



**Q1/2025**

**KH Group Plc  
Business Review**

January–March 2025

6 May 2025

January–March 2025

## KH Group's structure and reporting practices

KH Group Plc is a Nordic conglomerate operating in the business areas of KH-Koneet, Nordic Rescue Group and Indoor Group. We are a leading supplier of construction and earth-moving equipment, a rescue vehicle manufacturer and a furniture and interior decoration retailer. The aim of our strategy is to create an industrial group focused on the KH-Koneet business. Other business areas will be further developed and then divested in line with the Group's investment strategy.

In this Business Review, Indoor Group and HTJ, which was divested in July 2024, are retroactively classified as discontinued operations and reported in accordance with the "IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations" standard. Unless otherwise stated, all quarterly and full-year figures related to the income statement presented in this report, including comparison figures for 2024, only include continuing operations. The figures related to the balance sheet and cash flow include both continuing operations and discontinued operations held for sale. The continuing operations include the business areas KH-Koneet and Nordic Rescue Group.

## MODERATE GROWTH AND PROFITABILITY IMPROVEMENT

### KH Group, January–March 2025 IFRS

- Net sales amounted to EUR 41.8 (40.4) million. HTJ and Indoor have been retrospectively classified as discontinued operations.
- Comparable operating profit was EUR 0.2 (-0.1) million.
- Operating profit was EUR -0.1 (-0.5) million.
- Net profit for the period from continuing operations was EUR -0.4 (-1.7) million.
- Earnings per share (undiluted and diluted) from continuing operations were EUR -0.01 (-0.03).
- Equity per share at the end of the review period was EUR 0.85 (1.30).
- Return on equity for rolling 12 months was -43.4% (-19.2%).
- The Group's cash and cash equivalents amounted to EUR 4.5 million at the end of the review period.
- Gearing at the end of the review period was 291.3% (225.3%).
- Gearing excluding lease liabilities was 187.9% (141.6%).

### Consolidated key figures, IFRS

EUR million	1-3/2025	1-3/2024	1-12/2024
Net sales	41.8	40.4	194.0
EBITDA	3.6	3.2	20.3
EBITDA %	8.6%	7.8%	10.5%
Operating profit (EBIT)	-0.1	-0.5	5.8
Operating profit (EBIT) %	-0.3%	-1.1%	3.0%
Comparable operating profit (EBIT)	0.2	-0.1	7.2
Comparable EBIT %	0.5%	-0.2%	3.7%
Return on equity, %, rolling 12 months	-43.4%	-19.2%	-46.6%
Gearing, %	291.3%	225.3%	283.4%
Gearing, excluding lease liabilities, %	187.9%	141.6%	177.3%
Equity ratio, %	17.7%	22.3%	18.7%

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Earnings per share, EUR, undiluted, continuing operations	-0.01	-0.03	0.02
Personnel, average	788	1,102	869

## CEO Ville Nikulainen:

"The Group's net sales and operating profit from continuing operations increased moderately year-on-year during the January–March review period. KH-Koneet's net sales and operating profit increased in both Finland and Sweden in spite of the weakened market situation. Sales of heavy crawler excavators in Finland, in particular, grew significantly year-on-year. Nordic Rescue Group's net sales declined, but operating profit for the first quarter was on a par with the comparison period. The financial situation of the wellbeing services counties became clearer after the turn of the year and, as a result, the order book for Nordic Rescue Group's operations in Finland strengthened during the review period. In Sweden, the demand for rescue vehicles has remained at a good level.

In Indoor Group, the general uncertainty in the market continued to have a negative impact on net sales and operating profit. The extensive operating model reform programme to improve Indoor Group's profitability targets an annual improvement in operating profit of at least EUR 10 million by the end of 2026. A significant part of the targeted profitability improvement is estimated to be realised already during 2025. The change negotiations concluded in December 2024 will generate annual savings in wage costs of approximately EUR 6–7 million, which will improve the company's result significantly already during the second quarter.

As a strategic measure, KH Group announced in March 2024 that it had initiated a sale process for Indoor Group. KH Group has engaged a financial advisor to explore various options for its Indoor Group shareholding. No final decision has been made on the sale of Indoor Group holdings and there is no certainty as to the timing, terms or completion of any such transaction. KH Group aims to complete the process during 2025. Another strategic step was completed in March 2025 as KH Group acquired the remaining KH-Koneet Group Oy minority shares in accordance with the shareholder agreement and KH-Koneet is now a fully-owned subsidiary of KH Group. The purchase price of the shares was EUR 2.0 million.

In 2025, the business areas will focus on securing net sales and operating profit as well as improving the efficiency of working capital. KH Group's change in strategy is being advanced according to plan."

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## Financial performance

### KH Group

EUR million	1-3/2025	1-3/2024	1-12/2024
Net sales	41.8	40.4	194.0
<b>EBITDA <sup>(1)</sup></b>	<b>3.6</b>	<b>3.2</b>	<b>20.3</b>
EBITDA %	8.6%	7.8%	10.5%
<b>Comparable operating profit (EBIT)</b>	<b>0.2</b>	<b>-0.1</b>	<b>7.2</b>
Comparable EBIT %	0.5%	-0.2%	3.7%
<b>Profit before taxes</b>	<b>-0.5</b>	<b>-1.9</b>	<b>1.7</b>

(1) EBITDA = operating profit + depreciation and amortisation

### KH Group, January–March 2025

KH Group's net sales amounted to EUR 41.8 (40.4) million, representing a year-on-year increase of 4%. Net sales increased substantially for KH-Koneet, but Nordic Rescue Group's net sales decreased year-on-year. Comparable operating profit for the review period was EUR 0.2 (-0.1) million. Operating profit increased during the review period for both KH-Koneet and Nordic Rescue Group. The parent company's share of the operating profit for the review period was EUR -0.4 (-0.3) million. Financial expenses were substantially lower than in the comparison period due to lower interest rates, the amortisation of interest-bearing financial liabilities, and changes in exchange rates.

## Segments

### KH-Koneet

EUR million	1-3/2025	1-3/2024	1-12/2024
Net sales	33.1	29.2	149.8
<b>EBITDA <sup>(1)</sup></b>	<b>3.0</b>	<b>2.7</b>	<b>18.8</b>
EBITDA %	9.2%	9.2%	12.5%
<b>Comparable operating profit (EBIT)</b>	<b>-0.1</b>	<b>-0.4</b>	<b>6.3</b>
Comparable EBIT %	-0.4%	-1.3%	4.2%

(1) EBITDA = operating profit + depreciation and amortisation.

*KH-Koneet is one of the leading construction and earth-moving machinery suppliers in the Nordic countries. The company sells and rents out a comprehensive range of machinery, equipment and services for needs related to earthworks, property maintenance and material handling. The brands it represented by KH-Koneet include Kobelco, Kramer, Wacker Neuson, Yanmar, Ljungby Maskin and Pronar.*

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The downturn that started at the beginning of 2023 in the market for machinery continued in early 2025 in both Finland and Sweden. In spite of this, KH-Koneet managed to increase its net sales in both operating countries in the first quarter. Sales of heavy crawler excavators in Finland, in particular, grew significantly year-on-year. However, the fact that sales were more focused on heavier machinery led to a slight year-on-year decrease in the comparable gross margin.

The operating result improved slightly year-on-year, amounting to EUR -0.1 million. Fixed costs increased year-on-year, mainly due to the opening of the Luleå office and the launch of Pronar recycling equipment, both of which took place in 2024. The appreciation of the Swedish krona had a positive effect on purchases and financial items during the quarter.

## Nordic Rescue Group

EUR million	1-3/2025	1-3/2024	1-12/2024
Net sales	8.7	11.1	44.2
<b>EBITDA <sup>(1)</sup></b>	<b>1.0</b>	<b>0.9</b>	<b>3.4</b>
EBITDA %	11.3%	7.8%	7.7%
<b>Comparable operating profit (EBIT)</b>	<b>0.8</b>	<b>0.7</b>	<b>2.8</b>
Comparable EBIT %	9.1%	6.3%	6.2%

(1) EBITDA = operating profit + depreciation and amortisation.

*Nordic Rescue Group is a leading rescue vehicle supplier in the Nordic countries. The company operates in Finland under the name Saurus and in Sweden under the name Sala Brand.*

There was positive development in the demand for rescue vehicles during the review period. Delays in the wellbeing services counties' purchase decisions, which characterised the market situation in Finland in 2024, have eased to some extent, and the order book strengthened in January–March. However, due to the delays in orders, the utilisation of production capacity in early 2025 was lower than the targeted level, and Saurus carried out change negotiations that resulted in the company terminating eight employment relationships and implementing temporary layoffs of personnel. In Sweden, the demand situation remained stable, and the production capacity for 2025 has been sold out.

Net sales for January–March decreased year-on-year and amounted to EUR 8.7 million. The decline in net sales was mainly due to differences in the types of vehicles delivered when compared to the corresponding period last year. Operating profit remained largely unchanged and relative profitability improved, supported by efficient production and change negotiations.

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## Discontinued operations

### Indoor Group

EUR million	1-3/2025	1-3/2024	1-12/2024
Net sales	34.1	37.8	161.6
<b>EBITDA <sup>(1)</sup></b>	<b>2.3</b>	<b>5.0</b>	<b>18.2</b>
EBITDA %	6.6%	13.4%	11.3%
<b>Comparable operating profit (EBIT)</b>	<b>-2.5</b>	<b>-0.3</b>	<b>-1.6</b>
Comparable EBIT %	-7.4%	-0.9%	-1.0%

(1) EBITDA = operating profit + depreciation and amortisation.

*Indoor Group's Asko and Sotka chains are among Finland's best-known home furniture and interior decoration retailers. In addition to the retail chains, the Group includes the furniture factory Insofa. Asko and Sotka have approximately 80 physical stores as well as online stores in Finland.*

The furniture market remained challenging in the first quarter. Consumer confidence remained weak and the housing market, which has a significant impact on furniture demand, was quiet. Indoor Group's net sales decreased by 10% year-on-year. Part of the decrease in net sales is attributable to the discontinuation of operations in Estonia and the closure of stores in Finland.

The comparable operating result for January–March was EUR -2.5 million. The operating loss for the first quarter decreased year-on-year. In the comparison period, the operating result was EUR -0.3 million and included a profit of EUR 3.7 million recognised on the sale of real estate in connection with the discontinuation of operations in Estonia. Profitability was improved by the operating model reform that began in 2024. The nationwide consolidation of the operations of Asko and Sotka stores that are located adjacent to each other is part of the reform carried out by Indoor Group. As a result, Indoor Group's fixed expenses decreased in the first quarter. Following the change negotiations that were concluded in December 2024, the average number of personnel in January–March was 455 (565). The change negotiations will generate annual savings in wage costs of approximately EUR 6–7 million, which will improve the company's result significantly already during the second quarter.

Indoor Group will continue to implement the operating model reform programme and make comprehensive use of the ERP system with the aim of improving the company's competitiveness in a very challenging market situation. The measures are expected to result in an annual operating profit improvement of at least EUR 10 million for Indoor Group by the end of 2026.

On 13 March 2025, KH Group announced that it had initiated a sale process regarding its shareholding in Indoor Group. In this Business Review, Indoor Group is reported in accordance with the "IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations" standard.

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## Financial position and cash flow

KH Group's balance sheet total on 31 March 2025 was EUR 277.7 (348.6) million. The equity ratio was 17.7% (22.3%) and gearing was 291.3% (225.3%). Gearing excluding lease liabilities was 187.9% (141.6%). The assets and liabilities of Indoor Group, which is classified as held for sale, amounted to EUR 114.2 million in assets and EUR 113.2 million in liabilities, which are included in the consolidated balance sheet indicators.

At the end of the review period, the parent company had an unused credit facility of EUR 2.45 million, and it had no loans from financial institutions. The Group's cash and cash equivalents totalled EUR 4.5 million at the end of the review period.

NRG met the financial covenants of its financing agreement in March 2025. The covenants of KH-Koneet will next be reviewed at the end of June 2025.

Due to a breach of covenants on 30 September 2024, there is uncertainty in Indoor Group's financing, and all of its loans from financing providers, totalling EUR 27.5 million, have been classified as short-term liabilities. Indoor Group has signed an agreement with the financing provider, according to which the financing provider will not demand the repayment of loans despite the breach of covenants, provided that certain conditions are met. The agreement expires on 31 May 2025 and the parties have engaged in negotiations on the terms of validity of financing for the duration of the sale process. In accordance with the agreement, KH Group granted Indoor Group a shareholder loan of EUR 1.0 million in January 2025. The financing provider has the right to demand repayment of the loans at the expiration of the agreement, which may have an impact on Indoor Group's ability to continue as a going concern. Indoor Group's financing situation does not have immediate impacts on KH Group's continuing operations, as the Group companies have ring-fenced financing.

In the review period, net cash flow from the operating activities of continuing operations amounted to EUR -1.4 (-2.9) million, net cash flow from investing activities came to EUR -2.3 (0.0) million, and net cash flow from the financing activities amounted to EUR -1.5 (2.6) million. Cash flows from discontinued operations totalled EUR 0.1 (-2.7) million. The Group's net cash flow was EUR -5.2 million.

## Personnel

Personnel, average	31 March 2025	31 Dec. 2024
KH-Koneet	220	206
Nordic Rescue Group	110	115
Parent company	3	4
<b>Continuing operations total</b>	<b>333</b>	<b>325</b>
Discontinued operations Indoor <sup>(1)</sup>	455	544
<b>Group, total</b>	<b>788</b>	<b>869</b>

<sup>(1)</sup> For Indoor Group, the FTE figure is used due to the large number of part-time employees.

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## Events after the review period

The Board of Directors of KH Group Plc decided to establish a performance-based share scheme for key employees of KH-Koneet. The plan replaces the performance-based matching share plan announced on 31 May 2024. The purpose of the new scheme is to align the goals of shareholders and key employees in order to increase the company's shareholder value in the long term, guide the key employees to achieve the company's strategic objectives, engage their commitment to the company and offer them a competitive incentive scheme based on the earning and accrual of KH Group shares. The performance-based share scheme has one (1) performance period of two (2) years, corresponding to the financial periods 2025–2026. The scheme provides key employees with the opportunity to earn KH Group shares based on performance.

## Financial objectives and future outlook

KH Group's objective is to become an industrial group built around the KH-Koneet business and to divest other business areas in line with the Group's strategy. At the same time, active developments will continue regarding other business areas. Exit planning and the assessment of exit opportunities for the other business areas will also continue.

During the next few years, the aim is to invest in the growth of the core business and pay dividends after significant exits within the limits established by the balance sheet structure and financing agreements.

The guidance with the current Group structure of continuing operations for 2025 is as follows: the company estimates that both the net sales (EUR 194.0 million) and the comparable operating profit (EUR 7.2 million) will remain approximately at the same level year-on-year.

Helsinki, 5 May 2025

KH Group Plc  
Board of Directors

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## Tables

### Accounting principles

This unaudited interim report has been prepared in compliance with the IAS 34 Interim Financial Reporting standard.

The preparation of consolidated financial statements in accordance with the IFRS requires the use of management estimates and assumptions, which affects the amounts of assets and liabilities on the balance sheet, as well as income and expenses. Although the estimates are based on the management's best current knowledge, it is possible that the actual outcomes differ from the estimates and assumptions used.

The consolidated financial statements are drawn up in euros, which is the company's operating currency and the reporting currency of the company and the Group. All figures are presented in millions of euros (EUR million) and rounded to the nearest EUR 0.1 million. Consequently, the sum of individual figures may deviate from the presented amounts.

### Consolidated income statement, IFRS

The comparison data in the 2024 income statements has been updated due to HTJ's and Indoor's reclassification as discontinued operations.

EUR million	1-3/2025	1-3/2024 (Restated)	1-12/2024
<b>Net sales</b>	<b>41.8</b>	<b>40.4</b>	<b>194.0</b>
Other operating income	0.1	0.1	0.6
Materials and services	-29.6	-29.2	-141.1
Personnel expenses	-6.2	-5.7	-22.7
Other operating expenses	-2.5	-2.4	-10.5
Depreciation, amortisation and impairment	-3.7	-3.6	-14.5
<b>Operating profit/loss</b>	<b>-0.1</b>	<b>-0.5</b>	<b>5.8</b>
Financial income	0.4	0.1	2.2
Financial expenses	-0.8	-1.6	-6.3
<b>Profit before taxes</b>	<b>-0.5</b>	<b>-1.9</b>	<b>1.7</b>
Income taxes	0.1	0.2	-0.2
<b>Profit from continuing operations</b>	<b>-0.4</b>	<b>-1.7</b>	<b>1.4</b>
Profit from discontinued operations	0.0	-1.5	-31.4
<b>Net profit for the period</b>	<b>-0.4</b>	<b>-3.2</b>	<b>-29.9</b>
<b>Distribution of the net profit for the period:</b>			
Parent company shareholders	-0.5	-2.8	-24.6
Non-controlling interest	0.1	-0.5	-5.3
<b>Earnings per share</b>			
Continuing operations, €			
Undiluted and diluted	-0.01	-0.03	0.02
Discontinued operations, €			
Undiluted and diluted	0.00	-0.02	-0.44
Continuing and discontinued operations, €			
Undiluted and diluted	-0.01	-0.05	-0.42

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## Consolidated statement of comprehensive income, IFRS

EUR million	1-3/2025	1-3/2024	1-12/2024
<b>Net profit for the period</b>	<b>-0.4</b>	<b>-3.2</b>	<b>-29.9</b>
<b>Comprehensive income items that may be later recognised through profit and loss</b>			
Translation differences	0.6	-0.3	-0.3
<b>Items not transferred to profit or loss:</b>			
Defined-benefit pensions	0.0	0.0	0.0
<b>Other comprehensive income after taxes for the financial period</b>	<b>0.6</b>	<b>-0.3</b>	<b>-0.3</b>
<b>Consolidated statement of comprehensive income, total</b>	<b>0.2</b>	<b>-3.6</b>	<b>-30.2</b>
<b>Distribution</b>			
Parent company shareholders	0.0	-3.1	-24.9
Non-controlling interest	0.2	-0.5	-5.3

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## Consolidated balance sheet, IFRS

EUR million	31 March 2025	31 March 2024	31 Dec. 2024
<b>Assets</b>			
<b>Non-current assets</b>			
Goodwill	7.7	39.9	7.7
Intangible assets	10.0	64.2	10.3
Tangible assets	44.0	41.9	41.8
Right-of-use assets	9.2	62.4	9.6
Other financial assets	0.2	0.7	0.4
Deferred tax assets	4.2	5.7	4.1
<b>Non-current assets, total</b>	<b>75.1</b>	<b>214.7</b>	<b>73.9</b>
<b>Current assets</b>			
Inventories	65.9	98.2	60.2
Trade receivables	15.1	22.9	15.8
Accrued income and other receivables	3.6	4.8	2.7
Cash and cash equivalents	3.7	8.1	9.0
<b>Current assets, total</b>	<b>88.4</b>	<b>133.9</b>	<b>87.8</b>
Assets classified as held for sale	114.2	-	110.0
<b>Assets, total</b>	<b>277.7</b>	<b>348.6</b>	<b>271.7</b>
<b>Shareholders' equity and liabilities</b>			
<b>Equity attributable to equity holders of the parent company</b>			
Share capital	15.2	15.2	15.2
Reserve for invested unrestricted equity	12.9	12.9	12.9
Translation differences	0.2	-0.4	-0.3
Retained earnings	21.4	43.8	21.9
<b>Equity attributable to the owners of the parent company</b>	<b>49.7</b>	<b>71.5</b>	<b>49.7</b>
Non-controlling interest	-0.4	4.2	-0.6
<b>Total equity</b>	<b>49.3</b>	<b>75.7</b>	<b>49.1</b>
<b>Non-current liabilities</b>			
Interest-bearing financial liabilities	17.6	42.7	19.7
Financial liabilities for leased equipment	31.7	27.0	30.0
Lease liabilities	5.8	41.3	6.2
Other non-current financial liabilities	-	3.4	-
Provisions	0.0	0.1	0.0
Pension obligations	-	0.2	-
Deferred tax liabilities	2.0	12.6	2.1
<b>Non-current liabilities, total</b>	<b>57.0</b>	<b>127.2</b>	<b>58.0</b>
<b>Current liabilities</b>			
Interest-bearing financial liabilities	8.9	36.2	8.8
Financial liabilities for leased equipment	11.4	9.3	10.8
Lease liabilities	3.8	22.1	3.7
Advances received	0.2	8.5	1.1
Trade and other liabilities	34.0	69.6	30.2
<b>Current liabilities, total</b>	<b>58.2</b>	<b>145.7</b>	<b>54.7</b>
Liabilities relating to assets held for sale	113.2	-	110.0
<b>Liabilities, total</b>	<b>228.4</b>	<b>272.9</b>	<b>222.6</b>
<b>Shareholders' equity and liabilities, total</b>	<b>277.7</b>	<b>348.6</b>	<b>271.7</b>

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## Consolidated cash flow statement, summary, IFRS

EUR million	1-3/2025	1-3/2024	1-12/2024
<b>Net cash flow from operating activities</b>	<b>1.8</b>	<b>-10.7</b>	<b>9.4</b>
<b>Net cash flow from investing activities</b>	<b>-2.3</b>	<b>3.8</b>	<b>12.3</b>
<b>Net cash flow from financing activities</b>	<b>-4.7</b>	<b>3.9</b>	<b>-23.1</b>
<b>Change in cash and cash equivalents</b>	<b>-5.2</b>	<b>-3.0</b>	<b>-1.3</b>
Cash and cash equivalents at the beginning of the period	9.8	11.1	11.1
<b>Cash and cash equivalents at the end of the period</b>	<b>4.5</b>	<b>8.1</b>	<b>9.8</b>

## Segment reporting and revenue

KH Group's continuing operations' business segments and reporting segments are KH-Koneet and Nordic Rescue Group. The parent company's share is included in the Non-allocated column. Indoor and HTJ are presented as discontinued operations.

### Continuing operations 1-3/2025

EUR million	KH-Koneet	Nordic Rescue Group	Non-allocated	Internal items	Group, total
<b>Net sales</b>	<b>33.1</b>	<b>8.7</b>	<b>0.0</b>	-	<b>41.8</b>
Net sales share, %	79.2%	20.8%	0.0%	-	100.0%
Other operating income	0.1	0.0	0.0	-	0.1
Materials and services	-23.7	-5.9	0.0	-	-29.6
Personnel expenses	-4.6	-1.5	-0.1	-	-6.2
Other operating expenses	-1.9	-0.3	-0.3	-	-2.5
<b>EBITDA</b>	<b>3.0</b>	<b>1.0</b>	<b>-0.4</b>	-	<b>3.6</b>
Depreciation	-3.4	-0.3	0.0	-	-3.7
<b>Operating profit (EBIT)</b>	<b>-0.3</b>	<b>0.6</b>	<b>-0.4</b>	-	<b>-0.1</b>
PPA depreciation	-0.2	-0.2	0.0	-	-0.4
<b>Comparable operating profit (EBIT)</b>	<b>-0.1</b>	<b>0.8</b>	<b>-0.4</b>	-	<b>0.2</b>
Financial items, net	-0.3	-0.2	0.1	-	-0.4
<b>Profit before taxes</b>	<b>-0.6</b>	<b>0.4</b>	<b>-0.3</b>	-	<b>-0.5</b>
<b>Assets, 31 March</b>	<b>135.8</b>	<b>21.2</b>	<b>9.0</b>	<b>-2.5</b>	<b>163.5</b>
<b>Interest-bearing net debt, 31 March</b>	<b>70.7</b>	<b>10.1</b>	<b>-5.4</b>	-	<b>75.4</b>

1) More information on the comparable key figures is presented later in the sections "Alternative performance measures" and "Reconciliation of key figures".

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## Discontinued operations

Non-current assets are classified as held for sale if the amount corresponding to their book value will be generated primarily from their sale and the sale is considered to be highly probable. A discontinued operation represents a separate business area, is part of a coordinated plan to divest such a business area and the sale can be expected within a year of the reclassification. They are measured at the lower of book value or fair value less disposal expenses. Assets are not depreciated after the classification. Assets and liabilities included in a disposal group held for sale are presented on the balance sheet separately. The balance sheet for the comparison period has not been restated.

A discontinued operation is a part of the company that has been divested or classified as held for sale. Continuing and discontinued operations are presented separately in the consolidated income statement. Comparative information has been adjusted accordingly in the income statement.

On 13 March 2025, KH Group announced that it had initiated a sale process regarding its shareholding in Indoor Group. In this financial statements release, Indoor Group is reported in accordance with the "IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations" standard. Unless otherwise stated, all quarterly and full-year figures related to the income statement presented in this report, including comparison figures for 2024, only include continuing operations. The figures related to the balance sheet and cash flow include both continuing operations and discontinued operations held for sale. The continuing operations include the business areas KH-Koneet and Nordic Rescue Group.

EUR million	1-3/2025
<b>Income items of discontinued operations</b>	
<b>Net sales</b>	<b>34.1</b>
Operational expenses	-31.9
<b>Operating profit</b>	<b>2.3</b>
Depreciation not accounted for based on IFRS 5	-5.0
PPA depreciation	0.2
<b>Comparable operating profit</b>	<b>-2.5</b>
Financial items	-1.0
Taxes	0.1
<b>Net profit/loss before measurement at fair value</b>	<b>1.3</b>
Measurement at fair value less expenses arising from sale	-1.3
<b>Result of discontinued operations, total</b>	<b>0.0</b>
<b>EUR million</b>	
<b>Effect on consolidated cash flow</b>	
Cash flow from operating activities	3.3
Cash flow from investing activities	0.0
Cash flow from financing activities	-3.2
<b>Cash flows from discontinued operations, total</b>	<b>0.1</b>

January–March 2025

## Off-balance sheet liabilities and loan covenants

<b>Business mortgages, EUR million</b>	<b>31 March 2025</b>	<b>31 December 2024</b>
KH-Koneet	47.0	47.0
Indoor Group	65.5	65.5
Nordic Rescue Group	19.0	19.0
Parent company	-	-
<b>Group, total</b>	<b>131.5</b>	<b>131.5</b>

Due to a breach of covenants on 30 September 2024, there is uncertainty in Indoor Group's financing, and all of its loans from financing providers, totalling EUR 27.5 million, have been classified as short-term liabilities. Indoor Group has signed an agreement with the financing provider, according to which the financing provider will not demand the repayment of loans despite the breach of covenants, provided that certain conditions are met. The agreement expires on 31 May 2025 and the parties have engaged in negotiations on the terms of validity of financing for the duration of the sale process. In accordance with the agreement, KH Group granted Indoor Group a shareholder loan of EUR 1.0 million in January 2025. The financing provider has the right to demand repayment of the loans at the expiration of the agreement, which may have an impact on Indoor Group's ability to continue as a going concern. Indoor Group's financing situation does not have immediate impacts on KH Group's continuing operations, as the Group companies have ring-fenced financing.

## Alternative Performance Measures

KH Group adheres to the guidelines issued by the European Securities and Markets Authority (ESMA) concerning Alternative Performance Measures (APM) when reporting certain other widely used performance measures in addition to IFRS performance measures. The accounting principles for these alternative performance measures are not defined in the IFRS standards. Consequently, they may not be fully comparable with the alternative performance measures presented by other companies.

KH Group believes that presenting alternative performance measures provides the users of the financial statements with better insight into the Group's financial performance, profitability and financial position. Comparable operating profit (EBIT) is used to follow the profitability of the business in order to improve comparability between periods. Other alternative performance measures used by the company include return on equity (%), return on capital employed (%), gearing (%) (including lease liabilities and excluding lease liabilities) and equity ratio (%) and equity per share. All of the alternative performance measures and their comparison figures are calculated consistently between reporting periods unless otherwise mentioned.

# Q1/2025 Business Review

January–March 2025

## The Group's key indicators

EUR million	1-3/2025	1-3/2024	1-12/2024
Net sales	41.8	40.4	194.0
EBITDA	3.6	3.2	20.3
EBITDA %	8.6%	7.8%	10.5%
Operating profit (EBIT)	-0.1	-0.5	5.8
Operating profit (EBIT) %	-0.3%	-1.1%	3.0%
Comparable operating profit (EBIT)	0.2	-0.5	7.2
Comparable EBIT %	0.5%	-0.2%	3.7%
Return on equity, %, rolling 12 months	-43.4%	-19.2%	-46.6%
Return on capital employed, %, rolling 12 months	-9.6%	-7.1%	-11.2%
Gearing, %	291.3%	225.3%	283.4%
Gearing, excluding lease liabilities, %	187.9%	141.6%	177.3%
Equity ratio, %	17.7%	22.3%	18.7%
Personnel, average, continuing operations	333	323	325
Personnel, average, discontinued operations	455	779	544
Earnings per share, EUR, undiluted, continuing operations	-0.01	-0.03	0.02
Earnings per share, EUR, diluted, continuing operations	-0.01	-0.03	0.02
Earnings per share, EUR, undiluted, discontinued operations	0.00	-0.02	-0.44
Earnings per share, EUR, diluted, discontinued operations	0.00	-0.02	-0.44
Earnings per share, EUR, undiluted, total	-0.01	-0.05	-0.42
Earnings per share, EUR, diluted, total	-0.01	-0.05	-0.42
Shareholders' equity per share, EUR	0.85	1.30	0.84
Lowest share price, EUR	0.48	0.66	0.52
Highest share price, EUR	0.57	0.89	0.89
Share price at the end of the period, EUR	0.55	0.84	0.54
Market capitalisation at the end of the period, EUR million	31.9	48.5	31.2
Number of shares at the end of the period, 1,000	58,079	58,079	58,079
Average number of shares, undiluted, 1,000	58,079	58,079	58,079
Average number of shares, diluted, 1,000	58,079	58,079	58,079

# Q1/2025 Business Review

January–March 2025

## Reconciliation of key indicators

EUR million	1-3/2025	1-3/2024	1-12/2024
<b>Operating profit</b>	<b>-0.1</b>	<b>-0.5</b>	<b>5.8</b>
Items affecting comparability (EBIT)			
Depreciation of intangible assets arising from acquisitions	0.4	0.4	1.4
<b>Comparable operating profit (EBIT)</b>	<b>0.2</b>	<b>-0.1</b>	<b>7.2</b>
Profit before taxes, rolling 12 months	-29.3	-23.9	-33.6
Financial expenses, rolling 12 months	-7.5	-13.0	-8.8
Equity at the beginning of the period	75.7	82.7	79.3
Interest-bearing liabilities, including lease liabilities, at the beginning of the period	178.6	10.0	166.0
Equity at the end of the period	49.3	75.7	49.1
Interest-bearing liabilities, including lease liabilities, at the end of the period	147.0	142.3	148.8
<b>Return on capital employed (ROCE), %</b>	<b>-9.6%</b>	<b>-7.1%</b>	<b>-11.2%</b>
Net profit for the period, rolling 12 months	-27.1	-15.2	-29.9
Equity at the beginning of the period	75.7	82.7	79.3
Equity at the end of the period	49.3	75.7	49.1
<b>Return on equity (ROE), %</b>	<b>-43.4%</b>	<b>-19.2%</b>	<b>-46.6%</b>
Total equity	49.3	75.7	49.1
Balance sheet total	277.7	348.6	271.7
Advances received	-0.2	-8.5	-9.1
<b>Equity ratio, %</b>	<b>17.7%</b>	<b>22.3%</b>	<b>18.7%</b>
Interest-bearing liabilities, including lease liabilities	148.0	178.6	148.8
Cash and cash equivalents	-4.5	-8.1	-9.8
<b>Interest-bearing net liabilities</b>	<b>142.5</b>	<b>170.5</b>	<b>139.1</b>
Lease liabilities	-50.9	-63.4	-52.1
<b>Interest-bearing net liabilities, excluding lease liabilities</b>	<b>92.6</b>	<b>107.1</b>	<b>87.0</b>
Total equity	49.3	75.7	49.1
<b>Gearing, %</b>	<b>291.3%</b>	<b>225.3%</b>	<b>283.4%</b>
<b>Gearing, excluding lease liabilities, %</b>	<b>187.9%</b>	<b>141.6%</b>	<b>177.3%</b>

Alternative Performance Measure	Calculation formula	Purpose
<b>EBITDA</b>	EBIT + Depreciation, amortisation and impairment	EBITDA is considered to provide an operative view of the business results.
<b>Comparable operating profit (EBIT)</b>	Operating profit - Items affecting comparability	Comparable operating profit EBIT is considered to provide a comparable view of the operating result as compared to previous periods.
<b>Equity ratio, %</b>	Total equity / (Balance sheet total - advances received) x 100	The equity ratio provides information on the debt financing used by the Group to finance its assets.
<b>Interest-bearing liabilities</b>	Loans from financial institutions + Lease liabilities + Other financial liabilities	The component is used in the calculation of gearing.
<b>Interest-bearing net liabilities</b>	Interest-bearing liabilities - Cash and cash equivalents	Interest-bearing net liabilities illustrate the total amount of the Group's external debt financing.
<b>Gearing, %</b>	Interest-bearing net liabilities / Total equity x 100	Gearing indicates the ratio of interest-bearing net debt to equity. It illustrates the company's capital structure.
<b>Return on equity, %</b>	Net profit for the period (rolling 12 months) / Total equity (average) x 100	The return on equity (ROE) percentage indicates how much return the company is able to generate on the equity invested in it by its owners.
<b>Return on capital employed, %</b>	(Profit before taxes + financial expenses) (rolling 12 months) / (Balance sheet total - non-interest-bearing liabilities) (average) x 100	The return on capital employed (ROCE) percentage indicates how much return the company is able to generate before taxes with the invested equity and financial liabilities in it.
<b>Equity per share</b>	Total equity / Number of shares at the end of the period	Equity per share indicates the amount of equity per share.

## **KH Group's financial disclosures in 2025**

Half-Year Report January–June: 15 August 2025

Business Review January–September: 31 October 2025

KH Group Plc is a Nordic conglomerate operating in the business areas of KH-Koneet, Indoor Group and Nordic Rescue Group. We are a leading supplier of construction and earth-moving equipment, furniture and interior decoration retailer as well as rescue vehicle manufacturer. The aim of our strategy is to create an industrial group focused on the KH-Koneet business. KH Group's share is listed on Nasdaq Helsinki.