



BOREO

Q2/2025
HALF-YEAR REPORT

Boreo Plc, HALF-YEAR REPORT JAN. 1 TO JUN. 30, 2025

August 6, 2025, at 9:00 EET

Strong organic growth and several important strategic achievements

April-June 2025

- Net sales increased by 19% to EUR 40.2 million (2024: 33.8). Organic growth was 17%.
- Operational EBIT decreased by 8% to EUR 2.2 million (2024: 2.4), representing 5.4% of net sales (2024: 7.0%).
- EBIT increased to EUR 2.5 million (2024: 1.6).
- Profit for the period improved to EUR 1.6 million (2024: 0.8).
- Net cash flow from operating activities was EUR -0.5 million (2024: -1.9).
- Operational earnings per share increased and were EUR 0.34 (2024: 0.31).
- Earnings per share were clearly up at EUR 0.43 (2024: 0.09).
- On April 1, 2025, Boreo announced that it had signed an agreement to acquire the sales operations of Elfa Distrelec in Finland, Latvia, Estonia, and Lithuania from RS Group plc.
- On May 8, 2025, Boreo announced that it had completed the acquisition of Spetsselektroodi AS.
- On June 24, 2025, Boreo issued a EUR 10 million convertible hybrid bond to the Norwegian insurance company Protector Forsikring ASA.

January-June 2025

- Net sales increased by 12% to EUR 74.2 million (2024: 66.4). Organic growth was 11%.
- Operational EBIT increased by 19% to EUR 3.5 million (2024: 3.0), representing 4.7% of net sales (2024: 4.4%).
- EBIT increased to EUR 4.0 million (2024: 1.2).
- Profit for the period improved to EUR 2.3 million (2024: 0.0).
- Net cash flow from operating activities was EUR -0.2 million (2024: 4.2).
- Operational earnings per share increased and were EUR 0.39 (2024: 0.16).
- Earnings per share grew considerably and were EUR 0.53 (2024: -0.36).
- On March 6, 2025, Boreo completed the sale of its Estonian property, with a capital gain of EUR 0.7 million reported as a non-operational item in the H1 result.

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, development and ownership of great entrepreneurial companies with the 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 a culture of ownership and release of entrepreneurial energy is a core pillar of the company'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.

Q2/2025 – CEO Kari Nerg:

Several important strategic achievements

The second quarter of 2025 was marked by several achievements, which support Boreo's future growth. We completed the acquisition of Spetselektroodi in Estonia, signed an agreement with RS Group to acquire the sales operations of Elfa Distrelec in Finland and the Baltics, and issued a EUR 10 million convertible hybrid bond to Protector Forsikring. With a strengthened financial position following the bond issuance and improved underlying business performance, we are well-positioned to pursue further acquisitions and profitable growth.

Q225 in line with expectations

Revenue grew in the second quarter by 19% of which 17% was organic. Operational EBIT was slightly below the previous year, mainly due to increased fixed costs and a higher impact from earn-out provision releases in the prior year.

While the current profitability level remains moderate compared to the potential of our portfolio, we are pleased to see positive results from the work done over the last 1.5 years. Revenue grew for the third consecutive quarter and in the first half of 2025, the company's revenue has grown by 12% and operational EBIT by 19%.

The strong revenue growth toward the end of the quarter led to a significant rise in receivables, resulting in an organic 3.5 million euro increase in working capital. Consequently, operative cash flow was negative by 0.5 million euros. We expect working capital to decrease in the second half of 2025.

The convertible hybrid bond issuance strengthened the company's balance sheet and net debt relative to the last 12 months' operational EBITDA declined from 3.1 to 2.3.

Order books remained stable, trade and geopolitical tensions continue to create uncertainty

Our companies' order books remained stable from the end of Q125, and support decent performance in the coming months. However, prevailing global trade and geopolitical tensions continue to impact the demand environment and increase uncertainty toward year-end. We continue to monitor the operating environment closely and will respond with actions swiftly if necessary.

Significant improvement potential when market conditions improve

We are pleased with the Group's recent progress and the successful completion of many short-term strategic goals. In the coming quarters, we continue to develop our existing businesses and strive to acquire new businesses that align with our acquisition criteria. We are confident of being on the right track, gradually reaching our long-term goals and of the Group being well positioned for significant earnings growth when market conditions improve.

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

EUR million	Q2 2025	Q2 2024	Change	H1 2025	H1 2024	Change	2024
Net sales	40.2	33.8	19 %	74.2	66.4	12 %	134.0
Operational EBIT	2.2	2.4	-8 %	3.5	3.0	19 %	6.8
<i>relative to the net sales %</i>	5.4 %	7.0 %	-	4.7 %	4.4 %	-	5.1 %
EBIT	2.5	1.6	51 %	4.0	1.2	228 %	4.1
Profit before taxes	1.7	1.0	70 %	2.4	0.0	17816 %	1.3
Profit for the period	1.6	0.8	91 %	2.3	0.0	-	1.2
Operational net cash flow	-0.5	-1.9	-	-0.2	4.2	-	12.0
Cash conversion, %	6 %	-61 %	-	13 %	161 %	-	180 %
Equity ratio, %	42.2%	40.1%	-	42.2%	40.1%	-	39.2%
Interest-bearing net debt	28.2	32.7	-14 %	28.2	32.7	-14 %	30.0
Interest-bearing net debt relative to operational EBITDA of the previous 12 months*	2.3	2.8	-	2.3	2.8	-	2.8
Return on Capital Employed (ROCE %), R12	8.4%	9.2%	-	8.4%	9.2%	-	7.9%
Return on Trade Working Capital (ROTWC %), R12	26.2%	28.3%	-	26.2%	28.3%	-	25.2%
Return on equity (ROE %), R12	7.9%	3.0%	-	7.9%	3.0%	-	2.8%
Personnel at end of the period	348	330	5 %	348	330	5 %	336
Operational EPS, EUR**	0.34	0.31	10 %	0.39	0.16	146 %	0.51
EPS, EUR**	0.43	0.09	378 %	0.53	-0.36	-	-0.30
Operational net cash flow per share, EUR	-0.18	-0.72	-	-0.08	1.57	-	4.45

*Calculated in accordance with the calculation principles agreed with financiers. The calculation formula is presented later in this report.

**Starting from 2022, the calculation of earnings per share has included the effect of the hybrid bond interest recorded in equity, adjusted for tax. In Q2 2025, this net effect was EUR 0.16 per share, in Q2 2024 EUR 0.18 per share, in H1 2025 the net effect was EUR 0.33 per share, and in H2 2024 the net effect was EUR 0.24 per share.

Group's financial performance

In the second quarter of 2025, the Group's net sales continued to grow significantly (19%) and amounted to EUR 40.2 million (2024: 33.8). Organic growth was EUR 5.9 million (17%), and the acquisition of Spetsselektroodi contributed EUR 0.5 million to net sales. At comparable exchange rates, net sales would have been EUR 39.9 million.

During the first half of 2025, the Group's net sales increased by 12% to EUR 74.2 million (2024: 66.4). Organic growth was EUR 7.2 million (11%), and acquisitions contributed EUR 0.5 million to net sales. At comparable exchange rates, net sales would have been EUR 73.9 million.

Net sales by business areas in Q2 and H1

EUR million	Q2 2025	Q2 2024	Change	H1 2025	H1 2024	Change	Q1-Q4 2024
Electronics	14.8	12.6	17 %	29.7	26.1	14 %	58.0
Technical Trade	25.4	21.2	20 %	44.5	40.3	10 %	76.0
Group functions	0.0	0.0	-	0.0	0.0	-	0.0
Total	40.2	33.8	19 %	74.2	66.4	12 %	134.0

In the second quarter of 2025, the Group's net sales were geographically distributed as follows: Net sales in Finland increased by 11% to EUR 27.0 million. The growth was primarily driven by strong demand for Signal Solutions Nordic (SSN) in Finland and increased net sales at Milcon compared to the comparison period. Net sales in Sweden grew by 58% and amounted to EUR 7.7 million, driven by the performance of the Swedish Putzmeister operations. Net sales in the Baltic countries increased by 22% to EUR 5.0 million, of which more than half was inorganic growth resulting from the Spetsselektroodi acquisition. Growth was also supported by increased net sales in the electronics component distribution businesses in Estonia and Lithuania. Net sales to Other regions mainly consist of SSN's operations in the United States.

Net Sales by geographic area in Q2 and H1

EUR million	Q2 2025	Q2 2024	Change	H1 2025	H1 2024	Change	Q1-Q4 2024
Finland	27.0	24.4	11 %	51.8	46.2	12 %	95.5
Sweden	7.7	4.9	58 %	12.5	10.5	20 %	20.2
Baltic countries	5.0	4.1	22 %	9.2	8.6	7 %	15.5
Other regions	0.5	0.4	22 %	0.7	1.2	-43 %	2.9
Total	40.2	33.8	19 %	74.2	66.4	12 %	134.0

In the second quarter of 2025, the Group's operational EBIT decreased by 8% and was EUR 2.2 million (2024: 2.4). The operational EBIT margin was 5.4% (2024: 7.0%). The decrease in operational EBIT compared to the previous year was due to higher fixed costs and a slightly lower gross margin. The increase in fixed costs compared to comparison period was driven by recruitments made in the last year, higher management performance bonuses and other operating expenses as well as the acquisition of Spetsselektroodi. Reduction of earn-out provisions to past acquisitions improved the second quarter result by EUR 0.1 million (2024: 0.3).

The Group's reported EBIT increased to EUR 2.5 million (2024: 1.6). Reported EBIT included items affecting comparability totaling EUR 0.3 million, mainly consisting of acquisition-related items, the largest being the recognition of negative goodwill from Spetsselektroodi (EUR 0.8 million), and other purchase price allocation items. Changes in exchange rates had no significant impact on the Group's EBIT.

During the first half of 2025, the Group's operational EBIT increased by 19% to EUR 3.5 million (2024: 3.0), representing 4.7% of net sales (2024: 4.4%).

Profit for the quarter improved to EUR 1.6 million (2024: 0.8) and to EUR 2.3 million (2024: 0.0) for the first half of the year. The second quarter operational earnings per share increased and were EUR 0.34 (2024: 0.31) and earnings per share were clearly up at EUR 0.43 (2024: 0.09). For the first half of the year, operational earnings per share increased and were EUR 0.39 (2024: 0.16) and earnings per share grew considerably and were EUR 0.53 (2024: -0.36).

Operational EBIT by business areas in Q2 and H1

EUR million	Q2 2025	Q2 2024	Change	H1 2025	H1 2024	Change	Q1-Q4 2024
Electronics	0.8	1.1	-24 %	1.8	1.6	13 %	4.3
Technical Trade	1.8	1.7	5 %	2.7	2.4	15 %	4.5
Group functions	-0.5	-0.5	-1 %	-1.0	-1.0	-2 %	-2.0
Total	2.2	2.4	-8 %	3.5	3.0	19 %	6.8

Capital efficiency

At the end of the second quarter of 2025, the Group's return on trade working capital was 26.2% (Q2/2024: 28.3% and Q1/2025: 27.6%), with the levels by business area as follows: Electronics 53.8% (Q2/2024: 43.2% and Q1/2025: 57.1%) and Technical Trade 24.5% (Q2/2024: 32.4% and Q1/2025: 25.0%).

At the end of the second quarter, return on capital employed (ROCE) was 8.4% (Q2/2024: 9.2% and Q1/2025: 8.8%). ROCE excluding cash and cash equivalents would have been 9.3%. Return on equity was 7.9% (Q2/2024: 3.0% and Q1/2025: 6.5%).

Return on Trade Working Capital, R12

Percent	Q2 2025	Q2 2024	Q1-Q4 2024
Electronics	53.8 %	43.2 %	52.3 %
Technical Trade	24.5 %	32.4 %	23.8 %
Group functions	-	-	-
Total	26.2 %	28.3 %	25.2 %

Financial position

At the end of the second quarter of 2025, the Group's interest-bearing net debt amounted to EUR 28.2 million (Q2/2024: 32.7 and Q1/2025: 35.4). The share of IFRS related liabilities in net debt was EUR 7.8 million (2024: 7.5). Net debt relative to the last 12 months' operational EBITDA was 2.3 (Q2/2024: 2.8 and Q1/2025: 3.1), positively impacted by the EUR 10 million convertible hybrid bond issued in June.

Shareholders' equity attributable to the owners of the parent company was EUR 50.5 million (2024: 43.4), increased by the EUR 10 million convertible hybrid bond. The equity ratio was 42.2% (Q2/2024: 40.1% and Q1/2025: 36.2%), and the consolidated balance sheet total amounted to EUR 125.0 million.

Cash flow

Net cash flow from operating activities in the second quarter was EUR -0.5 million (2024: -1.9), weakened by an anticipated EUR 3.5 million increase (2024: increase of 3.9) in working capital. Cash flow increased mainly due to increased sales but also as a result of the acquired business during the quarter. Cash flow after investments was EUR -2.1 million (2024: -2.8). Net cash flow from operating activities per share was EUR -0.18 (2024: -0.72).

In the first half of the year, net cash flow from operating activities was EUR -0.2 million (2024: 4.2), negatively impacted by a EUR 4.4 million increase in working capital (2024: decrease of 1.6). Cash flow after investments was EUR -0.9 million (2024: 2.3). Net cash flow from operating activities per share was EUR -0.08 (2024: 1.57).

At the end of the second quarter, the Group's cash and cash equivalents amounted to EUR 12.6 million (2024: 6.5). The company's available liquidity increased from the first quarter to EUR 26.7 million (Q2/2024: 16.5 and Q4/2024: 24.5), driven by the EUR 10 million convertible hybrid bond issued in June.

Major events during the second quarter

On April 1, 2025, Boreo signed an agreement to acquire the sales operations of Elfa Distrelec in Finland, Latvia, Estonia, and Lithuania from RS Group plc.

On April 15, 2025 Boreo held it's Annual General Meeting at the company's headquarters at Ansatie 5, Vantaa.

On May 8, 2025, Boreo completed the acquisition of Spetselektroodi AS. The signing of the agreement was announced on March 31, 2025.

On June 18, 2025, Boreo issued a EUR 10 million convertible hybrid bond to the Norwegian insurance company Protector Forsikring ASA. The issuance was completed on June 24, 2025.

Business Areas

Boreo's businesses have been organized in two business areas.

The Electronics business area consists of businesses that distribute, manufacture and assemble professional electronic components and own products. 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 companies of the business area are Yleiselektroniikka, YE International, Noretron Komponentit, Milcon, Infradex, SSN, and Delfin Technologies (Delfin).

The Technical Trade business area consists of businesses engaged in technical trade and providing industrial services. Its companies act as representatives of well known principals and serve, for example, the mechanical engineering, construction, process, forestry and concrete industries in Finland, Sweden and Estonia. The companies in the business area are Machinery, Machinery MT, Muottikolmio, Pronius, Spetselektroodi, J-Matic, Filterit, PM Nordic, Tornokone, HM Nordic, FNB, Lackmästarn, Etelä-Suomen Kuriiripalvelu (ESKP) and Vesterbacka Transport. On October 1, 2024, Machinery Oy was separated into two independent companies: Machinery Oy and Machinery MT Oy. As a result of the separation, the companies can focus on their core competencies, strengthen customer focus and accelerate strategy implementation. Operating as independent companies emphasizes the local decision-making characteristic of Boreo's decentralized organizational model.

"Group functions" comprises the parent company activities of Boreo.

Electronics business area

The operational EBIT of the business area in the second quarter weakened to EUR 0.8 million (2024: 1.1 million), with the operational EBIT margin declining from 8.7% to 5.6%, while net sales increased by 17% compared to the comparison period. The rolling 12-month operational EBIT was at a solid EUR 4.5 million (2024: 3.7 million), with the operational EBIT margin improving from 6.5% to 7.2%. Net sales during the same period grew by 7% compared to the comparison period.

The business area's result was positively impacted particularly by the strong performance of SSN and Milcon. The uncertainty in the electronics component business has led customers to postpone investment decisions, negatively affecting the demand environment for distribution companies. Health technology company Delfin continued its product platform renewal, the modernization of its global distribution network, and the advancement of selected strategic paths but suffered from the weak operating environment.

The relative gross margin of the business area weakened compared to the previous year, mainly due to changes in the sales mix and reduction of earn-out provisions in the comparison period.

As a result of effective working capital management and strong performance, the business area second quarter return on working capital was 54%, exceeding the level of the comparison period (43%).

The outlook for the second half of the year is overall reasonable, considering the slight increase of companies' order books from the end of the previous quarter and the efficiency measures implemented. Due to uncertainties in the operating environment, the companies continue to monitor market developments closely and are prepared to respond to changes.

Key figures Electronics

EUR million	Q2 2025	Q2 2024	Change	H1 2025	H1 2024	Change	Q1-Q4 2024
Net sales	14.8	12.6	17 %	29.7	26.1	14 %	58.0
Operational EBIT	0.8	1.1	-24 %	1.8	1.6	13 %	4.3
<i>relative to net sales, %</i>	5.6 %	8.7 %	-	6.0 %	6.1 %	-	7.3 %
EBIT	0.6	0.8	-29 %	1.9	0.9	124 %	3.1
Return on Trade Working Capital , R12	54 %	43 %	-	54 %	43 %	-	52 %
Capital expenditure	0.1	0.1	-50 %	0.2	0.4	-63 %	0.6
Personnel at end of the period	126	130	-3 %	126	130	-3 %	132

Technical Trade business area

In the second quarter of 2025, the operational EBIT of the Technical Trade business area amounted to EUR 1.8 million (2024: 1.7), with the operational EBIT margin decreasing from 8.2% to 7.1%. Net sales increased by 20% compared to the comparison period. The rolling 12-month operational EBIT was EUR 4.9 million (2024: 6.3 million), with the operational EBIT margin decreasing from 7.2% to 6.5%. Net sales during the same 12-month period decreased by 8% compared to the comparison period.

The result of the business area was supported particularly by the recovery of the Swedish Putzmeister operations and by increased net sales in several other companies. Companies serving the process and mechanical engineering industries performed reasonably well. However, economic uncertainty continues to create caution regarding larger investment decisions.

The relative gross margin of the business area declined compared to the previous year, mainly due to changes in the sales mix and larger reductions in earn-out provisions in the comparison period. Fixed costs of the business area increased slightly due to new personnel recruitments and marketing investments.

Return on trade working capital (ROTWC, R12) for the business area decreased year-on-year to 24% (2024: 32%). The amount of committed working capital increased from the levels of the first quarter due to higher inventories and trade receivables following improved sales activity. Despite stronger quarterly earnings compared to the same period last year, the rolling 12-month result was higher in the comparison period, explaining the currently lower ROTWC.

The short-term outlook for the business area remains overall reasonable, although order books decreased slightly from the end of the previous quarter. The decrease was mainly due to the timing of Machinery's and Machinery MT's deliveries. Due to uncertainties in the operating environment, the companies continue to closely monitor market developments and are prepared to respond swiftly if needed.

Key figures Technical Trade

EUR million	Q2 2025	Q2 2024	Change	H1 2025	H1 2024	Change	Q1-Q4 2024
Net sales	25.4	21.2	20 %	44.5	40.3	10 %	76.0
Operational EBIT	1.8	1.7	5 %	2.7	2.4	15 %	4.5
<i>relative to net sales, %</i>	7.1 %	8.2 %	-	6.1 %	5.9 %	-	5.9 %
EBIT	2.3	1.3	80 %	3.0	1.4	120 %	2.7
Return on Trade Working Capital , R12	24 %	32 %	-	24 %	32 %	-	24 %
Capital expenditure	0.2	0.9	-83 %	0.5	1.9	-72 %	1.3
Personnel at end of the period	217	198	9 %	217	198	0 %	199

Group functions

Costs of the parent company activities not allocated to business areas are reported under Group functions. The operational EBIT of Group functions in the second quarter was EUR -0.5 million (2024: -0.5 million) and EUR -1.0 million for the first half of the year (2024: -1.0).

Key figures Group functions

EUR million	Q2 2025	Q2 2024	Change	H1 2025	H1 2024	Change	Q1-Q4 2024
Net sales	0.0	0.0	-	0.0	0.0	-	0.0
Operational EBIT	-0.5	-0.5	-1 %	-1.0	-1.0	-2 %	-1.96
<i>relative to net sales, %</i>	-	-	-	-	-	-	-
EBIT	-0.4	-0.5	-7 %	-1.0	-1.0	-6 %	-1.7
Capital expenditure	0.0	0.0	-	0.0	0.0	-	0.0
Personnel at end of the period	5	7	-29 %	5	7	-29 %	5

Group personnel

The number of personnel in Boreo increased mainly due to the Spetsselektroodi acquisition and totaled 348 at the end of the second quarter (2024: 330). Personnel were distributed across business areas as follows: Electronics 126 (2024: 130), Technical Trade 217 (2024: 198), and Group functions 5 (2024: 7). Employment-related expenses for the second quarter totaled EUR 6.2 million (2024: 5.6) and EUR 11.9 million for the first half of the year.

Managers' transactions

During the second quarter of 2025, Boreo Plc received five notifications of Managers' Transactions in accordance with MAR Article 19:

On May 5, 2025, Boreo Plc announced that Mattias Björk had acquired a total of 5,000 shares at an average price of EUR 16.866 per share.

On May 5, 2025, Boreo Plc announced that members of the management team had accepted stock options under the option program approved by the Board of Directors on April 29, 2025, as follows: Kari Nerg 20,000 shares, Jesse Petäjä 15,000 shares, Tomi Sundberg 12,500 shares, Richard Karlsson 12,500 shares, and Mari Katara 10,000 shares.

On May 9, 2025, Boreo Plc announced that, in accordance with the resolution of the Annual General Meeting, it had transferred as part of Board remuneration 608 of the company's own shares held by the company to each of the following Board members without consideration: Camilla Grönholm, Jouni Grönroos, Noora Neilimo-Kontio, and Jussi Vanhanen.

Shares and share capital

At the end of the second quarter, Boreo Plc's share capital amounted to EUR 2,483,836, and the number of shares totaled 2,701,353. The company held 9,274 of its own shares at the end of the second quarter, representing 0.3% of the total number of shares.

Main short-term risks and operational uncertainties

Boreo is exposed to various risks and opportunities arising from its own operations and 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: The key market risks relate to the general market and economic uncertainty caused by the crisis in Ukraine, and especially to the general economic development in Finland. 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 expenses and fuel prices, which are directly reflected in logistics costs. The Group's operations are also subject to changes in trade agreements between continents and countries as well as to tariffs and restrictions on sales or imports imposed by individual countries. If realized, such changes in trade agreements or new trade barriers could affect the Group's business negatively through disruptions in the supply chain and increased costs.

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

Principal relationships and the position in the value chain: Due to its business model, the Group's competitiveness is highly correlated and dependent on the portfolio of principals, and consequently the loss of a significant principal would weaken 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. 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 risks: The personnel is the Group's core asset. Replacement of knowledge and skills resulting from materialising personnel risk is difficult, expensive and slow. In addition, recruiting new key personnel can be challenging. It is difficult to predict and quantify human risks in monetary terms.

Acquisition related risks: One of the Group's strategic goals 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.

Financial risks: The Group's financing risks include interest rate, currency, liquidity, credit, and leverage 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.

Risks related to governance, compliance, and systems: It is important for the Group's decentralized management model and the operating model of independent subsidiaries that the Group maintains a clear governance model, decision-making matrix, and general operating principles to support decision-making by companies and personnel. To mitigate risks related to compliance and misconduct, it is important to maintain a clear governance model and operating principles.. The Group's operations are also dependent on various IT systems, whose functionality following denial-of-service attacks, failed implementations or data breaches poses a risk to the business.

Major events after the second quarter

On August 1, 2025, Boreo announced that it had completed the acquisition of Elfa Distrelec's sales operations in Finland, Latvia, Estonia, and Lithuania from RS Group plc. The signing of the agreement was announced on April 1, 2025.

Reconciliation statements of key indicators

Reconciliation, operational EBIT

EUR million	Q2 2025	Q2 2024	H1 2025	H1 2024	Q1-Q4 2024
EBIT	2.5	1.6	4.0	1.2	4.1
ITEMS AFFECTING COMPARABILITY					
Electronics					
Structural arrangements	0.0	-0.1	0.6	-0.3	-0.3
Costs related to acquisitions	0.0	0.0	0.0	0.0	0.0
Amortization related to allocation of acquisition costs	-0.2	-0.2	-0.4	-0.5	-0.9
Technical Trade					
Structural arrangements	0.0	0.0	0.0	-0.1	-0.2
Costs related to acquisitions	0.0	0.0	0.0	0.0	0.0
Amortization related to allocation of acquisition costs	-0.2	-0.4	-0.5	-0.9	-1.7
Recognition of a gain from a bargain purchase (negative goodwill)	0.8	0.0	0.8	0.0	0.0
Group functions					
Structural arrangements	0.0	0.0	0.0	0.0	0.3
Costs related to acquisitions	0.0	0.0	0.0	0.0	0.0
TOTAL ITEMS AFFECTING COMPARABILITY	0.3	-0.7	0.5	-1.7	-2.7
OPERATIONAL EBIT	2.2	2.4	3.5	3.0	6.8

Operational EPS

EUR million	Q2 2025	Q2 2024	H1 2025	H1 2024	Q1-Q4 2024
Profit for the review period to shareholders**	1.1	0.2	1.4	-1.0	-0.8
Items affecting comparability	-0.2	0.6	-0.4	1.4	2.2
Operational profit for the review period to shareholders	0.9	0.8	1.1	0.4	1.4
Average number of outstanding shares, thousand	2 691	2 689	2 690	2 688	2 689
Operational EPS*	0.34	0.31	0.39	0.16	0.51

*The tax impact and non-controlling interests on comparability have been deducted when calculating the operational EPS

**The interest rate 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	Jun 30, 2025	Jun 30, 2024	Dec 31, 2024
Long-term financial liabilities	34.6	33.4	33.8
Short-term financial liabilities	7.2	6.8	7.4
Interest-bearing receivables	1.1	1.0	1.5
Cash and cash equivalents	12.6	6.5	9.7
Interest-bearing net debt	28.2	32.7	30.0

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	= $\frac{\text{Interest-bearing net debt}}{\text{Operational EBITDA of the previous 12 months (including acquired businesses as if they had been held for 12 months at the reporting date)}}$
Equity ratio, %	= $\frac{\text{Equity + total non-controlling interests}}{\text{Balance sheet total - advances received}} \times 100$
Net cash flow from operating activities per share	= $\frac{\text{Net cash flow from operating activities per share}}{\text{Average number of outstanding shares}}$
Interest-bearing net debt	= Interest-bearing liabilities - interest-bearing receivables - 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 earnings per share	= $\frac{\text{Profit for the review period to shareholders – the interest rate on the hybrid loan recorded in equity minus the tax effect +/- items affecting comparability}}{\text{Average number of outstanding shares}}$
Return on capital employed (ROCE %)	= $\frac{\text{Operational EBIT for the previous 12 months}}{\text{Average balance sheet total for the previous 12 months - non-interest-bearing liabilities for the previous 12 months}}$
Return on capital employed (ROCE %), excluding cash equivalents	= $\frac{\text{Operational EBIT for the previous 12 months}}{\text{Average balance sheet total for the previous 12 months - average non-interest-bearing liabilities for the previous 12 months - average cash equivalents for the previous 12 months}}$
Return on trade working capital (ROTWC %)	= $\frac{\text{Operational EBIT for the previous 12 months}}{\text{Average working capital for the previous 12 months (inventories + trade receivables – trade payables – advance payments received)}}$
Return on equity (ROE %)	= $\frac{\text{Result for the review period for the previous 12 months}}{\text{Average equity for the previous 12 months}}$
Cash conversion, %	= $\frac{\text{Net cash flow from operating activities + interest paid – investments in intangible and tangible assets}}{\text{EBIT + depreciation and impairment – effect of fixed asset depreciation (IFRS 16)}}$

TABLES January 1 to June 30, 2025

Accounting principles of the half-year report

This half-year report has been prepared in accordance with IAS 34 Interim Financial Reporting, and the same accounting principles have been applied as in the financial statements prepared on December 31, 2024. The figures in the half-year report are unaudited.

CONSOLIDATED INCOME STATEMENT (MEUR)	Q2 2025	Q2 2024	H1 2025	H1 2024	Q1-Q4 2024
Net sales	40.2	33.8	74.2	66.4	134.0
Other operating income	1.0	0.5	1.8	0.6	1.3
Materials and services	-28.7	-23.7	-52.7	-47.0	-95.0
Employee benefit expenses	-6.2	-5.6	-11.9	-11.6	-22.1
Depreciation, amortization and impairment losses	-1.3	-1.4	-2.7	-2.8	-5.6
Other operating expenses	-2.5	-2.0	-4.8	-4.5	-9.0
Share of result from associates	0.0	0.1	0.1	0.2	0.4
EBIT	2.5	1.6	4.0	1.2	4.1
Financial income	0.0	0.1	0.1	0.2	0.3
Financial expenses	-0.8	-0.7	-1.7	-1.4	-3.1
Profit before taxes	1.7	1.0	2.4	0.0	1.3
Income taxes	-0.1	-0.2	-0.1	-0.1	-0.1
Profit for the period	1.6	0.8	2.3	0.0	1.2
Allocated to					
Shareholders of the parent company	1.6	0.7	2.3	-0.1	1.1
Non-controlling interests	0.0	0.1	0.0	0.1	0.2
EPS (undiluted) EUR, continuing operations	0.43	0.09	0.53	-0.36	-0.30
EPS (diluted) EUR, continuing operations	0.34	0.09	0.39	-0.36	-0.30
Items of the comprehensive income statement (MEUR)					
Items that may be reclassified subsequently to profit or loss:					
Translation differences from foreign units	-0.4	0.2	0.2	-0.2	-0.3
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	1.1	1.0	2.5	-0.3	0.9
Allocated to					
Shareholders of the parent company	1.2	0.9	2.6	-0.4	0.8
Non-controlling interests	-0.1	0.1	-0.1	0.1	0.2
Number of outstanding shares (thousand)	2 691	2 689	2 690	2 688	2 689
Outstanding shares at the end of the period	2 692	2 690	2 692	2 690	2 690
Number of shares (thousand)	2 701	2 701	2 701	2 701	2 701

CONSOLIDATED BALANCE SHEET (MEUR)**Jun 30, 2025****Jun 30, 2024****Dec 31, 2024****ASSETS**

Non-current assets

Goodwill	42.3	42.3	42.3
Intangible capital assets	7.7	9.2	7.9
Property, plant and equipment	10.0	9.9	10.7
Other financial assets	1.4	1.3	1.8
Investments in associates	0.9	1.1	1.1
Deferred tax assets	0.1	0.1	0.1
Total non-current assets	62.4	63.9	63.8

Current assets

Inventories	29.1	27.3	25.1
Accounts receivable and other receivables	20.9	15.7	16.6
Cash and cash equivalents	12.6	6.5	9.7
Total current assets	62.6	49.5	51.4

Assets held for sale

	0.0	0.0	0.4
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TOTAL ASSETS**125.0 113.4 115.7****SHAREHOLDERS' EQUITY AND LIABILITIES****SHAREHOLDERS' EQUITY**

Equity attributable to the equity holders of the parent

Share capital	2.5	2.5	2.5
Other committed capital	0.1	0.1	0.1
Hybrid loan	20.0	24.0	24.0
Convertible hybrid loan	10.0	0.0	0.0
Reserve for invested unrestricted equity	5.1	5.1	5.1
Retained earnings	10.6	11.9	10.4
Profit for the period	2.3	-0.1	1.1
Total	50.5	43.4	43.1
Non-controlling interests	1.4	1.4	1.4
Total equity	51.9	44.9	44.5

Non-current liabilities

Financial liabilities	34.6	33.4	33.8
Deferred tax liabilities	2.2	2.3	2.2
Provisions	0.0	0.0	0.0
Trade and other payables	0.0	0.2	0.0
Total non-current assets	36.8	35.9	36.0

Current liabilities

Trade and other payables	29.0	25.9	27.8
Provisions	0.0	0.0	0.0
Financial liabilities	7.2	6.8	7.4
Total current liabilities	36.3	32.7	35.2

TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES**125.0 113.4 115.7**

CONSOLIDATED CASH FLOW STATEMENT (MEUR)	1.1.-30.6.2025	1.1.-30.6.2024	1.1.-31.12.2024
Operational cash flow			
Profit before taxes	2.4	0.0	1.3
Non-cash transactions			
Depreciation, amortization and impairment losses	2.7	2.8	5.6
Net financial items	1.6	1.2	2.8
Share of associate companys' result (net)	0.2	-0.1	0.0
Increase (-) / decrease (+) in inventories	-2.2	3.5	5.7
Increase (-) / decrease (+) in current assets	-4.0	1.0	-0.3
Increase (+) / decrease (-) in current liabilities	2.0	-2.6	-0.1
Net financial items	-1.1	-1.2	-2.5
Taxes paid	-0.1	-0.5	-0.5
Other adjustments	-1.5	0.0	0.0
Operational net cash flow	-0.2	4.2	12.0
Cash flow from investments			
Investments in intangible and tangible assets	-0.7	-0.7	-1.8
Acquisitions	-1.5	-1.2	-3.8
Divestments	0.0	0.0	0.0
Proceeds from sale of property, plant and equipment	1.5	0.0	0.8
Net cash flow from investments	-0.7	-1.9	-4.8
Cash flow from financing			
Repayments of loans	-0.2	-3.5	-3.0
Repayments of lease liabilities	-1.4	-1.3	-2.5
Withdrawals of loans	1.9	0.8	0.0
Withdrawal of convertible hybrid loan	10.0	0.0	0.0
Withdrawals and repayments of hybrid loan, net	-4.0	4.0	4.0
Interest rate and expenses on hybrid loan	-2.5	-2.3	-2.3
Dividends paid	0.0	-0.1	-0.2
Net cash flow from financing	3.7	-2.3	-3.9
Change in cash and cash equivalents	2.8	0.0	3.2
Cash and cash equivalents Jan 1	9.7	6.5	6.5
Impact of exchange rate fluctuations and consolidation	0.1	0.0	0.0
Liquid funds at the end of period	12.6	6.5	9.7

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (MEUR)

2025	Share capital	Contingency reserve	Reserve for invested unrestricted equity	Translation difference	Hybrid loan	Retained earnings	Minority interest	Total
Equity								
Dec. 31. 2024	2.5	0.1	5.1	-1.3	24.0	12.7	1.4	44.5
Profit/loss for the period						2.3	0.0	2.3
Translation differences		0.0		0.3		0.0	-0.1	0.2
Share issue								0.0
Costs related to share issue								0.0
Share repurchases								0.0
Withdrawal of convertible hybrid loan					10.0			-10.0
Repayment of hybrid loan					-4.0			-4.0
Share rewards						0.0		0.0
Interest rate and borrowing costs of the hybrid loan						-1.2		-1.2
Dividends paid								0.0
Other change						0.0		0.0
Equity								0.0
June 30. 2025	2.5	0.1	5.1	-1.0	30.0	13.9	1.4	51.9

2023	Share capital	Contingency reserve	Reserve for invested unrestricted equity	Translation difference	Hybrid loan	Retained earnings	Minority interest	Total
Equity								
Dec. 31. 2023	2.5	0.1	5.1	-1.0	20.0	14.5	1.5	42.6
Profit/loss for the period						1.1	0.2	1.2
Translation differences		0.0		-0.3		0.0	0.0	-0.3
Share issue								0.0
Costs related to share issue								0.0
Share repurchases								0.0
Withdrawal of hybrid loan					4.0			4.0
Share rewards						0.1		0.1
Interest rate and borrowing costs of the hybrid loan						-2.9		-2.9
Dividends paid							-0.2	-0.2
Other change						0.0		0.0
Equity								0.0
Dec. 31. 2024	2.5	0.1	5.1	-1.3	24.0	12.7	1.4	44.5

SEGMENT INFORMATION (MEUR)**1-6/2025**

	Electronics	Technical Trade	Group funtions	Inter Segent	Total
Net sales	29.7	44.5	0.0		74.2
Share of results of associates	0.1	0.0	0.0		0.1
Depreciation	-1.1	-1.5	0.0		-2.7
EBIT	1.9	3.0	-1.0		4.0
Financial income	0.0	0.1	0.8	-0.8	0.1
Financial expenses	-0.5	-0.8	-1.2	0.8	-1.7
Profit before taxes	1.4	2.3	-1.3		2.4
Balance sheet assets	71.9	72.9	0.0	-19.8	125.0
Balance sheet liabilities	-36.8	-56.3	0.2	19.8	-73.1
Investments	0.2	0.5	0.0		0.7
Personnel at end of the period	126	217	5		348

SEGMENT INFORMATION (MEUR)**1-6/2024**

	Electronics	Technical Trade	Group funtions	Inter Segent	Total
Net sales	26.1	40.3	0.0		66.4
Share of results of associates	0.2	0.0	0.0		0.2
Depreciation	-1.1	-1.7	0.0		-2.8
EBIT	0.9	1.4	-1.0		1.2
Financial income	0.1	0.0	0.5	-0.4	0.2
Financial expenses	-0.2	-0.6	-1.1	0.4	-1.4
Profit before taxes	0.8	0.8	-1.6		0.0
Balance sheet assets	65.6	67.9	0.0	-20.1	113.4
Balance sheet liabilities	-36.0	-52.6	0.0	20.1	-68.5
Investments	0.4	0.3	0.0		0.7
Personnel at end of the period	130	193	7		330

OFF-BALANCE SHEET CONTINGENT LIABILITIES (MEUR)

	June 30, 2025	June 30, 2024	December 31, 2024
Liabilities			
Unused overdraft limit	10.7	7.3	10.8
Total liabilities	10.7	7.3	10.8
Collateral given			
Enterprise mortgages	71.5	71.5	71.5
Guarantees	2.8	4.1	2.9
Total guarantees	74.3	75.6	74.4

The company has a derivative liability related to interest rate hedging with a fair value of EUR -0.1 million as of June 30, 2025. The change in fair value has been recognized in profit or loss under financial items.

Briefing for investors. analysts and media

A webcast where CEO Kari Nerg and CFO Jesse Petäjä present the Half-year report will be held on the same day at 11:00 am EET. 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.events.inderes.com/q2-2025>. The event will be recorded and the recording will be available after the event at: www.boreo.com/investors.

Boreo Plc' financial reporting in 2025:

Interim report 1-9/2025: October 29, 2025

Vantaa, August 6, 2025

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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 two business areas: Electronics and Technical Trade.

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 the 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 a culture of ownership and release of entrepreneurial energy is a core pillar of the company'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 2024 were EUR 134 million and it employs over 300 people in seven countries. The company's headquarter is in Vantaa.