BOREØ

Q1/2025
INTERIM REPORT

Boreo Plc, INTERIM REPORT JAN. 1 TO MAR. 31, 2025

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Continued improvement in results, the Back to Growth Plan is progressing well

January-March 2025

- Net sales increased by 4% to EUR 34.0 million (2024: 32.6).
- Operational EBIT increased by 128% to EUR 1.3 million (2024: 0.6) and was 3.9% of net sales (2024: 1.8%).
- EBIT rose to EUR 1.5 million (2024: -0.4).
- The profit for the period increased to EUR 0.8 million (2024: -0.9).
- Net cash flow from operating activities was EUR 0.3 million (2024: 6.1), which was negatively affected by an expected increase in working capital of EUR 1.1 million (2024: decrease of 5.0).
- Operational EPS was EUR 0.05 (2024: -0.15).
- EPS was EUR 0.10 (2024: -0.45).
- On March 6, 2025, Boreo announced the sale of its Estonian property, the capital gain of EUR 0.7 million was reported as a non-operational item in the Q1 result.
- On March 31, 2025, Boreo announced that it had signed an agreement to acquire the entire share capital of a welding technology distributor Spetselektroodi AS.
- 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.

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.

Q1/2025 - CEO Kari Nerg:

Continued improvement in results

We delivered a solid first quarter for 2025 and reached the targets set for the beginning of the year. Revenue grew for the second consecutive quarter, and profitability improved significantly compared to the previous year. Organic growth was at 4%, and operational EBIT more than doubled to EUR 1.3 million. Profitability of both business areas improved vs. previous year, and the result uplift was driven not only by revenue growth but also by efficiency measures implemented in 2024 and the gross margin which improved by 3 percentage points.

Working capital increased as anticipated and in line with the seasonality of our business, by EUR 1.1 million. Consequently, operating cash flow for the first quarter was EUR 0.3 million, and cash conversion stood at 22%.

During the quarter, we redeemed the remaining portion (approx. EUR 4 million) of the hybrid bond issued in 2022 and paid the annual interest on the hybrid bond issued in 2024. As a result of these financing items and the increase in working capital, net debt relative to the last 12 months' operational EBITDA rose from 2.8 to 3.1.

Due to the improved profitability, operational EBIT over the past twelve months rose from EUR 6.8 million at the end of the previous year to EUR 7.6 million. Return on capital employed (ROCE) improved from 7.9% to 8.8% and return on working capital (ROTWC) from 25.2% to 27.6%.

'Back to Growth' Plan is progressing well: two signed acquisitions and sale of the Tallinn real estate

As part of the 'Back to Growth' Plan initiated in spring 2024, we announced the sale of a property in Tallinn and the acquisition of Spetselektroodi AS. In addition, on April 1, we announced the acquisition of Elfa Distrelec's sales operations in Finland and the Baltic countries.

These acquisitions are important steps for us to achieve the target to return back to growth with an expected annual contribution to operational EBIT of approximately EUR 1.5 million. Due to the business models, margin profiles, strong cash flows and capital-light nature, the businesses fit well with our target company profile and improve the quality of our portfolio. The sale price of the Tallinn real estate was EUR 1.3 million, and we recorded a capital gain of EUR 0.7 million in the first-quarter non-operational result.

Order books grew, trade and geopolitical tensions create uncertainty

Market conditions improved towards the end of the first quarter of 2025, and the order books of our companies increased from the end of 2024. We expect our profitability to remain at a good level in the second quarter of 2025, while the outlook for the second half of the year is more uncertain due to increased trade and geopolitical tensions. We continue to monitor the operating environment closely and will respond swiftly if necessary to safeguard the company's profitability and financial position.

Significant improvement potential when market conditions improve

In the recent years, we have significantly improved the quality of our portfolio, established a strong foundation for our decentralized operating model, and delivered solid returns on the capital deployed for acquisitions. We are pleased with how the company is managed today. Following two consecutive quarters of growth, improvements in order books, and strong execution of our Back to Growth Plan, the Group is 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

Key figures

EUR million	**Q1 2025**	**Q1 2024**	*Change*	**Q1-Q4 2024**
Net sales	34.0	32.6	*4 %*	134.0
Operational EBIT	1.3	0.6	*128 %*	6.8
relative to the net sales %	*3.9 %*	*1.8 %*	-	*5.1 %*
EBIT	1.5	-0.4	-	4.1
Profit before taxes	0.7	-1.0	-	1.3
Profit for the period	0.8	-0.9	-	1.2
Operational net cash flow	0.3	6.1	*-96 %*	12.0
Cash conversion, %	22 %	1407 %	-	180 %
Equity ratio, %	36.2%	38.2%	-	39.2%
Interest-bearing net debt	35.4	29.3	*21 %*	30.0
Interest-bearing net debt relative to operational EBITDA of the previous 12 months*	3.1	2.4	-	2.8
Return on Capital Employed (ROCE %), R12	8.8%	9.3%	-	7.9%
Return on Trade Working Capital (ROTWC %), R12	27.6%	27.6%	-	25.2%
Return on equity (ROE %), R12	6.5%	3.4%	-	2.8%
Personnel at end of the period	325	338	*-4 %*	336
Operational EPS, EUR**	0.05	-0.15	-	0.51
EPS, EUR**	0.10	-0.45	-	-0.30
Operational net cash flow per share, EUR	0.10	2.29	*-96 %*	4.45

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

**The effect of the interest rate of the hybrid bond recorded in equity adjusted by the tax effect is considered in the calculation of the EPS starting from 2022. In Q1 2025, this net effect was EUR 0.17 per share, in Q1 2024, the net effect was EUR 0.13 per share and in Q1-Q4 2024, it was EUR 0.69 per share.

Group's financial performance

In the first quarter of the year, the Group’s net sales continued to grow by 4% and amounted to EUR 34.0 million (2024: 32.6). Organic net sales increased by EUR 1.3 million, and acquisitions completed in the previous year had no impact on net sales. Exchange rates also had no material impact on net sales in the first quarter.

Net sales by business areas, Q1

EUR million	Q1 2025	Q1 2024	Change	Q1-Q4 2024
Electronics	14.9	13.5	10 %	58.0
Technical Trade	19.1	19.1	0 %	76.0
Total	**34.0**	**32.6**	*4 %*	**134.0**

In the first quarter of the year, the Group’s net sales were geographically distributed as follows: Net sales in Finland increased by 14% and amounted to EUR 24.8 million. The growth was primarily driven by strong demand for Signal Solutions Nordic (SSN) in Finland and increased net sales in the Finnish Putzmeister operations compared to the comparison period. Net sales in Sweden decreased by 13% and totaled EUR 4.8 million. The decline was mainly due to a weak quarter for Floby Nya Bilverkstad (FNB) and timing differences in the Swedish Putzmeister operations compared to the comparison period. Net sales in the Baltic countries decreased by 7% to EUR 4.2 million, mainly due to lower net sales in Latvia’s electronics component distribution business. Net sales to Other regions mainly consist of SSN’s operations in the United States.

Net Sales by geographic area, Q1

EUR million	Q1 2025	Q1 2024	Change	Q1-Q4 2024
Finland	24.8	21.7	14 %	95.5
Sweden	4.8	5.6	-13 %	20.2
Baltic countries	4.2	4.5	-7 %	15.5
Other	0.2	0.8	-76 %	2.9
Total	**34.0**	**32.6**	*4 %*	**134.0**

In the first quarter, the Group’s operational EBIT was EUR 1.3 million (2024: 0.6). The operational EBIT margin was 3.9% (2024: 1.8%). The increase in operational EBIT was driven by higher net sales, a gross margin approximately 3 percentage points higher, and efficiency measures implemented during 2024. The Group’s reported EBIT was EUR 1.5 million (2024: -0.4). Reported EBIT included items affecting comparability totaling EUR 0.2 million in net, consisting mainly of restructuring costs, the largest of which was the capital gain from the sale of the Estonian property (EUR 0.7 million), and purchase price allocation amortizations. Changes in exchange rates had no material impact on the Group’s EBIT.

Operational EBIT by business areas, Q1

EUR million	Q1 2025	Q1 2024	Change	Q1-Q4 2024
Electronics	1.0	0.5	*96 %*	4.3
Technical Trade	0.9	0.6	*41 %*	4.5
Group functions	-0.5	-0.5	*-3 %*	-2.0
Total	**1.3**	**0.6**	*128 %*	**6.8**

Capital efficiency

At the end of the first quarter of 2025, the Group’s return on trade working capital (ROTWC) was 27.6% (Q1/2024: 27.6% and Q4/2024: 25.2%). By business area, ROTWC was: Electronics 57.1% (Q1/2024: 41.1% and Q4/2024: 52.3%) and Technical Trade 25.0% (Q1/2024: 31.9% and Q4/2024: 23.8%).

At the end of the first quarter, the Group's return on capital employed (ROCE) was 8.8% (Q1/2024: 9.3% and Q4/2024: 7.9%). ROCE excluding cash and cash equivalents was 9.6%. Return on equity (ROE) was 6.5% (Q1/2024: 3.4% and Q4/2024: 2.8%).

Return on Trade Working Capital (ROTWC %), R12

Percent	Q1 2025	Q1 2024	Q1-Q4 2024
Electronics	57.1 %	41.1 %	52.3 %
Technical Trade	25.0 %	31.9 %	23.8 %
Total	**27.6 %**	**27.6 %**	**25.2 %**

Financial position

At the end of the first quarter, the Group's interest-bearing net debt amounted to EUR 35.4 million (Q1/2024: 29.3 and Q4/2024: 30.0). The share of IFRS 16 related lease liabilities in net debt was EUR 8.3 million (2024: 7.8). Interest-bearing net debt relative to the operational EBITDA of the previous 12 months was 3.1 (Q1/2024: 2.4 and Q4/2024: 2.8), impacted by the redemption of the remaining EUR 4 million portion of the previous hybrid bond.

Shareholders' equity amounted to EUR 39.9 million (2024: 43.1), decreased by the redemption of the remaining EUR 4 million portion of the previous hybrid bond. The equity ratio was 36.2% (Q1/2024: 38.2% and Q4/2024: 39.2%) and the consolidated balance sheet totaled EUR 116.6 million.

Cash flow

Net cash flow from operating activities in the first quarter was EUR 0.3 million (2024: 6.1), weakened by a EUR 1.1 million increase in working capital (2024: decrease of 5.0). Cash flow after investments was EUR 1.2 million (2024: 5.1). Net cash flow from operating activities per share was EUR 0.10 (2024: 2.29).

On February 10, 2025, the company redeemed the remaining portion (approximately EUR 4 million) of the EUR 20 million hybrid bond issued in February 2022, and in March paid the annual interest on the EUR 20 million hybrid bond issued in 2024. These transactions had an expected negative impact on liquidity. At the end of the first quarter, the Group's cash and cash equivalents were EUR 7.2 million (2024: 9.7). The company's available liquidity decreased to EUR 11.5 million (Q1/2024: 24.6 and Q4/2024: 24.5).

Major events during the first quarter

On March 6, 2025, Boreo announced that it had completed the sale of its property in Estonia.

On March 31, 2025, Boreo announced that it had signed an agreement to acquire the entire share capital of a welding technology distributor Spetselektroodi AS.

Business Areas

Boreo's businesses have been organized in two business areas since the beginning of 2024.

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).

Boreo combined the former Technical Trade and Heavy Machines business areas into a single Technical Trade business area at the beginning of 2024. 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, 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.

As a result of the above-mentioned reorganization of the business areas, the former Other Functions reporting unit has since the beginning of 2024, comprised only of the activities of the parent company Boreo, and the reporting unit has since been called "Group functions".

Electronics business area

The business area's operational EBIT for the first quarter improved significantly to EUR 1.0 million (2024: 0.5), with operational EBIT margin improving from 3.6% to 6.4% and net sales increasing by 10% compared to the comparison period. The rolling 12-month operational EBIT was at a solid level of EUR 4.7 million (2024: 3.6), with operational EBIT margin improving from 6.0% to 8.0%, despite a 1% decrease in net sales. The strong result of the business area was primarily driven by the excellent performance of SSN, supported by the continuation of significant investments by its largest customer. In addition, Milcon delivered an excellent first quarter, with net sales exceeding the level of the comparison period. The relative gross margin of the business area improved year-on-year, driven by changes in the sales mix of the business units.

The demand outlook for companies involved in electronics component trading varied by company during the first quarter. The general market environment in the industrial sector affected YE's electronics distribution operations in Finland and the Baltics, reflected in weak sales and lower net sales compared to the comparison period. However, profitability was supported by cost-saving measures implemented in 2024. Noretron's performance fell short of expectations due to continued weak demand. Infradex, specializing in thermal imaging technology, delivered results in line with expectations. The result of the health technology company Delfin fell below expectations. The company continued the product platform reform, renewal of the global distribution network and development of selected of future strategic paths. Delfin launched a new brand and e-commerce platform during the first quarter.

In Estonia, the consumer business of the electronics component distribution operations was ramped down and operations were reorganized in 2024. As a result, the company's space requirements decreased significantly, and the sale of the property in Tallinn was completed during the first quarter. The capital gain (EUR 0.7 million) was reported as a non-operational item and did not affect the operational result of the business area.

Working capital management has been successful in the Electronics business area companies, and the amount of committed working capital has developed in line with expectations. The strong performance of the business area positively impacted the ROTWC. ROTWC for the first quarter of 2025 (57%) exceeded the level of the comparison period (41%).

The short-term outlook for the business area is overall reasonable, considering the order books of the companies and the efficiency measures implemented during 2024. Due to uncertainties in the operating environment, the companies continue to closely monitor market developments and are prepared to respond swiftly to any changes if needed.

Key figures Electronics

EUR million	Q1 2025	Q1 2024	*Change*	Q1-Q4 2024
Net sales	14.9	13.5	10 %	58.0
Operational EBIT	1.0	0.5	96 %	4.3
relative to net sales, %	*6.4 %*	*3.6 %*	-	*7.3 %*
EBIT	1.4	0.1	2418 %	3.1
Return on Trade Working Capital (ROTWC %), R12	57 %	41 %	-	52 %
Capital expenditure	0.1	0.3	-69 %	0.6
Personnel at end of the period	126	133	-5 %	132

Technical Trade business area

The operational EBIT of the Technical Trade business area amounted to EUR 0.9 million in the first quarter of the year (2024: 0.6). The operational EBIT margin increased to 4.8% (2024: 3.4%). The strengthening of operational EBIT compared to the comparison period was driven by stable net sales, slightly higher gross margins, and cost savings implemented during 2024.

The Swedish Putzmeister operations (PM Nordic) exceeded expectations in the first quarter, partly due to the first deliveries of significant Construction Logistics Sweden AB (CLS) orders received earlier. The Finnish Putzmeister operations (Tornokone) exceeded expected profit levels but remained modest due to continued challenging market conditions. The first quarter of FNB, which specializes in timber body superstructure construction, fell short of expectations in terms of net sales following several strong quarters, due to production-related challenges. However, demand is expected to remain stable and net sales to develop positively, supported by a strong order book.

Machinery MT Oy's first quarter proceeded as expected in terms of sales and resulted in a clearly improved profit compared to the comparison period, driven by strong gross margins. In the comparison period, Machinery MT was part of Machinery Oy, operating as its own Metal Machining business unit. In 2025, Machinery Oy has divided its operations into four business units: Generators, Motors, Construction Equipment, and Service & Spare Parts. With the exception of Motors, the operational EBIT of the business units improved compared to the comparison period.

Among other companies in the business area, Muottikolmio, which focuses on concrete construction products, maintained its net sales at a moderate level, but its profit improved significantly due to excellent gross margins and reduced costs. Courier and transport service providers ESKP and Vesterbacka Transport performed in line with expectations, slightly exceeding the first quarter of the previous year. The companies won new routes with key customers during the beginning of the year, which are expected to bring growth starting from the second quarter. The industrial contract manufacturer J-Matic had a reasonable start to the year, with net sales picking up towards the end of the quarter. Strong gross margins and controlled costs supported a better result than in the comparison period. Filterit, specializing in process filtration, started the year strongly with high sales levels and clearly improved profitability. The company succeeded in several new customer projects during the first quarter, which significantly boosted its order book. Pronius, importer of welding machines and equipment, performed in line with expectations in the first quarter, with net sales exceeding the comparison period and a reasonable result.

ROTWC (R12) for the business area declined from the previous year to 25% (2024: 32%). The amount of committed working capital remained at the levels seen at the end of 2024. Although the quarterly result improved compared to the same period last year, the rolling 12-month profit remains higher in the comparison period, explaining the currently lower ROTWC.

The short-term outlook for the business area is overall reasonable, as companies' order books have slightly increased from the levels seen at the end of the previous year. In the beginning of the second quarter, the Swedish Putzmeister operations received a significant new order from CLS, which will substantially increase the company's order book during the second quarter. However, the length of the order books varies between companies, and the uncertainty in the operating environment continues, especially as we approach the second half of the year. The business area companies continue to monitor developments in the market closely and are prepared to respond to changes swiftly if needed.

Key figures Technical Trade

EUR million	Q1 2025	Q1 2024	*Change*	Q1-Q4 2024
Net sales	19.1	19.1	0 %	76.0
Operational EBIT	0.9	0.6	41 %	4.5
relative to net sales, %	*4.8 %*	*3.4 %*	-	*5.9 %*
EBIT	0.7	0.1	812 %	2.7
Return on Trade Working Capital (ROTWC %), R12	25 %	32 %	-	24 %
Capital expenditure	0.4	0.2	72 %	1.3
Personnel at end of the period	194	199	-3 %	199

Group functions

After the segment structure change announced at the beginning of 2024 costs not allocated to business areas are reported under Group functions. The operational EBIT of Group functions in the first quarter was EUR -0.5 million (2024: -0.5).

Key figures Group functions

EUR million	Q1 2025	Q1 2024	*Change*	Q1-Q4 2024
Net sales	0.0	0.0	-	0.0
Operational EBIT	-0.5	-0.5	-3 %	-2.0
relative to net sales, %	-	-	-	-
EBIT	-0.5	-0.6	-4 %	-1.7
Capital expenditure	0.0	0.0	-	0.0
Personnel at end of the period	5	6	-17 %	5

Group personnel

At the end of the first quarter, the Boreo Group employed 325 people (2024: 338), distributed across business areas as follows: Electronics 126 (2024: 133), Technical Trade 194 (2024: 199), and Group Functions 5 (2024: 6). Employment-related expenses for the first quarter amounted to EUR 5.7 million (2024: 6.0).

Managers' transactions

During the first quarter of 2025, Boreo Plc received no notifications concerning Managers' transactions (Article 19 of MAR).

Shares and share capital

At the end of the first quarter, Boreo Plc's share capital was EUR 2,483,836 and the number of shares was 2,701,353. The company held 11,716 shares at the end of the year (0.4% of the share capital).

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 cyclicality: 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 cyclicality 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 first quarter

Decisions of the Annual General Meeting

Boreo Plc's Annual General Meeting was held on April 15, 2025, at the company's headquarters at Ansatie 5, Vantaa. The Annual General Meeting adopted the consolidated financial statements and the parent company's financial statements for 2024, and discharged the Board of Directors and the CEO from liability for the financial year 2024. The Annual General Meeting also resolved on the use of the profit shown on the balance sheet and dividend distribution, the approval of the remuneration report of the governing bodies, the composition and remuneration of the Board of Directors, the election and remuneration of the auditor and sustainability reporting auditor, as well as authorizations to the Board of Directors to repurchase the company's own shares, to decide on share issues, the issuance of option rights and other special rights entitling to shares, and the transfer of own shares.

The Annual General Meeting elected six (6) members to the Board of Directors. Simon Hallqvist, Jouni Grönroos, Camilla Grönholm and Noora Neilimo-Kontio were re-elected, and Mattias Björk was elected as a new member of the Board.

At its organizational meeting held after the AGM on April 15, 2025, the Board elected Simon Hallqvist as Chair of the Board. The Board also elected members to its committees. The members of the Audit Committee are Jouni Grönroos (Chair), Noora Neilimo-Kontio and Mattias Björk. The members of the Nomination and Remuneration Committee are Camilla Grönholm (Chair), Simon Hallqvist and Jussi Vanhanen.

A stock exchange release concerning the decisions of the Annual General Meeting was published on April 15, 2025, and is available on the company's website at www.boreo.com.

Other material events

On April 1, 2025, Boreo announced that it had signed an agreement to acquire Elfa Distrelec's sales operations in Finland, Latvia, Lithuania, and Estonia. Following the completion of the transaction, Boreo will establish a new YE RS business unit, which will consist of the acquired operations and the existing RS operations in Boreo's Finnish and Baltic companies. The transaction is expected to close during the third quarter of 2025.

Reconciliation statements of key indicators

Reconciliation, operational EBIT

EUR million	Q1 2025	Q1 2024	Q1-Q4 2024
EBIT	1.5	-0.4	4.1
ITEMS AFFECTING COMPARABILITY			
Electronics			
Structural arrangements	0.6	-0.2	-0.3
Costs related to acquisitions	0.0	0.0	0.0
Depreciation related to allocation of acquisition costs	-0.2	-0.2	-0.9
Technical Trade			
Structural arrangements	0.0	-0.1	-0.2
Costs related to acquisitions	0.0	0.0	0.0
Depreciation related to allocation of acquisition costs	-0.2	-0.5	-1.7
Group Functions			
Structural arrangements	0.0	0.0	0.3
Costs related to acquisitions	0.0	0.0	0.0
TOTAL ITEMS AFFECTING COMPARABILITY	**0.2**	**-1.0**	**-2.7**
OPERATIONAL EBIT	**1.3**	**0.6**	**6.8**

Operational EPS

EUR million	Q1 2025	Q1 2024	Q1-Q4 2024
Profit for the review period to shareholders **	**0.3**	**-1.2**	**-0.8**
Items affecting comparability	-0.1	0.8	2.2
Operational profit for the review period to shareholders	**0.1**	**-0.4**	**1.4**
Average number of outstanding shares, thousand	2,690	2,687	2,689
Operational EPS *	**0.05**	**-0.15**	**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	Mar 31, 2025	Mar 31, 2024	Dec 31, 2024
Long-term financial liabilities	33.5	33.6	33.8
Short-term financial liabilities	10.5	7.1	7.4
Interest-bearing receivables	1.4	1.0	1.5
Cash and cash equivalents	7.2	10.4	9.7
Interest-bearing net debt	**35.4**	**29.3**	**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	=	Interest-bearing net debt / 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,%	=	Equity + total non-controlling interests / Balance sheet total - advances received x 100
Net cash flow from operating activities per share	=	Net cash flow from operating activities per share / Average number of outstanding shares
Interest-bearing net debt	=	Interest-bearing liabilities - interest-bearing receivables - cash and cash equivalents
Earnings per share (EPS)	=	Profit for the review period to shareholders – the interest rate on the hybrid loan recorded in equity minus the tax effect / Average number of outstanding shares
Operational EPS	=	Profit for the review period to shareholders – the interest rate on the hybrid loan recorded in equity minus the tax effect -/+ items affecting comparability / Average number of outstanding shares
Return on capital employed (ROCE %)	=	Operational EBIT for the previous 12 months / 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	=	Operational EBIT for the previous 12 months / 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 %)	=	Operational EBIT for the previous 12 months / Average working capital for the previous 12 months (inventories + trade receivables – trade payables – advance payments received)
Return on equity (ROE %)	=	Result for the review period for the previous 12 months / Average equity for the previous 12 months
Cash conversion, %	=	Net cash flow from operating activities + interest paid – investments in intangible and tangible assets / EBIT + depreciation and impairment – effect of fixed asset depreciation (IFRS 16)

TABLES January 1 to March 31, 2025

Accounting principles of the interim report

This interim report has been prepared in accordance with IAS 34 Interim Financial reporting Standard and this interim report follows the same accounting principles as the Financial statements prepared on December 31, 2024. The figures in the interim report are unaudited.

CONSOLIDATED INCOME STATEMENT (MEUR)	**Q1 2025**	**Q1 2024**	**Q1-Q4 2024**
Net sales	**34.0**	**32.6**	**134.0**
Other operating income	0.8	0.1	1.3
Materials and services	-24.0	-23.3	-95.0
Employee benefit expenses	-5.7	-6.0	-22.1
Depreciation, amortization and impairment losses	-1.3	-1.4	-5.6
Other operating expenses	-2.3	-2.5	-9.0
Share of result from associates	0.1	0.1	0.4
EBIT	**1.5**	**-0.4**	**4.1**
Financial income	0.0	0.1	0.3
Financial expenses	-0.8	-0.7	-3.1
Profit before taxes	**0.7**	**-1.0**	**1.3**
Income taxes	0.0	0.1	-0.1
Profit for the period	**0.8**	**-0.9**	**1.2**
Allocated to			
Shareholders of the parent company	0.7	-0.9	1.1
Non-controlling interests	0.0	0.0	0.2
EPS (undiluted) EUR, continuing operations	0.10	-0.45	-0.30
EPS (diluted) EUR, continuing operations	0.10	-0.45	-0.30
Items of the comprehensive income statement (MEUR)			
Items that may be reclassified subsequently to profit or loss:			
Translation differences from foreign units	0.6	-0.4	-0.3
Other comprehensive income items after tax during the period	0.0	0.0	0.0
Total comprehensive income for the period	1.4	-1.3	0.9
Allocated to			
Shareholders of the parent company	1.4	-1.3	0.8
Non-controlling interests	0.0	0.0	0.2
Number of outstanding shares (thousand)	2,690	2,687	2,689
Outstanding shares at the end of the period	2,690	2,687	2,690
Number of shares (thousand)	2,701	2,701	2,701

CONSOLIDATED BALANCE SHEET (MEUR)	March 31, 2025	December 31, 2024
ASSETS		
Non-current assets		
Goodwill	42.5	42.3
Intangible capital assets	7.5	7.9
Property, plant and equipment	10.1	10.7
Other financial assets	1.7	1.8
Investments in associates	1.2	1.1
Deferred tax assets	0.1	0.1
Total non-current assets	**63.2**	**63.8**
Current assets		
Inventories	27.1	25.1
Accounts receivable and other receivables	19.1	16.6
Cash and cash equivalents	7.2	9.7
Total current assets	**53.5**	**51.4**
Assets held for sale	0.0	0.4
TOTAL ASSETS	**116.6**	**115.7**

SHAREHOLDERS’ EQUITY AND LIABILITIES		
SHAREHOLDERS’ EQUITY		
Equity attributable to the equity holders of the parent		
Share capital	2.5	2.5
Other committed capital	0.1	0.1
Hybrid loan	20.0	24.0
Reserve for invested unrestricted equity	5.1	5.1
Retained earnings	11.5	10.4
Profit for the period	0.7	1.1
Shareholders’ equity	**39.9**	**43.1**
Non-controlling interests	1.5	1.4
Total equity	**41.3**	**44.5**
Non-current liabilities		
Financial liabilities	33.5	33.8
Deferred tax liabilities	2.1	2.2
Provisions	0.0	0.0
Trade and other payables	0.0	0.0
Total non-current assets	**35.6**	**36.0**
Current liabilities		
Trade and other payables	29.1	27.8
Provisions	0.0	0.0
Financial liabilities	10.5	7.4
Total current liabilities	**39.7**	**35.2**
TOTAL SHAREHOLDERS’ EQUITY AND LIABILITIES	**116.6**	**115.7**

CONSOLIDATED CASH FLOW STATEMENT (MEUR)	1.1.-31.3.2025	1.1.-31.3.2024	1.1.-31.12.2024
Operational cash flow			
Profit before taxes	0.7	-1,0	1,3
Non-cash transactions			
Depreciation, amortization and impairment losses	1,3	1,4	5.6
Net financial items	0.8	0,6	2,8
Share of associate companys' result, net	-0,1	-0,1	0.0
Increase (-) / decrease (+) in inventories	-1,7	1,7	5.7
Increase (-) / decrease (+) in current assets	-2,1	1,7	-0.3
Increase (+) / decrease (-) in current liabilities	2,7	2,6	-0.1
Net financial items	-0.6	-0,5	-2,5
Taxes paid	-0,1	-0,2	-0,5
Other adjustments	-0.7	0,0	0,0
Operational net cash flow	**0,3**	**6.1**	**12,0**
Cash flow from investments			
Investments in intangible and tangible assets	-0,5	-0,5	-1.8
Acquisitions	0.0	-0,6	-3,8
Proceeds from sale of property, plant and equipment	1,4	0,0	0.8
Net cash flow from investments	**1,0**	**-1,1**	**-4.8**
Cash flow from financing			
Repayments of loans	-0.6	-2,8	-3,0
Repayment of lease liabilities	-0,7	-0.6	-2,5
Withdrawals of loans	4.0	0,6	0,0
Withdrawal of hybrid loan	-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	**-3,8**	**-1.1**	**-3,9**
Change in cash and cash equivalents	**-2,6**	**3,9**	**3.2**
Cash and cash equivalents Jan 1	9,7	6.5	6,5
Impact of exchange rate fluctuations and consolidation	0,1	-0,1	0.0
Liquid funds Mar. 31/Dec. 31	**7,2**	**10,4**	**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						0.7	0.0	0.8
Translation differences		0.0		0.6		0.0	0.0	0.6
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						0.0		0.0
Interest rate and borrowing costs of the hybrid loan						-0.6		-0.6
Dividends paid							0.0	0.0
Other change						0.0		0.0
Equity								0.0
March 31, 2025	**2.5**	**0.1**	**5.1**	**-0.7**	**20.0**	**12.9**	**1.5**	**41.3**

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)

1-3/2025	**Electronics**	**Technical Trade**	**Group Functions**	**Inter segment**	**Total**
Net sales	14.9	19.1	0.0		34.0
Profit/loss from associated companies	0.1	0.0	0.0		0.1
Depreciation	-0.6	-0.8	0.0		-1.3
EBIT	1.4	0.7	-0.5		1.5
Financial income	0.0	0.0	0.4	-0.4	0.0
Financial expenses	-0.2	-0.4	-0.6	0.4	-0.8
Profit before taxes	1.1	0.3	-0.7		0.7
Balance sheet assets	68.0	71.2	0.0	-22.6	116.6
Balance sheet liabilities	-40.7	-57.2	0.0	22.6	-75.3
Investments	0.1	0.4	0.0		0.5
Personnel at end of the period	126	194	5		325

SEGMENT INFORMATION (MEUR)

1-3/2024	**Electronics**	**Technical Trade**	**Group Functions**	**Inter segment**	**Total**
Net sales	13.5	25.1	0.0		38.6
Profit/loss from associated companies	0.1	0.0	0.0		0.1
Depreciation	-0.5	-0.9	0.0		-1.4
EBIT	0.1	0.1	-0.6		-0.4
Financial income	0.0	0.0	0.2	-0.2	0.1
Financial expenses	-0.1	-0.2	-0.5	0.2	-0.7
Profit before taxes	0.1	-0.1	-0.9		-1.0
Balance sheet assets	58.3	72.2	0.0	-11.8	118.8
Balance sheet liabilities	-38.8	-47.3	0.0	11.8	-74.4
Investments	0.3	0.2	0.0		0.5
Personnel at end of the period	133	199	6		338

OFF-BALANCE SHEET CONTINGENT LIABILITIES (MEUR)

	March 31, 2025	December 31, 2024
Liabilities		
Unused overdraft limit	7.0	10.8
Total liabilities	**7.0**	**10.8**
Collateral given		
Enterprise mortgages	71.5	71.5
Guarantees	2.5	2.9
Total guarantees	**74.0**	**73.3**

The company has a derivative liability related to interest rate hedging, with a fair value of EUR -0.1 million as of March 31, 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 Financial Statements Bulletin 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/q1-2025. 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:

Half-year report 1-6/2025: August 6, 2025
Interim report 1-9/2025: October 29, 2025

Vantaa, April 29, 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.