOTAL ASSETS</b>	<b>575.2</b>	<b>602.2</b>	<b>546.5</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity attributable to equity owners of the parent company	259.7	277.6	251.7
Non-controlling interests	0.4	0.4	0.5
<b>TOTAL EQUITY</b>	<b>260.1</b>	<b>278.0</b>	<b>252.3</b>
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities	6.4	10.6	6.4
Interest-bearing liabilities	169.0	165.9	162.1
Other non-current liabilities	0.0	0.9	0.1
Provisions	15.5	16.4	15.6
Pension liabilities	4.0	4.2	4.1
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>195.0</b>	<b>198.0</b>	<b>188.2</b>
<b>CURRENT LIABILITIES</b>			
Interest-bearing liabilities	37.8	22.4	15.9
Trade payables and other payables	80.1	103.5	89.4
Income tax liabilities	2.3	0.4	0.5
<b>TOTAL CURRENT LIABILITIES</b>	<b>120.1</b>	<b>126.2</b>	<b>105.9</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>575.2</b>	<b>602.2</b>	<b>546.5</b>