



Q4/2024

KH Group Plc

Financial Statements Release

January–December 2024

21 March 2025

January–December 2024

KH Group's structure and reporting practices

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. Other business areas will be further developed and then divested in line with the Group's investment strategy.

KH Group did not previously consolidate the data of its subsidiaries into Group-level calculations line item by line item, but recognised investments in the companies at fair value through profit and loss. Starting from 1 May 2023, the Group has consolidated its subsidiaries into the income statement and balance sheet line item by line item. For the financial period 2024, the change in consolidation only influences the comparison figures. More information on the change in accounting principles and its significant effects on the figures reported for the comparison period is provided in the tables section.

The following unaudited pro forma financial figures have been prepared for illustrative purposes only. The pro forma figures aim to illustrate the comparable result of the segments and the Group if the change in investment entity status had taken place on 1 January 2023, and the companies that were part of continuing operations in the group structure on 31 December 2024 had been consolidated into the income statement line item by line item for the period 1 January–31 December 2023. The unaudited pro forma figures are based on the subsidiaries' audited financial statements for the financial year 2023 and 2024.

The segment and consolidated income statement comments have been prepared on the basis of pro forma figures, unless otherwise stated. The section "Pro forma financial information" presents more detailed accounting principles and reconciliation calculations between reported and pro forma figures. KH Group has not drawn up pro forma figures for balance sheet and cash flow items.

NET SALES INCREASED – PROFITABILITY DECLINED; SALE PROCESS FOR INDOOR GROUP INITIATED

KH Group announced on 13 March 2025, that it has initiated a sale process regarding its shareholding in Indoor Group. In this Financial Statements Release, Indoor Group is reported in accordance with "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 2023, only include continuing operations. The figures related to the balance sheet and cash flow include both continuing operations and operations held for sale and discontinued operations. The continuing operations include the business areas KH-Koneet and Nordic Rescue Group.

KH Group, October–December 2024 pro forma

- Net sales amounted to EUR 61.7 (50.5) million.
- Operating profit was EUR 3.4 (3.5) million.
- KH-Koneet's net sales increased, but profitability declined slightly year-on-year.
- NRG's net sales and operating profit were above the level of the comparison period.

KH Group, January–December 2024 pro forma

- Net sales amounted to EUR 194.0 (190.6) million.
- Operating profit was EUR 7.2 (8.1) million.

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KH Group, January–December 2024 reported IFRS

- Net sales amounted to EUR 194.0 (124.0) million. The figure for the comparison period includes net sales accumulated in May–December 2023. HTJ and Indoor have been retrospectively classified as discontinued operations.
- Operating profit was EUR 5.8 (-6.7) million.
- Net profit for the period from continuing operations was EUR 1.4 (-10.4) million.
- Earnings per share (undiluted and diluted) from continuing operations were EUR 0.02 (-0.18).
- Equity per share at the end of the review period was EUR 0.84 (1.36).
- Return on equity for rolling 12 months was -46.6% (-17.5%).
- The Group's cash and cash equivalents amounted to EUR 9.8 million at the end of the review period.
- Gearing at the end of the review period was 283.4% (195.4%).
- Gearing excluding lease liabilities was 177.3% (116.7%).

Consolidated key figures, IFRS

EUR million	1-12/2024	1-12/2023
Net sales	194.0	124.0
EBITDA	20.3	2.6
EBITDA %	10.5%	2.1%
Operating profit (EBIT)	5.8	-6.7
Operating profit (EBIT) %	3.0%	-5.4%
Comparable operating profit (EBIT)	7.2	3.2
Comparable operating profit EBIT %	3.7%	2.6%
Return on equity, %, rolling 12 months	-46.6%	-17.5%
Net Gearing, %	283.4%	195.4%
Net Gearing, excluding lease liabilities, %	177.3%	116.7%
Equity ratio, %	18.7%	23.2%
Earnings per share, EUR, undiluted, continuing operations	0.02	-0.18
Personnel, average	869	1,237

CEO Ville Nikulainen:

"KH Group divested HTJ in July 2024 in line with its strategic direction. In March 2025 KH Group informed about initiating the Indoor Group sale process.

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The Group's pro forma net sales increased, and operating profit decreased in the review period year-on-year in October–December. KH-Koneet's net sales increased in both operating countries, but operating profit was lower than in the comparison period. Nordic Rescue Group's pro forma net sales and operating profit increased year-on-year during the fourth quarter. The demand for rescue vehicles in Sweden has remained at a good level but, in Finland, the budgeting phase of the wellbeing services counties has slowed down the realisation of new orders during last autumn and winter.

For Indoor Group, the general market uncertainty and the increase to the general value-added tax rate in Finland had a negative impact on net sales and operating profit. In August 2024, KH Group announced the launch of an extensive operating model reform programme aimed at improving the group company Indoor Group's profitability. The reform includes development initiatives to stabilise Indoor Group's financial situation in the challenging furniture industry market environment. The company aims for an annual operating profit improvement of at least EUR 10 million by the end of 2026. Based on current information, a significant part of the targeted profitability improvement is estimated to be realised already during 2025. KH Group published a press release concerning the reform of Indoor Group's operating model and change negotiations in December 2024. The outcome of the change negotiations was that 162 employment relationships will be terminated in Indoor Group.

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."

Financial performance

KH Group

Pro forma key figures

The accounting principles applied in preparing the pro forma figures and the reconciliation of pro forma figures with the reported figures are presented later in the report under "Pro forma financial figures".

EUR million	10-12/2024	10-12/2023	1-12/2024	1-12/2023
Net sales	61.7	50.5	194.0	190.6
Pro forma EBITDA ⁽¹⁾	6.8	6.6	20.3	20.3
EBITDA %	11.0%	13.1%	10.5%	10.7%
Pro forma operating profit (EBIT)	3.4	3.5	7.2	8.1
Operating profit (EBIT) %	5.5%	6.9%	3.7%	4.2%
Pro forma profit before taxes	3.3	0.6	3.1	0.6

(1) EBITDA = operating profit + depreciation and amortisation

KH Group, October–December, pro forma

KH Group's pro forma net sales amounted to EUR 61.7 (50.5) million, representing a year-on-year increase of 22%. Net sales increased significantly in both KH-Koneet and Nordic Rescue Group. Operating profit for the review period came to EUR 3.4 (3.5) million. KH-Koneet's operating profit declined year-on-year, while Nordic Rescue Group managed to improve its profitability. The parent company's share of the operating profit for the review period was EUR -0.6 (-0.6) million.

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KH Group, January–December, pro forma

KH Group's net sales increased by 2% to 194.0 (190.6) million. Net sales decreased slightly in KH-Koneet and increased in Nordic Rescue Group. Operating profit declined significantly in KH-Koneet, while Nordic Rescue Group managed to increase its profitability both in euros and relatively. The parent company's share of the operating profit for the review period was EUR -1.9 (-2.9) million. The factors contributing to the parent company's decreased operating expenses included high project expenses associated with the change in strategy in the comparison period and savings in other fixed expenses.

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Segments

KH-Koneet

Pro forma key figures

The accounting principles applied in preparing the pro forma figures and reconciliations with the reported figures are presented below in the report under “Pro forma financial information”.

EUR million	10-12/2024	10-12/2023	1-12/2024	1-12/2023
Net sales	45.8	39.1	149.8	152.3
Pro forma EBITDA ⁽¹⁾	5.9	6.1	18.8	20.5
EBITDA %	12.9%	15.6%	12.5%	13.4%
Pro forma operating profit (EBIT)	2.8	3.2	6.3	9.0
Operating profit (EBIT) %	6.0%	8.1%	4.2%	5.9%

(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 represented by KH-Koneet include Kobelco, Kramer, Wacker Neuson, Yanmar, Ljungby Maskin and Pronar.

During October-December, the net sales of KH-Koneet was 17% above the level of the comparison period driven by expansion of sales network and increase in machinery rentals. Despite sales growth, operating profit declined in the fourth quarter to EUR 2.8 (3.2) million. Gross margins remained close to the level of the comparison period in both countries. Profitability was impacted negatively by the costs associated with the opening of service center in Luleå among others.

The downturn that started in 2023 in the market for earth-moving and property maintenance machinery continued in 2024 in Finland and Sweden. The market for core product segments declined by approximately 15% and 10% in Finland and Sweden, respectively. The net sales of KH-Koneet declined approximately 2% in the declining market. Despite weak market environment, KH-Koneet performed strongly in 2024 and increased its market share. The highlights of 2024 included the growth in rental and aftermarket sales, and positive development in wheeled excavators and wheel-loaders. Gross margins in 2024 remained at the level of the 2023 comparison period.

During financial year 2024, the fixed costs of KH-Koneet increased markedly. The increase was mainly due to increased marketing efforts and customer events to support sales in a challenging market. Recruitments increased personnel costs both in Finland and Sweden, and personnel increased to 218 (201) by the end of the year. During 2024, KH-Koneet was able to drive down its inventory by EUR 13.9 million and during the same period its accounts payable declined by EUR 11.4 million. Inventories at the end of the year was EUR 55.8 (69.7) million.

During 2024, KH-Koneet made significant growth investments in line with its strategy. In Finland, rental operations were expanded in Turku and Seinäjoki at the beginning of the year, and the service center in Jyväskylä was relocated to new, modern premises in August 2024. In Sweden, KH-Koneet opened a new service center in Luleå

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in Northern Sweden during November 2024 and made significant efforts in the launch of Pronar recycling machinery. The sale of recycling machinery was initiated also in Finland during the year.

Nordic Rescue Group

Pro forma key figures

The accounting principles applied in preparing the pro forma figures and reconciliations with the reported figures are presented below in the report under “Pro forma financial information”.

EUR million	10-12/2024	10-12/2023	1-12/2024	1-12/2023
Net sales	15.9	11.4	44.2	38.3
Pro forma EBITDA ⁽¹⁾	1.3	1.1	3.4	2.5
EBITDA %	8.4%	9.5%	7.7%	6.6%
Pro forma operating profit (EBIT)	1.2	0.9	2.8	1.9
Operating profit (EBIT) %	7.4%	8.1%	6.2%	5.0%

(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.

The rescue vehicle business developed mainly positively in the fourth quarter. The production capacity for 2024 had already been fully sold previously and vehicle deliveries to customers were made according to plan. Production efficiency remained at a good level. In Finland, the demand for rescue vehicles weakened towards the end of the year due to delays in purchasing decisions by wellbeing services counties. This reduces the visibility of the order book. In Sweden, demand remained stable also in the fourth quarter. As a whole, the order book at the end of the year was lower than in the previous year.

Net sales in October–December amounted to EUR 15.9 million, which was clearly above the comparison period. Underlying the growth is the higher number of vehicles delivered in both Finland and Sweden than in the comparison period. The net sales of the after-sales maintenance business were on a par with the comparison period. Operating profit increased year-on-year, supported by the growth in net sales.

In December, NRG received EUR 0.8 million from the Vema Lift bankruptcy estate, and an estimated EUR 0.2 million is expected in the first half of 2025.

Indoor Group

Pro forma key figures

EUR million	10-12/2024	10-12/2023	1-12/2024	1-12/2023
Net sales	40.7	48.1	161.6	186,3
Pro forma EBITDA ⁽¹⁾	4.5	6.0	18.2	21.8
EBITDA %	11.0%	12.5%	11.3%	11.7%

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Pro forma operating profit (EBIT)	-0.4	0.6	-1.6	1.0
Operating profit (EBIT) %	-1.0%	1.2%	-1.0%	0.6%

(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. Operations in Estonia were discontinued at the beginning of 2024.

Market continued to be challenging in the fourth quarter. Consumers' purchasing power was weak and furniture retail market declined by 6% year-on-year. Indoor Group's net sales declined by 15% from the comparison period. The decline was also partially impacted by store closures in Finland and discontinued Estonian operations.

Pro forma operating profit in October-December 2024 was EUR -0.4 million, which was clearly lower than in the comparison period due to lower net sales. Indoor Group continued the measures, which were announced in August, to improve profitability and on 21 October 2024 commenced change negotiations covering 635 employees. The change negotiations were concluded in December and the outcome of the change negotiations is that 162 employment relationships will be terminated in Indoor Group.

The reform of the operating model was expanded nationwide during the last quarter of the year. The change focuses on the nationwide consolidation of the operations of Asko and Sotka stores that are located adjacent to each other. Taking comprehensive advantage of the two strong Finnish brands, shared business premises, an efficient sales organisation and the new ERP system will enable a better customer experience and a broader product range, while improving the company's competitiveness in a very challenging market situation. The reform is estimated to improve Indoor Group's annual operating profit by at least EUR 10 million 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 Financial Statements Release, Indoor Group is reported in accordance with "IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations" standard.

HTJ

In June 2024, KH Group Plc, together with the other shareholders of the developer consultancy company HTJ Holding Oy (HTJ), agreed on the sale of the company's shares to XPartners Finland Holding Oy, which is part of the XPartners Group. The transaction was completed in July 2024. For more information, see the notes on discontinued operations in the table section.

Financial position and cash flow

KH Group's balance sheet total on 31 December 2024 was EUR 271,7 (347.7) million. The equity ratio was 18.7% (23.2%) and gearing was 283.4% (195.4%). Gearing excluding lease liabilities was 177.3% (116.7%). Indoor Group related assets and liabilities classified as held for sale were EUR 110.0 million each and are included in the Consolidated balance sheet.

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 9.8 million at the end of the review period.

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KH-Koneet and NRG met the financial covenants of their financing agreements in December 2024.

Due to breach of covenants on 30 September 2024, there is uncertainty in Indoor Group's financing and all its loans from financing provider, totalling EUR 27,5 million, have been presented as short-term liabilities. Indoor Group 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. According to 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 contract expiry, which might impact 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 group companies have ringfenced financing.

In the review period, net cash flow from operating activities amounted to EUR 4.2 (1.1) million, net cash flow from investing activities to EUR -3.5 (3.4) million and net cash flow from financing activities to EUR -6.1 (-17.8) million. Due to the change in the reporting structure, the figures are not comparable. Cash flow from discontinued operations totalled EUR 4.1 (22.2) million. During the review period, the net cash flow generated by the Group was EUR -1.3 million.

Personnel

Personnel, average	31 Dec. 2024	31 Dec. 2023
KH-Koneet	206	201
Nordic Rescue Group	115	111
Parent company	4	6
Continuing operations total	325	318
Discontinued operations Indoor ⁽¹⁾	544	702
Discontinued operations HTJ	-	217
Group total	869	1 237

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

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Shares, shareholders and share price development

KH Group's share capital at the end of the review period was EUR 15,178,567.50 and the number of shares was 58,078,895. All shares carry equal rights to dividends. During the review period, the company did not hold any treasury shares.

On 31 December 2024, KH Group had a total of 9 657 (11,857) shareholders. During the review period, KH Group received one flagging notification. On 21 August 2024, Mikko Laakkonen announced that his direct holding had crossed the threshold of ten per cent and that his direct and indirect holdings totalled 15.0%.

The closing price of KH Group's share at the end of 2023 was EUR 0.81. The highest share price during the review period was EUR 0.85, the lowest EUR 0.52 and the trade-weighted average price EUR 0.63. At the end of the review period, the closing price was EUR 0.54, and the market capitalisation was EUR 31.2 (47.3) million. The number of shares traded on Nasdaq Helsinki during the review period was 17.3 (14.3) million, corresponding to an average of 29.9% (24.7%) of all outstanding shares.

The General Meetings and the Board of Directors' authorisations

The Annual General Meeting of KH Group Plc was held on 7 May 2024 at KH Group's head office at Kuninkaalantie 19, 01300 Vantaa, Finland. The Annual General Meeting supported all the proposals contained in the Notice of the Annual General Meeting. The General Meeting adopted the financial statements for the financial period 2023, discharged the members of the Board of Directors and the persons who had served as CEO from liability for the financial period 2023, and adopted, through an advisory resolution, the company's Governing Bodies' Remuneration Report for the year 2023. The Annual General Meeting resolved, in accordance with the proposal of the Board of Directors, that no dividend be distributed for the financial year that ended on 31 December 2023.

The Annual General Meeting resolved to keep the fees paid to the Board of Directors unchanged, with the Chairman of the Board of Directors paid remuneration of EUR 3,550 per month and each member of the Board of Directors EUR 2,300 per month. The travel expenses of the members of the Board of Directors are compensated in accordance with the company's Travel Policy. Earnings-related pension insurance contributions are paid voluntarily for the paid remuneration.

The General Meeting confirmed the number of members of the Board of Directors at five (5). Juha Karttunen, Kati Kivimäki, Timo Mänty, Taru Narvanmaa and Jon Unnéus were elected to the Board of Directors until the end of the Annual General Meeting of 2025. In its constitutive meeting held after the Annual General Meeting, the Board of Directors elected Juha Karttunen as its Chairman. According to the assessment of the Board of Directors, all Board members are independent of the company and its significant shareholders.

The General Meeting elected Ernst & Young Oy, Authorised Public Accountant firm, as the company's auditor. Ernst & Young Oy has notified that Timo Eerola, APA, will act as the principal auditor for the company. The Annual General Meeting resolved that the company's auditor will also be confirmed as the company's sustainability reporting verifier to validate the sustainability report for the 2024 financial period.

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The Annual General Meeting decided that the auditor's fee be paid in accordance with the auditor's reasonable invoice approved by the company and that the same apply to the auditor's fee related to the validation of the company's sustainability report.

As proposed by the Board of Directors, the General Meeting authorised the Board of Directors to decide on the issuance of shares and/or the granting of special rights entitling to shares as referred to in Chapter 10, Section 1 of the Finnish Limited Liability Companies Act, in one or several instalments. The total number of shares to be issued under the authorisation may be at the most 11,400,000 shares, and the authorisation concerns both the issuance of new shares as well as the conveyance of shares held by the company. The authorisation may be used to finance or carry out possible acquisitions or other arrangements or investments related to the company's business, to implement the company's incentive scheme, or for other purposes decided by the Board of Directors. The Board of Directors decides on all terms and conditions of a share issue and the issuance of special rights referred to in Chapter 10, Section 1 of the Finnish Limited Liability Companies Act, and the authorisation therefore includes the right of the Board of Directors to deviate from the shareholders' pre-emptive subscription right (directed issue), the right to issue shares against consideration or without payment, and the right to decide on a free issuance of shares to the company itself. The authorisation is effective until 30 June 2025, and it cancels the corresponding authorisation given to the Board of Directors by the Annual General Meeting on 4 May 2023.

As proposed by the Board of Directors, the General Meeting authorised the Board of Directors to decide to repurchase a maximum of 5,700,000 shares in the company in one or several instalments by using funds in the company's unrestricted equity, however, taking into account the provisions of the Finnish Limited Liability Companies Act concerning the maximum number of own shares held by the company. The company's own shares may be repurchased to be used as consideration in possible acquisitions or in other arrangements related to the company's business, to finance investments, as a part of the company's incentive scheme, to develop the company's capital structure as well as to be conveyed for other purposes, to be held by the company or to be cancelled. The authorisation also includes the right to pledge the company's own shares. The company's own shares may be repurchased in public trading organised by Nasdaq Helsinki Ltd otherwise than in proportion to the shareholdings of the shareholders, at the market price at the time of repurchase. The shares will be repurchased and paid in accordance with the rules of Nasdaq Helsinki Ltd and Euroclear Finland Oy. The Board of Directors decides in all other respects on the terms and conditions of the repurchase of own shares. The authorisation is effective until 30 June 2025, and it cancels the corresponding authorisation given to the Board of Directors by the Annual General Meeting on 4 May 2023. The minutes of the Annual General Meeting are available on the company's website.

The most significant near-term business risks and risk management

The goal of KH Group's risk management is the comprehensive and proactive management of risks. The company aims to detect and identify factors that may have a negative impact on the achievement of the company's goals in a long or short term and to take necessary measures to manage these factors. Risk management at the Group's business level plays a key role in risk management, as risk management is mainly organised as part of business operations. KH Group's management promotes and monitors the risk management of the businesses through active group-level steering and participation in the board work of the group companies.

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The company's Board of Directors confirms the company's strategy and action plan, which defines goals related to the development of the business areas and future exits, among other things. The Board of Directors makes decisions on business area exits and oversees the implementation of operations. Due to the nature of the company's operations and the change in strategy, a significant proportion of KH Group's material risks are related to the company's business areas, their activities, and exits.

The company risk of the business areas of, among other things, risks associated with market and competitive situations, strategic risks, operational risks and financial risks, with the material risks including, for instance, liquidity and interest rate risks. At the end of the review period, KH Group had three business areas, all of which are of significant size. It cannot be guaranteed that the business areas or sectors that are within the scope of KH Group's structure will develop as expected in the future. The financial results of the business areas have a direct effect on KH Group's result. Changes in the operations of a single business area may have a material negative impact on KH Group's business operations, financial position, results or future outlook. Pandemics and inflation, which has accelerated in recent times, may also have significant direct and indirect impacts on the development of the business areas and, consequently, on KH Group.

KH Group's most significant strategic risks are related to exiting the business areas and the timing of those exits, which may have a material impact on the execution of the ongoing change in strategy. The company's structure makes the flexible timing of exits possible but, to optimise return on equity, the company aims to time exits to coincide with circumstances in which KH Group considers the value creation that was planned for the business area in advance to have realised and the market situation to be favourable for the exit. As the operating environments of the business areas and the M&A market vary, it cannot be guaranteed that conditions favourable for an exit and a favourable M&A market situation coincide. The company seeks to manage this risk through proactive exit planning that models different options.

KH Group's operational risks include, for instance, dependence on the parent company's and business areas' key personnel's competence and input. The company's key personnel play a central role in the establishment, implementation and management of the company's strategy. Measures with which the company tries to protect itself from the key personnel risk include incentive schemes, among other things.

Liquidity risk is the most significant financial risk that KH Group is exposed to. The management of liquidity risk ensures that the company has sufficient funds to make any payments falling due and for potential additional capitalisation of the business areas in line with the company's value creation strategy.

The war in Ukraine and the resulting sanctions are not expected to have significant direct impacts on KH Group under the current circumstances. However, the prolongation or expansion of the war may have potentially significant indirect negative impacts on KH Group through unfavourable developments in financial and capital markets, a decline in the overall economic outlook or a deterioration in the operating conditions of KH Group's business areas, for instance. KH Group has no business operations in Ukraine, Russia or Belarus.

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 previous 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.

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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.

The Board of Directors' proposal for the distribution of profit and Annual General Meeting 2025

The Annual General Meeting decided in accordance with the Board of Directors' proposal that no dividend was paid for the financial period that ended on 31 December 2023.

The parent company's distributable funds on 31 December 2024 were EUR 20 815 580.54. The Board of Directors proposes to the Annual General Meeting that no dividend be distributed for the past financial period. The profit distribution proposal of the Board of Directors takes into account the company's liquidity situation at the time of making the profit distribution proposal, expected cash flows during the new year and the investments required by the change in strategy.

KH Group Plc's Annual General Meeting is scheduled for 6 May 2025. A notice of the Annual General Meeting will be published later as a stock exchange release.

Events after the review period

In March 2025 KH Group acquired the remaining KH-Koneet Group Oy minority shares in accordance with the shareholder agreement. As a result, KH-Koneet is a fully owned subsidiary of KH Group Plc. The share purchase price was EUR 2.0 million.

On 30 September 2024, Indoor Group did not fulfil the covenants of its financing agreement, after which the company has negotiated with the financing provider on updating the financing agreement. In December 2024, Indoor Group 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. According to the agreement, KH Group granted Indoor Group a shareholder loan of EUR 1.0 million in January 2025. After the end of the financial period, the agreement with the financing provider has been extended in steps until 31 May 2025, and the parties have negotiated on the financing agreement terms for the duration of the sale process.

On 13 March 2025 KH Group announced to have initiated a sale process regarding its shareholding in Indoor Group Holding Oy ("Indoor Group"), of which the Company owns 58.3 per cent. 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. The Company will communicate the matter in accordance with the applicable rules on the basis of its possible progress.

Helsinki, 20 March 2025
KH Group Plc
Board of Directors

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Pro forma financial figures

The following unaudited pro forma financial figures have been prepared for illustrative purposes only. The pro forma figures aim to illustrate the comparable result of the segments and the Group if the change in investment entity status had taken place on 1 January 2023, and the companies that were part of continuing operations in the group structure on 31 December 2024 had been consolidated into the income statement line item by line item for the period 1 January–31 December 2023. The unaudited pro forma figures are based on the subsidiaries' audited financial statements for the financial years 2023 and 2024.

The presented pro forma figures include comparable net sales, EBITDA, operating profit and profit before taxes for the consolidated group and segments. The consolidated figures include the subsidiaries' transactions as if the consolidation had commenced on 1 January 2023. Intra-group transactions have been eliminated. Pro forma information presents continuing operations, which include the business areas KH-Koneet, Nordic Rescue Group and the parent company's unallocated items. The pro forma information does not include Indoor Group, HTJ's business sold in 2024 or the Logistikas business sold in 2023.

The historical financial figures of KH Group Plc were previously drawn up in compliance with the IFRS standards. The historical financial figures of KH-Koneet and Nordic Rescue Group were drawn up in compliance with the Finnish Accounting Standards ("FAS"). In the pro forma figures, the FAS accounting figures for the subsidiaries have been adjusted to be in line with IFRS principles, the parent company's fair value entries have been reversed, and the effect of discontinued operations has been adjusted for as follows:

- Indoor Group classified as an operation held for sale, the HTJ business sold in 2024 and the Logistikas business sold in 2023 have been eliminated from net sales.
- EBITDA has been adjusted to eliminate the discontinued operations, fair value changes of the parent company's investments in subsidiaries, and lease expenses recognised in FAS accounting, which are not recognised in EBITDA in accordance with IFRS 16.
- Operating profit has been adjusted to eliminate discontinued operations, the parent company's fair value entries, and FAS lease expenses. Depreciation of leases in accordance with IFRS 16 has been added to operating profit.
- Profit before taxes has been adjusted to eliminate discontinued operations, the parent company's fair value entries, and FAS lease expenses. IFRS 16 depreciation and interest expenses according to IFRS 16 have been added to profit before taxes.

Pro forma income statements

EUR million	Pro forma 10-12/2024	Pro forma 10-12/2023	Pro forma 1-12/2024	Pro forma 1-12/2023
Net sales				
KH-Koneet	45.8	39.1	149.8	152.3
Nordic Rescue Group	15.9	11.4	44.2	38.3
Non-allocated	-	-	-	-
Group	61.7	50.5	194.0	190.6

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EUR million	Pro forma 10–12/2024	Pro forma 10–12/2023	Pro forma 1–12/2024	Pro forma 1–12/2023
EBITDA				
KH-Koneet	5.9	6.1	18.8	20.5
Nordic Rescue Group	1.3	1.1	3.4	2.5
Non-allocated	-0.5	-0.6	-1.9	-2.7
Group	6.8	6.6	20.3	20.3
EBITDA %				
KH-Koneet	12.9%	15.6%	12.5%	13.4%
Nordic Rescue Group	8.4%	9.5%	7.7%	6.6%
Non-allocated	-	-	-	-
Group	11.0%	13.1%	10.5%	10.7%
Depreciation				
KH-Koneet	-3.2	-2.9	-12.4	-11.5
Nordic Rescue Group	-0.2	-0.2	-0.6	-0.6
Non-allocated	0.0	0.0	0.0	-0.1
Group	-3.3	-3.1	-13.1	-12.2
Operating profit (EBIT)				
KH-Koneet	2.8	3.2	6.3	9.0
Nordic Rescue Group	1.2	0.9	2.8	1.9
Non-allocated	-0.6	-0.6	-1.9	-2.9
Group	3.4	3.5	7.2	8.1
Operating profit (EBIT) %				
KH-Koneet	6.0%	8.1%	4.2%	5.9%
Nordic Rescue Group	7.4%	8.1%	6.2%	5.0%
Non-allocated	-	-	-	-
Group	5.5%	6.9%	3.7%	4.2%

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EUR million	Pro forma 10–12/2024	Pro forma 10–12/2023	Pro forma 1–12/2024	Pro forma 1–12/2023
Financial items, net				
KH-Koneet	-1.2	-0.5	-4.4	-3.7
Nordic Rescue Group	-0.3	-0.4	-1.2	-1.3
Non-allocated	1.4	-2.0	1.5	-2.4
Group	-0.1	-2.9	-4.1	-7.4
Profit before taxes				
KH-Koneet	1.6	2.7	1.9	5.3
Nordic Rescue Group	0.9	0.5	1.6	0.6
Non-allocated	0.9	-2.6	-0.4	-5.3
Group	3.3	0.6	3.1	0.6

The Group's quarterly performance, pro forma

KH Group

EUR million	Q4/24	Q3/24	Q2/24	Q1/24	Q4/23	Q3/23	Q2/23	Q1/23
Net sales	61.7	39.7	52.2	40.4	50.5	40.5	49.2	50.4
Pro forma EBITDA	6.8	4.7	5.6	3.2	6.6	4.7	4.8	4.2
EBITDA %	11.0%	11.9%	10.8%	7.8%	13.1%	11.5%	9.7%	8.4%
Pro forma operating profit (EBIT)	3.4	1.4	2.4	-0.1	3.5	1.5	1.8	1.3
Operating profit (EBIT) %	5.5%	3.6%	4.6%	-0.2%	6.9%	3.7%	3.6%	2.6%

KH-Koneet

EUR million	Q4/24	Q3/24	Q2/24	Q1/24	Q4/23	Q3/23	Q2/23	Q1/23
Net sales	45.8	33.6	41.1	29.2	39.1	32.3	40.4	40.5
Pro forma EBITDA	5.9	5.0	5.1	2.7	6.1	5.0	4.8	4.5
EBITDA %	12.9%	15.0%	12.3%	9.2%	15.6%	15.5%	12.0%	11.2%
Pro forma operating profit (EBIT)	2.8	1.9	2.0	-0.4	3.2	2.0	2.0	1.8
Operating profit (EBIT) %	6.0%	5.7%	4.8%	-1.4%	8.1%	6.3%	5.0%	4.5%

Nordic Rescue Group

EUR million	Q4/24	Q3/24	Q2/24	Q1/24	Q4/23	Q3/23	Q2/23	Q1/23
Net sales	15.9	6.1	11.1	11.1	11.4	8.2	8.8	9.9
Pro forma EBITDA	1.3	0.1	1.1	0.9	1.1	0.4	0.7	0.3
EBITDA %	8.4%	0.9%	10.3%	7.8%	9.5%	5.4%	8.3%	2.8%

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Pro forma operating profit (EBIT)	1.2	-0.1	1.0	0.7	0.9	0.3	0.6	0.1
Operating profit (EBIT) %	7.4%	-1.6%	8.9%	6.3%	8.1%	3.6%	6.5%	1.2%

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 consolidated income statement for the comparison period 1–12/2023 includes both the period 1–4/2023, during which the parent company, as an investment entity, recognised its investments at fair value through profit and loss, and the period 5–12/2023, during which the subsidiaries were consolidated line item by line item in accordance with the acquisition cost method.

The comparison data in the 2023 income statements has been updated due to HTJ's and Indoor's reclassification as a discontinued operation.

EUR million	10–12/2024	10–12/2023 (Restated)	1–12/2024	1–12/2023 (Restated)
Net sales	61.7	50.5	194.0	124.0
Other operating income	0.2	0.4	0.6	0.7
Materials and services	-45.8	-35.9	-141.1	-97.9
Personnel expenses	-6.3	-5.9	-22.7	-14.5
Other operating expenses	-3.0	-2.6	-10.5	-7.5
Unrealised changes in fair values of investment	-	-	-	-2.2
Depreciation, amortisation and impairment	-3.7	-3.5	-14.5	-9.3
Operating profit/loss	3.1	3.0	5.8	-6.7
Financial income	1.6	0.4	2.2	1.1
Financial expenses	-1.6	-3.3	-6.3	-6.7
Profit before taxes	3.0	-0.1	1.7	-12.3
Income taxes	-0.3	-0.8	-0.2	1.9
Profit from continuing operations	2.7	-0.7	1.4	-10.4

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Profit from discontinued operations	-29.3	-1.6	-31.4	-4.0
Net profit for the period	-26.6	-2.2	-29.9	-14.4
Distribution of the net profit for the period:				
Parent company shareholders	-23.3	-1.5	-24.6	-10.4
Non-controlling interest	-3.3	-0.8	-5.3	-3.9
Earnings per share				
Continuing operations, €				
Undiluted and diluted	0.04	-0.01	0.02	-0.18
Discontinued operations, €				
Undiluted and diluted	-0.44	-0.01	-0.44	0.00
Continuing and discontinued operations, €				
Diluted and undiluted	-0.40	-0.03	-0.42	-0.18

Consolidated statement of comprehensive income, IFRS

EUR million	10-12/2024	10-12/2023	1-12/2024	1-12/2023
Net profit for the period	-26.6	-2.2	-29.9	-14.4
Comprehensive income items that may be later recognised through profit and loss				
Translation differences	-0.1	-0.1	-0.3	0.0
Items not transferred to profit or loss:				
Defined-benefit pensions	0.0	-0.1	0.0	-0.1
Other comprehensive income after taxes for the financial period	-0.1	-0.2	-0.3	-0.1
Consolidated statement of comprehensive income, total	-26.7	-2.4	-30.2	-14.5
Distribution				
Parent company shareholders	-23.4	-1.6	-24.9	-10.5
Non-controlling interest	-3.3	-0.8	-5.3	-4.0

Consolidated balance sheet, IFRS

EUR million	31 December 2024	31 December 2023
Assets		
Non-current assets		
Goodwill	7.7	39.9
Intangible assets	10.3	63.8
Tangible assets	41.8	41.4
Right-of-use assets	9.6	61.8
Other financial assets	0.4	0.7
Deferred tax assets	4.1	5.3
Non-current assets, total	73.9	212.9
Current assets		

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Inventories	60.2	100.0
Trade receivables	15.8	19.3
Accrued income and other receivables	2.7	4.4
Cash and cash equivalents	9.0	11.1
Current assets, total	87.8	134.8
Assets classified as held for sale	110.0	-
Assets, total	271.7	347.7
Shareholders' equity and liabilities		
Equity attributable to equity holders of the parent company		
Share capital	15.2	15.2
Reserve for invested unrestricted equity	12.9	12.9
Translation differences	-0.3	-
Retained earnings	21.9	46.6
Equity attributable to the owners of the parent company	49.7	74.6
Non-controlling interest	-0.6	4.7
Total equity	49.1	79.3
Non-current liabilities		
Interest-bearing financial liabilities	19.7	40.5
Financial liabilities for rental equipment	30.0	24.4
Lease liabilities	6.2	40.7
Other non-current financial liabilities	-	3.4
Provisions	0.0	0.1
Pension obligations	-	0.2
Deferred tax liabilities	2.1	12.7
Non-current liabilities, total	58.0	121.9
Current liabilities		
Interest-bearing financial liabilities	8.8	29.6
Financial liabilities for rental equipment	10.8	9.1
Lease liabilities	3.7	21.7
Advances received	1.1	5.8
Trade and other liabilities	30.2	80.4
Current liabilities, total	54.7	146.6
Liabilities relating to assets held for sale	110.0	-
Liabilities, total	222.6	268.4
Shareholders' equity and liabilities, total	271.7	347.7

Consolidated cash flow statement, IFRS

The consolidated cash flow statement for the comparison period 1–12/2023 includes both the comparison period 1–4/2023, during which the cash flow statement consisted of the parent company's cash flow, and the comparison period 5–12/2023, during which the subsidiaries were consolidated line item by line item. The subsidiaries' cash and cash equivalents on 1 May 2023 were included in cash flow from investing activities, as the change in the consolidation principle is treated as an IFRS 3 acquisition without paid cash consideration.

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EUR million	2024	2023
Cash flow from operating activities		
Net profit for the period	-29.9	-14.4
Adjustments to the net profit for the period		
Depreciation, amortisation and impairment	64.6	24.6
Financial income and expenses	8.8	9.0
Income taxes	-1.1	-4.3
Other adjustments ¹⁾	-20.4	8.1
Adjustments, total	51.9	37.4
Changes in working capital		
Increase (-) / Decrease (+) in trade and other receivables	-0.1	5.1
Increase (+) / Decrease (-) in Inventories	8.0	5.8
Increase (+) / Decrease (-) in trade and other payables	-7.5	-3.2
Interest received	0.1	0.1
Financial expenses paid	-11.3	-7.1
Income taxes paid	-1.8	-1.0
Net cash flow from operating activities, total	9.4	22.7
Cash flow from investing activities		
Cash and cash equivalents of subsidiaries, 1 May 2023	-	16.3
Acquisitions of subsidiaries (non-controlling interest)	-2.9	-
Sale of subsidiaries, net of cash disposed	12.0	11.8
Investments in tangible and intangible assets	-1.8	-2.0
Sale of tangible and intangible assets	5.0	0.7
Net cash flow from investing activities, total	12.3	26.9
Cash flow from financing activities		
Proceeds from loans	7.4	0.9
Repayment of loans	-16.4	-29.8
Withdrawals of financial liabilities for leased equipment	21.6	11.1
Repayments of financial liabilities for leased equipment	-13.8	-7.8
Repayments of lease liabilities	-21.9	-15.2
Dividends paid	-	-
Net cash flow from financing activities, total	-23.1	-40.7
Change in cash and cash equivalents	-1.3	8.9
Cash and cash equivalents at the beginning of the period	11.1	2.2
Cash and cash equivalents at the end of the period	9.8	11.1

1) Other adjustments contains mostly changes of fair value allocations and adjustment related to sale-and-leaseback treatment of KH-Koneet.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY, IFRS

1–12/2024

EUR million	Equity attributable to equity holders of the parent company					Non-controlling interest	Total equity
	Share capital	Reserve for unrestricted equity	Translation differences	Retained earnings	Total		
Equity 1 Jan. 2024	15.2	12.9	0.0	46.6	74.6	4.7	79.3
Net profit for the period	-	-	-	-24.6	-24.6	-5.3	-29.9

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Other comprehensive income items							
Translation differences	-	-	-0.2		-0.2	0.0	-0.3
Defined-benefit pension	-	-	-	0.0	0.0	0.0	0.0
Comprehensive income for the period	-	-	-0.2	-24.6	-24.9	-5.3	-30.2
Equity loan interest ¹⁾	-	-	-	-0.1	-0.1	0.1	0.0
Equity 31 Dec. 2024	15.2	12.9	-0.3	21.9	49.7	-0.6	49.1

1) Other shareholders' additional investment in Indoor Group

1–12/2023

EUR million	Equity attributable to equity holders of the parent company						Non-controlling interest	Total equity
	Share capital	Reserve for unrestricted equity	Translation differences	Retained earnings	Total			
Equity 1 Jan. 2023	15.2	12.9	-	-57.1	85.1	-	85.1	
Net profit for the period	-	-	-	-10.4	-10.4	-3.9	-14.4	
Other comprehensive income items								
Translation differences	-	-	0.0	-	-	0.0	0.0	
Defined-benefit pensions	-	-	-	-0.1	-0.1	-	-0.1	
Comprehensive income for the period			0.0	-10.5	-10.5	-4.0	-14.5	
Change in consolidation principles	-	-	-	-	-	7.9	7.9	
Equity loan and interest	-	-	-	-	-	0.7	0.7	
Equity 31 Dec. 2023	15.2	12.9	0.0	46.6	74.6	4.7	79.3	

Operations held for sale and discontinued operations

Indoor

KH Group announced on 13 March 2025 that it had initiated the sale process regarding its Indoor Group ownership. Indoor Group is reported in this financial statement release in accordance with the "IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations" standard, since the board of KH Group Oyj has initiated the procedures for finding a buyer in December 2024. Indoor is presented as a discontinued operation in the review period and the comparative periods for 2023 have been adjusted accordingly in the income statement. No final decision has been made regarding the sale of the Indoor Group ownership, and there is no certainty regarding the schedule, terms or implementation of such a potential arrangement.

In connection with the reporting change related to the sale process of Indoor Group, KH Group has assessed the fair value of the Indoor Group holding and as a result made a total write-down of EUR 28.9 million for the financial year 2024, which is allocated to goodwill and other long-term assets. The estimated fair value is based on market assessments conducted by a financial advisor. After the write-down, the value of Indoor Group's assets corresponds to the value of its liabilities in KH Group's consolidated balance sheet.

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HTJ

In June 2024, KH Group Plc, together with the other shareholders of the developer consultancy company HTJ Holding Oy (HTJ), agreed on the sale of the company's shares to XPartners Finland Holding Oy, which is part of the XPartners Group. The transaction was completed in July 2024. The debt-free value of the transaction was EUR 23.0 million, with KH Group's final share amounting to EUR 13.1 million. The capital gain recognised on the transaction was EUR 2.6 million.

Logistikas

KH Group sold its Logistikas business to the Swedish logistics company Logent AB on 30 June 2023. KH Group's holding in Logistikas was 66.5%, and its share of the purchase price, less net debt and transaction costs was EUR 11.8 million, including the purchase price for the shares and for the receivables from Logistikas Oy related to dividend and capital distribution in conjunction with the transaction. The discontinued operation's result for the period 1 January–30 December 2023 includes the capital gain of EUR 4.4 million arising from the transaction and the discontinued operation's profit of EUR 0.3 million for the review period.

Continuing and discontinued operations are presented separately in the consolidated income statement. Comparative information has been adjusted accordingly in the income statement.

Income statement of discontinued operations

EUR million	2024 Indoor	2024 HTJ	2024 Total	2023 Indoor	2023 HTJ	2023 Logistikas	2023 Total
Net sales	161.6	12.9	174.5	128.5	18.1	6.1	152.7
Other operating income	6.1	0.0	6.1	1.9	0.0	-	1.9
Materials and services	-94.8	-0.9	-95.7	-85.8	-1.5	-1.3	-88.6
Personnel expenses	-31.5	-9.0	-40.5	-22.4	-11.7	-2.0	-36.1
Other operating expenses	-23.2	-1.7	-24.9	-17.2	-2.4	-2.2	-21.8
Depreciation and impairment	-49.5	-0.5	-50.1	-14.6	-0.7	-0.1	-15.4
Operating profit	-31.4	0.7	-30.6	-9.6	1.9	0.4	-7.3
Financial income and expenses	-4.3	-0.4	-4.6	-2.9	-0.5	0.0	-3.4
Profit before taxes	-35.7	0.4	-35.3	-12.5	1.5	0.4	-10.7
Income taxes	1.5	-0.2	1.3	2.6	-0.2	-0.1	2.3
Net profit for the period from discontinued operations	-34.2	0.2	-34.0	-9.9	1.2	0.3	-8.4
Capital gain on discontinued operations	-	2.6	2.6	-	-	4.4	4.4
Result of discontinued operations, total	-34.2	2.8	-31.4	-9.9	1.2	4.7	-4.0

Assets classified as held for sale

EUR million	2024
Goodwill	-
Intangible assets	42.8
Tangible assets	1.5
Right-of-use assets	37.5
Non-current receivables and investments	0.0
Deferred tax assets	3.8

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Inventories	21.1
Trade receivables	0.3
Other current receivables	2.2
Cash and cash equivalents	0.7
Total	110.0

1) The impairment of assets held for sale of EUR 28.9 million is allocated in this table fully to goodwill and to other assets proportionally to their balance sheet value.

Liabilities relating to assets held for sale

EUR million	2024
Deferred tax liabilities	9.1
Non-current interest-bearing liabilities	-
Non-current lease liabilities	24.4
Pension obligations	0.1
Provisions	0.1
Current interest-bearing liabilities ²⁾	27.5
Current lease liabilities	17.8
Advances received	8.0
Current trade and other liabilities	22.9
Total	110.0

2) Loans from financial institutions are presented as short-term due to breach of covenants. Additional information on Indoor's financial situation is presented in the note on liquidity, loan covenants and maturity of financial liabilities.

Cash flows of the discontinued operations

The sales proceeds from HTJ and Logistikas are presented in cash flow from investing activities. The cash and cash equivalents on consolidation starting day 1 May 2023 are included in the 2023 cash flow from investing activities.

EUR million	2024			2023			
	Indoor	HTJ	Total	Indoor	HTJ	Logistikas	Total
Cash flow from operating activities	4.2	1.0	5.2	19.7	1.9	-	21.6
Cash flow from investing activities	3.7	12.1	15.8	10.5	1.1	11.8	23.4
Cash flow from financing activities	-15.7	-1.2	-16.9	-21.6	-1.3	-	-22.9
Cash flows total	-7.9	12.0	4.1	8.6	1.8	11.8	22.2

Segment reporting and revenue

The segments KH-Koneet and Nordic Rescue Group were formed on 1 May 2023 when the investment entity status changed. The parent company's share is included in the Unallocated column. Indoor and HTJ are presented as discontinued operation.

Continuing operations 1–12/2024

EUR million	KH-Koneet	Nordic Rescue Group	Non-allocated	Internal items	Group, total
Net sales	149.8	44.2	-	-	194.0

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Net sales share, %	77.2 %	22.8 %	-	-	100.0 %
Other operating income	0.5	0.1	-	-	0.6
Materials and services	-107.6	-33.5	-	-	-141.1
Personnel expenses	-15.9	-6.0	-0.8	-	-22.7
Other operating expenses	-8.1	-1.4	-1.0	-	-10.5
EBITDA	18.8	3.4	-1.9	-	20.3
Depreciation	-13.2	-1.3	-0.0	-	-14.5
Operating profit (EBIT)	5.5	2.1	-1.9	-	5.8
PPA amortisation	0.8	0.6	-	-	1.4
Comparable operating profit (EBIT)	6.3	2.8	-1.9	-	7.2
Financial items, net	-4.4	-1.2	1.5	-	-4.1
Profit before taxes	1.1	0.9	-0.4	-	1.7
Cash and cash equivalents 31					
December	129.0	22.7	12.4	-2.5	161.7
Interest-bearing net debt 31					
December	69.8	9.2	-8.8	-	70.1

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

Liquidity, loan covenants and maturity of financial liabilities

Liquidity and refinancing risk

KH Group's objective is to ensure adequate funding for operations in all situations and market conditions. In accordance with the financial policy, the sources of funding are distributed among a sufficient number of counterparties and across a number of different loan instruments.

The Group's businesses are primarily financed by their cash flows from operating activities. Investments may require additional debt capital. Liquidity is ensured by cash and binding overdraft facilities.

The financial statements for the financial year 2024 have been prepared on a going concern basis, which assumes that KH Group will be able to realise its assets and repay its liabilities in the ordinary course of business for the foreseeable future. In assessing the going concern basis, KH Group's management has taken into account the uncertainties and risks related to the business environment, the company's available sources of financing and the cash flow forecasts of the various group companies' operations over the next 12 months.

KH-Koneet and NRG fulfilled the covenants of the financial indicators of their financing agreements as of December 2024. KH-Koneet's financing agreement includes covenants related to financial indicators such as equity ratio, interest-bearing debt to EBITDA and interest cover. At the end of the financial period, KH-Koneet's financing agreement included a total of EUR 20.0 million in loans and drawn credit facility. NRG's financing agreement includes financial indicators equity ratio and interest-bearing debt to EBITDA. NRG's financing agreement included a total of EUR 4.3 million of loans as of December 31, 2024. Covenants related to loans are reported to financing provider on a quarterly or semi-annual basis. Management regularly assesses the fulfillment of the loan covenants and at the end of the financial year, all covenants of KH-Koneet and NRG included a sufficient amount of buffer.

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The parent company, KH-Koneet and NRG had available unused revolving credit facilities in total of EUR 8,9 million per 31.12.2024.

Due to breach of covenants on 30 September 2024, there is uncertainty in Indoor Group's financing and all its loans from financing provider, totalling EUR 27,5 million, have been presented as short-term liabilities. Indoor Group 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. According to 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 contract expiry, which might impact 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 group companies have ringfenced financing.

Maturity breakdown of financial liabilities

The maturity breakdown of financial liabilities includes the Group's outward cash flows related to financial liabilities. The table breaks down the liquidity requirements for future outward cash flows at an annual level. The maturity analysis includes interest-bearing liabilities and IFRS 16 lease liabilities to present actual outward cash flows related to the Group's financial liabilities.

KH Group reviews its available cash assets and maturity analysis to determine its cash requirements. Management reviews business forecasts and related cash flows to maintain liquidity needs. Liabilities of Indoor Group classified as held for sale are not included in the maturity analysis, more information is provided above and in the note of discontinued operations.

2024

EUR million	Balance sheet value	In less than 12 months	In 1 -2 years	In 2 – 5 years	In more than 5 years	Total cash flows
Loans from financial institutions	20.8	5.3	5.2	13.0	-	23.6
Revolving credit facility	3.5	3.5	-	-	-	3.5
Other interest-bearing loans	4.2	1.3	1.1	1.9	-	4.2
Lease liabilities	9.9	4.2	3.3	3.4	0.2	11.1
Financial liabilities for leased equipment KH Koneet	40.8	12.3	10.7	21.9	0.2	45.1
Trade payables	14.6	14.6	-	-	-	14.6
Redemption liabilities for non-controlling interests	2.0	2.0	-	-	-	2.0
Total	95.8	43.2	20.3	40.3	0.3	104.1

2023

EUR million	Balance sheet value	In less than 12 months	In 1 -2 years	In 2 – 5 years	In more than 5 years	Total cash flows
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Loans from financial institutions	67.1	32.4	11.8	33.3	-	77.5
Other interest-bearing loans	3.0	1.0	1.0	1.1	-	3.1
Lease liabilities	62.4	23.8	18.4	22.8	2.3	67.2
Financial liabilities for leased equipment KH Koneet	33.5	11.9	9.0	16.7	0.1	37.7
Trade payables	41.2	41.2	-	-	-	41.2
Redemption liabilities for non-controlling interests	7.2	3.8	3.4	-	-	7.2
Contingent consideration	0.8	0.8	-	-	-	0.8
Total	215.2	114.9	43.6	73.8	2.4	234.7

Financial assets and liabilities

The table below shows the book values, measurement categories and fair value hierarchy of the Group's financial assets and liabilities. For assets and liabilities that are not recognised at fair value through profit or loss, the book value corresponds to the fair value to a material extent.

Financial assets and liabilities classified at fair value hierarchy level 3 consist of unquoted equity investments and liabilities related to the redemption of non-controlling interests recognised in connection with acquisitions.

The measurement of equity investments is based on the management's estimate of future cash flows and the measurement of liabilities related to the redemption of non-controlling interests on the amounts specified in the purchase agreements, as well as the management's case-by-case assessment of whether the redemption will take place.

EUR million	Fair value hierarchy	31 Dec. 2024	31 Dec. 2023
Non-current financial assets			
Financial assets recognised at amortised cost			
Other non-current financial assets	2	0.4	0.7
Non-current financial assets, total		0.4	0.7
Current financial assets			
Financial assets recognised at amortised cost			
Trade receivables	2	15.8	19.3
Cash and cash equivalents	2	9.0	11.1
Current financial assets, total		24.8	30.4
Financial assets, total		25.3	31.1
Non-current financial liabilities			
Financial liabilities recognised at fair value through profit or loss			
Liabilities to non-controlling interests	3	-	3.4
Financial liabilities recognised at amortised cost			
Loans from financial institutions	3	17.0	39.4
Lease liabilities	2	6.2	40.7

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Financial liabilities for leased equipment		30.0	24.4
Other non-current financial liabilities	2	2.6	0.8
Non-current financial liabilities, total		55.8	109.0
Current financial liabilities			
Financial liabilities recognised at fair value through profit or loss			
Liabilities to non-controlling interests	3	2.0	3.8
Financial liabilities recognised at amortised cost			
Loans from financial institutions	3	8.0	29.6
Lease liabilities	2	3.7	21.7
Financial liabilities for leased equipment		10.8	9.1
Trade payables	2	14.6	41.2
Current financial liabilities, total		39.1	105.5
Financial liabilities, total		95.0	214.4

Level 1: Fair value is determined on the basis of quoted market prices.

Level 2: The fair value is determined by using measurement methods. Fair value refers to the value that is observable from the market value of the components of the financial instrument or corresponding financial instruments; or the value that is observable using measurement models and techniques that are generally accepted financial market, if the market value can be reliably determined by using them.

Level 3: The fair value is determined by using measurement methods in which the inputs used have a significant effect on the recognised fair value, and these inputs are not based on observable market data.

Transactions with related parties

Parties are considered to be related if one party has the ability to exercise control over the other party or to exercise joint control or significant influence over the other party in making financial and operational decisions.

The Group's related parties include its subsidiaries and key management personnel. Key management personnel include the members of the Board of Directors, the CEO, other members of the Management Team and their close family members. In addition, related parties include shareholders that control or have significant influence over the KH Group and companies over which they have control.

Items and transactions between the parent company and subsidiaries have been eliminated in the consolidated financial statements, and they are not presented as transactions with related parties. The Group did not have any transactions with related parties during the review period. Previously, KH Group reported loans granted to subsidiaries as an investment entity as transactions with related parties.

Off-balance sheet liabilities

Business mortgages, EUR million	31 Dec. 2024	31 Dec. 2023
KH-Koneet	47.0	47.3
Indoor Group	65.5	65.5

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Nordic Rescue Group	19.0	19.1
HTJ	-	10.0
Parent company	-	-
Group, total	131.5	141.9

KH-Koneet Group Oy has provided a general guarantee of SEK 200,000,000 as collateral for S-Rental AB's leasing financing limit and a separate guarantee of EUR 6,500,000 as collateral for KH-Maskin AB's loans.

Rental guarantees included in Indoor Group's commercial guarantee limit amounted to EUR 2,836 (2,768) thousand and customs guarantees to EUR 60 (60) thousand.

NRG has provided a warranty-period guarantee of EUR 950 (973) thousand and has an invoice credit collateralised by trade receivables under the arrangement. The loan was not in use at the time of the financial statements.

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 EBITDA and comparable operating profit (EBIT) are 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.

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The Group's key indicators

EUR million	1-12/2024	1-12/2023
Net sales	194.0	124.0
EBITDA	20.3	2.6
EBITDA %	10.5 %	2.1 %
Comparable EBITDA	20.3	11.6
Comparable EBITDA %	10.5 %	9.4 %
Operating profit (EBIT)	5.8	-6.7
Operating profit (EBIT) %	3.0 %	-5.4 %
Comparable operating profit (EBIT)	7.2	3.2
Comparable EBIT %	3.7 %	2.6 %
Return on equity, %, rolling 12 months	-46.6 %	-17.5 %
Return on capital employed, %, rolling 12 months	-11.2 %	-7.8 %
Net Gearing, %	283.4 %	195.4 %
Net Gearing, excluding lease liabilities, %	177.3 %	116.7 %
Equity ratio, %	18.7 %	23.2 %
Personnel, average, continuing operations	325	318
Personnel, average, discontinued operations	544	919
Earnings per share, EUR, undiluted, continuing operations	0.02	-0.18
Earnings per share, EUR, diluted, continuing operations	0.02	-0.18
Earnings per share, EUR, undiluted, discontinued operations	-0.44	0.00
Earnings per share, EUR, diluted, discontinued operations	-0.44	0.00
Earnings per share, EUR, undiluted, total	-0.42	-0.18
Earnings per share, EUR, diluted, total	-0.42	-0.18
Shareholders' equity per share, EUR	0.84	1.36
Lowest share price, EUR	0.52	0.73
Highest share price, EUR	0.89	1.21
Share price at the end of the period, EUR	0.54	0.81
Market capitalisation at the end of the period, EUR million	31.2	47.3
Number of shares at the end of the period, 1,000	58,079	58,079
Average number of shares, undiluted, 1,000	58,079	58,079
Average number of shares, diluted, 1,000	58,079	58,079

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Reconciliation of key indicators

EUR million	1-12/2024	1-12/2023
Operating profit	5.8	-6.7
Depreciation, amortisation and impairment	-14.5	-9.3
EBITDA	20.3	2.6
Items affecting comparability (EBITDA)		
Adjustment of the fair value of inventories	-	9.0
Comparable EBITDA	20.3	11.6
Depreciation, amortisation and impairment	-14.5	-9.3
Items affecting comparability (EBIT)		
Depreciation of intangible assets arising from acquisitions	1.4	0.9
Comparable operating profit (EBIT)	7.2	3.2
Profit before taxes, rolling 12 months	-33.6	-23.4
Financial expenses, rolling 12 months	-8.8	-10.2
Equity at the beginning of the period	79.3	85.1
Interest-bearing liabilities, including lease liabilities, at the beginning of the period	166.0	10.0
Equity at the end of the period	49.1	79.3
Interest-bearing liabilities, including lease liabilities, at the end of the period	148.8	166.0
Return on capital employed (ROCE), %	-11.2 %	-7.8 %
Net profit for the period, rolling 12 months	-29.9	-14.4
Equity at the beginning of the period	79.3	85.1
Equity at the end of the period	49.1	79.3
Return on equity (ROE), %	-46.6 %	-17.5 %
Total equity	49.1	79.3
Balance sheet total	271.7	347.7
Advances received	-9.1	-5.8
Equity ratio, %	18.7 %	23.2 %
Interest-bearing liabilities, including lease liabilities	148.8	166.0
Cash and cash equivalents	-9.8	-11.1
Interest-bearing net liabilities	139.1	154.9
Lease liabilities	-52.1	-62.4
Interest-bearing net liabilities, excluding lease liabilities	87.0	92.5
Total equity	49.1	79.3
Net Gearing, %	283.4 %	195.4 %
Net Gearing, excluding lease liabilities, %	177.3 %	116.7 %

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Alternative Performance Measure	Calculation formula	Purpose
Comparable EBITDA	Comparable operating profit (EBIT) + Depreciation, amortisation and impairment	Adjusted EBITDA is considered to provide a comparable view of the operating result as compared to previous periods.
EBITDA	EBIT + Depreciation, amortisation and impairment	EBITDA is considered to provide an operative view of the business results.
Comparable operating profit (EBIT)	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.
Equity ratio, %	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.
Interest-bearing liabilities	Loans from financial institutions + Lease liabilities + Other financial liabilities	The component is used in the calculation of gearing.
Interest-bearing net liabilities	Interest-bearing liabilities - Cash and cash equivalents	Interest-bearing net liabilities illustrate the total amount of the Group's external debt financing.
Gearing, %	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.
Return on equity, %	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.
Return on capital employed, %	(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.
Equity per share	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

Annual Report 2024: week 13

Business Review January–March: 6 May 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 objective of our strategy is to create an industrial group around the business of KH-Koneet. KH Group's share is listed on Nasdaq Helsinki.