PROVENTIA GROUP CORPORATION BUSINESS REVIEW

JANUARY–SEPTEMBER 2025

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NET SALES GROWTH CONTINUED IN THE THIRD QUARTER

July–September 2025 in brief

- The Group's net sales increased by 13.5% from the previous year to EUR 10.2 (9.0) million
- The operating profit was EUR 1.1 (1.1) million
- The profit for the period was EUR 0.9 (0.8) million
- Earnings per share (undiluted) were EUR 0.06 (0.05)

January–September 2025 in brief

- The Group's net sales increased by 11.6% from the previous year to EUR 34.8 (31.1) million
- The operating profit was EUR 4.5 (4.0) million
- The profit for the period was EUR 3.4 (2.9) million
- Earnings per share (undiluted) were 0.20 (0.18)

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

PRESIDENT AND CEO JARI LOTVONEN:

Proventia's net sales continued to grow in the third quarter, even though sales volumes of engines and machines in the company's key customer segment, the global off-highway machinery market, remained below average. The increase in net sales was mainly due to the establishment of serial production of two new products at the Czech plant, which increased delivery volumes. In addition, demand for emission control systems for mining machinery developed positively during the review period.

We are currently developing several new customer-specific emission control solutions, with serial production scheduled to begin in the coming years. The Czech factory is preparing for increasing production volumes and has continued to develop its production processes. We have invested in future growth by reallocating personnel resources from discontinued operations to continuing operations. Considering these investments, operating profit in the third quarter remained at a good level, at 10.5 percent of net sales.

In September, the company's board of directors decided to establish a sales company in the US state of Texas. The organizational change implemented during the review period has progressed as planned. The new functional organizational structure is expected to support more efficient resource allocation in the future. In November–December, we will begin a gradual transition to the expanded facilities of our Technology Centre, which will further enhance our product development operations.

KEY FIGURES

EUR 1,000	7–9/2025	7–9/2024	1–9/2025	1–9/2024	1–12/2024
Net sales	10,195	8,980	34,751	31,136	41,927
Change in net sales, %	13.5%	-	11.6%	-	-1.5%
Operating profit	1,071	1,126	4,482	4,015	5,175
Operating profit, %	10.5%	12.5%	12.9%	12.9%	12.3%
Earnings per share (EPS), undiluted, EUR	0.06	0.05	0.20	0.18	0.24
Earnings per share (EPS), diluted, EUR	0.05	0.04	0.19	0.17	0.23
Return on equity (ROE), %	14.3%	11.2%	14.3%	11.2%	5.8%
Equity ratio, %	68.1%	62.4%	68.1%	62.4%	67.1%
Return on capital employed (ROCE), %	18.3%	14.4%	18.3%	14.4%	9.1%
Interest-bearing liabilities	2,989	3,706	2,989	3,706	3,419
Net debt	-1,514	-6,058	-1,514	-6,058	-1,800
Investments	498	970	1,797	2,435	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. During the second quarter, the company decided to discontinue the Test Solutions business by the end of this year.

NET SALES

The group's net sales in January–September 2025 was EUR 34.8 (31.1) million. Net sales increased by 11.6% from the comparative period. In January–September, Europe accounted for 94.1% (97.9%) of total net sales.

NET SALES BY MARKET AREA

EUR 1,000	7–9/2025	7–9/2024	Change, %	1–9/2025	1–9/2024	Change, %	1–12/2024
Europe	9,623	8,587	12.1%	32,705	30,474	7.3%	40,744
Other continents	572	393	45.3%	2,046	662	209.0%	1,184
Total	**10,195**	**8,980**	**13.5%**	**34,751**	**31,136**	**11.6%**	**41,927**

PERFORMANCE AND FINANCIAL POSITION

In January–September 2025, the operating profit was EUR 4.5 (4.0) million, representing 12.9% (12.9%) of net sales. The profit for the period was EUR 3.4 (2.9) million. Undiluted earnings per share were EUR 0.20 (0.18), while diluted earnings per share were EUR 0.19 (0.17).

The group's liquid assets at the end of September 2025 stood at EUR 4.5 (9.8) million. In addition, the company held EUR 1.1 (0.0) million in other short-term financial assets. Interest-bearing liabilities including lease liabilities totaled EUR 3.0 (3.7) million at the end of the review period.

GUIDANCE FOR 2025 (CONTINUING OPERATIONS, 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	7–9/2025	7–9/2024	1–9/2025	1–9/2024	1–12/2024
Net sales	10,195	8,980	34,751	31,136	41,927
Other operating income	21	9	58	39	45
Materials and services	-5,030	-4,330	-18,036	-15,547	-21,597
Employee benefit expenses	-2,442	-1,736	-7,064	-6,235	-8,250
Depreciation and impairment	-870	-789	-2,573	-2,376	-3,169
Other operating expenses	-801	-1,008	-2,655	-3,002	-3,782
Operating profit	**1,071**	**1,126**	**4,482**	**4,015**	**5,175**
Financial income	146	101	286	357	604
Financial expenses	-83	-263	-244	-747	-930
Profit before tax	**1,135**	**965**	**4,524**	**3,625**	**4,848**
Income tax	-192	-194	-1,157	-717	-912
Profit for the period from continuing operations	**943**	**771**	**3,367**	**2,908**	**3,936**
Profit/loss for the period from discontinued operations	145	-1,528	-978	-2,458	-2,520
Profit for the period	**1,088**	**-758**	**2,389**	**450**	**1,416**
Profit attributable to owners of the parent company	**1,088**	**-758**	**2,389**	**450**	**1,416**
Earnings per share calculated on profit attributable to owners of the parent company					
Undiluted earnings per share, EUR	0.07	-0.05	0.14	0.03	0.09
Diluted earnings per share, EUR	0.06	-0.04	0.14	0.03	0.08
Undiluted earnings per share, continuing operations, EUR	0.06	0.05	0.20	0.18	0.24
Diluted earnings per share, continuing operations, EUR	0.05	0.04	0.19	0.17	0.23

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR 1,000	7–9/2025	7–9/2024	1–9/2025	1–9/2024	1–12/2024
Profit for the period	**1,088**	**-758**	**2,389**	**450**	**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	15	-2	74	-56	-56
Other items of comprehensive income for the period, total	**15**	**-2**	**74**	**-56**	**-56**
Comprehensive income for the period	**1,103**	**-760**	**2,463**	**394**	**1,360**
Comprehensive income for the period attributable to owners of the parent company	**1,103**	**-760**	**2,463**	**394**	**1,360**

CONSOLIDATED BALANCE SHEET

EUR 1,000	30.9.2025	30.9.2024	31.12.2024
ASSETS			
Non-current assets			
Intangible assets	4,158	3,876	3,557
Property, plant and equipment	4,913	5,496	5,568
Right-of-use assets	2,774	3,344	2,906
Non-current receivables	153	50	3
Deferred tax assets	32	261	265
Total non-current assets	**12,030**	**13,026**	**12,299**
Current assets			
Inventories	8,234	9,983	7,075
Sales receivables	5,170	5,222	4,969
Other receivables	1,039	757	719
Contract assets	796	145	295
Accrued income	810	970	761
Other financial assets	1,126	0	5,067
Cash and cash equivalents	4,504	9,764	5,219
Total current assets	**21,678**	**26,841**	**24,105**
Assets held for sale	1,186	0	3,023
TOTAL ASSETS	**34,894**	**39,867**	**39,426**

EUR 1,000	30.9.2025	30.9.2024	31.12.2024
SHAREHOLDERS' EQUITY AND LIABILITIES			
Share capital	1,090	1,090	1,090
Invested unrestricted equity reserve	2,548	7,377	7,377
Translation differences	30	-40	-44
Retained earnings	16,266	14,772	14,797
Profit for the period	2,389	450	1,416
Shareholders' equity, total	**22,323**	**23,650**	**24,636**
Non-current liabilities			
Lease liabilities	1,902	2,231	1,958
Provisions	474	1,062	469
Total non-current liabilities	**2,376**	**3,294**	**2,427**
Current liabilities			
Financial liabilities	0	240	150
Lease liabilities	976	1,234	1,047
Contract liabilities	1,308	1,951	1,791
Trade payables	4,228	4,619	1,839
Other liabilities	749	775	554
Deferred income	1,579	4,104	1,170
Total current liabilities	**8,841**	**12,924**	**6,550**
Liabilities directly associated with the assets held for sale	1,354	0	5,813
Total liabilities	**12,571**	**16,217**	**14,791**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**34,894**	**39,867**	**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)	(Profit before taxes + income taxes) / Average shareholders' equity during the period	x 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)	Shareholders' equity / (Balance sheet total - contract liabilities)	x 100	
Return on capital employed (ROCE), % (including discontinued operations)	(Profit before taxes + financial expenses) / (Average shareholders' equity during the period + average interest-bearing liabilities during the period)	x 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.

PROVENTIA

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