BOREØ

Q2/2023
HALF-YEAR REPORT

Boreo Plc, HALF-YEAR REPORT JAN. 1 TO JUN. 30, 2023

August 10, 2023, at 9:00 EEST

Moderate profitability and strong cash flow

April-June 2023

- Net sales grew by 5% to EUR 42.3 million (2022: 40.4).
- Operational EBIT increased by 1% to EUR 2.4 million (2022: 2.4), and was 5.6% of net sales.
- EBIT decreased by 5% to EUR 1.7 million (2022: 1.8).
- The profit for the period under review totaled EUR 1.0 million (2022: 1.1).
- Net cash flow from operating activities was EUR 3.9 million (2022: -1.9 including operations discontinued in 2022).
- Operational EPS was EUR 0.39 (2022: 0.44).
- EPS was EUR 0.18 (2022: 0.28).
- On June 8, 2023, Boreo announced that it had signed a share and purchase agreement concerning the acquisition of a health technology company Delfin Technologies Oy.

January-June 2023

- Net sales grew by 15% to EUR 83.3 million (2022: 72.1).
- Operational EBIT increased by 27% to EUR 4.4 million (2022: 3.5), and was 5.3% of net sales.
- EBIT grew by 30% to EUR 3.1 million (2022: 2.4).
- Net cash flow from operating activities was EUR 4.6 million (2022: -0.4 including operations discontinued in 2022).
- The profit for the period under review totaled EUR 1.5 million (2022: 1.5).
- Operational EPS was EUR 0.66 (2022: 0.67).
- EPS was EUR 0.25 (2022: 0.33).
- Net debt relative to operational EBITDA of the previous 12 months was 2.4 (2022: 2.5 and 2.4 at the end of the previous quarter).
- Return on capital employed was 11.2% (2022: 10.9% and 11.3% at the end of the previous quarter).

Financial guidance and business model

Boreo's primary objective is sustainable long-term profit generation. This is achieved with a business model that is based on the acquisition and ownership of great entrepreneurial companies with ability to generate sustainable long-term earnings growth and strong cash flows. The profits generated by the portfolio of companies are re-invested back to operations or to acquisitions with attractive expected returns on capital. The decentralized operating structure promoting culture of ownership and release of entrepreneurial energy is a core pillar of the firm’s business concept and sustainable earnings growth is ensured through the support and coaching of companies and the personnel.

Boreo’s focus is on earnings growth with attractive return on capital. The company's long-term strategic financial targets are:

- Minimum 15% average annual operational EBIT growth
- Minimum 15% Return on Capital Employed (ROCE)
- Net debt to operational EBITDA between 2 and 3 (including acquired businesses as if they had been held for 12 months at the reporting date)

Boreo’s dividend policy is to pay an annually increasing dividend per share, considering capital allocation priorities.

The above-mentioned strategic financial objectives still serve as the company's financial guidelines. In line with its guidance policy, the company does not give separate short-term financial guidance.

In August 2022, Boreo sold its entire 90% holding in the electronics component distribution business in Russia. For 2023, all figures in this half-year report relate to continuing operations, unless otherwise stated. In the income statement, the comparison periods have also been adjusted for continuing operations, while the data in the cash flow statement have not been adjusted in the comparison period and include discontinued operations. The December 31, 2022 balance sheet no longer includes discontinued operations. Other than that, the accounting principles of this review do not include any changes that affect comparability. The comparison figures in brackets refer to the corresponding period of the previous year, unless otherwise specified.

Q2/2023 - CEO Kari Nerg:

Financial highlights

Moderate profitability and strong cash flow

Our profitability in the second quarter was moderate and cash flow strong. We reached a reasonable result despite challenges at Signal Solutions Nordic (SSN) and Floby Nya Bilverkstad (FNB) and the exit from SANY operations in Finland and Sweden which impacted operational EBIT negatively by EUR 0.2 million. The challenges of SSN and FNB are expected to be of temporary nature and ease in the coming quarters. Growth of the Group's operational EBIT in the first half of 2023 was at a good 27% level.

Operational EBIT of EUR 2.4 million (5.6%) was at last year's level. The Filterit, J-Matic and Lamox acquisitions completed in recent quarters improved the result by EUR 0.5 million, whereas organic earnings growth was negative of EUR 0.5 million mainly due to challenges at SSN and FNB.

Cash flow of the quarter was strong and operative cash conversion increased to 165%. Return on Capital Employed (ROCE) of 11.2% and Return on Trade Working Capital (ROTWC) of 29.0% remained stable.

Due to strong cash flow, net debt remained at the level of previous quarters and was EUR 35.7 million. Net debt relative to the 12-month operational EBITDA was 2.4. We strengthened the company's financial position with a EUR 8 million financing package increase agreed with our main financier. This increase provides opportunities to act in the M&A market and supports the management of operations.

Profitability supported by Technical Trade and Electronics Business Areas

The second quarter's profitability was supported by the steady performance of our Technical Trade BA. All companies of the business area continued to operate well, and operational EBIT margin was at 10.3%. Profitability of Electronics business area was moderate (6.4%) and cash flow strong. The net sales and result of the business area was affected by SSN's challenges and low operating result which was due to the company's main customer continuing to push its R&D investments to upcoming quarters.

The performance of the Putzmeister operations in the Heavy Machines business area was as expected and the operational EBIT margin was 5.1%. At FNB, we have undergone investments in production processes and implementation of a new ERP system. As a result the company's operative result was negative and impacted the business area's profitability of the quarter and the first half of 2023.

Strong cash generation driven by the release of working capital from SANY operations

The quarter's cash flow was strong supported by the release of working capital from SANY operations in Finland and Sweden. Development of capital efficiency was positive in most of our companies and I am pleased of the progress we have made in rooting the capital efficiency mindset in the organization.

In Machinery, our largest company, we did not achieve the targets set for capital efficiency for H123, and currently more than one-third of the Group's working capital is tied to Machinery's operations. With Machinery's current high levels of working capital and the group-wide focus put on capital efficiency, we see an opportunity to release cash from working capital in the second half of 2023.

The business environment is challenging, but we remain confident in our ability to deliver improving results

Signs of a weakening economic cycle and cooling down demand increased in the second quarter, especially in our companies serving the construction industry. However, orderbooks of our companies continue to be mainly healthy and our diversification across various industries as well as the strong market positions of many of our companies in the value chain provide protection in an economic downturn.

Therefore, we expect pressure on short-term performance, but remain confident that we will be able to continue on the path of an annual earnings growth of at least 15% in the future.

In addition to continued earnings growth, we see potential to improve capital efficiency by releasing working capital in the second half of 2023. Since Q322, we have successfully reduced working capital and as of Q223 the Group's operative working capital amounted to approximately EUR 31 million. The normal sustainable working capital level for our current businesses is closer to EUR 25 million and our aim is to move towards this mark during the second half of 2023.

Strategic highlights

Acquisition of Delfin Technologies

In June, we announced the acquisition of the health technology company Delfin Technologies. The company manufactures scientifically validated, hand-held skin and edema measurement instruments. The Delfin acquisition is yet another excellent example of a company that we see to meet well to the target criteria of companies we want to own in the long run. The company has a long history of generating high margins and strong returns on capital. We are excited about the opportunity to work with the company's organization and create sustainable long-term earnings growth. The acquisition also serves as an entry to the intereresting world of health technology.

First version of Boreo's operating manual – Boreo Book – serving as the backbone for future development of the firm

Following the systematic development work done on our business and operating model since 2020, we were glad to finalize in June the version 1.0 of our operating manual – Boreo Book. The Book discusses the core elements of our crystallized philosophy: *sustainable long-term profit generation* – decentralization, capital allocation and long-term view. The finalisation of the Book marks an important milestone for us as with its content we consider having been able to arrive into a simple enough of a framework that will serve as the foundation for the building of Boreo for many years to come.

For purpose of communication of contents of the Book and our philosophy in general, we plan to kick-off in Q323 a series of writings related to factors relevant to long-term development of the firm. With the launch of this series, labelled as the 'Boreo Series', we aim to provide our stakeholders with additional insight to the fundamental philosophy used in the development of the Group, our companies and people.

All in all, we remain humble and dedicated in continuing doing our best for the interest of our shareholders. We are constantly reviewing potential acquisition targets, and our goal is to continue acquiring new companies that fit our target profile and that we can acquire within the framework of our investment criteria. At the same time, we want to maintain a stable financial position in line with the recent history.

Alternative Performance Measures

The guidelines of the European Securities and Markets Authority (ESMA) defines alternative performance measures as a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework. For Boreo, the IFRS standards as adopted in the EU in accordance with Regulation (EC) No 1606/2002 form the reporting framework.

Boreo provides certain financial indicators that are not based on IFRS (alternative performance measures). Alternative performance measures do not include certain non-recurring items affecting comparability and are intended to describe the financial development of the business and improve comparability between reporting periods. Alternative performance measures should not be considered as a substitute for key figures in accordance with IFRS accounting principles. Since the first interim report in 2023, the company has reported cash conversion, net cash flow from operating activities and return on working capital as new alternative performance measures.

Boreo feels that comparable indicators better reflect the company's operational performance by removing the earnings impact of items and business transactions outside normal operations. The reconciliation statements and the formulas for key IFRS indicators and alternative performance measures are presented later in this report.

Group’s key figures

Key figures, continuing operations

EUR million	**Q2 2023**	**Q2 2022**	*Change*	**H1 2023**	**H1 2022**	*Change*	**2022**
Net sales	42.3	40.4	*5%*	83.3	72.1	*15%*	160.4
Operational EBIT	2.4	2.4	*1%*	4.4	3.5	*27%*	8.7
relative to the net sales %	*5.6%*	*5.8%*	-	*5.3%*	*4.9%*	-	*5.4%*
EBIT	1.7	1.8	*-5%*	3.1	2.4	*30%*	6.5
Profit before taxes	1.1	1.3	*-15%*	1.9	1.7	*9%*	5.5
Profit for the period, continuing operations	1.0	1.1	*-13%*	1.5	1.5	*1%*	4.4
Profit for the period, discontinued operations	0.0	-6.6	-	0.0	-5.9	-	-4.7
Operational net cash flow***	3.9	-1.9	-	4.6	-0.4	-	4.1
Cash conversion, %***	165%	-47%	-	*104%*	*-8%*	-	51%
Equity ratio, %	36.4%	32.5%	-	36.4%	32.5%	-	35.4%
Interest-bearing net debt	35.7	34.6	*3%*	35.7	34.6	*3%*	30.9
Interest-bearing net debt relative to operational EBITDA of the previous 12 months*	2.4	2.5	-	2.4	2.5	-	2.2
Return on Capital Employed (ROCE %), R12	11.2%	10.9%	-	11.2%	*10.9%*	-	10.4%
Return on Trade Working Capital (ROTWC %), R12	29.0%	27.1%	-	29.0%	*27.1%*	-	26.7%
Return on equity (ROE %), R12	11.3%	11.4%	-	11.3%	*11.4%*	-	12.1%
Personnel at end of the period	340	300	*13%*	340	300	*13%*	327
Operational EPS, EUR**	0.39	0.44	*-12%*	0.66	0.67	*-1%*	1.82
EPS, EUR**	0.18	0.28	*-36%*	0.25	0.33	*-24%*	1.12
EPS, EUR, discontinued operations	0.00	-2.27	-	0.00	-2.03	-	-1.56
Operational net cash flow per share, EUR	1.44	-0.72	-	1.77	-0.14	-	0.82

* Calculated in accordance with the calculation principles established with financiers. The formula for calculating the indicator is presented later in this report.

**The effect of the interest rate of the hybrid bond recorded in equity adjusted by the tax effect is considered in the calculation of the EPS starting from Q1 2022. In Q2 2023, this net effect was EUR 0.12 per share, in H1 2023, the net effect was EUR 0.24 per share, in Q2 2022, the net effect was EUR 0.12 per share, and in H1 2022, it was EUR 0.19 per share.

***Cash flow for comparison periods includes discontinued operations. The formula for calculating the indicator is presented later in this report.

Group's financial performance

In the second quarter of the year, the Group's net sales grew by 5% to EUR 42.3 million (2022: 40.4). Organic net sales decreased by EUR 1.8 million and inorganic net sales increased by EUR 3.7 million. The companies acquired during H1 (Filterit Oy ja Lamox Oy) accounted for EUR 1.1 million of the Group's net sales growth. At comparable exchange rates, net sales would have been around EUR 42.7 million, mainly due to the weakening Swedish krona.

During the first half of 2023, the Group's net sales increased by 15% to EUR 83.3 million (2022: 72.1). Organic net sales growth was EUR 2.1 million and inorganic EUR 9.1 million. The companies acquired during H1 accounted for EUR 1.8 million of the Group's net sales growth. Mainly the weaker Swedish krona depressed net sales by about EUR 0.8 million and net sales at comparable exchange rates would have been around EUR 84.1 million.

Net sales by business area, Q2 and H1

EUR million	Q2 2023	Q2 2022	*Change*	H1 2023	H1 2022	*Change*	2022
Electronics	15.1	14.0	*8%*	31.0	25.7	*21%*	61.5
Technical Trade	15.5	12.7	*22%*	28.7	23.5	*22%*	52.8
Heavy Machines	10.5	12.5	*-16%*	21.1	20.7	*2%*	41.4
Other Operations	1.2	1.2	*1%*	2.4	2.2	*10%*	4.6
Total	**42.3**	**40.4**	*5%*	**83.3**	**72.1**	*15%*	**160.4**

The geographical distribution of the Group's net sales during the second quarter was as follows: net sales in Finland increased by 5% mainly thanks to the SSN, J-Matic and Filterit acquisitions and totaled EUR 29.3 million. Sweden's net sales were EUR 5.7 million, up 5% on the comparison period. Net sales of Baltic operations increased by 5% to EUR 7.0 million supported by the good development of the electronics component distribution business, especially in Latvia. Net sales to the United States consist of the company acquired in the US in connection with the Signal Solutions acquisition in the second quarter of 2022.

During the first half of the year, Finland's net sales were EUR 56.9 million, up by EUR 7.6 million (15%). Sweden's net sales were EUR 11.9 million, up by EUR 2.1 million (21%). In the Baltics, net sales increased to EUR 13.9 million (9%).

Net Sales by geographic area, Q2 and H1

EUR million	Q2 2023	Q2 2022	*Change*	H1 2023	H1 2022	*Change*	2022
Finland	29.3	28.1	*5%*	56.9	49.3	*15%*	110.6
Sweden	5.7	5.4	*5%*	11.9	9.8	*21%*	22.6
Baltic countries	7.0	6.7	*5%*	13.9	12.8	*9%*	26.4
United States	0.2	0.2	*9%*	0.7	0.2	*216%*	0.7
Total	**42.3**	**40.4**	*5%*	**83.3**	**72.1**	*15%*	**160.4**

In the second quarter, the Group's operational EBIT was EUR 2.4 million (2022: 2.4). Operational EBIT margin was 5.6% (2022: 5.8%). The Group's reported EBIT amounted to EUR 1.7 million (2022: 1.8). The reported EBIT included items affecting comparability totaling EUR 0.7 million in net, consisting mainly of expenses and allocations related to acquisitions. Operational EBIT was depressed by the EUR 0.2 million costs related to the exit from SANY operations in Finland and Sweden in the Heavy Machines business area and the operational challenges that continued longer than expected in FNB. In the Electronics business area, SSN's result was weak. Changes in exchange rates did not have a significant impact on the Group's EBIT.

In the first half of the year, the Group's operational EBIT was EUR 4.4 million (2022: 3.5), increasing 27%. The Group's reported EBIT amounted to EUR 3.1 million (2022: 2.4). The reported EBIT included EUR 1.4 million in items affecting comparability in net.

Operational EBIT by business area, Q2 and H1

EUR million	Q2 2023	Q2 2022	*Change*	H1 2023	H1 2022	*Change*	2022
Electronics	1.0	0.6	*57%*	1.9	1.3	*47%*	4.2
Technical Trade	1.6	1.6	*0%*	2.7	2.3	*20%*	5.3
Heavy Machines	0.2	0.6	*-74%*	0.5	0.8	*-28%*	1.0
Other Operations	-0.3	-0.5	*-25%*	-0.7	-0.8	*-11%*	-1.8
Total	**2.4**	**2.4**	*1%*	**4.4**	**3.5**	*27%*	**8.7**

Capital efficiency

Boreo’s primary objective, i.e. long-term sustainable earnings generation, is assessed from a financial viewpoint through the achievement of the company's strategic objectives – minimum 15% average operational EBIT growth and minimum 15% return on capital employed. Due to Boreo's long-term objectives and focus on owning profitable, capital light companies that generate high capital return, the financial performance of the Group companies is assessed and developed using the operational EBIT and return on working capital indicators. The positive development of these indicators directly affects the development of Group-level return on capital employed.

In the Group’s decentralized organization and governance model, it is essential to monitor key indicators of business performance and linking them to incenctives for key personnel and the wider organization. The above-described indicators measuring earnings growth and capital return were incorporated into the remuneration of the Group’s management and companies’ key personnel in 2023. This measure has an important role in implementing the capital return approach and aligning main drivers of shareholders’ value creation with the interests of key personnel.

In addition to Group-level return on capital employed, Boreo has reported the development of the return on working capital at both Group level and in the business areas since the first quarter of 2023. At the end of the second quarter, Group-level return on working capital was 29.0% (2022: 27.1%) and by business area, the return on working capital was: Electronics 49.9% (2022: 42.1%), Technical Trade 41.9% (2022: 44.1%) and Heavy Machines 7.7% (2022: 17.6%).

At the end of the second quarter, return on capital employed (ROCE) was 11.2% (2022: 10.9% and Q1/23: 11.3%). The return on invested capital has been positively affected by the stabilization of the capital impact of the EUR 20 million hybrid loan raised in February 2022. Return on equity (ROE) was 11.3% (2022: 11.4% and Q1/23: 12.3%).

Return on Trade Working Capital (ROTWC %), R12, Q2 and H1

Percent	**Q2 2023**	**Q2 2022**	**H1 2023**	**H1 2022**	**2022**
Electronics	49.9%	42.1%	49.9%	42.1%	43.5%
Technical Trade	41.9%	44.1%	41.9%	44.1%	42.8%
Heavy Machines	7.7%	17.6%	7.7%	17.6%	9.6%
Other Operations	-	-	-	-	-
Group	**29.0%**	**27.1%**	**29.0%**	**27.1%**	**26.7%**

Financial position

At the end of the second quarter of 2023, the Group's interest-bearing net debt amounted to EUR 35.7 million (2022: 34.6 and 36.0 at the end of the first quarter). The share of IFRS 16 liabilities in net debt was EUR 7.2 million (2022: 5.3). The Group's financial position remained stable and net debt relative to the 12-month operational EBITDA remained at the 2.4x level of the first quarter.

At the beginning of July, Boreo announced that it had agreed with OP Corporate Bank Plc to increase its existing EUR 55 million credit facilities by EUR 8 million. The arrangement strengthens the Group’s financial position and provides us with opportunities to act in the M&A market.

Shareholders' equity was EUR 40.4 million (2022: 38.4). The equity ratio was 36.4% (2022: 32.5% and at the end of the first quarter 36.1%) and the consolidated balance sheet total EUR 119.6 million.

Cash flow

Net cash flow from operating activities was EUR 3.9 million in the second quarter (2022: -1.9). Net cash flow from operating activities was positively affected by the release of working capital, especially from SANY operations in Finland and Sweden. Net cash flow from operating activities was EUR 1.44 per share (2022: -0.72). The cash flow effect of the acquisitions (including additional purchase price payments for earlier acquisitions) in the second quarter was approximately EUR -1.2 million. Cash flow after investments was EUR 2.2 million (2022: -4.3). The cash flow figures for the comparison period include discontinued operations.

In the first half of the year, the net cash flow from operating activities was EUR 4.6 million (2022: -0.4). Cash flow was positively affected by the release of working capital. Net cash flow from operating activities was EUR 1.77 per share (2022: -0.14). Cash flow after investments was EUR -0.9 million (2022: -9.4), of which the net impact of acquisitions was EUR -5.0 million.

At the end of the second quarter, the Group's cash and cash equivalents totaled EUR 7.6 million (7.4 at the end of the first quarter).

Major events during the second quarter

Boreo Plc's Annual General Meeting was held on April 19, 2023, at the company's headquarters at Ansatie 5, Vantaa. The Annual General Meeting adopted Boreo Plc's consolidated financial statements and the parent company's financial statements for 2022 and discharged the Board of Directors and the CEO from liability for the financial year 2022. The Annual General Meeting also resolved on the distribution of profits indicated by the balance sheet and dividend payment, adoption of the institutions' remuneration report, the composition and remuneration of the Board of Directors, election of the auditor and their fee, and to authorize the Board of Directors to decide on share buybacks, to decide on the issuance of shares, option rights and other special rights entitling to shares, and the assignment of company shares. The Annual General Meeting also decided to amend the Articles of Association.

Six (6) members were elected to the company's Board of Directors. Simon Hallqvist, Jouni Grönroos, Ralf Holmlund, Camilla Grönholm and Michaela von Wendt were re-elected as Board members. Noora Neilimo-Kontio was elected as a new Board member.

The Annual General Meeting decided to amend Section 9 of the Articles of Association to enable holding general meetings in addition to the company's domicile also in Helsinki or Espoo or remotely entirely without a physical meeting venue. Otherwise, the Articles of Association remained unchanged.

In the organizing meeting arranged after the General Meeting on April 19, 2023, the Board elected Simon Hallqvist as its Chairman. The Board also elected members to its committees. Jouni Grönroos (Chairman), Noora Neilimo-Kontio and Ralf Holmlund were elected as members of the Audit Committee. Camilla Grönholm (Chairman), Simon Hallqvist and Michaela von Wendt were elected members of the Remuneration and Nomination Committee.

The stock exchange release on the decisions of the Annual General Meeting was published on April 19, 2023, on the company's website at www.boreo.com.

On June 8, 2023, Boreo announced that it had acquired the health technology company Delfin Technologies Oy.

Business Areas

Boreo's business operations are organized into three business areas:

The Electronics business area consists of businesses that distribute and assemble professional electronic components. Its companies act as representatives of the world's leading principals in Northern Europe, Poland and the United States. The companies offer storage and logistics services, as well as technical sales services for principals and customers. The brands of the business area are Yleiselektroniikka, YE International, Noretron Komponentit, Milcon, Infradex and Signal Solutions Nordic (SSN).

The Technical Trade business area consists of businesses involved in technical trade. The companies represent well-known principals in, for example, engineering, construction and process industries. The brands of the business area are Machinery, Muottikolmio, Pronius, J-Matic, and Filterit.

The Heavy Machines business area consists of Putzmeister dealerships in Finland, Sweden and Estonia. In addition, the business includes a SANY dealership in Estonia and the design, equipment, painting and construction of timber bodies in Sweden. The businesses serve customers in the concrete, construction and forest industry in Finland, Sweden and Estonia. The brands of the business area are PM Nordic, Tornokone, HM Nordic, Floby Nya Bilverkstad (FNB) and Lackmästarn.

In addition to the above-mentioned business areas, Boreo's organization includes Etelä-Suomen Kuriiripalvelut Oy and Vesterbacka Transport Oy that provide logistics and courier services and operate under Other Operations. The companies operate in the Finnish and Baltic markets.

Electronics business area

Operational EBIT of the business area was at a reasonable EUR 1.0 million level in the second quarter (2022: 0.6) and the operational EBIT margin was 6.4%. Operational EBIT improved due to the improved results of the Baltic operations and Noretron, as well as Infradex's good performance. The results of Yleiselektroniikka and Noretron were slightly weaker than in the comparison period. SSN's result was below expected because the activity of its main customer's R&D investments remained below expectations.

In terms of capital efficiency, the companies in the Electronics business area have taken positive steps in recent years and development has been reflected as improved capital efficiency. In the second quarter, the company managed working capital well and cash flow was strong, supported by the release of working capital of about EUR 0.5 million.

Return on working capital was good at 50%, although SSN's weak performance in the first half of the year had a negative impact on the key figure.

The order intake of the companies is still strong due to stable demand and longer delivery times than normal. There have been signs of delivery times shortening, but these have not yet had a significant impact on the company's order book.

Key figures Electronics

EUR million	Q2 2023	Q2 2022	*Change*	H1 2023	H1 2022	*Change*	2022
Net sales	15.1	14.0	*8%*	31.0	25.7	*21%*	61.5
Operational EBIT	1.0	0.6	*57%*	1.9	1.3	*47%*	4.2
relative to net sales, %	*6.4%*	*4.4%*	-	*6.1%*	*5.0%*	-	*6.9%*
EBIT	0.8	0.5	*57%*	1.6	1.1	*39%*	3.7
Return on Trade Working Capital (ROTWC %), R12	50%	42%	-	*50%*	*42%*	-	43%
Capital expenditure	0.0	0.2	*-94%*	0.0	0.3	*-86%*	0.5
Personnel at end of the period	130	128	*2%*	130	128	*2%*	120

Technical Trade business area

Operational EBIT of the Technical Trade business area totaled EUR 1.6 million (2022: 1.6) and the operational EBIT margin was 10.3%. Operational EBIT was supported especially by the performance of the acquisitions of J-Matic and Filterit, the improved margin profile in Muottikolmio thanks to the Lamox acquisition, and the strong earnings level in Machinery's power business. The earnings levels of Machinery's metal machining and construction were below last year's level.

Overall, the business area's performance has remained good, but past measures to ensure delivery capacity continue to depress working capital efficiency especially in the largest business operations. In the previous 12 months, the return on working capital was 42%. This is below the sustainable performance of the Technical Trade business area. Measures are under way to improve working capital in particular, but also to strengthen long-term performance. The first impacts are expected to be visible during the rest of the year.

The outlook for the business area has remained quite unchanged. The order backlog for businesses serving mechanical engineering is stable and the general outlook of companies serving the process industry is positive. Activity in the construction industry is expected to continue to slow down, but due to the relatively low importance of construction businesses and the positioning of our business operations, the impact on the business area's earnings is expected to remain moderate.

Key figures Technical Trade

EUR million	Q2 2023	Q2 2022	*Change*	H1 2023	H1 2022	*Change*	2022
Net sales	15.5	12.7	*22%*	28.7	23.5	*22%*	52.8
Operational EBIT	1.6	1.6	*0%*	2.7	2.3	*20%*	5.3
relative to net sales, %	*10.3%*	*12.5%*	*-*	*9.6%*	*9.7%*	*-*	*10.1%*
EBIT	1.2	1.4	*-9%*	2.0	2.0	*4%*	4.6
Return on Trade Working Capital (ROTWC %), R12	42%	44%	*0%*	*42%*	*44%*	*-*	43%
Capital expenditure	0.1	0.2	*-76%*	0.1	0.3	*-61%*	0.5
Personnel at end of the period	116	88	*31%*	116	88	*31%*	108

Heavy Machines business area

Net sales of the Heavy Machines business area were EUR 10.5 million (2022: 12.5). The weakening of the Swedish krona affected net sales by EUR -0.4 million. The fall in net sales was mainly due to the exit from SANY operations in Finland and Sweden, which was completed in the second quarter. As expected, the exit had a positive impact on the cash flow of the business area, but operational EBIT was still burdened by non-recurring costs of EUR 0.2 million related to the exit. Operational EBIT of the business area fell slightly from the comparison period and was EUR 0.2 million (2022: 0.6). In addition, operational EBIT was weakened by challenges related to the implementation of the new ERP system in FNB. These effects on the short-term performance of the business were more significant than we expected and the loss-making operational result of FNB had a significant impact on the business area's result. Despite short-term costs, the implementation of the new ERP system is expected to have a positive impact on delivery capacity and profitability in the longer term. The performance of Putzmeister businesses was at last year's level and in line with our expectations as the operational EBIT margin was 5.1%. Order books are still strong in all Swedish companies. In Finland and Estonia, order books are at a good level.

Capital efficiency developed positively in the business area as working capital was reduced by a total of about EUR 2.5 million. In addition to the SANY exit, working capital developed positively in Putzmeister businesses. The return on working capital in the business area was, however, still significantly below the target level at 8%. This was particularly weakened by the negative result of SANY businesses and the challenges of FNB early in the year. Capital efficiency is expected to develop positively in the future supported by the SANY exit and through measures to improve profitability and return on capital in Putzmeister and FNB.

Key figures Heavy Machines

EUR million	Q2 2023	Q2 2022	*Change*	H1 2023	H1 2022	*Change*	2022
Net sales	10.5	12.5	*-16%*	21.1	20.7	*2%*	41.4
Operational EBIT	0.2	0.6	*-74%*	0.5	0.8	*-28%*	1.0
relative to net sales, %	*1.5%*	*5.1%*	*0.0%*	*2.6%*	*3.8%*	*-*	*2.4%*
EBIT	0.1	0.5	*-86%*	0.4	0.6	*-33%*	0.6
Return on Trade Working Capital (ROTWC %), R12	8%	18%	*0%*	*8%*	*18%*	-	10%
Capital expenditure	0.0	0.1	*-77%*	0.0	0.1	*-71%*	0.2
Personnel at end of the period	64	51	*25%*	64	51	*25%*	63

Other Operations

The net sales of ESKP and Vesterbacka Transport reported under Other Operations were EUR 1.2 million remaining at the level of the comparison period (2022: 1.2). The Basti Oy business acquisition carried out in December 2022 had a positive impact on net sales. The demand for ESKP's and Vesterbacka Transport's services remained at a reasonable level in the second quarter but increased cost pressures had a negative impact on EBIT. The companies' EBIT was EUR 0.1 million and the EBIT margin was 10%. Operational EBIT of Other Operations was EUR -0.3 million (2022: -0.5).

In addition to ESKP's and Vesterbacka's operational EBIT, the operational EBIT of Other Operations included EUR 0.5 million of Group administration costs (2022: 0.6).

Key figures Other operations

EUR million	Q2 2023	Q2 2022	*Change*	H1 2023	H1 2022	*Change*	2022
Net sales	1.2	1.2	*1%*	2.4	2.2	*10%*	4.6
Operational EBIT	-0.3	-0.5	*25%*	-0.7	-0.8	*11%*	-1.8
relative to net sales, %	*-28.1%*	*-39.1%*	*-*	*-30.5%*	*-38.1%*	*-*	*-39.7%*
EBIT	-0.4	-0.6	*33%*	-0.9	-1.3	*29%*	-2.4
Capital expenditure	0.3	0.1	*379%*	0.6	0.4	*78%*	0.6
Personnel at end of the period	30	33	*-9%*	30	33	*-9%*	36

Group personnel

Group's number of personnel totaled 340 at the end of the second quarter (2022: 300) and was divided into business areas as follows: Electronics 130 (2022: 128), Technical Trade 116 (2022: 88), Heavy Machines 64 (2022: 51), Other Operations 30 (2022: 33), of which the personnel of ESKP and Vesterbacka was 24 (2022: 25) and Group administration 6 (2022: 8).

Employment related expenses for the second quarter totaled EUR 5.8 million (2022: 5.0).

Managers' transactions

During the second quarter of 2023, Boreo Plc received six notifications concerning Managers' transactions (Article 19 of MAR):

On May 9, 2023, Boreo Plc notified that Tomi Sundberg had acquired 200 shares at an average price of EUR 40 per share.

On May 17, 2023, Boreo Plc notified that it had, in accordance with the decision of the Annual General Meeting, transferred to the members of the Board of Directors Camilla Grönholm, Jouni Grönroos, Ralf

Holmlund, Michaela von Wendt and Juhani Mykkänen 245 shares held by the Company to each of them free of charge.

Shares and share capital

At the end of the second quarter, Boreo Plc’s share capital was EUR 2,483,836 and the number of shares was 2,701,353. The company held 14,011 shares at the end of the second quarter (0.5% of the share capital).

Main short-term risks and operational uncertainties

Boreo is exposed to various risks and opportunities arising from its own operations or from a changing business environment. The following are the main risks that, if realized, could have a negative impact on the Group's business, performance or financial position. However other risks not currently recognized may arise in the future or risks currently assessed as low may become significant.

General market risks: Key market risks are linked to the crisis in Ukraine and, as a result, general market and economic uncertainty. This is reflected, for example., in demand for products and services, supply chains for products and components, security of supply and delivery times, as well as prices. The general tightening of the inflation environment creates pressure on, e.g., personnel costs and fuel prices, which are directly reflected in logistics costs.

Growth through acquisitions: The Group's strategic goal is to grow through acquisitions. The main risks associated with acquisitions may include the availability of potential acquisition targets, appropriate timing, the acquisition process, integration of the acquired business, commitment of key personnel, or reaching set targets.

Customer demand and cyclicality: A significant part of the Group's net sales comes from customers whose businesses are cyclical and project-like by nature and often also susceptible to cyclical changes. From the Group's point of view, demand fluctuation and cyclicality are also emphasized by the fact that the order book of the Group's businesses is often rather short.

Principal relationships: Due to its earnings logic, the Group's competitiveness is highly correlated and dependent on the portfolio of principals, and consequently the loss of a significant principal weakens net sales development and performance. In addition, there is a risk that a key principal’s own competitiveness and performance weakens, which may also be reflected in the attractiveness of the Group’s offering.

Position in the value chain: The Group may encounter gradual difficulties in defending its sales margins in situations where sales prices of end products face clear downward pressure and/or supply prices face upward pressure.

Personnel turnover: Personnel is the Group's core asset. Replacement of human knowledge and skills resulting from personnel risks is difficult, expensive and slow. In addition, it is difficult to predict and quantify human risks in monetary terms.

Trade agreement risks: Group's operations are subject to changes in trade agreements between continents and countries. If changes in trade agreements materialize, they may affect the Group's business negatively through disruptions in the supply chain and increased costs.

Financing risks: The Group's financial risks include interest rate, currency, liquidity and credit risks. Other risks include risks related to equity and impairment. The Group has continuing operations in seven countries and is, therefore, exposed to currency risks arising from intra-group trade, exports and imports and financing of foreign subsidiaries. The Group's main currency positions consist of items in US dollars and Swedish kronas. Currency risks arise mainly from translation differences (net investments in foreign subsidiaries and their equity) and foreign currency transactions. Changes in market interest rates impact the Group's net interest rates. Most of the Group's interest-bearing liabilities are euro-denominated liabilities of the parent company.

Major events after the second quarter

On July 3, 2023, Boreo announced that in addition to completing the acquisition of Delfin Technologies Oy it had agreed with OP Corporate Bank Plc to increase its existing EUR 55 million credit facilities by EUR 8 million.

Reconciliation statements of key indicators

Reconciliation, operational EBIT

EUR million	Q2 2023	Q2 2022	H1 2023	H1 2022	2022
EBIT	1.7	1.8	3.1	2.4	6.5
ITEMS AFFECTING COMPARABILITY					
Electronics					
Structural arrangements	0.0	0.0	0.0	0.0	0.0
Costs related to acquisitions	0.0	0.0	0.0	0.0	0.0
Depreciation related to allocation of acquisition costs	-0.1	-0.1	-0.3	-0.2	-0.5
Technical Trade					
Structural arrangements	0.0	0.0	0.0	0.0	-0.1
Costs related to acquisitions	0.0	0.0	0.0	0.0	0.0
Depreciation related to allocation of acquisition costs	-0.4	-0.2	-0.7	-0.3	-0.7
Heavy Machines					
Structural arrangements	0.0	0.0	0.0	0.0	0.0
Costs related to acquisitions	0.0	0.0	0.0	0.0	0.0
Depreciation related to allocation of acquisition costs	-0.1	-0.1	-0.2	-0.2	-0.4
Other Operations					
Structural arrangements	0.0	0.0	0.0	-0.1	-0.1
Costs related to acquisitions	0.0	-0.1	-0.1	-0.2	-0.3
Depreciation related to allocation of acquisition costs	0.0	0.0	-0.1	-0.1	-0.1
TOTAL ITEMS AFFECTING COMPARABILITY	**-0.7**	**-0.5**	**-1.4**	**-1.1**	**-2.2**
OPERATIONAL EBIT	**2.4**	**2.4**	**4.4**	**3.5**	**8.7**

Operational EPS

EUR million	Q2 2023	Q2 2022	H1 2023	H1 2022	2022
Profit for the review period to shareholders**	**0.5**	**0.7**	**0.7**	**0.9**	**3.0**
Items affecting comparability	0.5	0.4	1.1	0.9	1.8
Operational profit for the review period to shareholders	**1.0**	**1.2**	**1.8**	**1.8**	**4.8**
Average number of outstanding shares, thousand	2,687	2,625	2,686	2,619	2,644
Operational EPS*	**0.39**	**0.44**	**0.66**	**0.67**	**1.82**

*The tax impact and non-controlling interests have been deducted from the items affecting comparability
** The interest on the hybrid loan, considering the tax effect, has been deducted from the profit attributable to shareholders of the parent company

Interest-bearing net debt

EUR million	Q2 2023	Q2 2022	H1 2023	H1 2022	Q4 2022
Long-term financial liabilities	34.8	34.9	34.8	34.9	34.1
Short-term financial liabilities	8.6	10.0	8.6	10.0	10.0
Cash and cash equivalents	7.6	10.3	7.6	10.3	13.2
Interest-bearing net debt	**35.7**	**34.6**	**35.7**	**34.6**	**30.9**

Formulas for calculating key indicators

Items affecting comparability	=	Non-recurring restructuring costs, acquisition and integration costs, capital gains/losses and -/+ purchase price allocation items
Operational EBIT	=	EBIT -/+ items affecting comparability
Operational EBITDA	=	Operational EBIT + depreciation, amortization and impairment
Interest-bearing net debt relative to operational EBITDA	=	$\frac{\text{Interest-bearing net debt}}{\text{Operational EBITDA for the previous 12 months}}$
Equity ratio, %	=	$\frac{\text{Total equity + minority interest}}{\text{Balance sheet total - advances received}} \times 100$
Free cash flow	=	Net cash flow from operating activities - investments in fixed assets
Free cash flow per share	=	$\frac{\text{Free cash flow}}{\text{Average number of outstanding shares}}$
Interest-bearing net debt	=	Interest-bearing liabilities - cash and cash equivalents
Earnings per share (EPS)	=	$\frac{\text{Profit for the review period to shareholders – the interest rate on the hybrid loan recorded in equity minus the tax effect}}{\text{Average number of outstanding shares}}$
Operational EPS	=	$\frac{\text{Profit for the review period to shareholders – the interest rate on the hybrid loan recorded in equity minus the tax effect -/+ items affecting comparability}}{\text{Average number of outstanding shares}}$
Return on capital employed (ROCE %)	=	$\frac{\text{Operational EBIT for the previous 12 months}}{\text{Average balance sheet total for the previous 12 months - non-interest-bearing current liabilities for the previous 12 months}}$
Return on equity (ROE %)	=	$\frac{\text{Profit/loss for the review period for the previous 12 months}}{\text{Average equity for the previous 12 months}}$

TABLES Jan. 1 to Jun. 30, 2023 Accounting principles of the half-year report

This half-year report is prepared in accordance with the IAS 34 Interim financial reporting standard and the accounting principles of the interim report are the same applied to the financial statements compiled on December 31, 2022. The figures of the half-year report are unaudited.

CONSOLIDATED INCOME STATEMENT (MEUR)	Q2 2023	Q2 2022	H1 2023	H1 2022	Q1-Q4 2022
Net sales	42.3	40.4	83.3	72.1	160.4
Other operating income	0.2	0.2	0.3	0.2	0.5
Materials and services	-31.4	-30.4	-61.7	-53.9	-120.9
Employee benefit expenses	-5.8	-5.0	-11.6	-9.8	-20.2
Depreciation, amortization and impairment losses	-1.3	-1.1	-2.6	-2.0	-4.0
Other operating expenses	-2.4	-2.2	-4.8	-4.4	-9.5
Share of result from associates	0.1	0.1	0.1	0.1	0.2
EBIT	1.7	1.8	3.1	2.4	6.5
Financial income	0.1	0.1	0.1	0.2	0.7
Financial expenses	-0.7	-0.6	-1.4	-0.8	-1.6
Profit before taxes	1.1	1.3	1.9	1.7	5.5
Income taxes	-0.1	-0.2	-0.3	-0.3	-1.1
Profit for the period, continuing operations	1.0	1.1	1.5	1.4	4.4
Profit for the period, discontinued operations	0.0	-6.6	0.0	-5.9	-4.7
Profit for the period	1.0	-5.5	1.5	-4.4	-0.3
Allocated to					
Shareholders of the parent company	0.8	-4.9	1.3	-3.9	0.0
Minorities	0.2	-0.5	0.2	-0.5	-0.3
EPS (undiluted) EUR, continuing operations	0.18	0.28	0.25	0.33	1.12
EPS (diluted) EUR, continuing operations	0.18	0.28	0.25	0.33	1.12
EPS (undiluted) EUR, discontinued operations	0.00	-2.27	0.00	-2.03	-1.56
EPS (diluted) EUR, discontinued operations	0.00	-2.27	0.00	-2.03	-1.56
Items of the comprehensive income statement (MEUR)					
Items that may be reclassified subsequently to profit or loss:					
Translation differences from foreign units	-0.5	2.3	-0.7	-0.3	-0.7
Other comprehensive income items after tax during the period	0.0	0.0	0.0	0.0	0.0
Total comprehensive income for the period	0.5	-3.2	0.8	-4.7	-1.0
Allocated to					
Shareholders of the parent company	0.4	-2.9	0.7	-4.3	-0.6
Minorities	0.1	-0.3	0.1	-0.4	-0.3
Number of outstanding shares (thousand)	2,687	2,625	2,686	2,619	2,644
Outstanding shares at the end of the period	2,687	2,639	2,687	2,639	2,676
Number of shares (thousand)	2,701	2,647	2,701	2,647	2,692

CONSOLIDATED BALANCE SHEET (MEUR)

	Jun. 30, 2023	Dec. 31, 2022
ASSETS		
Non-current assets		
Intangible capital assets	8.1	7.0
Goodwill	38.5	35.5
Property, plant and equipment	10.0	9.2
Other financial assets	0.3	0.3
Investments in associates	1.0	0.9
Deferred tax assets	0.1	0.1
Total non-current assets	**57.9**	**53.0**
Current assets		
Inventories	32.9	32.0
Accounts receivable and other receivables	21.1	23.2
Cash and cash equivalents	7.6	13.2
Total current assets	**61.7**	**68.3**
TOTAL ASSETS	**119.6**	**121.4**

	Jun. 30, 2023	Dec. 31, 2022
SHAREHOLDERS' EQUITY AND LIABILITIES		
SHAREHOLDERS' EQUITY		
Owner's equity		
Share capital	2.5	2.5
Other committed capital	0.1	0.1
Hybrid loan	20.0	20.0
Reserve for invested unrestricted equity	5.1	4.7
Retained earnings	11.4	13.1
Profit for the period	1.3	0.0
Total	**40.4**	**40.4**
Minority interest	1.4	1.4
Non-current liabilities		
Financial liabilities	34.8	34.1
Deferred tax liabilities	2.1	1.8
Provisions	0.0	0.0
Trade and other payables	2.0	1.7
Total non-current assets	**39.0**	**37.6**
Current liabilities		
Trade and other payables	30.3	31.9
Provisions	0.0	0.0
Financial liabilities	8.6	10.0
Total current liabilities	**38.8**	**42.0**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**119.6**	**121.4**

CONSOLIDATED CASH FLOW STATEMENT (MEUR)	1 Jan. – 30 Jun. 2023	1 Jan. – 30 Jun. 2022
Operational cash flow		
Profit before taxes	1.9	-3.9
Non-cash transactions		
Depreciation, amortization and impairment losses	2,6	2.2
Net financial items	1.2	1.4
Share of associate companys' result, net	0.0	-0.1
Increase (-) / decrease (+) in inventories	-0.4	-8.4
Increase (-) / decrease (+) in current assets	2.2	1.5
Increase (+) / decrease (-) in current liabilities	-1.0	3.1
Net financial items	-1.0	-1.2
Taxes paid	-0.9	-0.9
Other adjustments	0.0	5.8
Operational net cash flow	**4.6**	**-0.4**
Cash flow from investments		
Investments in intangible and tangible assets	-0.8	-1.1
Acquisitions	-5.0	-8.1
Divestments	0.2	0.0
Proceeds from sale of property, plant and equipment	0.1	0.1
Net cash flow from investments	**-5.6**	**-9.0**
Cash flow from financing		
Costs related to share issue	0.0	0,0
Repayments of loans	-6.6	-37.7
Withdrawals of loans	4.5	35.4
Transaction costs of share issue	0,0	-0.1
Withdrawal of hybrid loan	0.0	20.0
Interest rate and expenses on hybrid loan	-1.6	-0.4
Dividends paid	-0.8	-0.7
Net cash flow from financing	**-4.5**	**16.5**
Change in cash and cash equivalents	**-5.5**	**7.0**
Liquid funds Jan. 1	13.2	6.2
Impact of exchange rate fluctuations and consolidation	-0.1	1.4
Liquid funds Jun. 30	**7.6**	**14.7**

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (MEUR)

2023	Share capital	Contingency reserve	Reserve for invested unrestricted equity	Translation difference	Hybrid loan	Retained earnings	Minority interest	Total
Equity Dec.31, 2022	2.5	0.1	4.7	-1.0	20.0	14.1	1.4	41.8
Profit/loss for the period						1.3	0.2	1.5
Translation differences				-0.7		0.0	0.0	-0.7
Share issue			0.4					0.4
Costs related to share issue								0.0
Share repurchases								0.0
Withdrawal of hybrid loan								0.0
Share incentives						0.1		0.1
Interest rate and borrowing costs of the hybrid loan						-0.6		-0.6
Dividend payment						-0.6	-0.2	-0.8
Other change						0.1		0.1
Equity								0.0
Jun. 30, 2023	2.5	0.1	5.1	-1.6	20.0	14.4	1.4	41.8

2022	Share capital	Contingency reserve	Reserve for invested unrestricted equity	Translation difference	Hybrid loan	Retained earnings	Minority interest	Total
Equity								
Dec. 31, 2021	2.5	0.1	2.0	0.0	0.0	16.9	1.0	22.4
Profit/loss for the period						0.0	-0.3	-0.3
Translation differences				-1.0		-0.2	0.0	-1.1
Share issue			3.1					3.1
Costs related to share issue			-0.1					-0.1
Share repurchases			-0.3					-0.3
Withdrawal of hybrid loan					20.0			20.0
Share incentives						0.1		0.1
Interest rate and borrowing costs of the hybrid loan						-1.6		-1.6
Dividend payment						-1.2	-0.3	-1.5
Other change		0.0					1.1	1.1
Equity								0.0
Dec. 31, 2022	2.5	0.1	4.7	-1.0	20.0	14.1	1.4	41.8

SEGMENT INFORMATION (MEUR)

1-6/2023	Electronics	Technical Trade	Heavy Machines	Other Operations	Inter segment	Total
Revenue	31.0	28.7	21.1	2.4		83.3
Share of results of associates	0.1	0.0	0.0	0.0		0.1
Depreciation	-0.5	-0.4	-0.3	-0.1		-1.3
EBIT	1.6	2.0	0.4	-0.9		3.1
Financial income	0.1	0.0	0.0	0.3	-0.3	0.1
Financial expenses	0.0	-0.3	-0.1	-1.2	0.3	-1.3
Profit before taxes	1.7	1.8	0.3	-1.8		1.9
Balance sheet assets	55.2	40.0	29.7	4.9	-10.1	119.6
Balance sheet liabilities	-42.9	-30.1	-13.5	-1.3	10.1	-77.8
Investments	0.0	0.1	0.0	0.6		0.8
Personnel at end of the period	130	116	64	30		340

SEGMENT INFORMATION (MEUR)

1-6/2022	Electronics	Technical Trade	Heavy Machines	Other Operations	Inter segment	Total
Revenue	25.7	23.5	20.7	2.2		72.1
Depreciation	-0.6	-0.6	-0.6	-0.3		-2.0
EBIT	1.1	2.0	0.6	-1.3		2.4
Financial income	0.1	0.1	0.0	0.0	0.0	0.2
Financial expenses	-0.7	0.0	0.0	0.0	0.0	-0.8
Profit before taxes	0.5	2.0	0.5	-1.3		1.7
Balance sheet assets	54.6	37.1	36.1	4.6	-6.2	126.2
Balance sheet liabilities	41.9	21.7	15.5	0.9	6.2	86.2
Investments	0.3	0.3	0.1	0.4		1.1
Personnel at end of the period	128	88	51	33		300

*Includes discontinued operations

CONTINGENT LIABILITIES (MEUR)	30 Jun. 2023	30 Jun. 2022
Liabilities		
Overdraft facility	6.2	6.4
Total liabilities	**6.2**	**6.4**
Collateral given		
Real estate mortgages	0.0	0.0
Corporate mortgages	71.5	71.5
Pledged securities	0.0	0.0
Guarantees	1.1	2.3
Total guarantees	**72.6**	**73.8**

The company has a derivative liability arising from interest rate hedging the fair value of which was EUR 0.6 million on June 30, 2023. The change in fair value has been recognized in financial items as profit or loss.

Briefing for investors, analysts and media

A webcast where CEO Kari Nerg and CFO Aku Rumpunen present the 2023 half-year report will be held today, August 10, 2023, at 11:00 am EEST. The presentation is in English and questions can be asked after the presentation. The presentation material is available before the webcast on Boreo's website: www.boreo.com/investors.

You can watch the webcast at: https://boreo.videosync.fi/2023-q2-results.

The event will be recorded and the recording will be available after the event at:
www.boreo.com/investors.

Vantaa, August 10, 2023

BOREO PLC

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Boreo in brief:

Boreo is a company listed on Nasdaq Helsinki that creates value by owning, acquiring and developing small and medium-sized companies in the long-term. Boreo's business operations are organized into three business areas: Electronics, Technical Trade and Heavy Machines.

Boreo's primary objective is sustainable long-term profit generation. This is achieved with a business model that is based on the acquisition and ownership of great entrepreneurial companies with ability to generate sustainable long-term earnings growth and strong cash flows. The profits generated by the portfolio of companies are re-invested back to operations or to acquisitions with attractive expected returns on capital. The decentralized operating structure promoting culture of ownership and release of entrepreneurial energy is a core pillar of the firm’s business concept and sustainable earnings growth is ensured through the support and coaching of companies and the personnel.

The Group's net sales in 2022 were EUR 160 million and it employs over 300 people in seven countries. The company’s headquarter is in Vantaa.