Business review 1 January - 30 June 2026

Increase in the cost level weakened Neova's result.

April-June 2026 in brief:

- The Group's net sales amounted to EUR 142.7 million (EUR 142.9 million).
- EBITDA was EUR 6.1 million (EUR 15.2 million), or 4.3% (10.7%) of net sales. EBITDA included a total of EUR -3.8 million (EUR -0.1 million) of non-recurring items.
- Comparable EBITDA was EUR 9.9 million (EUR 15.3 million).
- Operating profit was EUR -5.3 million (EUR 6.6 million), or -3.7% (4.6%) of net sales, including EUR -6.8 million (EUR -0.3 million) of non-recurring items.
- Free cash flow before taxes was EUR 19.0 million (EUR 18.3 million).

January-June 2026 in brief:

- The Group's net sales amounted to EUR 290.6 million (EUR 286.5 million).
- EBITDA was EUR 29.2 million (EUR 39.8 million), or 10.1% (13.9%) of net sales. EBITDA included a total of EUR -2.1 million (EUR -0.3 million) of non-recurring items.
- Comparable EBITDA was EUR 31.3 million (EUR 40.2 million).
- Operating profit was EUR 12.4 million (EUR 24.5 million), or 4.3% (8.6%) of net sales, including EUR -5.1 million (EUR -0.5 million) of non-recurring items.
- Free cash flow before taxes was EUR 6.6 million (EUR 3.3 million).
- Gross investments totalled EUR 11.8 million (EUR 14.0 million).
- Earnings per share were EUR 230.77 (EUR 639.54).
- The ratio of interest-bearing net debt to EBITDA was 4.4 (3.1)
- Return on invested capital (%, previous 12 months): -3.5 (2.6).

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

Key figures

EUR million	4-6/2026	4-6/2025	1-6/2026	1-6/2025	1-12/2025
Net sales	142.7	142.9	290.6	286.5	472.7
EBITDA	6.1	15.2	29.2	39.8	52.2
Comparable EBITDA	9.9	15.3	31.3	40.2	50.0
Operating profit (EBIT)	-5.3	6.6	12.4	24.5	-3.2
Comparable operating profit (EBIT)	1.5	6.8	17.5	25.0	19.4
Profit for the period	-6.2	4.2	6.8	19.2	-11.4
Free cash flow before taxes	19.0	18.3	6.6	3.3	4.7
Pre-tax return on invested capital, %			-3.5	2.6	-0.7
Equity ratio, %			44.9	48.5	46.4
Interest-bearing net debt/EBITDA			4.4	3.1	3.3
Average number of personnel			805	787	791

Pekka Tennilä, CEO, comments:

“Neova's net sales grew slightly in the first half of the year, but the uncertainties in the global economy and the increase in the cost level caused by the war in Iran weakened the company's profitability. These effects are particularly visible in Neova's result in the second quarter.

Kekkilä-BVB's net sales in the second quarter increased, but profitability fell short of the comparison period. We did not succeed in fully passing on the cost pressures caused by the war in Iran to our prices, especially for consumer goods, where contracts are negotiated well before the start of the season. In addition, weaker consumer purchasing power and uncertainty about the economic outlook were partly reflected in the retail markets during a weaker-than-expected season. This has also had a negative impact on the market for professional growers in Europe. On the other hand, the professional grower market outside Europe showed signs of picking up after a weaker start to the year. Demand for landscaping in Europe also continued to be strong. The repair work at our Wanssum production facility, which burned down last year, is progressing according to plans.

Neova Terra's net sales and profitability decreased slightly from the comparison period in the second quarter. This was mainly due to the declining demand for energy peat and the increase in the prices of fuels and oil-based raw materials caused by the war in Iran. Despite the uncertainties, the demand for horticultural peat remained stable in the first half of the year. The peat harvesting season, which started at the end of April, has progressed as expected in all our production countries.

Neova Terra’s second quarter result includes non-recurring costs related to Novactor, including a write-down of EUR 3 million related to technical damage to Novactor's production facility. The planning of the repair work at the production facility continues. The development and sales promotion of Neova Terra's new business areas, solar and wind power and Neova Agro's products, continued as planned.

The economic uncertainty caused by the war in Iran will also reflect in Neova's business in the second half of the year. However, we believe that the demand for horticultural peat will remain stable and we will continue our determined work to control the rise in our cost level.”

NEOVA GROUP

Condensed consolidated statement of income

EUR million	4-6/2026	4-6/2025	1-6/2026	1-6/2025	1-12/2025
NET SALES	142.7	142.9	290.6	286.5	472.7
Other income	2.5	1.1	6.7	1.7	8.0
Share of profit (loss) of associates and joint ventures	-0.4	-0.4	0.8	0.8	1.1
Operating expenses	-139.1	-128.7	-268.1	-248.3	-428.5
Depreciation and amortisation	-8.0	-8.1	-14.6	-15.9	-31.7
Impairments	-3.0	-0.2	-3.0	-0.2	-24.8
OPERATING PROFIT	**-5.3**	**6.6**	**12.4**	**24.5**	**-3.2**
Financial income	2.2	0.4	2.7	3.5	8.2
Financial expenses	-4.5	-2.7	-7.7	-7.7	-16.1
PROFIT/LOSS BEFORE TAXES	**-7.5**	**4.2**	**7.4**	**20.3**	**-11.1**
Income tax expense	1.4	0.0	-0.6	-1.1	-0.3
PROFIT/LOSS FOR THE PERIOD	**-6.2**	**4.2**	**6.8**	**19.2**	**-11.4**
OTHER COMPREHENSIVE INCOME NET OF TAX:					
Items that will not be reclassified to profit or loss:					
Remeasurements on defined benefit plans	0.0	0.0	0.0	0.0	0.0
Item that may be reclassified subsequently to profit or loss:					
Cash flow hedges	0.0	0.3	0.0	0.2	0.7
Translation differences	-0.4	-0.8	-0.7	0.6	1.4
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**-6.6**	**3.7**	**6.1**	**20.0**	**-9.3**
Profit attributable to:					
Owners of the parent	-6.2	4.1	6.9	19.2	-11.5
Non-controlling interests	0.0	0.1	-0.1	0.0	0.1
	-6.2	4.2	6.8	19.2	-11.4
Total comprehensive income attributable to:					
Owners of the parent	-6.6	3.6	6.3	20.0	-9.4
Non-controlling interests	0.0	0.1	-0.1	0.0	0.1
	-6.6	3.7	6.1	20.0	-9.3
Earnings per share, EUR	-207	138	231	640	-382
No. of shares	30,000	30,000	30,000	30,000	30,000

NEOVA GROUP

Condensed consolidated balance sheet

EUR million	30.6.2026	30.6.2025	31.12.2025
ASSETS			
NON-CURRENT ASSETS			
Goodwill	31.4	31.4	31.5
Other intangible assets	36.8	40.6	39.2
Property, plant and equipment	222.7	241.6	220.8
Investments	25.5	24.7	25.5
Other receivables	3.3	3.4	3.4
Deferred tax assets	2.8	6.5	1.9
TOTAL NON-CURRENT ASSETS	**322.5**	**348.3**	**322.3**
CURRENT ASSETS			
Inventories	116.6	107.5	131.3
Trade receivables and other receivables	102.2	97.2	82.8
Income tax assets	7.7	5.5	7.3
Other financial assets	0.0	18.2	0.0
Cash and cash equivalents	18.0	7.7	2.7
TOTAL CURRENT ASSETS	**244.5**	**236.1**	**224.1**
TOTAL ASSETS	**567.0**	**584.4**	**546.5**
EQUITY AND LIABILITIES			
EQUITY			
Equity attributable to equity owners of the parent company	253.1	281.2	251.7
Non-controlling interests	0.3	0.4	0.5
TOTAL EQUITY	**253.5**	**281.6**	**252.3**
NON-CURRENT LIABILITIES			
Deferred tax liabilities	6.3	11.2	6.4
Interest-bearing liabilities	117.0	164.3	162.1
Other non-current liabilities	0.1	0.4	0.1
Provisions	15.4	16.3	15.6
Pension liabilities	4.0	4.2	4.1
TOTAL NON-CURRENT LIABILITIES	**142.8**	**196.3**	**188.2**
CURRENT LIABILITIES			
Interest-bearing liabilities	89.0	8.8	15.9
Trade payables and other payables	79.6	97.1	89.4
Income tax liabilities	2.1	0.5	0.5
TOTAL CURRENT LIABILITIES	**170.7**	**106.4**	**105.9**
TOTAL EQUITY AND LIABILITIES	**567.0**	**584.4**	**546.5**