

Q2 2022 HALF YEAR REPORT

Webcast | August 10, 2022

AGENDA

- Q2 2022 HIGHLIGHTS
- Q2 2022 FINANCIALS
- Q&A



HIGHLIGHTS OF Q2 2022 (CONTINUED OPERATIONS)

NET SALES GREW BY 34%

40.4m€ net sales (30.2m€ Q221)

Organic growth 5.7m€*

Growth via acquisitions 4.7m€



OPERATIONAL EBIT GREW BY 34%

2.4m€ (5.8%) operational EBIT (1.8m€ Q221)

Stable profitability development, successful performance in an inflatory environment

STABLE FINANCIAL POSITION

Net debt / operational EBITDA 2.5x – up from 1.6x at Q122 due to classification of Russia as discontinued operations

Equity ratio 32.5% (35.8% Q122)

EXIT FROM RUSSIA COMPLETED

6

Russian component distribution business sold to management on August 9, 2022

The Russian business classified as discontinued operations in Q222 report

STABLE FINANCIAL PERFORMANCE IN Q2 (CONTINUED OPERATIONS)

CONTINUED GROWTH IN NET SALES AND OPERATIONAL EBIT

NET SALES, (M€)*



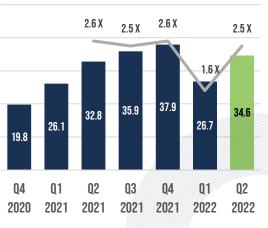


2020 2020 2020 2021 2021 2021 2021 2022 2022

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*From Q1/22 onwards, operational EBIT no longer takes into account the impact of the allocation of acquisition costs. Comparison periods adjusted For Net sales and operational EBIT, previous quarters adjusted for continued operations. For Net Debt/EBITDA, Q2/22 adjusted.



LEVERAGE*

STRATEGIC OBJECTIVE 2021-2023

GROWTH OF NET SALES

34% VS. Q2 2021

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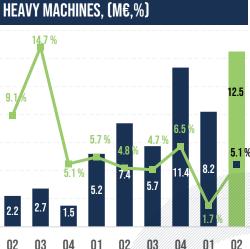
ALL BUSINESS AREAS CONTINUED TO OPERATE WELL

OUTLOOK STABLE IN SPITE OF UNCERTAINTIES IN THE GENERAL OPERATING ENVIRONMENT

ELECTRONICS (<u>CONT.OPER.</u>), (M€,%)*







2020 2020 2020 2021 2021 2021 2021 2022 2022

4.4% IN Q2 22 (3.5% IN Q2 21)

- Stable performance in Q2
- Positive outlook
- SSN consolidated from 6/22 onwards
- Russia classified as discontinued operations

12.5% IN Q2 22 (12.4% IN Q2 21)

- Strong performance in Q2
- Decent outlook
- Outlook on Machinery Metal Machines shadowed by decline in demand

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5.1% IN Q2 22 (4.8% IN Q2 21)

- Stable performance in Q2
- Decent outlook
- Sany business in ramp-up pushing down operating margins

*For Net sales and operational EBIT, previous quarters adjusted for continued operations..

EXIT FROM RUSSIA COMPLETED

SALE TO MANAGEMENT COMPLETES THE PROCESS STARTED IN MARCH 2022

FULL EXIT FOR BOREO, THE BEST AVAILABLE LONG-TERM SOLUTION FOR THE BUSINESS AND ITS EMPLOYEES

SCOPE: SALE OF 90% SHARES IN ELECTRONIC COMPONENT DISTRIBUTION BUSINESS IN RUSSIA



BUYER: MR. YRJÖ PÖNNI, CURRENT GENERAL DIRECTOR AND 10% SHAREHOLDER OF YE RUSSIA



TIMELINE: THE TRANSACTION HAS BEEN EXECUTED ON AUGUST 9, 2022



VALUE: VALUE OF THE TRANSACTION IS NOT DISCLOSED - 8,000 BOREO SHARES BOUGHT BACK FROM THE BUYER



IMPACT ON GROUP FINANCIALS: AN IMPAIRMENT OF C. 5.9 M€ MADE TO Q2 2022 RESULT & RUSSIAN OPERATIONS REPORTED IN DISCONTINUED OPERATIONS



STRATEGIC AGENDA | KEY EVENTS IN Q2 2022

GRADUAL SMALL STEPS TOWARDS THE ULTIMATE OBJECTIVE OF LONG-TERM SHAREHOLDER VALUE CREATION



ΒΟRΕℐ

VALUE CREATION VIA M&A CONTINUED IN Q2

SIGNAL SOLUTIONS



Add-on to Electronics BA

One-stop-shop for wireless, fiber optics and EMC needs



131)m€ Sales 2021

13 employees



~4x EV/EBITDA^{2) 3)}



LED SYSTEMS



A supplier of circuit board connectors and components



0.3m€ Sales 2021

No employees transferred

n/a

DEALSOURCING FROM BU

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GT MOTOR & CAMPUS EXTENSION



Add-on to Machinery Power

Acquired machining operations and expansion of Vantaa workshop



0.2m€ Sales 2021

2 employees



DEALSOURCING FROM BU

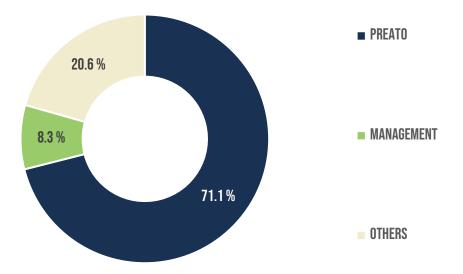
1) Excluding 4.2 M€ of sales from 50/50 owned Polish operations

2) Excluding earn-out

3) EBITDA based on illustrative "Owners EBITDA", with subsidiary EBITDA consolidated on the basis of ownership %

DEMONSTRATED COMMITMENT OF KEY PEOPLE TO BOREO JOURNEY -1.5M€ INVESTED BY PERSONNEL AS PART OF SHARE ISSUE

OWNERSHIP STRUCTURE, JULY 29, 2022



Personnel Share Issue

- 40 000 new shares subscribed (1.5% of shares)
- Investments in a total amount of c. 1.5m€
- 41 employees subscribed for shares of whom majority belong to Boreo Leadership Program
- Important step in aligning interests of shareholders and personnel + creating a basis for a decentralized operating structure
- Significant amount of 'owner operators' with skin-in-the-game as shareholders

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COMING SOON STRATEGY UPDATE & CAPITAL MARKETS DAY IN FALL 2022

AGENDA

- Q2 2022 HIGHLIGHTS
- Q2 2022 FINANCIALS
- Q&A



Q2 2022 | KEY FIGURES (CONTINUED OPERATIONS)

STRONG GROWTH IN NET SALES AND OPERATIONAL EBIT CONTINUED

EUR million	Q2 2022	Q2 2021	Change	2021
Net sales	40.4	30.2	34 %	122.0
Operational EBIT	2.4	1.8	34 %	7.2
relative to net sales, %	5.8 %	5.8 %	-	5.9 %
EBIT	1.8	1.5	21 %	5.8
Profit before taxes	1.3	1.2	13 %	4.6
Profit for the period, continuing operations	1.1	1.0	20 %	3.9
Profit for the period, discontinued operations	-6.6	0.6	-	1.6
Free Cash flow***	-2.3	-0.6	-	1.1
Equity ratio, %	32.5 %	25.1 %	-	24 %
Interest-bearing net debt	34.6	36.0	-	41.0
Interest-bearing net debt relative to operational EBITDA of the				
previous 12 months*	2.5	4.1	-	3.8
Average number of personnel	301	234	29 %	270
Personnel at end of the period	300	236	27 %	273
Operational EPS, EUR	0.4	0.5	-2 %	1.9
EPS, EUR	0.3	0.4	-20 %	1.4
EPS, EUR, discontinued operations**	-2.3	0.2	-	0.6
Free cash flow per share, EUR***	-0.9	-0.2	-	0.4

* Calculated in accordance with the calculation principles established with financiers. The formula for calculating the indicators is presented later in this report. Figure for H1 2021 and the situation at the end of 2021 adjusted to reflect the definition of continuing operations.

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

*** Cash flow includes discontinued operations.



Q2 2022 | GROWTH OF NET SALES

STRONG ORGANIC GROWTH AS WELL AS GROWTH VIA ACQUISITIONS

GROWTH OF NET SALES Q2 22 VS. Q2 21, (M€), CONTINUED OPERATIONS



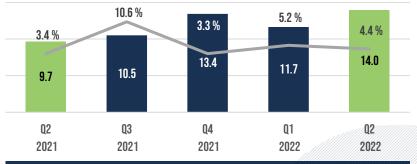
ELECTRONICS (CONTINUED OPERATIONS)

PERFORMANCE STABLE AND AT EXPECTED LEVEL, OPERATIONAL EBIT AT 4.4%

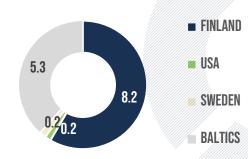
COMMENTS - Q2 2022

- Finnish operations (YE, Noretron, Milcon, Infradex, SSN)
 - Stable operational performance
 - Orderbooks continue to be strong and outlook is stable
 - No significant signs of delivery times getting shorter
 - Performance negatively impacted by credit loss provision
- Baltic operations
 - Better than expected performance
 - Impacts from Ukrainian crisis smaller than expected
- M&A and development initiatives
 - SSN and Ledsystems consolidated from 6/22 onwards
 - Strategy work conducted or in progress in majority of Electronics BA companies
- Russian operations exited and classified to discontinued operations

NET SALES AND OPERATIONAL EBIT % Q2 22 VS. Q2 21, (M€,%) *



NET SALES BY GEOGRAPHY, Q2 22, (M€)



TECHNICAL TRADE

NET SALES GREW AS A RESULT OF PRONIUS ACQUISITION OPERATIONAL EBIT AT 12%, OUTLOOK STABLE EXCEPT FOR METAL MACHINES

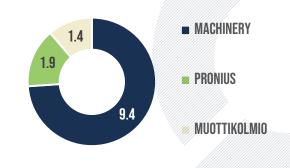
COMMENTS - Q2 2022

- Machinery Power business
 - Machinery's Power business continued to deliver a strong result in line with past quarters
 - Sales and profitability below comparison period that was impacted by strong demand of OEM customers for the engine business
- Construction business (Muottikolmio and Machinery Construction equipment)
 - Strong performance despite late start of the season
 - Positive outlook for the rest of the year
- Metal machines business (Pronius and Machinery Metal Machines)
 - Pronius with strong first quarter as part of the group
 - Outlook for Machinery's Metal Machines deteriorated quickly due to Ukrainian crisis and delayed investment decisions. Completed reorganization measures to adjust the cost level to the 'new normal'
- M&A and development initiatives
 - GT Motor acquired by Machinery Power business
 - Workshop extension at Vantaa started and expected to be finished by end of 2022
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NET SALES AND OPERATIONAL EBIT Q2 22 VS. Q2 21, (M€,%)



NET SALES BY BUSINESSES, Q2 22, (M€)



HEAVY MACHINES

STRONG SALES GROWTH DRIVEN BY FNB ACQUISITION AND ESTONIAN BUSINESS Profitability trailing behind expectations, outlook stable

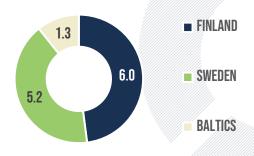
COMMENTS - Q2 2022

- Putzmeister business
 - Estonia with strong performance as a result of significant machine deliveries in the quarter
 - Finland performed as expected
 - Sweden was behind targets as deliveries shifted to following quarters
- Sany business
 - Estonian and Finnish performance in line with expectations
 - Sweden below forecast in Q2 but positive signs seen after the quarter in demand of excavators
- FNB
 - Good performance, although supply chain challenges limited the company's delivery capacity
 - Outlook stable
 - New CEO starting in Q3 22
- Outlook is decent although long delivery times cause uncertainty on timing of revenues. In addition, inflation continues to put pressure on profitability in the short-term.

NET SALES AND OPERATIONAL EBIT Q2 22 VS. Q2 21, (M€,%)



NET SALES BY GEOGRAPHY, Q2 22, (M€)



OTHER OPERATIONS

CONTINUED GOOD PERFORMANCE ALTHOUGH RESULT SOMEWHAT BELOW EXPECTATIONS INFLATION PUTS PRESSURE ON MARGINS IN THE SHORT-TERM

COMMENTS - Q2 2022

ESKP

- In spite of increasing costs (e.g. fuel) ESKP's and Vesterbacka Transport's performance continued to be strong
- Net sales of 1.2m€ and operational EBIT 12%
- Inflation impacts profitability in the short-term. Outlook remains stable.

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• Group costs of 0.6m€ (0.5m€)

NET SALES Q2 22 - Q2 21, (M€)





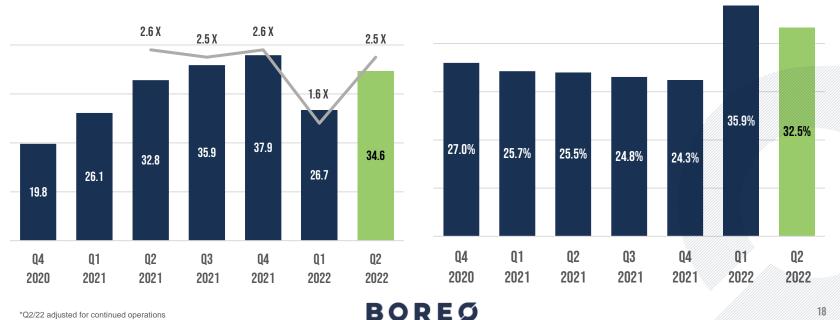
Q2 2022 | NET DEBT AND EQUITY RATIO

NET DEBT / OPERATIONAL EBITDA AT 2,5X IMPACTED BY THE CLASSIFICATION OF RUSSIAN BUSINESS AS DISCONTINUED OPERATIONS

NET DEBT, (M€) & NET DEBT/OPERATIONAL EBITDA, (X) *

EQUITY RATIO, (%)*

STRATEGIC TARGET 2-3X

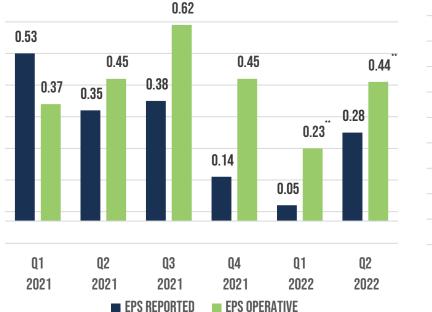


Q2 2022 CASH FLOW AND EPS

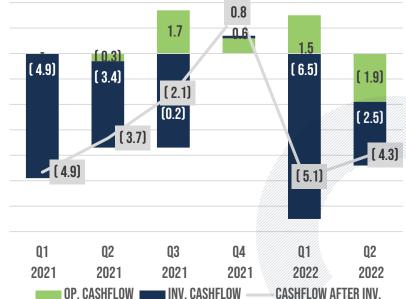
OPERATIONAL EPS IN PAR WITH LY, CASH FLOW GENERATION IMPACTED BY NET WORKING CAPITAL MO

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EARNINGS PER SHARE, (€)*



CASH FLOW, (M€), INCLUDES DISCONTINUED OPERATIONS



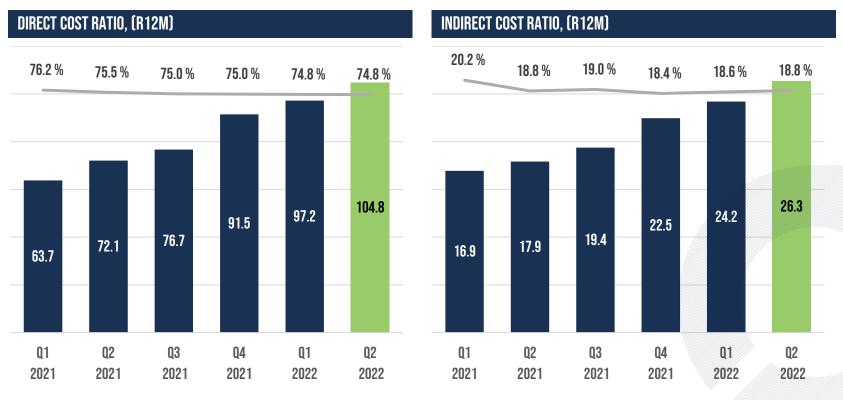
*Previous quarters adjusted for discontinued operations

**The net effect of the interest rate of the hybrid loan (adjusted by tax effect) to EPS:

EUR 0.12 per share in Q2 22 and EUR 0.19 per share in H1 22.

Q2 2022 | COST EFFICIENCY

STABLE DEVELOPMENT OF GROSS MARGIN DURING CHALLENGING MARKET ENVIRONMENT Development of indirect cost ratio reflects scalability of the business model



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