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Stable performance in a challenging environment, Russian operations sold on 9 August 2022

April-June 2022 (continued operations)

- Boreo's operations in Russia have been classified as discontinued operations and all figures in this report relate to continuing operations unless otherwise stated.
- Net sales grew by 34% to EUR 40.4 million (2021: 30.2).
- Operational EBIT increased by 34% to EUR 2.4 million (2021: 1.8).
- EBIT stood at EUR 1.8 million (2021: 1.5).
- Free cash flow (including discontinued operations) was EUR -2.3 million (2021: -0.1). Free cash flow was particularly affected by the increase in working capital.
- The profit for continuing operations for the review period stood at EUR 1.1 million (2021: 1.0).
- The profit for discontinued operations for the review period was EUR -6.6 million (2021: 0.6). The result was negatively affected by write-down of approximately EUR 5.9 million in the Russian operations, resulting from the classification of Russian operations as discontinued operations in accordance with IFRS 5.
- Operational EPS was EUR 0.44 (2021: 0.45).
- EPS was EUR 0.28 (2021: 0.35).
- In June, the acquisition of Signal Solutions Nordic was completed.

January-June 2022 (continued operations)

- Net sales grew to EUR 72.1 million (2021: 54.0).
- Operational EBIT increased to EUR 3.5 million (2021: 3.1).
- EBIT stood at EUR 2.4 million (2021: 3.3). EBIT for the comparison period was significantly affected by a non-recurring EUR 0.8 million sales gain from the Espoo headquarters.
- Free cash flow (including discontinued operations) was EUR -1.5 million (2021: -0.7). Cash flow was weakened mainly by the growth in working capital.
- The profit for continuing operations for the review period stood at EUR 1.5 million (2021: 2.4).
- The profit for discontinued operations for the review period was EUR -5.9 million (2021: 0.7). The result was negatively affected by write-down of approximately EUR 5.9 million in the Russian operations, resulting from the classification of Russian operations as discontinued operations in accordance with IFRS 5.
- Operational EPS was EUR 0.67 (2021: 0.83).

Classification of Russian operations as discontinued operations

As an event after the review period, Boreo announced on August 9, 2022 that Boreo sold its 90% shareholding of the electronic component distribution business in Russia ("YE Russia") to companies controlled by Mr. Yrjö Pönni, current General Director and 10% shareholder of YE Russia. In May 2022, Boreo announced it had started to take actions taking steps to exit Russian operations. In this half-year report, Russian operations have been moved to discontinued operations in accordance with IFRS 5. Unless otherwise stated, all figures in this half-year report relate to continuing operations. In the income statement and balance sheet, the comparison periods have also been adjusted for continuing operations, while the data in the cash flow

statement have not been adjusted and include discontinued operations. Discontinued operations also include the subsidiary of the Russian operations located in Turkey.

Financial guidance and business model

On March 4, 2021, Boreo announced its new strategy and strategic financial objectives for the strategy period 2021-2023. Boreo's business model is to own, acquire and develop operations in Northern Europe and the main focus areas of the strategy are acquisitions, operational efficiency and people & culture.

The company's long-term financial targets for the strategy period 2021–2023 are:

- At least 20 % average annual net sales growth over the strategy period,
- At least 8% operational EBIT at the end of the strategy period,
- Net debt/operational EBIT 2-3x (excluding items affecting comparability, including acquired business activities as if they had been held for 12 months at the reporting date), and
- Annually increasing dividend per share.

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.

As of the Q1 2022 interim report, Boreo has changed the accounting principle of operational EBIT so that operational EBIT no longer takes into account the impact of the allocation of acquisition costs. The impact of the allocation of acquisition costs arises from the depreciation of fair value allocations at the time of acquisition based on IFRS during their useful life. The company feels that operational EBIT before allocation of acquisition costs better reflects the profitability of its operations. The change has an impact on operational EBIT and operational EPS. The figures for the comparison period have been adjusted to reflect the same principle to maintain comparability. Otherwise, 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.

Key figures, continuing operations

EUR million	Q2 2022	Q2 2021	Change	H1 2022	H1 2021	Change	2021
Net Sales	40.4	30.2	34%	72.1	54.0	34%	122.0
Operational EBIT*	2.4	1.8	34%	3.5	3.1	13%	7.2
relative to net sales %	5.8%	5.8%	-	4.9 %	5.8 %	-	5.9 %
EBIT	1.8	1.5	21%	2.4	3.3	-28%	5.8
Profit before taxes	1.3	1.2	13%	1.7	2.8	-39%	4.6
Profit for the period, continuing operations	1.1	1.0	20%	1.5	2.4	-38%	3.9
Profit for the period, discontinued operations	-6.6	0.6	-	-5.9	0.7	-	1.6
Free Cash flow**	-2.3	-0.6	-288%	-1.5	-0.7	-109%	1.1

*The impact of the change in calculation due to the allocation of acquisition costs is taken into account in Q2 2022, H1 2022, Q2 2021, H1 2021 and 2021. The elimination of the effects improved Q2 2022 operational EBIT by EUR 0.4 million, H1 2022 operational EBIT by EUR 0.7 million, Q2 2021 operational EBIT by EUR 0.2 million, H1 2021 operational EBIT by EUR 0.3 million and 2021 operational EBIT by EUR 0.8 million.

** Cash flow includes discontinued operations.

Q2/2022 - CEO Kari Nerg:

Sound financial result and financial position

The financial result for the review period was good and I am pleased with the performance of our companies in a challenging operating environment. Net sales increased by 34% and operational EBIT by 34%. Organic growth was EUR 5.7 million and acquisitions contributed EUR 4.7 million to net sales growth. Our companies successfully maintained margin levels at previous quarters' levels. Free cash flow was primarily negatively affected by inventory levels that were kept high to ensure supply capacity. The Group's net debt relative to the 12-month EBITDA rose from 1.6x in the first quarter to 2.5x mainly due to the classification of Russian operations as discontinued operations. However, this is in the middle of the target level we have set for leverage and we expect the balance sheet position to strengthen over the next few months supported by operational performance and the implemented personnel share issue.

As a result of the crisis in Ukraine, in March we started to investigate options for the business operations in Russia. On August 9, 2022, we announced the sale of YE Russia's business operations to management of YE Russia. The completed transaction provides us with a solution to completely exit Russia and for the business and personnel of YE Russia a more sustainable long-term solution.

Three acquisitions completed

During the quarter, we successfully continued to allocate capital to acquisitions and carried out three acquisitions. The Signal Solutions Nordic (SSN) acquisition strengthened the Electronics business in Finland and Sweden and expanded the Group's operations to Poland and the United States. The acquisitions of GT Motor and LED Systems were add-on acquisitions for Machinery and Yleiselektroniikka which complement the companies' existing product offering.

The personnel share issue is an important step in developing the operating model and aligning the interests of shareholders and personnel

At the end of the quarter, we carried out a successful and oversubscribed personnel issue, in which the Group's personnel invested approximately EUR 1.5 million in Boreo's shares. As a result, the number of personnel shareholders increased significantly. This was an important step in our goal of greater alignment of the interests of shareholders and personnel and strengthen the basis for operations in decentralized operating structure and provides excellent conditions for continuing the work focused on shareholder value creation.

The companies performed well in a challenging environment

For our Electronics business, the second quarter progressed as expected and stable performance in line with previous quarters continued. The operational EBIT margin was at a decent 4.4% level although depressed by shifts due to long delivery times and the non-recurring credit loss provision in Yleiselektroniikka. Without this non-recurring provision, the operational EBIT margin would have been 6.2%. The Finnish companies operated as expected, while the Baltic companies performed better than expected in the beginning of the quarter, despite increased geopolitical uncertainty. We expect the companies' performance to remain stable in the next quarters thanks to strong order books and a positive demand outlook.

The Technical Trade business area met our expectations in the second quarter with a good operational EBIT of 12%. The financial result of Muottikolmio, Machinery's Construction Equipment unit and Power unit, and Pronius, was excellent, while Machinery's Metal Machines unit was below the set target. The Ukrainian crisis affected the Metal Machines business as expected and we implemented measures to improve cost efficiency in the unit. The challenges posed by the Ukrainian crisis on Pronius' welding equipment distribution business were smaller than expected in the quarter. The outlook for the demand of our products is stable for the rest of the year, except for the Metal Machines business, and we expect our companies to retain good performance during the rest of the year.

Our Heavy Machines businesses performed well in the second quarter, although the result was slightly below our expectations. As a result of the Floby Nya Bilverkstad (FNB) acquisition and the strong performance of the Putzmeister and Sany businesses in Estonia, net sales increased by 51% from the comparison period and operational EBIT was EUR 0.6 million (5.1%). In Estonia, the Putzmeister and Sany businesses exceeded our expectations, Finland's result was as expected and Sweden was below its targets. The performance of FNB was good, although supply chain challenges limited the company's delivery capacity. With the support of strong order books, we expect performance to remain stable in the near future, although long delivery times have already shifted deliveries to 2023 and price increases and inflation cause pressure for the companies' profitability.

Outlook for the near future is stable uncertainty though in the operating environment

The operating environment is currently characterized by a number of uncertainties due to, e.g., the crisis in Ukraine. In the near future, performance outlook in our companies is relatively stable. We will continue to actively monitor developments in the market environment and react with measures if necessary. In the acquisition market activity continues to be lively and due to our working business model, we see good opportunities to allocate capital to acquisitions in the near future.

We will update our strategy and organize a capital markets day in fall 2022

In the last year and a half, we have taken our first steps as a serial consolidator, gathered experiences for future development and successfully grown the Group in Finland and abroad. As the strategy period 2021-2023 is halfway, we will review our strategy and our ways of working in the coming months and organize a capital markets day during the fall 2022. The date of the capital markets day will be published shortly.

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 (incl. unaudited consolidated pro forma financial information) 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.

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 2022	Q2 2021	Change	H1 2022	H1 2021	Change	2021
Net sales	40.4	30.2	34%	72.1	54.0	34%	122.0
Operational EBIT	2.4	1.8	34%	3.5	3.1	13%	7.2
<i>relative to net sales, %</i>	5.8%	5.8%	-	4.9%	5.8%	-	5.9%
EBIT	1.8	1.5	21%	2.4	3.3	-28%	5.8
Profit before taxes	1.3	1.2	13%	1.7	2.8	-39%	4.6
Profit for the period, continuing operations	1.1	1.0	20%	1.5	2.4	-38%	3.9
Profit for the period, discontinued operations	-6.6	0.6	-	-5.9	0.7	-	1.6
Free Cash flow***	-2.3	-0.6	-288%	-1.5	-0.7	-109%	1.1
Equity ratio, %	32.5%	25.1%	-	32.5%	25.1%	-	23.8%
Interest-bearing net debt	34.6	36.0	-	34.6	36.0	-	41.0
Interest-bearing net debt relative to operational EBITDA of the previous 12 months*	2.5	4.1	-	2.5	4.1	-	3.8
Average number of personnel	301	234	29%	301	234	29%	270
Personnel at end of the period	300	236	27%	300	236	27%	273
Operational EPS, EUR	0.44	0.45	-2%	0.67	0.83	-20%	1.86
EPS, EUR	0.28	0.35	-20%	0.33	0.88	-63%	1.40
EPS, EUR, discontinued operations**	-2.27	0.18	-	-2.03	0.26	-	0.59
Free cash flow per share, EUR***	-0.89	-0.23	-	-0.56	-0.29	-	0.42

* 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.

Group's financial performance

In the second quarter of the year, the Group's net sales increased to EUR 40.4 million (2021: 30.2), of which EUR 5.7 million was organic growth in business activities. Acquisitions increased net sales by EUR 4.7 million. At comparable exchange rates, net sales would have been EUR 40.7 million, mainly due to the exchange rate change in the Swedish krona. Net sales of the Electronics business area grew by EUR 4.3 million (45%) from the previous year to EUR 14.0 million. Net sales of the Technical Trade business area in the second quarter increased by EUR 0.5 million (5%) to EUR 12.7 million. Net sales of the Heavy Machines business area increased by EUR 5.1 million (70%) in the second quarter and totaled EUR 12.5 million. Net sales of Other Operations increased by EUR 0.2 million to EUR 1.2 million.

During the first half of 2022, the Group's net sales increased by 34% to EUR 40.4 million. (2021: 30.2). Organic net sales growth was EUR 6.9 million and acquisitions increased net sales by EUR 11.5 million. Weaker exchange rates depressed net sales by about EUR 0.3 million and net sales at comparable exchange rates would have been EUR 72.4 million. In business areas, Electronics' net sales grew by EUR 6.4 million (33%). Net sales of Technical Trade increased by EUR 2.4 million (12%) from the comparison period. Net sales of the Heavy Machines business area grew by EUR 8.1 million (65%) from the comparison period, mainly because of acquisitions. Net sales of Other Operations increased by EUR 1.2 million (120%) from the comparison period.

Net sales, business areas Q2 and H1

EUR million	Q2 2022	Q2 2021	Change	H1 2022	H1 2021	Change	2021
Electronics	14.0	9.6	45%	25.7	19.3	33%	43.3
Technical Trade	12.7	12.2	5%	23.5	21.1	12%	45.6
Heavy Machines	12.5	7.4	70%	20.7	12.6	65%	29.7
Other Operations	1.2	1.0	20%	2.2	1.0	120%	3.4
Total	40.4	30.2	34%	72.1	54.0	34%	122.0

The geographical distribution of the Group's net sales during the second quarter was as follows: Net sales in Finland increased by 17% mainly thanks to the Milcon, Infradex and Pronius acquisitions and totaled EUR 28.1 million. During the first half of the year, Finland's net sales were EUR 49.3 million, up by EUR 9.0 million (22%) on the comparison period. Sweden's net sales in the second quarter totaled EUR 5.4 million and grew by EUR 2.8 million from the corresponding period in 2021 (112 %). In the first half of the year, Sweden's net sales were EUR 9.8 million, up by EUR 3.4 million on the comparison period. Net sales of Baltic operations increased by 76% in the second quarter thanks to organic growth in the electronics component distribution business and in the Sany and Putzmeister businesses (EUR 2.9 million), reaching EUR 6.7 million. During the first half of the year growth on the comparison period amounted to EUR 5.5 million. Net sales in the Other line consist of net sales to the United States as a result of the Signal Solutions acquisition carried out in the second quarter.

Net Sales by geographic area

EUR million	Q2 2022	Q2 2021	Change	H1 2022	H1 2021	Change	2021
Finland	28.1	23.9	17%	49.3	40.3	22%	90.4
Sweden	5.4	2.6	112%	9.8	6.4	53%	15.6
Baltic countries	6.7	3.8	76%	12.8	7.3	75%	16.0
Other	0.2	0.0	-	0.2	0.0	-	0.0
Total	40.4	30.2	34%	72.1	54.0	34%	122.0

In the second quarter, the Group's operational EBIT increased by 34% to EUR 2.4 million (2021: 1.8). Operational EBIT margin was 5.8% (2021: 5.8%). The Group's reported EBIT stood at EUR 1.8 million (2021: 1.5). Reported EBIT included non-recurring costs of EUR 0.6 million that affect comparability related to corporate and structural arrangements. These were primarily related to implemented M&A transactions. Changes in exchange rates did not have a significant impact on the Group's EBIT. Operational EBIT of the Electronics business area was EUR 0.6 million in the second quarter (2021: 0.3). EBIT was weakened by a non-recurring EUR 0.3 million credit loss provision. Operational EBIT of the Technical Trade business area was EUR 1.6 million (2021: 1.5). EBIT was increased especially by the strong performance of Machinery's power unit and the Pronius acquisition. Operational EBIT of the Heavy Machines business area grew to EUR 0.6 million (2021: 0.4). The growth was particularly affected by the FNB acquisition in the third quarter of 2021 and the good performance of Estonian operations. Operational EBIT of Other Operations was EUR -0.5 million (2021: (-0.4) consisting of EUR 0.1 million in EBIT from ESKP and Vesterbacka Transport, and EUR 0.6 million (2021: 0.5) in Group costs not allocated to business areas.

In the first half of the year, the Group's operational EBIT was EUR 3.5 million (2021: 3.2) , with 11% growth from the comparison period. The Group's reported EBIT stood at EUR 2.4 million (2021: 3.3). The reported EBIT was affected by a non-recurring sales gain of EUR 0.8 million in the comparison period. The reported EBIT includes items affecting comparability totaling EUR 1.1 million in net, consisting mainly of expenses and allocations related to acquisitions. EBIT in the Electronics, Technical Trade and Heavy Machines business areas amounted to EUR 1.3 million (2021: 1.1), EUR 2.3 million (2021: 2.0) and EUR 0.8 million (2021: 0.7) respectively, and all grew from the comparison period. Operational EBIT of Other Operations was EUR -0.8

million, of which the operational EBIT of ESKP and Vesterbacka was EUR 0.3 million (2021: 0.1) and Group costs not allocated to business areas totaled EUR -1.1 million (2021: -0.8).

Operational EBIT, business areas Q2

EUR million	Q2 2022	Q2 2021	Change	H1 2022	H1 2021	Change	2021
Electronics	0.6	0.3	81%	1.3	1.1	13%	2.7
Technical Trade	1.6	1.5	5%	2.3	2.0	16%	4.2
Heavy Machines	0.6	0.4	80%	0.8	0.7	10%	1.7
Other Operations	-0.5	-0.4	8%	-0.8	-0.7	29%	-1.4
Total	2.4	1.8	43%	3.5	3.2	11%	7.2

Financial position

At the end of the second quarter of 2022, the Group's interest-bearing net debt amounted to EUR 34.6 million (2021: 36.0). The share of IFRS 16 liabilities in net debt was EUR 5.3 million (2021: 5.1). Net debt relative to operational EBITDA of the previous 12 months was 2.5 (2021: 4.1), which was in the middle of the company's strategic target range (2-3x). Gearing is expected to decrease in the coming months due to the personnel share issue implemented in the third quarter and positive performance.

At the end of the second quarter, shareholders' equity was EUR 38.4 million (2021: 19.2), of which the effect of directed share issues carried out during the review period was EUR 2.8 million and the net effect of write-downs in Russia was around EUR -8.7 million. The equity ratio was 32.5% (2021: 25.1%) and the consolidated balance sheet total was EUR 126.2 million (2021: 86.4).

Cash flow

Net cash flow from operating activities was EUR -1.9 million in the second quarter (2021: -0.3). The net cash flow from operating activities was weakened especially by the growth in working capital. The increase in working capital was mainly due to higher inventory levels in the Electronics business area to ensure future deliveries. In the Technical Trade business area, inventory levels were increased seasonally in Machinery's construction equipment business, and in addition, due to the continuing supply and availability challenges in the market, Machinery's power business' inventories increased. Free cash flow, i.e. operational net cash flow excluding investments in intangible and tangible assets, was EUR -2.3 million (2021: -0.6) and free cash flow per share was EUR -0.89 (2021: -0.23). Cash flow after investments was EUR -4.3 million, where the net effect of acquisitions was EUR -2.1 million.

In the first half of the year, the net cash flow from operating activities was EUR -0.4 million (2021: -0.3). The cash flow was negatively affected by the growth in working capital, especially in connection with increased inventory levels in the Electronics and Technical Trade business areas. Free cash flow was EUR -1.5 million (2021: -0.3) and free cash flow per share was EUR -0.56 (2021: -0.29). Cash flow after investments was EUR -9.4 million (2021: 8.6), of which the net impact of acquisitions was EUR -7.9 million.

The Group's cash and cash equivalents at the end of the reporting period totaled EUR 10.3 million (2021: 3.3).

Major events during the second quarter

At the Annual General Meeting of Boreo Plc held on April 19, 2022, it was resolved to adopt the financial statements for the previous financial year and to pay a dividend of EUR 0.21 per share. In addition, it was resolved to authorize the Board of Directors to decide on a second dividend of max. EUR 0.21 per share during 2022. The Annual General Meeting resolved to discharge the members of the Board of Directors and the CEO from liability for the financial period 2021. It was resolved that the number of members of the Board of

Directors is six and Simon Hallqvist, Ralf Holmlund, Jouni Grönroos, Camilla Grönholm and Michaela von Wendt were re-elected as Board members. Juhani Mykkänen was elected as a new Member of the Board of Directors. It was resolved that the Chairman of the Board be paid EUR 4,000 per month as Board remuneration and the members of the Board of Directors EUR 2,000 per month as Board remuneration. In addition, it was resolved to pay a meeting fee of EUR 500 for each meeting of the Board and the Committee to the members of the Board of Directors and the Committee. The Chairman of the Audit Committee will receive a Chairman remuneration of EUR 1,000 per month in addition to the Board remuneration and that the Chairman of the Remuneration and Nomination Committee will receive a Chairman remuneration of EUR 500 per month in addition to the Board remuneration. It was resolved that 60% of the Board remuneration will be paid in cash and 40% in company shares. However, the Board remuneration paid to Simon Hallqvist will be paid fully in cash because it is not in the company's interest to increase Simon Hallqvist's holding with the Board remuneration. Moore Rewinet Oy was elected as the auditors with APA Jari Paloniemi as the responsible auditor. The Board of Directors was authorized to decide on issuing a maximum of 525,000 shares, which corresponds to approximately 20 per cent of all the shares in the company at the date of the notice of the meeting and the Board of Directors was authorized to decide on the purchase of a maximum of 262,000 own shares, which corresponds to approximately 10 per cent of all the shares in the company at the date of the notice of the meeting. The authorizations are valid until the end of the next Annual General Meeting, but no later than June 30, 2023.

On April 19, 2022, Boreo announced that the Board of Directors had approved the company's disclosure policy updated based on which the company publishes its financial reports and other regulated information both in Finnish and English in the future. The updated disclosure policy came into force on May 5, 2022.

On May 3, 2022, Boreo announced it had acquired the entire share capital of Signal Solutions Nordic Oy from the company's CEO Tony Aaltonen and a company owned by Lassi Kuosmanen and that it will arrange a directed share issue for the company's sellers as part of the payment of the purchase price.

On June 1, 2022, Boreo Plc announced that it had completed the acquisition of Signal Solutions Nordic Oy and had carried out the directed share issue planned in connection with the transaction.

On June 10, 2022, Boreo announced that the Board of Directors had resolved on personnel share issue and matching share plan. A maximum total of 35,000 new shares in the company will, in deviation from the shareholders' pre-emptive subscription rights, be offered for subscription by the personnel of the company and its subsidiaries, excluding the personnel to whom the share issue cannot be directed due to the economic sanctions imposed to Russia by EU. In case of oversubscription, the Board has the right to increase the number of the new shares offered, up to a maximum total of 40,000 new shares. The subscription price is EUR 37.56 per share. The Board of Directors also resolved on a Matching Share Plan directed to the company's key employees in which the participants are entitled to receive matching shares gratuitously after the three-year (3) matching period. The maximum amount of gross reward to be paid on the basis of the Matching Share Plan will not exceed the value of 15,000 Boreo shares, including also the cash proportion intended for covering the tax withholding obligation and matching shares for separately approved new key employees fulfilling the share subscription requirement after the share issue subscription window.

On June 30, 2022, Boreo announced the results of the personnel share issue. The Board of Directors resolved to increase the number of the new shares offered up to a total of 40,000 shares. The total subscription price of the new shares is EUR 1,502,400. The shares subscribed for in the personnel share issue together represent approximately 1.5% of shares and votes in the company. Subscriptions were made by a total of 41 employees of the group.

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. The 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 Yleiselektronikka, YE International, Noretron Komponentit, Milcon, Infradex and Signal Solutions Nordic (SSN). The figures of the Electronics business area do not include Russian operations.

The Technical Trade business area consists of businesses involved in technical trade that represent well-known principals in power, metal machines, construction and welding technique products and system solutions in Finland. The brands of the business area include Machinery, Muottikolmio and Pronius.

The Heavy Machines business area consists of Putzmeister and Sany dealerships in Finland, Sweden and Estonia, and the design, equipment and construction of timber bodies in Sweden. The businesses serve customers in the concrete, construction and the forest industry in Finland, Sweden and Estonia. The brands of the business area are PM Nordic, Tornokone, Sany Nordic and FNB.

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

Electronics business area (continued operations)

In the second quarter of the year, net sales of the Electronics business area grew by 45% to EUR 14.0 million (2021: 9.6). The net sales of the Finnish businesses relative to the comparison period increased due to the organic growth of Yleiselektronikka and the acquisitions of LED-Systems, Infradex and SSN. SSN was consolidated into the Group from the beginning of June (the Polish operation of SSN is consolidated as an associate in the group figures) . In line with previous quarters, the order books of the companies developed positively supported by strong demand. The development of the order backlog is expected to continue as strong in the coming months. The Ukrainian crisis has a positive effect especially on the order book of Milcon due to increased demand among defense industry customers. Net sales of Baltic operations increased from the comparison period. All Baltic companies performed better than expected in the second quarter despite the increased uncertainty at the beginning of the quarter due to the crisis in Ukraine. This was influenced by sales mix development and measures to improve cost-efficiency.

Operational EBIT of the business area was EUR 0.6 million in the second quarter (2021: 0.3), which was negatively affected by a non-recurring EUR 0.3 million credit loss provision made in Yleiselektronikka. Without this non-recurring provision, the operational EBIT margin would have been 6.2%.

Key figures Electronics

EUR million	Q2 2022	Q2 2021	Change	H1 2022	H1 2021	Change	2021
Net sales	14.0	9.6	45%	25.7	19.3	33%	43.3
Operational EBIT	0.6	0.3	81%	1.3	1.1	13%	2.7
<i>relative to net sales, %</i>	4.4%	3.5 %	-	5.0 %	5.9 %	-	6.2%
EBIT	0.5	1.0	-50%	1.1	1.0	14%	2.5
Capital expenditure	0.2	0.0	-	0.3	0.1	-	0.3
Average number of personnel	129	119	8%	129	119	8%	114
Personnel at end of the period	128	116	10%	128	116	10%	112

Technical Trade business area

Net sales of the Technical Trade business area in the second quarter totaled EUR 12.7 million (2021: 12.2). The increase in net sales was due to the acquisition of Pronius Oy in March 2022. Machinery's metal working division's net sales were at the level of the comparison period, while the net sales of the power and

construction equipment operations were below the strong comparison period. The worsening geopolitical situation and resulting increasing uncertainty weakened the outlook of Machinery's metal working business rapidly in the spring and as a result we implemented structural changes to make the division's cost structure more efficient. Integration of the GT Motor business acquired at the beginning of May, acquired to strengthen Machinery's power maintenance service, progressed well. Pronius Oy's welding business performed better than expected, although extended delivery times remain a challenge.

Operational EBIT of the business area increased in the second quarter to EUR 1.6 million (2021: 1.5) and the operational EBIT margin was 12.5%. EBIT was strengthened by the impact of Pronius on the business area's result and by the strong performance of the construction businesses (Muottikolmio and Machinery's construction equipment). We expect Machinery's power business to continue performing stably in the rest of the year and demand for construction-related trade to continue at a good level. Deliveries in the metal working business are expected to remain at a lower level than last year during the rest of the year. In the welding machines supplied by Pronius Oy, the outlook is still positive.

Key figures Technical Trade

EUR million	Q2 2022	Q2 2021	Change	H1 2022	H1 2021	Change	2021
Net sales	12.7	12.2	5 %	23.5	21.1	12 %	45.6
Operational EBIT	1.6	1.5	5 %	2.3	2.0	16 %	4.2
<i>relative to net sales, %</i>	12.5 %	12.4 %	-	9.7 %	9.4 %	-	9.2 %
EBIT	1.4	0.4	240 %	2.0	1.9	4 %	4.0
Capital expenditure	0.2	0.1	146 %	0.3	0.1	205 %	0.2
Average number of personnel	85	75	13 %	85	75	13 %	78
Personnel at end of the period	88	76	16 %	88	76	16 %	80

Heavy Machines business area

Second-quarter net sales of the Heavy Machines business area were EUR 12.5 million, increasing significantly from the comparison period (2021: 7.4). Putzmeister and Sany businesses' strong demand in Estonia and the acquisition of FNB in September 2021 especially contributed to the net sales growth. In Finland, the business performed as expected, while in Sweden targets were not met. The performance of FNB was good, although supply chain challenges limited the company's delivery capacity. Business development was still affected by the significantly increased delivery times and shift in chassis deliveries of concrete industry machinery and cranes (FNB).

Operational EBIT for the second quarter totaled EUR 0.6 million, up from EUR 0.4 million in the comparison period. Relative profitability was reasonable at 5.1%. We expect the performance conditions to remain stable in the near future, supported by strong order books, although long delivery times have already shifted deliveries to 2023. In addition, price increases and inflation put pressure on the profitability of the companies.

Key figures Heavy Machines

EUR million	Q2 2022	Q2 2021	Change	H1 2022	H1 2021	Change	2021
Net sales	12.5	7.4	70%	20.7	12.6	65%	29.7
Operational EBIT	0.6	0.4	51%	0.8	0.7	10 %	1.7
<i>relative to net sales, %</i>	5.1%	4.8%	-	3.8%	5.6%	-	5.8 %
EBIT	0.5	0.3	127%	0.6	0.4	44 %	1.2
Capital expenditure	0.1	0.0	2,080%	0.1	0.0	-	0.1
Average number of personnel	51	20	155%	51	20	155%	48
Personnel at end of the period	51	20	155%	51	20	155%	49

Other Operations

Operational EBIT from Other Operations was EUR -0.5 million in the second quarter of the year (2021: -0.4). The demand for services and profitability from ESKP and Vesterbacka Transport that are reported under Other Operations were at a good level, although profitability was burdened by increased cost pressures. The companies' net sales were EUR 1.2 million and the EBIT margin was 12%. In addition to ESKP's operational EBIT, the operational EBIT of Other Operations included EUR 0.6 million of Group administration costs (2021: 0.5).

Key figures Other operations

EUR million	Q2 2022	Q2 2021	Change	H1 2022	H1 2021	Change	2021
Net sales	1.2	1.0	-	2.2	1.0	120%	3.4
Operational EBIT	-0.5	-0.4	31%	-0.8	-0.7	109%	-1.4
<i>relative to net sales, %</i>	<i>-39.1%</i>	<i>-43.2%</i>	<i>-</i>	<i>-38.1%</i>	<i>12.3%</i>	<i>-</i>	<i>-41.3%</i>
EBIT	-0.6	-0.5	-26%	-1.3	0.1	-	-1.9
Capital expenditure	0.1	0.0	-	0.4	0.2	-	0.2
Average number of personnel	36	20	80%	36	20	80%	30
Personnel at end of the period	33	24	0	33	24	38%	32

Group personnel

Boreo Group's number of personnel stood at 300 at the end of the reporting period (2021: 256) and was divided into business areas as follows: Electronics 128 (2021: 116), Technical Trade 88 (2021: 76), Heavy Machines 51 (2021: 20), Other Operations 33 (2021: 24), of which ESKP accounted for 25 and Group Administration for 8 (2021: 5). The average number of employees in the Group was 301 (2021: 234), which was divided into business areas as follows: Electronics 129 (2021: 119), Technical Trade 85 (2021: 75), Heavy Machines 51 (2021: 20), Other Operations 36 (2021: 20), of which ESKP accounted for 28 and Group Administration for 8 (2021: 5).

Employment related expenses for the second quarter totaled EUR 5.0 million (2021: 3.7).

Managers' transactions

During the second quarter of 2022, Boreo Plc received thirteen notifications concerning Managers' transactions (Article 19 of MAR).

May 11, 2022, Boreo Plc notified that Jesse Petäjä had acquired 160 shares at an average price of EUR 40 per share.

On May 19, 2022, in accordance with the decision of the Annual General Meeting, Boreo Plc transferred to the members of the Board of Directors Camilla Grönholm, Jouni Grönroos, Ralf Holmlund, Michaela von Wendt and Juhani Mykkänen 40% of the total amount of their monthly remuneration by transferring 229 shares held by the Company to each of them free of charge.

On July 1, 2022, Boreo Plc notified of the following subscriptions in the personnel share issue at an average price of EUR 37.56 per share: Kari Nerg, CEO, 6,768 shares, Aku Rumpunen, CFO, 4,000 shares, Mari Katara 1,100 shares, Janne Silvennoinen 4,000 shares, Jesse Petäjä 3,000 shares, Tomi Sundberg 5,300 shares, and Richard Karlsson 5,500 shares.

Main short-term risks and operational uncertainties

Boreo Group 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.

The impact of the crisis in Ukraine: The main market risks are linked to the crisis in Ukraine and, as a result, an increase in overall market uncertainty. This is reflected, e.g., 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., fuel prices, which are directly reflected in logistics costs. Despite the completed sale of the Russian business operations on 9 August, the transaction still includes certain Russian related risks and uncertainties. The risks mainly relate to regulatory and policy changes and unstable currency, which can affect the amount of the purchase price receivable.

The key Russia risks and uncertainties also relate to the Ukrainian crisis and the sanctions imposed by the West, as well as counter-sanctions, which have a significant impact on the operating environment, regulation and policy changes, and variable exchange rates.

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 cyclicity: 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 cyclicity 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: Boreo 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.

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.

COVID pandemic: The continuing COVID pandemic is expected to still have negative impacts on supply chains, delivery reliability of products, supply times and prices, and on demand for products and services in the business environment.

Significant events after the second quarter

On 9 August 2022, Boreo announced that it had sold its 90% shareholding of electronic component distribution business in Russia (“YE Russia”) to companies controlled by Mr. Yrjö Pönni, current General Director and 10% shareholder of YE Russia.

Reconciliation statements of key indicators

Reconciliation, operational EBIT					
EUR million	Q2 2022	Q2 2021	H1 2022	H1 2021	2021
EBIT	1.8	1.5	2.4	3.3	5.8
ITEMS AFFECTING COMPARABILITY					
Electronics					
Structural arrangements	0.0	0.0	0.0	-0.1	-0.1
Costs related to acquisitions	0.0	0.0	0.0	0.0	0.0
Depreciation related to allocation of acquisition costs	-0.1	0.0	-0.2	0.0	-0.1
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
Depreciation related to allocation of acquisition costs	-0.2	0.0	-0.3	-0.1	-0.2
Heavy Machines					
Structural arrangements	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	-0.1	0.0	0.0
Costs related to acquisitions	-0.1	-0.1	-0.2	-0.1	-1.2
Sale of real estate	0.0	0.0	0.0	0.8	0.8
Depreciation related to allocation of acquisition costs	0.0	0.0	-0.1	0.0	-0.1
TOTAL ITEMS AFFECTING COMPARABILITY	-0.5	-0.3	-1.1	0.2	-1.4
OPERATIONAL EBIT	2.4	1.8	3.5	3.1	7.2
Operational EPS					
EUR million	Q2 2022	Q2 2021	H1 2022	H1 2021	2021
Profit for the review period to shareholders	0,7	1.0	0,9	2.4	3.7
Items affecting comparability	0.4	0.2	0.9	-0.2	1.1
Operational profit for the review period to shareholders	1.5	1.2	2.3	2.2	4.7
Average number of outstanding shares, thousand	2,625	2,567	2,619	2,590	2,583
Operational EPS	0.44	0.45	0.67	0.83	1.86

*The tax impact and non-controlling interests have been deducted from items affecting comparability when calculating the operational EPS.

Interest-bearing net debt

EUR million	Q2 2022	Q2 2021	H1 2022	H1 2021	2021
Long-term financial liabilities	34.9	29.5	34.9	29.5	34.3
Short-term financial liabilities	10.0	9.8	10,0	9,8	9.4
Cash and cash equivalents	10.3	3.3	10.3	3.3	2.7
Interest-bearing net debt	34.6	36.0	34.6	36.0	41.0

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 of the previous 12 months (including acquired businesses as if they had been held for 12 months at the reporting date) =
$$\frac{\text{Interest-bearing net debt}}{\text{Operational EBITDA for the previous 12 months}}$$

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 =
$$\frac{\text{Profit for the review period to shareholders – the interest rate on the hybrid loan recorded in equity minus the tax effect +/- items affecting comparability}}{\text{Average number of outstanding shares}}$$

TABLES January 1 to June 30, 2022 Accounting principles of the half-year report

The half-year report is prepared in accordance with the IAS 34 Interim financial reporting standard. The accounting principles of the half-year report are the same applied to the financial statements compiled on December 31, 2021. The figures of the half-year report are unaudited.

CONSOLIDATED INCOME STATEMENT (MEUR)	Q2-2022	Q2-2021	H1-2022	H1-2021	1-12/2021
Net sales	40.4	30.2	72.1	54.0	122.0
Other operating income	0.2	0.1	0.2	1.2	1.5
Materials and services	-30.4	-22.9	-53.9	-40.5	-91.5
Employee benefit expenses	-5.0	-3.7	-9.8	-7.0	-15.5
Depreciation, amortization and impairment losses	-1.1	-0.7	-2.0	-1.4	-2.9
Other operating expenses	-2.2	-1.5	-4.4	-2.9	-7.8
Share of result from associates	0.1	0.0	0.1	0.0	0.0
EBIT	1.8	1.5	2.4	3.3	5.8
Financial income	0.1	0.0	0.2	0.0	0.0
Financial expenses	-0.6	-0.3	-0.8	-0.5	-1.2
Profit before taxes	1.3	1.2	1.7	2.8	4.6
Income taxes	-0.2	-0.2	-0.3	-0.5	-0.7
Profit for the period, continuing operations	1.1	1.0	1.5	2.4	3.9
Profit for the period, discontinued operations	-6.6	0.6	-5.9	0.7	1.6
Profit for the period	-5.5	1.6	-4.4	3.1	5.5
Allocated to					
Shareholders of the parent company	-4.9	1.4	-3.9	2.9	5.2
Minorities	-0.5	0.1	-0.5	0.1	0.3
EPS (undiluted) EUR, continuing operations	0.28	0.35	0.33	0.88	1.40
EPS (diluted) EUR, continuing operations	0.28	0.35	0.33	0.88	1.40
EPS (undiluted) EUR, discontinued operations	-2.27	0.18	-2.03	0.26	0.59
EPS (diluted) EUR, discontinued operations	-2.27	0.18	-2.03	0.26	0.59
Items of the comprehensive income statement (MEUR)					
Items that may be reclassified subsequently to profit or loss:					
Translation differences from foreign units	2.3	0.1	-0.3	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	-3.2	1.7	-4.7	3.3	5.7
Allocated to					
Shareholders of the parent company	-2.9	1.6	-4.3	3.2	5.5
Minorities	-0.3	0.1	-0.4	0.1	0.3
Number of outstanding shares (thousand)	2,625	2,585	2,619	2,576	2,583
Outstanding shares at the end of the period	2,639	2,595	2,639	2,595	2,617
Number of shares (thousand)	2,647	2,604	2,647	2,604	2,609

CONSOLIDATED BALANCE SHEET (MEUR)	30 Jun. 2022	30 Jun. 2021	31 Dec. 2021
ASSETS			
Non-current assets			
Intangible capital assets	6.9	3.9	3.2
Goodwill	34.7	28.0	29.0
Property, plant and equipment	7.4	5.5	6.3
Other financial assets	0.4	0.3	0.3
Investments in associates	1.0	0.0	0.0
Deferred tax assets	0.1	0.2	0.1
Total non-current assets	50.5	37.8	38.9
Current assets			
Inventories	34.4	20.7	24.5
Accounts receivable and other receivables	25.3	14.6	20.0
Cash and cash equivalents	10.3	3.3	2.7
Total current assets	70.0	38.5	57.7
Assets of discontinued operations	5.6	10.0	11.4
TOTAL ASSETS	126.2	86.4	97.4
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Owner's equity			
Share capital	2.5	2.5	2.5
Other committed capital	0.1	0.1	0.1
Hybrid loan	20.0	0.0	0.0
Reserve for invested unrestricted equity	4.8	1.4	2.0
Retained earnings	15.0	12.3	11.7
Profit for the period	-3.9	2.9	5.2
Total	38.4	19.2	21.4
Minority interest	1.6	1.0	1.0
Non-current liabilities			
Financial liabilities	34.9	29.5	34.3
Deferred tax liabilities	1.8	1.0	1.0
Provisions	0.0	0.0	0.0
Trade and other payables	0.1	0.0	0.0
Total non-current assets	36.8	30.4	35.3
Current liabilities			
Trade and other payables	35.2	23.0	26.6
Provisions	0.0	0.1	0.1
Financial liabilities	10.0	9.8	9.4
Total current liabilities	45.3	32.9	36.1
Liabilities of discontinued operations	4.1	2.9	3.6
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	126.2	86.4	97.4

CONSOLIDATED CASH FLOW STATEMENT (MEUR), INCL. DISCONTINUED OPERATIONS	1 Jan-30 June 2022	1 Jan-30 June 2021
Operational cash flow		
Profit before taxes	-3.9	3.8
Non-cash transactions		
Depreciation, amortization and impairment losses	2.2	1.7
Net financial items	1.4	0.5
Share of associate companys' result	-0,1	0.0
Increase (-) / decrease (+) in inventories	-8.4	-2.3
Increase (-) / decrease (+) in current assets	1.5	-1.4
Increase (+) / decrease (-) in current liabilities	3.1	-0.8
Operational cash flow before financing items and taxes	-4.1	1.4
Net financial items	-1.2	-0.5
Taxes paid	-0.9	-0.4
Other adjustments	5.8	-0.9
Operational net cash flow	-0.4	-0.3
Investments in intangible and tangible assets	-1.1	-0.5
Acquisition of subsidiaries, net of cash	-8.1	-9.6
Proceeds from sale of property, plant and equipment	0.1	1.7
Net cash flow from investments	-9.0	-8.3
Net cash flow from financing	-9.4	-8.6
Repayments of loans	-37.7	-3.1
Withdrawals of loans	35.4	10.5
Costs related to share issue	-0.1	0.0
Withdrawal of hybrid loan	20.0	0.0
Interest rate and expenses on hybrid loan	-0.4	0.0
Dividends paid	-0.7	-0.6
Net cash flow from financing	16.5	6.8
Change in cash and cash equivalents	7.0	-1.8
Cash and cash equivalents Jan 1	6.2	8.7
Impact of exchange rate fluctuations and consolidation	1.4	0.0
Liquid funds 30 June	14.7	7.0

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (MEUR)

	Share capital	Contingency reserve	Reserve for invested unrestricted equity	Translation difference	Hybrid loan	Retained earnings	Minority interest	Total
Equity								
31.12.21	2.5	0.1	2.0	0.0	0.0	16.9	1.0	22.4
Profit/loss for the period						-3.9	-0.5	-4.4
Translation differences				-0.5		0.1	0.1	-0.3
Share issue			2.9					2.9
Costs related to share issue			-0.1					-0.1
Minority redemption						0.0	0.0	0.0
Withdrawal of hybrid loan					20.0			20.0
Interest rate and borrowing costs of the hybrid loan						-1.0		-1.0
Dividend payment						-0.6	-0.1	-0.7
Fair value consideration		0.0					1.1	1.1
Equity								0.0
30.6.2022	2.5	0.1	4.8	-0.5	20.0	11.5	1.6	39.9
2021								
Equity								
31.12.20	2.5	0.1	0.0	-0.1		13.2	1.0	16.6
Profit/loss for the period						5.2	0.3	5.5
Translation differences				0.1		0.1	0.0	0.3
Share issue			2.0					2.0
Minority redemption						-0.1	-0.1	-0.2
Dividend payment						-1.0	-0.2	-1.2
Other change		0.0				-0.4		-0.4
Equity								0.0
31.12.2021	2.5	0.1	2.0	0.0		16.9	1.0	22.4

SEGMENT INFORMATION (MEUR)						
1-6/2022	Electronics	Technical Trade	Heavy Machines	Other Operations	Inter segment	Total
Profit						
Net sales	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						
Balance sheet assets	42.8	37.1	36.1	4.6		120.6
Balance sheet liabilities						
Balance sheet liabilities	46.4	17.8	17.1	0.9		82.2
Investments*	0.3	0.3	0.1	0.4		1.1
Average personnel	129	85	51	36		301

*Includes discontinued operations

SEGMENT INFORMATION (MEUR)						
1-6/2021	Electronics	Technical Trade	Heavy Machines	Other Operations	Inter segment	Total
Profit						
Net sales	19.8	21.9	12.6	1.0		54.0
Depreciation	-0.5	-0.5	-0.4	-0.1		-1.4
EBIT	0.9	1.9	0.4	0.1		3.3
Financial income	0.0	0.0	0.0	0.0	-0.1	0.0
Financial expenses	-0.4	-0.2	0.0	0.0	0.1	-0.5
Profit before taxes	0.6	1.7	0.4	0.1		2.8
Balance sheet assets						
Balance sheet assets	25.4	30.0	23.0	4.1	-6.2	76.3
Balance sheet liabilities						
Balance sheet liabilities	44.0	16.9	8.1	0.5	-6.2	63.3
Investments*	0.1	0.1	0.0	0.2		0.5
Average personnel	119	75	20	20		234

*Includes discontinued operations

DISCONTINUED OPERATIONS

As previously announced, Boreo's Board of Directors has decided to withdraw from the Russian market and has initiated measures to exit the component distribution business in Russia including a process to sell the business operations. Since the sales process was considered to be probable in the next 12 months, Russia's operations have been classified as discontinued operations in accordance with the IFRS 5 standard in this half-year report. In addition to Russian companies, the discontinued operations include YE International Elektrik Turkey the fully owned subsidiary of AO International YE. Boreo announced after the review period on August 9, 2022 that it had sold YE Russia's business operations to its management.

In connection with the classification of the Russian companies, Boreo has made a EUR 4.7 million write-down on the inventories of the Russian companies, a EUR 3.9 million write-down on short-term receivables and a

EUR 0.1 million write-down on deferred tax assets. The effect of the write-downs on Boreo's equity was EUR -8.7 million and on the result of discontinued operations EUR 5.9 million due to translation differences between the income statement and the balance sheet. The average EUR/RUB rate of 1-6/2022 that was 85.4637 is used in the income statement and the closing rate of June 30 of 57.64745 (source: Refinitiv) is used in the balance sheet.

(CONSOLIDATED) INCOME STATEMENT (MEUR), DISCONTINUED OPERATIONS			
	H1-2022	H1-2021	1-12/2021
Net sales	9.7	11.0	24.6
Other operating income	0.1	0.0	0.0
Materials and services	-9.9	-8.0	-18.0
Employee benefit expenses	-1.7	-1.5	-3.2
Depreciation, amortization and impairment losses	-0.2	-0.2	-0.5
Other operating expenses	-3.0	-0.2	-0.5
EBIT	-5.0	1.0	2.4
Financial income	0.0	0.5	0.9
Financial expenses	-0.7	-0.6	-1.1
Profit before taxes	-5.8	0.9	2.2
Income taxes	-0.1	-0.2	-0.6
Profit after taxes	-5.9	0.7	1.6
BALANCE SHEET, DISCONTINUED OPERATIONS			
	30 June 2022	30 June 2021	31 Dec. 2021
ASSETS			
Non-current assets			
Intangible capital assets	0.2	0.1	0.1
Goodwill	0.0	0.0	0.0
Property, plant and equipment	0.7	0.6	0.6
Other financial assets	0.0	0.0	0.0
Investments in associates	0.0	0.0	0.0
Deferred tax assets	0.0	0.1	0.1
Total non-current assets	0.9	0.8	0.8
Current assets			
Inventories	0.4	2.6	3.7
Accounts receivable and other receivables	0.0	2.9	3.3
Cash and cash equivalents	4.3	3.7	3.6
Total current assets	4.7	9.2	10.6
TOTAL ASSETS	5.6	10.0	11.4
Non-current liabilities			
Financial liabilities	0.3	0.3	0.3
Deferred tax liabilities	0.0	0.0	0.0
Provisions	0.0	0.0	0.0
Trade and other payables	0.0	0.0	0.0
Total non-current assets	0.3	0.3	0.3
Current liabilities			
Trade and other payables	3.6	2.5	3.2
Provisions	0.0	0.0	0.0
Financial liabilities	0.3	0.2	0.2
Total current liabilities	3.8	2.7	3.4
TOTAL LIABILITIES	4.1	2.9	3.6

CASH FLOW FROM DISCONTINUED OPERATIONS	H1-2022	H1-2021	1-12/2021
Net cash flow from operating activities	0.2	1.0	1.7
Net cash flow from investments	-0.1	-0.1	-0.1
Net cash flow from financing	-0.7	-0.5	-1.0

**CONTINGENT LIABILITIES
(MEUR)**

	30 June 2022	30 June 2021
Liabilities		
Overdraft facility	6.4	3.0
Total liabilities	6.4	3.0
Guarantees given		
Real estate mortgages	0.0	0.0
Corporate mortgages	71.5	38.5
Pledged securities	0.0	0.0
Guarantees	2.3	2.8
Total guarantees	73.8	41.3

The company has a derivative liability arising from interest rate hedging the fair value of which was EUR 0.0 million on June 30, 2022.

Vantaa, August 10, 2022

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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 Northern Europe. Boreo's business operations are organized into three business areas: Electronics, Technical Trade and Heavy Machines.

Boreo's main objective is to create shareholder value in the long-term. It aims to achieve this with an acquisition-driven strategy, creating optimal conditions for its businesses to increase sales and improve profitability, and by being a best-in-class home for its companies and personnel.

The Group's net sales in 2021 were EUR 122 million and it employs some 300 people in seven countries. The company's headquarter is in Vantaa.