

PROVENTIA GROUP
CORPORATION
BUSINESS REVIEW
JANUARY-MARCH 2025

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Net sales and operating profit grew strongly

January–March 2025 in brief

- The Group's net sales increased by 15.9% from the previous year to EUR 12.2 (10.5) million.
- The operating profit was EUR 1.8 (1.2) million.
- The profit for the period was EUR 1.4 (0.8) million.
- Earnings per share (undiluted) were 0.09 (0.05).

The figures in brackets refer to the same period in the previous year.

Uncertainty in the market increased during the first quarter due to the tightened tariff policy in the United States. Proventia does not have direct exports to the United States, so changes in tariff rates do not significantly affect our business. However, potential increases in tariffs or other challenges related to the global operating environment may influence our customers' demand and, consequently, reflect on our operations.

PRESIDENT AND CEO JARI LOTVONEN:

The year 2025 started with strong and profitable growth. Net sales increased by 15.9% compared to the same period last year, reaching 12.2 (10.5) million euros. The growth in net sales is mainly attributed to the start of serial production of two new products at our Czech factory in the fall of 2024. The profitability of the first quarter was at a good level and better than in the same period last year. Operating profit was 1.8 (1.2) million euros, and the operating profit margin was 14.6% (11.8).

In the Emission Control product group, collaboration with our long-term OEM customers and new customers continued positively, and negotiations for significant new customer projects progressed positively. The expansion of the Czech factory was completed ahead of schedule, ensuring sufficient production capacity and improving our competitiveness in the OEM market.

Battery development and pilot projects in the Electric Powertrain product group have progressed as planned. Additionally, we have invested in the development of complete hybrid systems.

KEY FIGURES

EUR 1,000	1-3/2025	1-3/2024	1-12/2024
Net sales	12,155	10,484	41,927
Change in net sales, %	15.9%	-	-1.5%
Operating profit	1,779	1,236	5,175
Operating profit, %	14.6%	11.8%	12.3%
Earnings per share (EPS), undiluted, EUR	0.09	0.05	0.24
Earnings per share (EPS), diluted, EUR	0.08	0.05	0.23
Return on equity (ROE), %	11.0%	16.6%	5.8%
Equity ratio, %	67.5 %	64.2%	67.1%
Return on capital employed (ROCE), %	13.9%	20.1%	9.1%
Interest-bearing liabilities	3,645	4,599	3,419
Net debt	-2,293	-9,328	-1,800
Investments	1,060	868	3,538

The formulas used to calculate the key figures are shown on page 8.

Proventia has classified the Test Solutions business as an asset held for sale and reports the Test Solutions business for the years 2024 and 2025 as discontinued operations in accordance with IFRS reporting practices. Unless otherwise stated, the figures reported in this business review pertain to continuing operations, which include the product groups: Emission Control, Thermal Components and Electric Powertrain.

NET SALES

The group's net sales in January–March 2025 were EUR 12.2 (10.5) million, showing an increase of 15.9%. In January–March, Europe accounted for 95.7% (99.8%) of total net sales.

NET SALES BY MARKET AREA

EUR 1,000	1-3/2025	1-3/2024	Change, %	1-12/2024
Europe	11,627	10,461	11.1%	40,744
Other continents	527	23	2189.5%	1,184
Total	12,155	10,484	15.9%	41,927

PERFORMANCE AND FINANCIAL POSITION

In January–March 2025, the operating profit was EUR 1.8 (1.2) million, representing 14.6% (11.8%) of net sales. The profit for the period was EUR 1.4 (0.8) million. Undiluted earnings per share were EUR 0.09 (0.05), while diluted earnings per share were EUR 0.08 (0.05).

The group's liquid assets at the end of March 2025 stood at EUR 5.9 (13.9) million. In addition, the company held EUR 5.1 (0.0) million in other short-term financial assets. Interest-bearing liabilities including lease liabilities totaled EUR 3.6 (4.6) million at the end of the review period.

ANNUAL GENERAL MEETING

Proventia Group Corporation's Annual General Meeting was held on 15 April 2025. Proventia Group Corporation's distributable funds on 31.12.2024 were EUR 24,681,976.20. According to the Board of Directors' proposal, the Annual General Meeting decided that the profit for the period (EUR 12,622,060.39) be transferred to retained earnings, and that EUR 0.30 per share be distributed from reserves of unrestricted equity, totaling EUR 4,901,342.40, with the total number of shares being 16,337,808. The payment date for the distribution of assets was April 28, 2025.

Harri Suutari (chairperson), Lauri Antila (vice chairperson), Tommi Salunen, Johnny Pehkonen, Kalle Kekkonen, Erja Sankari and Cary Collar were re-elected members of the Board of Directors.

EVENTS AFTER REVIEW PERIOD

No significant events after the review period.

GUIDANCE FOR 2025 (UNCHANGED)

Net sales and the operating profit are expected to increase in 2025 from the 2024 level. In 2024, net sales were EUR 41.9 million, and the operating profit was EUR 5.2 million.

ACCOUNTING PRINCIPLES

Proventia Group prepared financial statements for 2024 in accordance with the International Financial Reporting Standards (IFRS). Business review figures apply the same calculation principles as the annual accounts dated 31 December 2024. The figures presented have been rounded from exact figures. The figures indicated in the business review are unaudited.

CONSOLIDATED INCOME STATEMENT

EUR 1,000	1-3/2025	1-3/2024	1-12/2024
Net sales	12,155	10,484	41,927
Other operating income	30	6	45
Materials and services	-6,360	-5,354	-21,597
Employee benefit expenses	-2,270	-2,188	-8,250
Depreciation and impairment	-826	-793	-3,169
Other operating expenses	-949	-918	-3,782
Operating profit	1,779	1,236	5,175
Financial income	83	143	604
Financial expenses	-47	-373	-930
Profit before tax	1,815	1,007	4,848
Income tax	-398	-232	-912
Profit for the period from continuing operations	1,416	774	3,936
Profit/loss for the period from discontinued operations	35	-696	-2,520
Profit for the period	1,451	78	1,416
Profit attributable to owners of the parent company	1,451	78	1,416
Earnings per share calculated on profit attributable to owners of the parent company			
Undiluted earnings per share, EUR	0.09	0.00	0.09
Diluted earnings per share, EUR	0.08	0.00	0.08
Undiluted earnings per share, continuing operations, EUR	0.09	0.05	0.24
Diluted earnings per share, continuing operations, EUR	0.08	0.05	0.23

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR 1,000	1-3/2025	1-3/2024	1-12/2024
Profit for the period	1,451	78	1,416
Items of other comprehensive income			
Items that may be reclassified to profit or loss at a later date			
Translation differences from foreign units	55	-69	-69
Other items of comprehensive income for the period, total	55	-69	-69
Comprehensive income for the period	1,506	9	1,347
Comprehensive income for the period attributable to owners of the parent company	1,506	9	1,347

CONSOLIDATED BALANCE SHEET

EUR 1,000	31.3.2025	31.3.2024	31.12.2024
ASSETS			
Non-current assets			
Intangible assets	3,818	3,534	3,557
Property, plant and equipment	5,063	5,482	5,568
Right-of-use assets	3,343	3,969	2,906
Non-current receivables	26	50	3
Deferred tax assets	153	242	265
Total non-current assets	12,404	13,277	12,299
Current assets			
Inventories	7,794	6,873	7,075
Sales receivables	6,527	5,125	4,969
Other receivables	706	813	719
Contract assets	449	1,856	295
Accrued income	760	944	761
Other financial assets	5,111	0	5,067
Cash and cash equivalents	5,939	13,928	5,219
Total current assets	27,285	29,539	24,105
Assets held for sale	2,063	0	3,023
TOTAL ASSETS	41,752	42,815	39,426

EUR 1,000	31.3.2025	31.3.2024	31.12.2024
Shareholders' equity and liabilities			
Share capital	1,090	1,090	1,090
Invested unrestricted equity reserve	7,420	7,277	7,377
Translation differences	11	7	-44
Retained earnings	16,230	16,190	14,797
Profit for the period	1,451	78	1,416
Shareholders' equity, total	26,202	24,643	24,636
Non-current liabilities			
Financial liabilities	0	60	0
Lease liabilities	2,324	2,845	1,958
Provisions	480	1,027	469
Total non-current liabilities	2,804	3,932	2,427
Current liabilities			
Financial liabilities	60	460	150
Lease liabilities	1,061	1,234	1,047
Contract liabilities	1,341	4,428	1,791
Trade payables	4,941	4,424	1,839
Other liabilities	408	1,137	554
Deferred income	1,601	2,557	1,170
Total current liabilities	9,412	14,240	6,550
Liabilities directly associated with the assets held for sale	3,333	0	5,813
Total liabilities	15,550	18,173	14,791
Total shareholders' equity and liabilities	41,752	42,815	39,426

KEY FIGURE CALCULATION FORMULAS

Key figure	Definition	Purpose of use
Operating profit, %	Operating profit as a percentage of net sales	The operating profit rate is an indicator of the Group's performance.
Return on equity (ROE), % (including discontinued operations)	$\frac{(\text{Profit before taxes} + \text{income taxes})}{\text{Average shareholders' equity during the period}} \times 100$	Return on equity, equity ratio, return on capital employed, interest-bearing liabilities and net debt are indicators of the Group's ability to acquire funding and clear its debts, and they also illustrate the level of risks associated with funding and help to monitor the level of capital used in the Group's business activities.
Equity ratio, % (including discontinued operations)	$\frac{\text{Shareholders' equity}}{(\text{Balance sheet total} - \text{contract liabilities})} \times 100$	
Return on capital employed (ROCE), % (including discontinued operations)	$\frac{(\text{Profit before taxes} + \text{financial expenses})}{(\text{Average shareholders' equity during the period} + \text{average interest-bearing liabilities during the period})} \times 100$	
Interest-bearing liabilities (including discontinued operations)	Total long-term and short-term loans from financial institutions + lease liabilities	
Net debt (including discontinued operations)	Total long-term and short-term loans from financial institutions + lease liabilities - cash and cash equivalents	
Investments (including discontinued operations)	Investments in tangible and intangible assets in accordance with the cash flow statement	Investments represent the cash flow required for the company's investments.

The interim period balance sheet calculations of the key figures for return on equity (ROE, ROCE) use the rolling amount from the last twelve months.



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