



BOREO

ANNUAL REPORT

2025



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BOREO 2025



BOREO IN BRIEF

BOREO IS A LONG-TERM OWNER OF GREAT ENTREPRENEURIAL COMPANIES



360 EMPLOYEES



23 COMPANIES IN THE PORTFOLIO



153 M€ NET SALES 2025



8.0 M€ OPERATIONAL EBIT 2025



2.1X NET DEBT / OPERATIONAL EBITDA Q425

In 2025, the Group consisted of 23 industrial companies with 360 professionals in 7 countries. The companies are specialized in value-add distribution, light manufacturing & assembly and manufacturing of proprietary products, and are organized into two business areas: Electronics and Technical Trade.



Map excluding USA

CEO'S REVIEW

Dear friends of Boreo,

The year 2025 marked a return to growth for Boreo after the challenging year in 2024. The Group's net sales increased by 14 percent and operational EBIT improved by 17 percent. The improvement in profitability was driven by revenue growth and, in particular, by the stronger performance of the Technical Trade business area. Our financial position also strengthened during the year, supported by improved profitability and the hybrid convertible bond arrangement completed in the summer.

During the year we also returned to our acquisition path. We acquired the Estonian welding products distributor Spetselektroodi AS and the sales operations of Elfa Distrelec in Finland and the Baltic countries. These acquisitions strengthened our portfolio with businesses that have strong market positions and attractive long-term growth prospects. Their contribution to profitability in 2025 remained limited, but as YE RS moves beyond its ramp-up phase, we expect the acquisitions to support profitability development increasingly from 2026 onwards.

A significant milestone during the year was the EUR 10 million hybrid convertible bond arrangement executed with Protector Forsikring AS. The transaction strengthened our balance sheet and increased financial flexibility.

Profitability development during the year was driven particularly by the Technical Trade business area. In Finland, the performance of Pronius and Machinery MT, which serve the metal industry, benefited from improving customer activity. Filterit delivered an excellent result and the Swedish Putzmeister business performed strongly despite the weak construction market. Within the Electronics business area, Milcon's net sales and profitability reached record levels and Signal Solutions Nordic delivered a strong performance.

The company's business portfolio continued to strengthen during the year through both acquisitions and the systematic development work of our companies. Since autumn 2020, we have allocated more than EUR 50 million to acquisitions, and these investments have generated an average return on capital of over 15 percent despite challenging market conditions. This demonstrates our ability to create value through disciplined capital allocation.

Our companies' order books strengthened during the year and are clearly higher at the end of the year than at the beginning of 2025. While the economic outlook, particularly in Finland and the Baltic countries, remains modest, we see good foundations for improving earnings going forward.

This will be my final annual review as the CEO of Boreo. I am grateful for the opportunity to have been part of building one of the first serial acquirers in Finland and would like to thank our personnel and partners for the past years. I wish the company and its renewing management team the best of success in the future. The company is well positioned to move into the next strategy period, aiming for significant growth.

Yours sincerely,

Kari Nerg
CEO



Kari Nerg, CEO



SUSTAINABLE LONG-TERM PROFIT GENERATION

BUSINESS MODEL



Boreo owns and acquires great entrepreneurial companies which are able to generate sustainable earnings growth and cash flows. The profits generated by the portfolio of companies are re-invested back to operations or to acquisitions with attractive expected returns on capital. The decentralized operating structure promoting culture of ownership and release of entrepreneurial energy is a core pillar of the firm’s business concept and sustainable earnings growth is ensured through the support and coaching of companies and the personnel.



OUR PHILOSOPHY - BOREO WAY

DECENTRALIZATION

Culture of ownership and release of entrepreneurial energy

Aligned interest of shareholders and employees

Sharing best practices

CAPITAL ALLOCATION

Focus on earnings and capital efficiency

Broad universe of investment opportunities – discipline in capital allocation decisions

LONG-TERM VIEW

Supportive long-term owner of SMEs

Focus on small incremental improvements and continuous learning

BOREO
WAY

Since the establishment of the Group's new business model in 2020, Boreo has systematically developed its operating model. The company has created a well-functioning organizational design for its companies including for example structures for board of directors' work, quarterly and monthly performance reviews and a Game Plan - concept for establishing a clear direction for the future. Furthermore, the KPIs used in incentives and benchmarking and a clear framework of common requirements for governance create a basis for non-bureaucratic and agile entrepreneurial operations. Our capital allocation framework focuses on high margins, cash flow generation and returns and the thresholds set for investments steer the Group toward its long-term strategic targets. On the back of creating a sound financial framework, a simple governance structure and promoting 'trust, accountability, and respect', the culture of the Group has been systematically developed towards the principles of the Boreo Way.

Decentralized organization

The Group operates in a decentralized operating structure promoting culture of ownership and local decision-making. Companies and their local management conduct operations independently within the framework of financial and non-financial targets set by the Group. Each company has a long-term strategic plan in place that establishes the common view of future development of the companies and creates the basis for autonomous

local operations. The Group is steered based on setting targets for key performance indicators and a systematic follow-up and benchmarking of companies on a monthly, quarterly and annual basis. The local management has a high level of freedom in the way of managing the companies towards the strategic goals.

Boreo pays great attention to aligning interests of its employees with those of its shareholders. Company-level incentives in line with the Group's long-term strategic targets are in a key role in the steering model of the Group. The incentives of local management are based on Return on Trade Working Capital (minimum mid- to long-term target level of 50%) and on a company-by-company basis set target for earnings growth. Given the capital light nature of Boreo's business operations, the earnings growth and operative return developments drive the Group level returns. Going forward and considering the increasing importance of sustainability matters, the management by objectives -framework will be complemented with sustainability KPIs.

Benchmarking and sharing of best practices are key processes in Boreo for driving long-term performance and promoting a healthy competitive spirit in the Group. The key employees of the Group for example gather annually for seminars and workshops that are focused on sharing experiences and learning from each other.



GROUP

CAPITAL ALLOCATION
Resource and capital allocation - strategic steering of the Group

SETTING KPIS, TARGETS AND STANDARDS FOR GOVERNANCE
Developing the rules and practices to maintain entrepreneurial spirit

BENCHMARKING & BEST-PRACTICE SHARING
Creating structures and forums to enable learning from each other

BUSINESS AREAS

SUPPORTING OPERATIONAL PERFORMANCE WITHIN THE BUSINESS AREA
Support and coach Managing Directors

DRIVING M&A WITHIN THE BUSINESS AREA
Search for new companies and execute acquisitions

STRATEGIC DEVELOPMENT OF THE BUSINESS AREA
Business and people development

COMPANIES

STRATEGIC, OPERATIONAL AND FINANCIAL RESPONSIBILITY OF A COMPANY
Autonomy within the steering & governance framework

BUSINESS AND PEOPLE DEVELOPMENT
With the support of BAs and Group, as need be

BOREO WAY OF OPERATING
Ensuring that common rules are met

Responsibilities in Boreo's decentralized organization

Capital allocation philosophy

Boreo's capital allocation mindset and criteria define the financial profile of companies Boreo owns in the long-term, the key principles along which the companies are managed, and the process & principles used in allocating capital to maximize shareholder returns.

In Boreo's capital allocation philosophy acquisitions and organic investments are of equal importance and for example thresholds for acquisitions and organic investments are the same. In achieving great long-term results, acquisitions play an integral role as Boreo's companies are often small, operate in industrial niches and allocating incremental amounts of capital to such businesses is often challenging. Hence, acquisitions completed with reasonable valuation levels (average of 5x EV/EBITDA in 10/2020-2025) are an important source of long-term returns for the company.

Boreo's strategic targets (minimum 15% average annual operational EBIT growth, minimum ROCE of 15% and leverage 2-3x) reflect the Group's focus on profits, cash flows, returns and financial stability. To reach its long-term targets, Boreo acquires companies with ability to generate earnings growth and high returns on capital. In working with its portfolio, Boreo invests in the growth of its companies which generate a high return on capital (minimum 50% ROTWC) and can continue to grow with an attractive return profile. In addition, in companies which operate below the minimum 50% ROTWC-threshold, the parent company & business areas support its companies to complete short- to medium-term transformation and

reorganization programs. Actions in such situations might include exits from low margin businesses (such as the SANY excavator business exit in Finland and in Sweden in 2023) providing an opportunity to achieve better returns for the resources tied into such operations.

Large amount of allocation opportunities and thresholds for investments have an important role in Boreo achieving the best possible return for the capital deployed to new ventures. To create a broad range of investment opportunities, Boreo works together with its key employees, wider organization and external stakeholders in opportunity sourcing and development of internal capabilities. The more opportunities Boreo has in its allocation funnel, the better the ultimate capital allocation end-result at Group level will be.

Long-term view

Boreo views a long-term approach to be a key component of its value proposition as an owner of small and medium sized companies. The approach of appreciating the long-standing work done by entrepreneurs, the local knowledge and the ability to take a long-term view is one of the key differentiating factors against other forms of ownership. The long-term view is an overarching principle that impacts both the company's long-term strategic decisions and day-to-day activities.

WHAT'S IN IT FOR THE COMPANIES?

A key aspect in Boreo's success is the Group's ability to positively contribute to the development of the companies it acquires. Given the Group's decentralized operating structure, the company focuses on the creation of added value in building the best possible conditions for the companies and their key employees to perform well.

As a long-term owner Boreo provides companies joining the Group with continuity and stability. The size, stock-listed nature and financial resources of the Group increases the companies' credibility and creates business opportunities with their long-term stakeholders. Boreo as an owner provides the employees in the companies with development opportunities and the improved employer image has resulted in the group companies' ability to attract great talent to the Group in the recent years.

The non-bureaucratic governance structure allowing for the companies to focus on business operations is a core component of Boreo's value proposition. The building blocks created in 2021-2023 include for example the Boreo Clock, the Game Plan -concept and the standardized Board of Directors forums.

In addition to strong financial performance, Boreo places a great attention to the leadership of its companies. Leadership in line with the principles of the Boreo Way is ensured through motivating incentives, forums for learning and best practice sharing (e.g. Boreo Academy) and the support provided to key employees by the seasoned professionals in the Group.



A LONG-TERM OWNER



EMPLOYEES



BUSINESS DEVELOPMENT



LEADERSHIP DEVELOPMENT

A photograph of a fern frond in a forest. The frond is the central focus, showing its pinnate structure with many small leaflets. The background is a blurred forest with tall trees and sunlight filtering through. A dark blue circle is on the left side, containing the word 'SUSTAINABILITY' in white, bold, uppercase letters.

SUSTAINABILITY



SUSTAINABILITY

BASIS FOR PREPARATION AND GENERAL INFORMATION (B1)

This sustainability report has been prepared according to EFRAG's Voluntary Sustainability Reporting Standard for non-listed SMEs ("VSME"). The content of the report aligns with the basic module of VSME.

Boreo Plc, together with its 23 companies (total of 31 legal entities), forms the Group ("Group" or "Boreo"). Boreo Plc is a publicly listed company on Nasdaq Helsinki. Boreo's companies are organized into two business areas: Electronics and Technical Trade. The reporting covers the entire Group, including the parent company, Boreo Plc, and all companies ("Group companies") in which Boreo Plc holds more than 50% of the voting rights unless stated otherwise in this report. Reporting is primarily conducted at the Group level. The sustainability report is published annually, with the reporting period aligned with the financial reporting period, spanning from January 1 to December 31, 2025.

The sustainability report serves as the cornerstone of Boreo's annual sustainability reporting. This sustainability report 2025 is Boreo's third annual sustainability report, and the first one that has been prepared according to the basic module of VSME. Boreo continuously develops its sustainability reporting, considering evolving regulatory requirements, stakeholder expectations and preferences, and the development of internal focus areas and targets.

B1 – Disclosure of sustainability-related certifications

Several Group companies have obtained sustainability-related certifications, such as ISO 9001 and ISO 14001. Operating in accordance with recognized standards demonstrates sound management practices and provides a framework for continuous improvement across various areas of the business. Compliance with recognized standards supports disciplined and consistent ways of working. A list of the sustainability-related certifications of the Group companies is disclosed below:

Company	Certification or label	Issuer	Year
Boreo Plc / Yleiselektronikka	ISO 9001:2015	SGS	2006
	ISO 14001:2015	SGS	2024
Machinery Ltd	ISO 9001:2015	DNV	2000
	ISO 14001:2015	DNV	2022
	ISO 45001:2018	DNV	2025
Machinery MT Ltd	ISO 9001:2015	DNV	2011
	ISO14001:2015	DNV	2011
Delfin Technologies Ltd	ISO 13485:2016	Eurofins	2015
Milcon Ltd	ISO 9001:2015	Kiwa Sertifointi	2023
UAB YE International	ISO 9001:2015	Sertika	2026 obtained after the reporting period)

NACE sector classification code	NACE G - 46.6 Wholesale of other machinery, equipment and supplies
Size of balance sheet in MEUR	126.9
Turnover in MEUR	153.3
Number of employees	360
Employee counting methodology (At the end of reporting period or as an average during the reporting period)	At the end of the reporting period
Employee counting methodology (Headcount or Full-time equivalent)	Headcount
Country of primary operations and location of significant asset(s)	Finland

**B1 – List of subsidiaries**

ID	Name	Registered Address
1	Machinery Oy	Ansatie 5, 01740 Vantaa, Finland
2	Milcon Oy	Ruutanakorventie 2, 33960 Pirkkala, Finland
3	Etelä-Suomen Kuriiripalvelut Oy	Ansatie 5, 01740 Vantaa, Finland
4	Noretron Komponentit Oy	Ansatie 5, 01740 Vantaa, Finland
5	Infradex Oy	Ansatie 5, 01740 Vantaa, Finland
6	Tornokone Oy	Sementtitehtaankatu 4, 04260 Kerava, Finland
7	Filterit Oy	Karjalankatu 2, 00520 Helsinki, Finland
8	Delfin Technologies Oy	Microkatu 1, 70210 Kuopio, Finland
9	Muottikolmio Oy	Mestarintie 4, 01730 Vantaa, Finland
10	YE RS Solutions Oy	Ansatie 5, 01740 Vantaa, Finland
11	YE RS Solutions Oü	Sõpruse pst 259, Mustamäe linnaosa, 13414 Tallinn, Estonia
12	YE RS Solutions SIA	Gustava Zemgala gat. 69, Rīga, LV-1039, Latvia
13	YE RS Solutions UAB	Eišiškių pl. 36, LT-02184 Vilnius, Lithuania
14	YE International AS	Sõpruse pst 259, Mustamäe linnaosa, 13414 Tallinn, Estonia
15	YE International SIA	Gustava Zemgala gat. 69, Rīga, LV-1039, Latvia
16	YE International UAB	Eišiškių pl. 36, LT-02184 Vilnius, Lithuania
17	PM Nordic AB	Trankärrsgatan 20, 42537 Hisings Karra, Sweden
18	HM Nordic Oü	Paldiski mnt 245C, 13517 Tallinn, Estonia
19	Pronius Oy	Keisarinviitta 20, 33960 Pirkkala, Finland
20	Spetselektroodi AS	Türi 1a, Tallinn 11313, Estonia
21	Machinery MT Oy	Ruutanakorventie 2, 33960 Pirkkala, Finland
22	J-matic Oy	Ideaparkinkatu 11, 37570 Lempäälä, Finland
23	Signal Solutions Nordic Oy	Karaportti 1, 02610 Espoo, Finland
24	Signal Solutions Nordic AB	Torshamnsgatan 27, 16440 Kista, Sweden
25	Signal Solutions USA LLC	7084 Whitewater St, Carlsbad, 92011 Carlsbad CA, United States of America
26	Floby Nya Bilverkstad AB	Soldat Elgs väg 3, 521 51 Floby, Sweden
27	Lackmästarn AB	Håkantorps 9, 52196 Falköping, Sweden
28	Xenderma Ltd	2 Boxhill Station House, Westhumble Street, Dorking, RH5 6BT, United Kingdom of Great Britain and Northern Ireland
29	Machinery Oü	Paldiski mnt 245C, 13517 Tallinn, Estonia
30	Machinery Group Oy	Ansatie 5, 01740 Vantaa, Finland
31	Vesterbacka Transport Oy	Ansatie 5, 01740 Vantaa, Finland

**B1 – List of sites**

ID	Address	Postal code	City	Country	GPS Coordinates (Geolocation)
1	Ansatie 5	01740	Vantaa	Finland	60.2955177,24.9244927
2	Ruutanakorventie 2	33960	Pirkkala	Finland	61.4461013,23.6658593
3	Sopruse pst 259	13414	Tallinn	Estonia	59.3978172,24.6779156
4	Gustava Zemgala gatve 69	LV-1039	Riga	Latvia	56.9710292,24.1661060
5	Eisiskiu pl. 36A	LT02184	Vilnius	Lithuania	54.6357905,25.2552702
6	Karaportti	02610	Espoo	Finland	60.2223931,24.7560900
7	Ritaharjuntie 5	90540	Oulu	Finland	65.0773467,25.4515454
8	7084 Whitewater St, Carlsbad	92011	Carlsbad CA	United States of America	33.0999995, -117.3166695
9	1029 Long Prairie Rd	75022	Flower Mound TX	United States of America	32.9982324, -97.0664013
10	Torshamnsgatan 27	16440	Kista	Sweden	59.4083127,17.9502137
11	Microkatu 1	70210	Kuopio	Finland	62.8892595,27.6300986
12	Mestarintie 4	01730	Vantaa	Finland	60.3062724,24.8489080
13	Keisarinviitta 20	33960	Pirkkala	Finland	61.4515633,23.6458524
14	Ideaparkinkatu 11	37570	Lempaala	Finland	61.3580028,23.7986398
15	Karjalankatu 2	00520	Helsinki	Finland	60.1932148,24.9368988
16	Sementtitehtaankatu 4	04260	Kerava	Finland	60.3865730,25.1049655
17	Trankärrsgatan 20	42537	Hisings Karra	Sweden	57.7853382,11.9955668
18	Turbingatan 1	19560	Stockholm	Sweden	59.6161739,17.8806844
19	Paldiski mnt 245	13517	Tallinn	Estonia	59.3969464,24.6030124
20	Soldat Elgs vag 3	52151	Floby	Sweden	58.1317557,13.3381729
21	Hakantorp 9	52196	Falkoping	Sweden	58.2528060,13.5998884
22	Turi 1a	11313	Tallinn	Estonia	59.4118935,24.7445881
23	Tahe 127	50113	Tartu	Estonia	58.3525361,26.7290997
24	Rakvere maantee 9	45301	Haljala	Estonia	59.4296061, 26.2688348
25	2 Boxhill Station House, Westhumble Street	RH5 6BT	Dorking	United Kingdom of Great Britain and Northern Ireland	51.25401628220636, -0.32842361349488364



Sustainability data

The parent company's sustainability team is responsible for consolidating and validating the sustainability data collected from the Group companies. The sustainability team has prepared guidelines that include instructions on data collection and definitions for reported environmental, social, and governance (ESG) KPIs. These guidelines are available to the employees responsible for collecting and processing the data. The sustainability data used as the basis for the sustainability report is sourced from internal and external information systems and data sources of Boreo and its Group companies. The accuracy of the data is reviewed in collaboration with business process owners and relevant stakeholders. Internal cross-checks and controls are also in place to ensure data integrity.

Boreo has engaged an external partner to verify the accuracy of the Scope 1 and Scope 2 GHG emissions calculation formulas and to ensure that the emission factors used are current. Certain data and metrics included in this report are subject to inherent uncertainties arising from estimation methods, data collection limitations, and evolving measurement practices. When precise data points are unavailable, sustainability reporting relies on assumptions, estimates, and management judgement, which inherently involve uncertainties. Further details about these uncertainties are provided alongside the disclosed information. The sustainability data presented has not been externally assured by an independent auditor.

Sustainability governance

This sustainability report describes Boreo's sustainability governance. Further details on the duties, composition, diversity and experience of the administrative and supervisory bodies, as well as on internal control, internal audit and risk management processes, are available in the Corporate Governance Statement.

Board of Directors and Board Committees

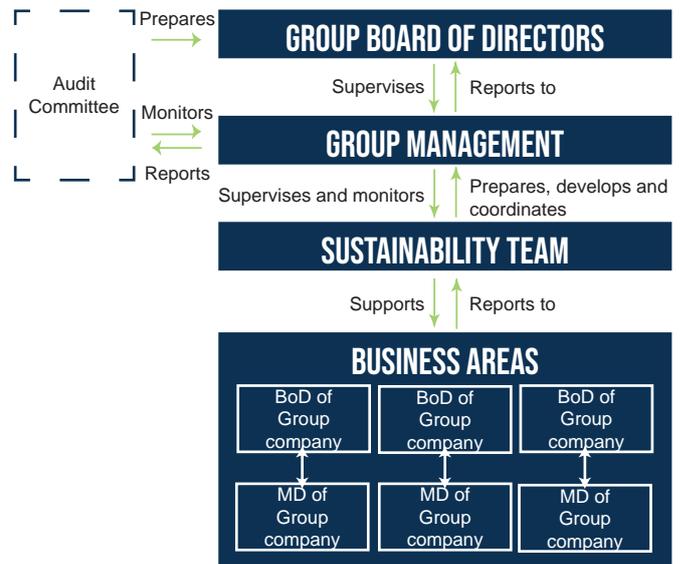
The Group's Board of Directors is responsible for decisions on sustainability-related strategic guidelines and approach, including key focus areas, targets, and KPIs. Additionally, the Board approves Group-level action plans, the sustainability governance model, and sustainability-related policies, while also overseeing the quality and integrity of sustainability reporting.

The Audit Committee supports the Board of Directors in overseeing financial reporting, sustainability reporting, internal control, internal audit, and the Group's risk management. Furthermore, the Audit Committee monitors and evaluates the Company's sustainability reporting processes, as well as the accuracy and reliability of sustainability reports and prepares the selection of an independent assurer if such a role is required.

The Group's CEO and Group Management Team

In the Group Management Team, the responsibility of sustainability is with SVP, People & Sustainability and the ultimate responsible person in the operative organization is the CEO. The sustainability team supports Group companies in developing and implementing their sustainability goals and initiatives and drives sustainability development at Group level. Managing Directors of Group companies ensure compliance with Group policies and guidelines as well as management of sustainability matters.

Sustainability governance model



Risk management and internal control

Boreo's sustainability reporting follows the Group-wide policies regarding internal control and risk management. The objective of risk management is to ensure the achievement of the Group's strategy and its long-term targets.

The Group applies business-oriented and systematic principles to risk management. This means that key risks are systematically identified, analysed, evaluated, managed, monitored and reported as part of the business operations at the Group, business area and function levels in all operating countries.

The purpose of the company's internal control is to regularly control and monitor the Group's activities to ensure the efficiency and results of its business operations, the reliability of its financial reporting, and compliance with all applicable laws and regulations as well as the Company's internal policies. The aim of the internal control is also to promote ethical values, good corporate governance and risk management practices.



STRATEGY

Business model & value chain

Boreo’s primary objective is sustainable long-term profit generation. This is achieved with a business model that is based on the acquisition and ownership of great entrepreneurial companies with ability to generate sustainable long-term earnings growth and strong cash flows. Boreo’s strategy and business model are described in the Annual report on pages 6-9.

Approach on sustainability

Sustainability is embedded in Boreo’s operating model and business practices Boreo is on the journey of building a Group that is ‘built-to-last’ by nature. Respectively, sustainability is a prerequisite for solid long-term business performance.

Boreo is a home for companies with prospects to generate sustainable long-term profit growth. Boreo requires its companies to demonstrate strong financial performance, take good care of their employees, contribute to mitigating climate impacts and ensure sound business practices.

Industrial nature of Boreo’s companies. Currently, Group companies are specialized in value-add distribution, light manufacturing and assembly, and manufacturing of proprietary products. The majority of the companies operate as distributors for international manufacturers. Due to this position in the value chain and the Group’s capital-light nature of businesses, Boreo’s sustainability performance is significantly influenced by the actions and practices of its stakeholders. For example, the direct greenhouse gas emissions of the Group companies are estimated to account only for a minor share of the total GHG emissions incurred throughout the value chain.

Setting standards for the portfolio companies. Boreo has an important role in supporting its companies to improve in the different areas of sustainability. By setting standards and implementing group-wide policies related to environment, people and business conduct, Boreo can influence its Group companies in developing their sustainability performance and governance.

Continuous improvement. Boreo’s approach to developing all aspects of its businesses, including sustainability, is guided by the principles of continuous improvement, incremental advancement, and impact-based prioritization. The Group is committed to deepening its understanding of the risks and opportunities associated with the value chains in which it operates. Strong and lasting relationships with stakeholders are regarded as the foundation of effective value chain management.

Acquisitions. Boreo aims at owning and acquiring businesses that operate in a sustainable manner. When

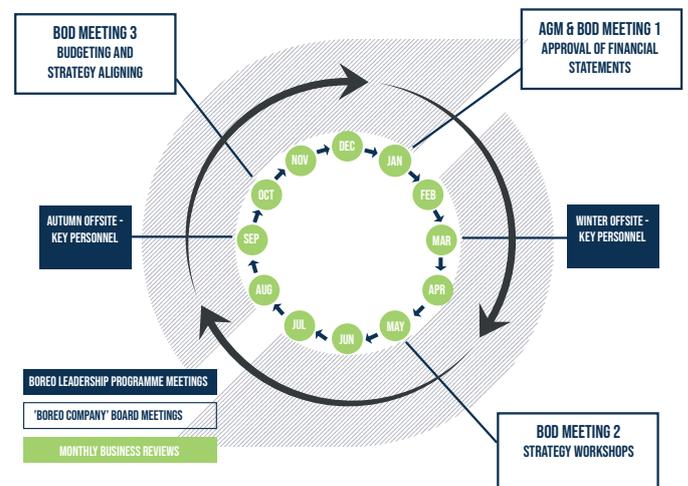
reviewing potential acquisition candidates, the company focuses on aspects such as sustainability of earnings and cash flows, market position in their niche, quality products or services and duration of relationships with their customers and suppliers. Achieving this requires, among other factors, considering environmental impacts, upholding high ethical standards, ensuring high employee satisfaction and retention, and complying with all applicable laws and regulations.

During acquisition processes, Boreo conducts thorough reviews of the business and its operations to identify any potential violations or disputes related to working conditions, business ethics, tax matters, environmental risks, and human rights. Significant time is also dedicated to discussions with the target company’s owners and leaders to assess cultural alignment, to conducting site visits to evaluate working conditions, and to analyzing the business’ history, financial records, and contracts to ensure sustainability.

Based on due diligence processes, Boreo determines whether the business meets Boreo’s criteria and whether Boreo is the right owner to sustainably develop and manage the business in the long term.

Boreo Clock

Boreo operates in a decentralized operating structure that fosters a culture of ownership, accountability and local decision-making. The parent company oversees and guides the performance of its Group companies through various processes, including the Boreo Clock, which defines the operational framework within the Group. Sustainability aspects are integrated into each company’s Game Plan, with company-specific strategies approved by their respective Boards of Directors. Similarly to other business development areas, sustainability initiatives and risks are regularly reviewed and monitored in monthly business reviews.





Interests and views of stakeholders

Boreo actively engages in dialogue with its stakeholders, including investors, customers, suppliers, financiers, shareholders, analysts, employees, and other relevant parties.

In 2022 and 2025, Boreo conducted a sustainability stakeholder survey to gain insight into stakeholders' perspectives and expectations on the company's sustainability aspects and reporting. In 2025, 77 participants responded to the survey.

The participants were asked to name the most important sustainability themes for Boreo in their view. Most commonly named topics in the survey in 2025 were own workforce, workers in value chain, business conduct and climate change.

92% (2022: 89%) of respondents considered Boreo a sustainable company. 57% (2022: 75%) of respondents considered sustainability highly important or important in Boreo's business as a whole.

The participants considered Boreo's sustainability performance and reporting to be at a solid level, while also identifying opportunities for further improvement.

Reviews of Boreo's sustainability performance and sustainability reporting (scale 1-10, 1 = very poor, 10 = excellent)

Sustainability performance	7.9
Sustainability reporting	7.8

Expectations on sustainability reporting and actions

Stakeholders were asked their expectations on Boreo's sustainability reporting and sustainability actions.

The majority of respondents expected reporting in accordance with CSRD, meanwhile also VSME reporting was supported by many respondents.

Multiple respondents addressed the importance of focusing on themes that are the most relevant and material. In addition, simplicity and clarity in reporting was highlighted.

Suggested sustainability improvements included, for instance:

- training for personnel
- climate-friendly products
- acting transparently towards employees and all stakeholders
- clarifying the impact through supply chain

Material sustainability-related impacts, risks and opportunities

Methodology of the double-materiality assessment

In 2025, Boreo updated its double materiality assessment (DMA). The method used in the assessment is aligned with the requirements of the CSRD. The first double materiality assessment was conducted in 2022-2023.

In the double materiality assessment conducted in 2025, the impacts, risks and opportunities related to the 92 sustainability topics defined in the ESRS2 AR 16 were mapped and their materiality was assessed. In the assessment, the scale, scope, irremediability and likelihood of impacts were assessed. For risks and opportunities, the size of financial impact and likelihood were assessed. Based on the collected data and interviews, impacts were identified and their materiality was assessed. In addition, relevant risks and opportunities were assessed related to each sustainability matter. Pre-existing stakeholder surveys and information were used to consider stakeholder views, including personnel survey 2024 and Boreo sustainability stakeholder survey 2022.

The value chain impacts were assessed using industry-average sustainability impacts, as defined in the SASB standard. Risk data by Maplecroft was used to assess certain environmental impacts within the value chain. The company's purchases have been considered in assessing upstream value chain impacts.

The scope of the materiality assessment covered Boreo's own operations, as well as its upstream (supply chain and suppliers) and downstream (products and end-use) value chain.

Results

Based on the results of the materiality assessment in 2025, the most significant topics identified were climate change, own workforce, workers in value chain, consumers and end-use, and business conduct.

The results of the DMA conducted in 2025 were approved by the Board of Directors of Boreo. However, they were not subject to external assurance.



Topic	Sub-topic	Impact / risk / opportunity	Description
E1 - Climate change	Climate change mitigation	Potential negative impact	As a result of acquiring new companies, Boreo's total emissions may potentially increase.
E1 - Climate change	Climate change mitigation	Actual negative impact	Transportation accounts for major part of the emissions generated by Boreo's business operations.
E1 - Climate change	Climate change adaptation	Risk	The impacts of climate change on the company's value chain may cause issues with product availability and deliveries.
E1 - Climate change	Energy	Actual negative impact	Running Boreo's businesses requires energy. Boreo used a total of 2,244.3 MWh of electricity in 2025.
S1 - Own workforce	Working conditions - Secure employment	Actual positive impact	Boreo's companies offer a job for over 350 employees in Finland, Sweden, United States and the Baltics.
S1 - Own workforce	Working conditions - Health and safety	Risk	In case of poor occupational safety, workplace accidents and decreased productivity may occur. In 2025, a total of four workplace accidents were recorded.
S1 - Own workforce	Working conditions - Health and safety	Actual positive impact	The number of occupational accidents and absences are tracked.
S1 - Own workforce	Working conditions - Health and safety	Actual positive impact	The Group companies have been reviewed for potential shortcomings in identifying risks related to employee safety, and all identified deficiencies have been corrected. Examples of corrective measures include updated occupational safety guidelines and enhanced monitoring.
S1 - Own workforce	Working conditions - Health and safety	Actual positive impact	Employee satisfaction is monitored regularly across the companies, and any identified shortcomings are addressed. Additionally, all companies are required to have a development plan.
S1 - Own workforce	Equal treatment and opportunities for all - Training and skills development	Actual positive impact	Boreo offers several internal trainings for its employees and recognizes a skilled workforce as a key factor for the company's success.
S1 - Own workforce	Equal treatment and opportunities for all - Training and skills development	Risk	Losing key personnel might create difficulties in form of losing vital knowhow and expertise, if no suitable replacements are available in mid-term.
S2 - Workers in the value chain	Working conditions - Working time	Potential negative impact	In high-risk areas, working hours may potentially be excessive, which can negatively affect employees' health and quality of life.
S2 - Workers in the value chain	Working conditions - Adequate wages	Potential negative impact	In the manufacturing of electronic components, wages may be insufficient, which can negatively impact the well-being of workers within the value chain.
S2 - Workers in the value chain	Working conditions - Health and safety	Potential negative impact	Problems associated with mining operations in high-risk areas include low healthcare standards, fatal accidents involving heavy machinery, mine and slope collapses, and water intrusion into excavation sites. In addition, underground mining carries specific risks such as ground subsidence, slope failures, and methane leaks.
S2 - Workers in the value chain	Working conditions - Health and safety	Risk	Engaging with suppliers that neglect health and safety standards may result in legal, financial, and reputational risks. Furthermore, challenges in labour availability due to health or safety issues can lead to project delays and reduced quality.
S2 - Workers in the value chain	Other work-related rights - Child labour	Potential negative impact	The use of child labour is particularly common in sourcing of raw materials for electronics. Through its supply chain, Boreo may potentially be linked to these impacts.
S2 - Workers in the value chain	Other work-related rights - Forced labour	Potential negative impact	The use of forced labour is particularly common in the sourcing of raw materials for electronics. Through its supply chain, Boreo may potentially be linked to these impacts.
S2 - Workers in the value chain	Other work-related rights - Adequate housing	Potential negative impact	In the value chain, the exploration, construction, operation, and maintenance of mines can alter land use, which may lead to deforestation, erosion, soil contamination, and changes in soil structure, as well as pollution of local streams and wetlands and an increase in noise levels, dust, and emissions. These environmental impacts may deteriorate living conditions.



S4 - Consumers and end-users	Information-related impacts for consumers and/or end-users - Access to (quality) information	Potential positive impact	Statements, communications, presentations, and certificates provided to customers and business partners must be truthful and accurate. Boreo with its suppliers is well equipped to respond to these requirements.
S4 - Consumers and end-users	Personal safety of consumers and/or end-users - Health and safety	Risk	In case of severe deficiencies in product safety, harm can be caused to users and as a result, financial consequences can occur.
S4 - Consumers and end-users	Personal safety of consumers and/or end-users - Health and safety	Potential positive impact	All products and services must comply with all applicable quality and safety regulations, as well as any related commitments or promises. Many Boreo's Group companies are certified according to the ISO 9001 and/or ISO 14001 standards.
S4 - Consumers and end-users	Social inclusion of consumers and/or end-users - Access to products and services	Actual positive impact	The company operates across a broad area in Northern Europe, Poland and the United States.
S4 - Consumers and end-users	Social inclusion of consumers and/or end-users - Access to products and services	Opportunity	If the company develops its products and services to be more accessible to all customer groups across the widest possible geographical area, it can expand its pool of potential customers and reach new markets.
G1 - Business conduct	Corporate culture	Actual positive impact	Boreo promotes a shared leadership philosophy rather than a uniform corporate culture. At the core are entrepreneurial spirit, accountability, and an efficient way of working free from bureaucracy.
G1 - Business conduct	Protection of whistleblowers	Actual positive impact	The company has a whistleblowing channel in place for anonymously reporting misconduct.
G1 - Business conduct	Management of relationships with suppliers including payment practices	Opportunity	Good relationships with suppliers of goods and services enhance the reliability of the company's own operations and support procurement at reasonable costs.
G1 - Business conduct	Corruption and bribery - Prevention and detection including training	Actual positive impact	Boreo has zero tolerance for corruption and bribery, along with clear guidelines for preventing corruption.
G1 - Business conduct	Corruption and bribery - Incidents	Actual positive impact	No cases of corruption have been detected within Boreo's business activities.
G1 - Business conduct	Corruption and bribery - Incidents	Risk	The occurrence of corruption within the company's value chain may result in legal, financial, and reputational risks. Furthermore, corruption weakens the company's credibility and reliability as a business partner.

PRACTICES, POLICIES AND FUTURE INITIATIVES FOR TRANSITIONING TOWARDS A MORE SUSTAINABLE ECONOMY (B2)

Focus areas

In 2025, Boreo updated its sustainability focus areas to better align them with current ESG regulations. As part of this update, strong financial performance is no longer included as a separate ESG focus area and is instead reported comprehensively in the financial statements. Boreo's updated sustainability focus areas in 2025:

- Healthy environment
- Engaged people
- Sound business practices

As the regulatory environment in the European Union evolved significantly in 2025, Boreo adjusted its sustainability roadmap accordingly.

The company decided to prepare a VSME report in 2025 to respond to stakeholder needs.

The main sustainability accomplishments in 2025 included the completion of the double-materiality assessment, the execution of the stakeholder survey, and setting of target-levels for selected sustainability key performance indicators. Progress was achieved in majority of the indicators. The Group companies continued to develop their operations within the selected sustainability focus areas, taking into account business-specific circumstances.

Boreo has defined a target for each sustainability focus area, measured through selected key performance indicators. The targets, KPIs and progress in 2024-2025 are described in the table below. A more detailed description of the actions completed in 2025 are provided in chapters Healthy environment, Engaged people and Sound business practices.



BOREO'S SUSTAINABILITY TARGETS

Focus area	Target	KPI	Target level	2025	2024
HEALTHY ENVIRONMENT	We lower our carbon footprint every year	GHG intensity based on revenue, Scopes 1 and 2 (location-based), tCO ₂ e/MEUR	Decreasing annually	8.4	11.1
		GHG intensity based on revenue, Scopes 1 and 2 (market-based), tCO ₂ e/MEUR	Decreasing annually	11.2	16.2
ENGAGED PEOPLE	Our employees are engaged in their work	eNPS ¹⁾	over 50	30	27
		Employee turnover percentage ²⁾	10%	12%	17%
	We value diverse compositions in decision making bodies and promote diversity	Percentage of minor gender representatives in the Group BoD ³⁾	Min. 33% / 2 of 6	33%	33%
		Percentage of minor gender representatives in the Group management team ³⁾	Min. 33% / 2 of 5	20%	20%
	Our workplaces are safe and the employees have risk-free working conditions	Lost-time injury frequency rate ⁴⁾	0	6.8	5.3
We can offer interesting career opportunities for our employees	Percentage of in-house appointments to key employee positions ⁵⁾	over 50%	100%	73%	
SOUND BUSINESS PRACTICES	We do business with suppliers who are engaged in sustainable business conduct	Percentage of major suppliers who are committed to the principles of Boreo's Supplier Code of Conduct	100%	79%	79%
	We have a solid governance model in place	Boreo Clock in place	100%	96%	95%
		Boreo governance requirements met (new) ⁶⁾	100%	98%	-
		Boreo governance requirements met (old) ⁶⁾	100%	97%	97%

1) In 2025, all Group companies participated in the personnel survey. In 2024, 91% of the Group companies participated in the personnel survey.

2) Including both voluntary and involuntary employee turnover. Summer interns are excluded from the calculations

3) Boreo's targets are in line with the EU Gender Balance Directive on Corporate Boards and the Finnish Corporate Governance code for listed companies. The EU Gender Balance Directive on Corporate Boards requires 40% representation of minor gender in the non-executive board or 33% representation in the non-executive board and executive team in total. According to the Finnish Corporate Governance code, in a non-executive board of six members, there must be at least two members representing the minor gender.

4) Lost-time injury frequency rate refers to the amount or number of lost time injuries per 1,000,000 hours worked. Finnish standard weekly worktime and weeks at work were used in calculations.

5) Key employees include Group Management Team, Managing Directors and other key employees that are participants in Leadership Program. In total, four key employee appointments in 2025.

6) In 2025, Boreo adjusted the set of governance requirements. In order to ensure comparability of the results, the results are reported separately (new set of requirements in 2025 and old set of requirements in 2024).



Sustainability issues addressed by a practice, policy and/or future initiatives that the undertaking has put in place:

Topic	Yes/No
Climate change	Yes
Pollution	No
Water and marine resources	No
Circular economy	Yes
Own workforce	Yes
Workers in value chain	Yes
Affected communities	No
Consumers and end-users	No
Business conduct	Yes

Boreo has practices, policies and/or future initiatives that are publicly available and are described in this sustainability report. Boreo also has set targets for above-mentioned sustainability topics, and the targets are described on page 19.

Policies

Boreo has established several sustainability-related policies that guide the operations of the Group companies. Examples of the policies and guidelines are:

- Code of Conduct
- Supplier Code of Conduct
- Whistleblowing Guideline
- IT Policy
- Data Protection Handbook
- Trade Compliance Policy
- Disclosure Policy
- Decision principles Policy
- Corporate Governance Policy
- Related Parties Policy
- Treasury Policy
- Risk Management Policy
- Insider Guideline
- Board Diversity principles

HEALTHY ENVIRONMENT



HEALTHY ENVIRONMENT

Progress in targets

Boreo aims to reduce its annual carbon footprint and in 2025 it achieved progress toward this target. The company's Scope 1 and 2 emissions totaled 1,282.4 tCO₂e location-based and 1,716.2 tCO₂e market-based. GHG intensity based on revenue was 8.4 tCO₂e/MEUR location-based and 11.2 tCO₂e/MEUR market-based.

The environmental impacts, risks and opportunities were thoroughly assessed in the double-materiality assessment in 2025.

The Group companies consider sustainability topics (such as environmental impacts, risks and opportunities) as part of their Game plans. In addition to the Group-wide targets, the Group companies have their own action plans. In 2025, the Group companies proceeded with the environmental actions and the action plans were monitored in each operating company's business reviews.

Climate change

Climate change mitigation

In the double-materiality assessment (DMA, described

on pages 16-18), one actual and one potential negative impact were detected related to climate change mitigation. The actual negative impact is that Boreo's business operations produce GHG emissions. The majority of the Scope 1 emissions arise from transportation.

Scope 1 and Scope 2 emissions are fairly low, given the company's business size and operational nature. However, Scope 3 emissions - originating from the supply chain and product end use - are expected to be relatively significant in comparison.

The potential negative impact refers to the possibility that if Boreo acquired new companies according to its strategy, Boreo's absolute emissions would potentially increase.

Climate change adaptation

Regarding climate change adaptation, the impacts of climate change were estimated to cause a risk of creating issues with product availability and deliveries. Although Boreo's sites are located in regions where the physical impacts of climate change are projected to be relatively strong over the next 1-10 years (such as Northern Europe and Scandinavia), the expected impact on Boreo's business remains low. This is due to the nature of its operations and to the high level of climate resilience in the countries where it operates. Additionally, the Group's



Focus area	Target	KPI	Target level	2025	2024
HEALTHY ENVIRONMENT	We lower our carbon footprint every year	GHG intensity based on revenue, Scopes 1 and 2 (location-based), tCO ₂ e/MEUR	Decreasing annually	8.4	11.1
		GHG intensity based on revenue, Scopes 1 and 2 (market-based), tCO ₂ e/MEUR	Decreasing annually	11.2	16.2

diversified supplier network helps reduce the risk that potential physical disruptions affecting its suppliers could lead to significant delivery delays, thereby limiting potential adverse business impacts.

Energy

Running Boreo's businesses requires energy and has therefore been identified as an actual negative impact in the double materiality assessment. In 2025, the Group's total electricity consumption amounted to 2,244.3 MWh.

Policies

Boreo has implemented both a Code of Conduct and a Supplier Code of Conduct, which set requirements for managing environmental issues within the Group's own operations as well as across its supply chains.

Code of Conduct

Sustainability at Boreo encompasses responsibility for the economic, environmental, and social impacts of its operations. The company is committed to continuously improving its solutions and services with environmental sustainability and safety in mind. Boreo complies with all relevant environmental laws, and its employees are responsible for considering environmental impacts in their daily work. Every Boreo employee is expected to actively collaborate with business partners and customers to prevent or reduce emissions and waste generated by business operations.

Supplier Code of Conduct

Boreo requires its suppliers to comply with all applicable environmental laws. Additionally, suppliers are responsible for assessing and minimizing their environmental impact in all aspects of their operations. Each supplier must actively engage with its business partners and customers to prevent or reduce emissions, pollution, and waste related to business activities. The use of hazardous materials must be minimized, and suppliers must implement and maintain effective processes to identify, manage, and communicate the physical, health, and environmental risks associated with chemicals and other materials. These processes ensure safe handling, movement, storage, use, recycling or reuse, and disposal of such substances.

Greenhouse gas emissions and energy in the company's own operations

Boreo aims to reduce its annual GHG emissions in relation to revenue. In 2025, the company met its target to reduce emission intensity year-on-year.

The majority of Boreo's companies operate in the technical distribution sector without own manufacturing, a business model characterized by low pollution levels. Most of the emissions derive from companies that operate in transportation, service business or industrial manufacturing.

Boreo does not have production sites in environmentally sensitive regions, and therefore, its operations do not pose significant direct environmental risks.

GHG emissions (B3)	2025	2024
Scope 1 GHG emissions		
Scope 1 GHG emissions (tCO ₂ e)	1,073.4	1,174.7
Scope 2 GHG emissions		
Location-based Scope 2 GHG emissions (tCO ₂ e)	209.0	314.7
Market-based Scope 2 GHG emissions (tCO ₂ e)	642.8	996.3
Total GHG emissions		
Total GHG emissions (location-based) (tCO ₂ e)	1,282.4	1,489.4
Total GHG emissions (market-based) (tCO ₂ e)	1,716.2	2,171.1
GHG intensity		
GHG intensity based on revenue, Scopes 1 and 2 (location-based) (tCO ₂ e/MEUR)	8.4	11.1
GHG intensity based on revenue, Scopes 1 and 2 (market-based) (tCO ₂ e/MEUR)	11.2	16.2



Energy consumption (B3)	2025	2024
Purchased energy (MWh)	2,244.3	2,553.1
Energy intensity based on revenue (MWh/MEUR)	14.3	19.1
Renewable energy (MWh)	339	0
Non-renewable energy (MWh)	1,905.3	2,553.1

Water withdrawal (B6)*	2025
Water withdrawal (liters)	2,039,203
Water withdrawal in areas of high water-stress (liters)	1,000

*Water withdrawal partly estimated due to lack of measured data at all sites

Waste generated (B7): not available

Annual material-flow of relevant materials used (B7): not available

Reporting principles

Boreo's GHG calculations follow the GHG Protocol, the world's most widely used greenhouse gas accounting standard. The GHG Protocol categorizes emissions into three scopes: Scope 1 (direct emissions), Scope 2 (indirect emissions from purchased energy), and Scope 3 (broader indirect emissions in the value chain). Scope 3 emissions were excluded from the assessment in 2022-2025.

Since 2024, Scope 2 emissions have been assessed using both market-based and location-based methodologies. To the greatest extent possible, calculations were based on metered or measured activity data. Emission factors were sourced from reliable and widely recognized databases commonly used in carbon footprint assessments.

Specifically:

- Scope 1: Vehicle and on-site energy production emission factors were derived from Defra 2025.
- Scope 2 (Location-Based): National average factors from EU or national sources were used, except for Boreo's Californian operations, where United States Environmental Protection Agency (EPA) figures were applied.
- Scope 2 (Market-Based): Supplier-specific factors were used for Finnish district heating and Californian wind energy. Residual electricity factors were applied in the Nordics, while national averages were used in other markets.

The data coverage for Boreo's GHG calculations was:

- 95% in 2022 (19/20 Group companies)
- 100% in 2023 (22/22 Group companies)
- 100% in 2024 (22/22 Group companies)
- 100% in 2025 (24/24 Group companies)

Description of circular economy principles (B7)

Boreo's Code of Conduct defines Boreo's approach to environmental responsibility. According to the Code of Conduct, sustainability encompasses responsibility for the economic, environmental and social impacts of Boreo's operations. Boreo strives to continuously improve its solutions and services with environmental considerations and safety in mind. The company complies with applicable environmental legislation, and all employees are expected to consider environmental impacts in their daily work. Employees are also encouraged to work proactively with business partners and customers to prevent and reduce emissions and waste related to operations.

Circular economy principles are widely embedded in daily practices and processes across the Group. Three Group companies have implemented an ISO 14001-certified environmental management system. In addition, several Group companies have joined producer responsibility schemes covering the collection, transport and recycling of products. As a standard practice, packaging materials received with inbound deliveries are reused for outbound deliveries to customers, limiting the amount of packaging waste generated in distribution.

Various Group companies offer maintenance and repair services for products they sell. Regular and careful maintenance of products extends product lifecycles and supports more sustainable use of resources.

CASE: PM NORDIC

SUSTAINABILITY EFFORTS IN CONCRETE TECHNOLOGY INNOVATION



In 2025, PM Nordic AB took significant steps toward reducing the environmental footprint of its value chain and advancing more sustainable practices within the concrete equipment industry. The company's most impactful initiative was its active role in the development of a fully electric concrete pump - a pioneering project carried out in close collaboration with Putzmeister, the global leader in concrete pumping technology, Volvo, the leading manufacturer of construction machinery and Swerock, one of Sweden's largest concrete producers.

The jointly developed electric pump marks a new chapter in emissions-free construction solutions. Designed to replace traditional diesel-powered systems, the electric model helps eliminate local CO₂ and particle emissions at the construction site. This not only supports a cleaner environment but also enhances the working conditions for operators by significantly reducing noise and vibration.

PM Nordic played a key role in localizing the solution for the Nordic market and supporting the first customer pilots. The feedback from early field testing has been very positive, with both environmental and performance benefits clearly observed.

In addition to this flagship development, PM Nordic continued to strengthen its environmental efforts through other world exclusive sustainable machine solutions such as the launch of the world's first biogas driven concrete pump which was another ground-breaking project, this time with Putzmeister and Scania for customer Tysslinge Åkeri.

The commitment to improving sustainability is also reflected in the company's logistics planning, energy use efficiency in service operations and they continue to actively develop and promote more sustainable equipment options.



ENGAGED PEOPLE



ENGAGED PEOPLE

Progress in targets

In 2025, positive development was recorded among most of the social key indicators. Employee Net Promoter Score (eNPS) showed improvement, rising from 27 to 30. Lost-time injury frequency rate increased slightly to 6.8. A clear decline in employee turnover percentage was achieved as the turnover percentage dropped from 17% to 12%. The percentage of in-house key employee appointments reached record high score of 100%. The diversity of decision-making bodies remained unchanged.

Own workforce

Regarding own workforce, in total five actual positive impacts and two risks were detected in the double-materiality assessment described on pages 16-18.

Boreo and its Group companies provide employment for over 350 individuals in several countries, mainly in Northern Europe. There are no significant health and safety risks covering the whole Group, but for example in the logistics business the health and safety risks are elevated because of the nature of the work. The Group companies maintain occupational safety-related policies and practices to ensure safe working conditions and support

the well-being of employees. Boreo's largest operating company, Machinery, implemented occupational health and safety (OH&S) management system (ISO 45001) in 2025.

Boreo's operating model is widely based on capable individuals leading the operating companies. Thus, losing a key employee forms a risk, in case the individual cannot be replaced within a reasonable period of time. This risk is mitigated by thorough succession planning and continuous training of employees.

Leadership development and talent management are seen as a key to the success of the company and efforts are taken to ensure appropriate career opportunities for talented individuals. During 2025, four new key employees were appointed in the Group. Internal candidates were selected in 100% of cases, demonstrating the Group's commitment to career growth and internal development opportunities.

Regular employee satisfaction surveys help to identify development needs, improve day-to-day operations and reduce employee turnover. In 2025, the Group's employee net promoter score improved and reached the level of 30 (2024: 27).



Focus area	Target	KPI	Target level	2025	2024
ENGAGED PEOPLE	Our employees are engaged in their work	eNPS ¹⁾	over 50	30	27
		Employee turnover percentage ²⁾	10%	12%	17%
	We value diverse compositions in decision making bodies and promote diversity	Percentage of minor gender representatives in the Group BoD ³⁾	Min. 33% / 2 of 6	33%	33%
		Percentage of minor gender representatives in the Group management team ³⁾	Min. 33% / 2 of 5	20%	20%
	Our workplaces are safe and the employees have risk-free working conditions	Lost-time injury frequency rate ⁴⁾	0	6.8	5.3
We can offer interesting career opportunities for our employees	Percentage of in-house appointments to key employee positions ⁵⁾	over 50%	100%	73%	

1) In 2025, all Group companies participated in the personnel survey, meanwhile in 2024 the coverage was 91% of the Group companies.

2) Including both voluntary and involuntary employee turnover. Summer interns are excluded from the calculations.

3) Boreo's targets are in line with the EU Gender Balance Directive on Corporate Boards and the Finnish Corporate Governance code for listed companies. The EU Gender Balance Directive on Corporate Boards requires 40% representation of minor gender in the non-executive board or 33% representation in the non-executive board and executive team in total. According to the Finnish Corporate Governance code, in a non-executive board of six members, there must be at least two members representing the minor gender.

4) Lost-time injury frequency rate refers to the amount or number of lost time injuries per 1,000,000 hours worked. Finnish standard weekly worktime and weeks at work were used in calculations.

5) Key employees include Group management team, managing directors and other key employees that are participants of Leadership Program. Total of 4 key employee appointments in 2025.

Boreo emphasizes diversity in its organization structures and decision making. Instead of focusing only on gender diversity, Boreo emphasizes diversity from multiple perspectives, and thus provides development opportunities and inclusion for people with various backgrounds and skills. As a result of demonstrated diversity in Boreo's Board of Directors and Executive team, Boreo was placed 4th in the Nordic Business Diversity Index 2026 ranking in small companies' category, published in 2025.

Boreo has a Code of Conduct, which defines Boreo's approach to human rights in its own operations. These guidelines cover topics such as compliance with laws and rules of society, work environment (including human rights), fair competition, environment and sustainability, sales and marketing of products and services, risks and conflicts, handling of information and business partners.

Boreo respects human rights as set forth in the United Nations Universal Declaration of Human Rights and basic labour rights as defined by the International Labour Organization. Boreo seeks to create and maintain an environment in which each employee is valued as an individual and can work to his or her full potential. Boreo's Code of Conduct explicitly prohibits forced labour, child labour and discrimination. Boreo requires a workplace accident prevention management system to be in place in Boreo's Group companies.

In 2025, Boreo implemented a leadership evaluation framework to be used in development of the Managing Directors of the operating companies. This leadership evaluation framework defines Boreo's key leadership capabilities for the Managing Directors and is used as a tool

in evaluating the performance and improvement areas of the individuals. The framework increases systematicity and transparency in performance reviews and feedback giving, and will be implemented for all Managing Directors of the Group in 2026.

In 2025, Boreo initiated a Group-wide project to develop a comprehensive job grading framework, analyse pay equity across the organisation, and prepare for compliance with the EU Pay Transparency Directive.

Workers in value chain

Based on the double-materiality assessment, some potential negative impacts and one risk were detected regarding the workers in value chain. Detailed description of the impacts and risks is provided on pages 16-18.

The potential negative impacts are associated with working time, work safety and adequate wages of workers in value chain in certain geographical areas such as China and Southeastern Asia. Through its supply chain, Boreo may potentially be linked to these impacts. Engaging with suppliers that neglect health and safety standards may result in legal, financial, and reputational risks.

Boreo has a Supplier Code of Conduct that defines the requirements for suppliers regarding, for example, child labour, forced labour, working conditions, working hours and ethical business practices. The Group companies carefully choose the suppliers they partner with and regularly conduct discussions on sustainability-related topics. Any employee or business partner who becomes aware of a breach of Boreo's Code of Conduct or Supplier Code of Conduct, or any related policy or law, is encouraged



to report his/her concerns in confidence through one of Boreo's internal or external reporting channels.

Consumers and end-users

Consumers and end-users were recognized as material topic for Boreo for the first time in the double-materiality assessment in 2025. This topic was assessed to be material based on the actual and potential positive impacts Boreo and its Group companies have on the consumers and end-users. In addition, one opportunity and one risk were detected among consumers and end-users.

The actual and potential impacts on the consumers and end-users are based on the Group companies' ability to provide high-quality documentation, certifications and communications for the end-users. The Group companies with their suppliers pay attention to compliance with quality and safety regulations. Many Group companies also have certified quality management systems (ISO 9001 and/or 14001) in place or are planning to achieve such certifications.

Customer satisfaction is regularly measured in majority of the Group companies. With these surveys, the Group companies aim at developing customer experience and improving the quality and usability of the products and services.

Employee characteristics and metrics

Workforce - General characteristics (B8)

Number of employees	2025	2024
Headcount	360	336
FTE ¹⁾	336	324

Age distribution	2025	2024
Under 30	14.2 %	13.0 %
30–50	55.6 %	56.0 %
Over 50	30.0 %	30.0 %
N/A	0.3 %	1.0 %

Type of contract	2025	2024
Permanent	93 %	96 %
Fixed-term	7 %	4 %
Full-time	94 %	94 %
Part-time	6 %	6 %

Gender distribution	Female	Male
All employees	70	290
Managers ²⁾	7	60
Key employees	4	33
Group Management Team	1	4
Board of Directors	2	4

Employee turnover	2025	2024
Employee turnover rate	12.2 %	16.7 %
Voluntary turnover ³⁾	7.2 %	9.9 %
Involuntary turnover ⁴⁾	5.0 %	6.8 %

Geographical distribution of employees	2025	2024
Estonia	38	22
Finland	242	230
Latvia	14	15
Lithuania	14	13
Sweden	51	55
USA	1	1

Health and safety (B9)

Health and safety	2025	2024
LTIFR ⁵⁾	6.8	5.3
Number of injuries ⁶⁾	11	n/a
Number of injuries that have resulted in sick leave	4	3
Number of fatalities ⁷⁾	0	0
TRIR ⁸⁾	3.7	n/a

Remuneration, collective bargaining and training (B10)

Minimum wage	2025
Employees receive pay that is equal or above applicable minimum wage determined directly by national minimum wage law or through a collective bargaining agreement	Yes



Average hourly salary (in EUR)	2025
Average salary, male	30.2
Average salary, female	25.6
Difference, % ⁹⁾	15.3%
Collective bargaining coverage	2025
% of employees covered by collective bargaining agreements	66.1 %
Annual training hours (average)¹⁰⁾	2025
Female	27
Male	46

1) Number of employees converted to full-time employments

2) Managers = employees with direct-reports

3) Voluntary turnover: number of employees (HC) who left the company voluntarily / ((HC 1.1.2025 + HC 31.12.2025) / 2). Voluntary includes resignations by employee, terminations on probationary period by employee, mutual agreements on termination of employment. Summer interns are excluded from the calculations.

4) In-voluntary turnover: number of employees (HC) who left the company in-voluntarily / ((HC 1.1.2025 + HC 31.12.2025) / 2). In-voluntarily includes fixed-term contracts unless fixed-term is agreed based on employee's preference, terminations based on financial or individual grounds, terminations on probationary period by employer. Summer interns are excluded from the calculations.

5) Lost-time injury frequency rate refers to the amount or number of lost time injuries per 1,000,000 hours worked. Finnish standard weekly worktime and weeks at work were used in calculations.

6) Number of injuries include both the injuries that lead to sick-leave and those that did not lead to sick-leave.

7) Number of fatalities refers to fatalities resulting from work-related injuries or work-related ill health.

8) TRIR ('total recordable incident rate') is recordable work-related accidents per 100 employees in the reporting period.

9) The difference results from female and male employees being positioned in different types of roles. The majority of female employees work in support and administrative roles, while male employees are more strongly represented in leadership and sales roles, where salaries are typically higher due to the greater level of responsibility.

10) The difference results from female and male employees being positioned in different types of roles. Male employees are more strongly represented in sales and technical roles, where multiple trainings are offered by the suppliers.

CASE: DELFIN TECHNOLOGIES

SUSTAINABILITY AS PART OF DELFIN TECHNOLOGIES' CULTURE AND PRODUCT DEVELOPMENT

At Delfin Technologies Oy ("Delfin"), sustainability is taken seriously and integrated into operations in many ways. The development of the new version of a measurement device - scheduled for launch in 2026 - is a prime example of how sustainability is embedded already at the design stage. The product has been developed with a user-centric approach, focusing on accessibility and ergonomics. The device is inclusive and easy to use, regardless of hand dominance. End-users have been strongly involved in the process, with customer visits and hands-on testing of 3D-printed prototypes bringing valuable feedback.

Customer experience is continuously developed through satisfaction surveys and interviews. Delfin aims to reach all customer segments globally to address diverse needs. The ISO 13485 quality system, tailored for medical device manufacturers, has been in use for around 20 years. It sets high standards for traceability, occupational safety, and material selection.

Circular economy principles are advanced particularly through improved resource efficiency. For example, customers can now replace sensors themselves instead of sending the device in for service, which would otherwise cause weeks-long usage interruptions. Customers can pre-purchase sensors for the full device lifecycle,

reducing transport and waste. Plans are also underway to modernize older devices, enabling their resale at a lower price in developing markets. Recyclability, resource efficiency, and product longevity are key focus areas.

Employee well-being is reflected in strong team spirit and positive workplace culture, supported by team events and cultural appreciation initiatives. Regular development discussions are held, and employee skills are actively monitored and developed. Personnel surveys have highlighted high satisfaction with the workplace atmosphere and the meaningfulness of the work.

Information security and data protection have been strengthened through a Group-wide project that clarified processes and provided clear instructions. Delfin is also focusing on clarifying responsibilities and building continuity plans to ensure business resilience under all circumstances.

In 2026, the main sustainability focus is on the successful launch of the new product. The company aims to secure delivery capabilities globally and continue developing information security and processes, especially in the medical device business. Workload balancing and preparedness for exceptional situations are also important development areas.



SOUND BUSINESS PRACTICES



SOUND BUSINESS PRACTICES

Progress in targets

Implementation of Boreo's Supplier Code of Conduct: In 2025, 79% (2024: 79 %) of the Group's major suppliers committed to the principles of Boreo's Supplier Code of Conduct.

Solid governance model in place: The aggregated implementation rate of Boreo Clock for the Group increased and reached an excellent level of 96%. Boreo governance requirements resulted in 98% measured with the new set of requirements and 97% measured with the old set of requirements.

Business conduct

The material impacts, risks and opportunities related to business conduct have been assessed in Boreo's double-materiality assessment described on pages 16-18. Business conduct was identified as a material topic for Boreo in the double-materiality assessment based on four actual positive impacts, one risk and one opportunity.

Boreo maintains a solid operating model and Business

Code of Conduct, which help mitigate the risk of unethical business behavior. The Group companies and their local management operate independently within the framework of financial and non-financial targets and policies established by the Group. Each company follows a long-term strategic plan, which provides a shared vision for future development and serves as the foundation for autonomous local operations.

Boreo acknowledges that certain functions, such as sales and procurement, inherently involve a higher risk of unethical behavior. To address this, Boreo has implemented policies and training programs focused on ethical business practices, significantly reducing the likelihood of misconduct. In addition, a whistleblowing channel is in place. As a result, the risk of business conduct breaches has been assessed as highly unlikely.

By demonstrating due diligence and a strong commitment to compliance, the Group companies enhance trust among principals and customers, strengthen their reputation, and improve their ability to secure commercially sustainable and financially sound agreements.

Since many of Boreo's Group companies operate as distributors and rely on extensive supply chains, the as-



Focus area	Target	KPI	Target level	2025	2024
	We do business with suppliers who are engaged in sustainable business conduct	Percentage of major suppliers who are committed to the principles of Boreo's Supplier Code of Conduct	100%	79%	79%
SOUND BUSINESS PRACTICES	We have a solid governance model in place	Boreo Clock in place	100%	96%	95%
		Boreo governance requirements met (new) ¹⁾	100%	98%	-
		Boreo governance requirements met (old) ¹⁾	100%	97%	97%

1) In 2025, Boreo made one addition to the set of governance requirements. In order to ensure comparability of the results, the results are reported separately (new set of requirements in 2025 and old set of requirements in 2024).

sociated supply chain risks are inherently elevated. However, Boreo primarily collaborates with global suppliers that adhere to clear business ethics and compliance standards, further reducing the risk of unethical business conduct.

In 2025, Boreo initiated a group-wide data protection and cybersecurity project. The goal of the project was to strengthen the Group's technological capabilities and preventive actions to protect the Group companies from cyber-attacks. As part of the project, existing policies and practices were reviewed and harmonised, data protection documentation was updated, and risk assessments were conducted across the Group. An IT Policy was developed and implemented in all Group companies.

In addition, technical safeguards were enhanced, including the implementation of improved access management controls, multi-factor authentication, and strengthened backup and monitoring procedures. A cybersecurity e-learning course was also launched to employees to increase awareness of data protection requirements and cyber risks.

In 2024, Boreo implemented an e-learning course on data protection to help employees process data ethically and prevent unnecessary risk-taking. During year 2025, artificial intelligence tools were widely tested and piloted in the Group. To support the employees in starting to use AI tools, Boreo created an e-learning course named The Basics of the use of AI. In addition, a guidance for the use of AI in Boreo was implemented.

Convictions and fines for corruption and bribery (B11)

Has the undertaking incurred in convictions and fines in the reporting period?	No
Total number of convictions for the violation of anti-corruption and anti-bribery laws	0
Total amount of fines for the violation of anti-corruption and anti-bribery laws in EUR	0

Policies and operating model

The sustainability of Boreo's business conduct is guided by applicable legislation, Boreo Book, Boreo's Code of Conduct and various policies approved by Boreo's Board of Directors.

Boreo Book, Boreo Clock and Boreo Governance requirements

Boreo operates in a decentralized operating structure promoting culture of ownership and local decision-making. The parent company steers and governs the performance of its companies through various processes including the Boreo Clock that sets the structure of how companies operate in the Group. The Boreo Clock consists of monthly business reviews, Boreo Leadership Program meetings, and meetings of the Group companies' Board of Directors which have strategy, budgeting and finance-related agendas throughout the year.

Boreo has summarized its value creation playbook and ownership philosophy in the Boreo Book. The Book crystallizes the cornerstones of the company's strategy - sustainable long-term earnings growth: a decentralized organizational model, capital allocation and long-term view. Its contents simplify the core of the company's value creation playbook, which provides a solid foundation for the company's future development.

To ensure a solid level of compliance and sound business conduct, Boreo has a set of common requirements its companies need to comply with. The common requirements include financial, people, sustainability and governance requirements. The financial requirements relate to, for example, how financial reporting, financing and cash management are conducted. Because the availability of cash at the parent company is essential for Boreo's business model and the pooled financing arrangements are a source of synergies, all Group companies work with banking partners approved by the Group. In addition, the Group approves external bookkeeping parties used by the Group companies and all companies work with either common auditors or auditors approved by the Group.



People, sustainability and governance requirements include that all companies participate in annual personnel surveys and for example complete the Group's Code of Conduct e-learning course and comply with both Group's guidelines and policies (for example decision-making matrix) as well as with international and local legislation. The Managing Directors of Group companies annually confirm compliance with the common requirements.

In 2025, Boreo made one adjustment to the governance requirements by adding a requirement to specifically comply with GDPR and to maintain high standard of cyber security practices.

In 2025, the aggregated implementation rate of Boreo Clock for the Group increased to 96%. Monthly business reviews were held in all companies, regular meetings of the Board of Directors in 91 % (95%) of the companies and Game Plans were in place by the end of the year in 96 % (86%) of the companies. 'Boreo governance requirements met' resulted in 98% measured with the new set of requirements and 97% measured with the old set of requirements.

Going forward, the goal is to ensure that in all the Group companies the targets are fully met.

Code of Conduct

Boreo's Code of Conduct specifies the Group's commitment to conducting business in a responsible and ethical manner, aiming to earn and maintain the trust of its stakeholders. It is designed to help employees make the right decisions in their daily work environment. The Code of Conduct sets out the conduct expected of Boreo employees and all Boreo companies, while also addressing behavior that is not tolerated. The Code of Conduct applies throughout Boreo, including all Group companies, branches and other entities where Boreo exercises management control.

Boreo's business conduct is based on integrity, trust, respect and accountability. This is not only what Boreo's customers and business partners expect, but it is also how a good work environment is created for everyone in the Group. Boreo's Code of Conduct covers the following topics:

- Compliance with laws and rules of society
- Work environment (including e.g. non-discrimination, safety and health, inappropriate behaviour and sexual harassment, and child- or forced labour)
- Fair competition
- Environment and sustainability
- Sales and marketing of products and services
- Risks and conflicts (including e.g. conflict of interest, improper payments or benefits, business gifts and corporate hospitality, and anti-fraud)
- Handling of information (including e.g. data protection and inside information and securities trading)
- Business partners

Every employee starting their employment in the Group is obliged to complete and pass Boreo's Code of Conduct e-learning course. To ensure Group-wide understanding of ethical guidelines, the percentage of employees who have completed the course is one of the KPI's that Boreo measures. In 2025, 90% (2024: 93%) of the Group's employees completed the course by the end of the year. In 15 companies out of 24 companies (2024: 15/22), all employees completed the course in 2025. In future, the goal is to achieve full completion percentage Group-wide.

Supplier Code of Conduct

Boreo is committed to conducting its business ethically, responsibly, and in compliance with applicable laws and regulations. This commitment extends to the company's supply chain, where partners are expected to uphold high standards in business practices, working conditions, environmental responsibility, and human rights. The Boreo Supplier Code of Conduct defines these expectations, outlining the ethical, social, and environmental standards suppliers must meet while collaborating with Boreo and its Group companies.

Boreo's Supplier Code of Conduct covers the following topics:

- Compliance with Laws and Rules of Society
- Ethical Business Practices and Fair Competition
- Labor Standards
- Environmental Responsibility
- Product Quality and Safety
- Sales and Marketing of Products
- Intellectual Property and Confidentiality
- Subcontracting
- Reporting and Accountability
- Breaches and Right of Termination
- Continuous Improvement

During 2025, 79% of the Group's major suppliers formally expressed commitment to the principles of Boreo's Supplier Code of Conduct. This means that either the supplier explicitly accepted Boreo's Supplier Code of Conduct in writing, or the supplier's own policies covered similar requirements. A supplier is considered a major supplier in case the Group company's annual purchases from the supplier amount to at least 500,000 EUR. The goal is to increase the share of suppliers who commit to the principles of Boreo's Supplier Code of Conduct among the Group.

Other policies

In addition to applicable legislation, Boreo's operating guidelines and Codes of Conduct, Boreo has various policies approved by the Board of Directors of the Group. Boreo has overall ten policies, one of which is public and nine are internal to the company. In 2025, a new IT Policy was implemented. The policies are reviewed annually and updated to comply with changes in legislation and



the company's operating methods when required.

Mechanisms for identifying, reporting and investigating concerns

Both internal and external stakeholders are encouraged to report any ethical concerns or instances of non-compliance within Boreo. To facilitate this, the company has established a whistleblowing channel, allowing individuals to anonymously report suspected misconduct or violations of applicable laws, regulations, or the company's internal policies and guidelines. The channel is accessible via Boreo's website (www.boreo.com), and its technical implementation is managed by an external service provider.

All reports submitted through the Whistleblowing Channel are reviewed internally by the Chairman of the Board of Directors and/or the Chairman of the Audit Committee ("Recipients"). To ensure impartiality, no report is investigated by anyone directly involved in or connected to the matter. The Recipients assess each notification and determine the necessary actions for further investigation. The Recipients are bound by strict confidentiality obligations, and all notifications are treated with absolute discretion, except where disclosure is required by law.

In 2025, one whistleblowing case was reported within the Group. The whistleblowing case was handled in accordance with Boreo's established policies and procedures. The investigation concluded that no unlawful or unethical conduct had occurred, and therefore no disciplinary actions were taken.

Boreo has a zero-tolerance policy for retaliation, harassment, or discrimination against individuals who file a report in good faith. The company takes appropriate measures to protect a person after filing a notification of suspected misconduct or violation in good faith in accordance with the EU Whistleblowing Directive (2019/1937)¹ and the national law regarding the Protection of persons who report breaches (1171/2022).²

1) <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32016R0679&from=EN>

2) Available in Finnish: <https://www.finlex.fi/fi/laki/alkup/2022/20221171>

CASE: YE RS

SUSTAINABILITY AS A STRATEGIC CHOICE IN DAILY OPERATIONS AND CHANGE PROCESSES



YE RS Solutions (“YE RS”) was established in the summer of 2025 when Boreo acquired the sales activities of Elfa Distrelec in Finland and the Baltics and merged them with Boreo’s existing RS operations under the new brand YE RS.

YE RS has taken determined steps to advance sustainability as part of its continuous business improvement. The company recognizes that sustainability is not a standalone topic, but a fundamental condition for long-term growth and enduring stakeholder trust.

In environmental sustainability, the company has focused on practical action. Packaging material usage is minimized by fully reusing packing and filler materials from incoming shipments, and no plastic is used. The company favours low-emission vehicles in its car policy and selects logistics partners based on environmental criteria.

In 2025, YE RS launched a project to implement quality and environmental management systems, aiming to achieve ISO 9001 and ISO 14001 certifications by May 2026. These certifications are seen as a crucial milestone for strengthening sustainable operations and customer confidence.

In the area of social sustainability, equality, diversity, and a supportive workplace culture have been jointly defined

by the team as core principles guiding the operations. New employees are welcomed with openness, and everyone has the opportunity for skills development, for example through online training provided by the Group. Data security and the role of artificial intelligence have received particular attention, with further employee training planned for 2026.

The business acquisition represented a major change process for the staff, involving many new elements. YE RS proactively reduced uncertainty through open communication, dialogue, and workshops. At the same time, common ground rules and role expectations were co-developed as part of the new operating model.

Good governance is embedded in everyday decisions: while YE RS operates through unified processes, local needs, cultural aspects and legislation are acknowledged. Boreo’s decision-making matrix brings both clarity and efficiency to operations in different countries. Data protection and information security were further developed during the year as part of a Boreo-wide project, bringing clearer processes and new thinking on proactive risk management.

For YE RS, sustainability is not an isolated function, but a strategic choice that supports growth and enhances performance across all areas of the business.



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A scenic view of a rocky coastline. A narrow inlet of water flows between large, dark, textured rock formations. The water in the inlet is a deep blue, while the ocean beyond is a lighter blue with whitecaps. The sun is low on the horizon, creating a warm, golden glow and reflecting off the water's surface. The sky is a mix of light blue and orange. The overall mood is serene and majestic.

REPORT OF THE BOARD OF DIRECTORS



BOARD OF DIRECTORS' REPORT JAN. 1. - DEC. 31, 2025

2025 IN BRIEF

Boreo's year 2025 marked a return to growth after the challenging year 2024. The Group's net sales increased by 14 percent and operational EBIT improved by 17 percent. The clear improvement in profitability was driven by revenue growth and, in particular, by the improved earnings performance of the Technical Trade business area. The company's financial position strengthened as a result of improved profitability and the hybrid convertible bond arrangement executed in summer 2025.

In 2025, the company returned to the acquisition path by acquiring the Estonian welding products distributor Spet-selektroodi AS and the sales operations of Elfa Distrelec in Finland and the Baltic countries. These acquisitions strengthened the company's portfolio with businesses that have strong market positions and attractive long-term growth prospects. The impact of the newly acquired businesses on profitability in 2025 remained limited but as YE RS moves beyond the ramp-up phase, the acquisitions are expected to increasingly support profitability development from 2026 onwards.

The EUR 10 million hybrid convertible bond arrangement executed in summer 2025 with Protector Forsikring AS strengthened the Group's balance sheet and improved the prerequisites for continuing acquisitions in line with the strategy. The financing arrangement increased the company's financial flexibility and supported the strengthening of its financial position.

The company's profitability improved in 2025 mainly due to the enhanced performance of the Technical Trade business area. In Finland, the performance of Pronius and Machinery MT, serving the metal industry, was supported by a positive market environment among customers. Filterit delivered an excellent result, and the Swedish Putzmeister business performed strongly despite the weak construction market. Within the Electronics business area, Milcon's net sales and profitability improved to their highest level to date, and Signal Solutions Nordic (SSN) delivered a strong performance.

Boreo's business portfolio was further strengthened during 2025 through completed acquisitions and development initiatives carried out within the companies, such as ERP system renewals. Since autumn 2020, the company has allocated more than EUR 50 million to acquisitions,

and these investments have generated an average return on capital of over 15 percent in challenging market conditions. This demonstrates the company's ability to create value through acquisitions. The company's order books developed strongly during the year and are clearly at a higher level at the end of the year than at the beginning of 2025. Although the economic outlook, particularly in Finland and the Baltic countries, is expected to remain modest in 2026, the starting points for improved earnings are good. Supported by changes in senior management to be implemented during the first half of 2026, the company is well positioned to move into its next strategy period targeting significant growth.

OPERATING ENVIRONMENT AND BUSINESS DEVELOPMENT

In 2025, the operating environment of the Group companies remained largely challenging, and the economic cycle in Finland and the Baltic countries continued to be weak. As an exception to the general market development, demand in the defense industry continued to strengthen, supporting the operations of several Group companies and in particular, the increased demand for Milcon. In the Finnish metal industry, customers' investment appetite improved during the second half of 2025, supported in part by positive news related to the shipbuilding industry. The construction market remained weak in all of the Group's operating countries, although market conditions improved compared to the previous year.

The earnings performance of the Electronics business area remained modest in 2025 despite the strong performance of Milcon and SSN. Profitability in the business area was negatively impacted by the ramp-up phase of the YE RS business, significant growth investments made in Delfin Technologies (Delfin), and continued weak demand in the electronics component distribution businesses in Finland and the Baltic countries. The process and ERP system renewals implemented during 2025, and partly continuing into 2026, temporarily weakened profitability but are expected to significantly support scalability and profitability improvement in the coming years. In addition, the growth investments made in Milcon and Delfin create favorable conditions for substantial long-term growth in net sales and profitability.



The performance of the Technical Trade business area strengthened significantly in 2025, with net sales increasing by 21% and operational EBIT by 34% compared to the previous year. The most significant earnings improvements were achieved by Machinery, Machinery MT, Filterit and the Putzmeister businesses. The strengthening of demand in the Finnish metal industry during the second half of the year particularly supported the performance of Machinery MT and Pronius. The Putzmeister businesses, especially in Sweden, improved their performance significantly during the year and enter 2026 from a strong position. The low level of demand in the construction sector continued to impact Machinery, Muottikolmio, J-Matic and the Putzmeister businesses in Finland and Estonia; however, overall, the companies performed satisfactorily in challenging conditions. The demerger of Machinery into Machinery Oy and Machinery MT Oy completed at the end of 2024 is proving to support the companies' development and to significantly improve their future prospects. Spetselektroodi AS, which joined the Group in May 2025, delivered modest results during its first months as part of the Group, but its integration progressed as planned and the prerequisites for developing profitable operations are good.

Profit before taxes amounted to EUR 4.1 million (2024: 1.3), and profit for the period totaled EUR 3.9 million (2024: 1.2).

FINANCIAL DEVELOPMENT

Net sales and profitability

During 2025, the Group's net sales increased by 14% to EUR 153.3 million (2024: 134.0). Organic net sales growth amounted to EUR 14.4 million, and acquisitions contributed EUR 4.8 million to net sales. The Group's order book increased during 2025 compared to the end of 2024 situation.

Net sales in the Electronics business area increased by 6% year-on-year to EUR 61.4 million. Net sales in the Technical Trade business area increased by 21% to EUR 91.9 million.

During 2025, the Group's operational EBIT increased by 17% to EUR 8.0 million (2024: 6.8), corresponding to 5.2% of net sales (2024: 5.1%). Reported EBIT rose to EUR 6.7 million (2024: 4.1). Reported EBIT included items affecting comparability totaling EUR 1.3 million in net, consisting mainly of restructuring costs and purchase price allocation amortizations. Operational EBIT for the Electronics business area was EUR 3.9 million (2024: 4.3), and for the Technical Trade business area EUR 6.0 million (2024: 4.5). Operational EBIT for Group functions was EUR -2.0 million (2024: -2.0).

**Key figures**

EUR million	2025	2024	2023
Net sales	153.3	134.0	161.3
Operational EBIT	8.0	6.8	9.5
<i>relative to the net sales, %</i>	5.2 %	5.1 %	5.9 %
EBIT	6.7	4.1	6.3
Cash conversion, %	83 %	180 %	129 %
Return on equity (ROE %), R12	7.9 %	2.8 %	6.7 %
Equity ratio, %	42.2 %	39.2 %	36.2 %
Personnel at end of the period	360	336	341
Interest-bearing net debt relative to operational EBITDA of the previous 12 months*	2.1	2.8	2.5
Return on capital employed (ROCE %), R12	8.8 %	7.9 %	11.0 %
EPS, EUR**	0.72	-0.30	0.47

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

**In the calculation of earnings per share, the interest on the hybrid loan recognized in equity has been adjusted for tax effects. In 2025, the net impact was EUR 0.72 per share; in 2024, the net impact was EUR 0.69 per share; and in 2023, EUR 0.48 per share.

Financial position

At the end of the year, the Group's interest-bearing net debt amounted to EUR 28.9 million (2024: 30.0). The share of IFRS-related lease liabilities in net debt was EUR 7.9 million (2024: 8.8). Net debt relative to operational EBITDA was 2.1 (2024: 2.8).

Equity attributable to the shareholders of the parent company amounted to EUR 51.2 million (2024: 43.1), increased by the EUR 10 million hybrid convertible bond issued during the year. The equity ratio was 42.2% (2024: 39.2%), and the balance sheet total of the Group amounted to EUR 126.9 million (2024: 115.7).

Investments and cash flow

During 2025, net cash flow from operating activities amounted to EUR 7.5 million (2024: 12.0), negatively impacted by a EUR 0.6 million increase in net working capital (2024: -5.3). Cash flow after investments was EUR -0.5 million (2024: 7.2).

At the end of the year, the Group's cash and cash equivalents amounted to EUR 9.1 million (2024: 9.7). Available liquidity at year-end totaled EUR 23.0 million (2024: 24.5).

The Group's capital expenditure during the financial year totaled EUR 2.0 million (2024: 1.8). The majority of investments consisted of equipment purchases and other investments in machinery and equipment.

Research and development

The Group's research and development activities are concentrated in one of our subsidiaries, Delfin Technologies. The subsidiary has a medical device for the pharmaceutical industry as well as a product for the cosmetics industry, which is currently being further developed to meet the needs of both sectors.

Product development is designed to respond to continuously evolving market requirements, with the aim of strengthening the company's position as an innovative and agile operator.

Investments in research and development during the financial year 2025 amounted to EUR 0.2 million (2024: EUR 0.4 million).

GROUP STRUCTURE AND BUSINESS AREAS

Boreo's operations are organized into two business areas.

The Electronics business area consists of businesses engaged in the distribution, manufacturing and assembly of professional electronics components and own products. Its companies act as representatives of leading global principals in Northern Europe, Poland and the United States. The companies provide warehousing and logistics services as well as technical sales services to both principals and customers. The companies within the business area are Yleiselektroniikka, YE International, YE RS



Solutions, Noretron Komponentit, Milcon, Infradex, SSN and Delfin.

The Technical Trade business area consists of businesses engaged in technical trade and industrial services. Its companies act as representatives of well-known principals and serve, among others, the engineering, construction, process, forestry and concrete industries in Finland, Sweden and Estonia. The companies within the business area are Machinery, Machinery MT, Muottikolmio, Pronius, Spetsselektroodi, J-Matic, Filterit, PM Nordic, Tornokone, HM Nordic, Floby Nya Bilverkstad (FNB), Lackmästarn, Etelä-Suomen Kuriiripalvelu (ESKP) and Vesterbacka Transport.

Group Functions comprises the Group-level functions of the parent company, Boreo Plc.

At the end of 2025, the company had operations in eight countries: Finland, Sweden, Estonia, Latvia, Lithuania, Poland, the United Kingdom and the United States.

MATERIAL EVENTS IN 2025

Annual General Meeting and Board authorizations

The Annual General Meeting of Boreo Plc was held on April 15, 2025 at the company's headquarters at Ansatie 5, Vantaa. The General Meeting adopted the consolidated financial statements and the parent company's financial statements for the financial year 2024 and discharged the members of the Board of Directors and the CEO from liability for the financial year 2024.

In accordance with the Board's proposal, the General Meeting resolved that no dividend be distributed for the financial year 2024. The profit for the financial year was transferred to retained earnings.

The General Meeting considered and approved the Remuneration Report for the governing bodies.

The General Meeting resolved that the Board of Directors shall consist of six ordinary members. Simon Hallqvist, Jouni Grönroos, Camilla Grönholm, Noora Neilimo-Kontio and Jussi Vanhanen were re-elected as members of the Board, and Mattias Björk was elected as a new member. Ralf Holmlund stepped down from the Board.

It was resolved that the Chair of the Board be paid a monthly fee of EUR 4,000 and that each member of the Board be paid a monthly fee of EUR 2,000. In addition, it

was resolved that the Chair of the Audit Committee be paid an additional monthly fee of EUR 1,000 and that the Chair of the Remuneration and Nomination Committee be paid an additional monthly fee of EUR 500. Furthermore, each member of the Board and each Committee member shall be paid a meeting fee of EUR 500 per Board or Committee meeting.

The General Meeting resolved that approximately 40% of the total gross Board remuneration payable until the next Annual General Meeting be paid in shares held by the company and 60% in cash. No part of the remuneration of Simon Hallqvist (the beneficial owner through Preato Capital AB (publ)) shall be paid in shares, as increasing the principal shareholder's ownership through Board remuneration is not considered to be in the company's interest.

The shares shall be transferred to the Board members within two weeks after the publication of the interim report for the period January 1 – March 31, 2025, using as the share value the volume-weighted average price of the share during the week preceding and the week following the publication of the interim report. The company shall compensate any transaction costs and applicable transfer tax related to the share transfers. Shares received as remuneration may not be transferred before the termination of Board membership. If the remuneration cannot be paid in shares due to legal or regulatory restrictions or for other reasons related to the company or the Board member, it shall be paid in cash.

Travel expenses shall be reimbursed in accordance with the Finnish Tax Administration's valid guidelines on tax-free travel expense reimbursements.

BDO Oy was elected as the company's auditor, with Authorized Public Accountant (KHT) Taneli Mustonen as the auditor with principal responsibility. The auditor's fees shall be paid according to a reasonable invoice approved by the company.

The General Meeting elected BDO Oy as the company's sustainability reporting assurance provider, with Authorized Sustainability Auditor (KRT) Taneli Mustonen as the auditor with principal responsibility. It was resolved that assurance of the sustainability report shall commence from the financial year in which the company first prepares a sustainability report to be included in the Report of the Board of Directors in accordance with Chapter 7 of the Finnish Accounting Act.

The General Meeting authorized the Board of Directors to resolve, in one or more tranches, on share issues and



on the issuance of option rights and other special rights entitling to shares as referred to in Chapter 10, Section 1 of the Finnish Limited Liability Companies Act as follows: The number of shares to be issued under the authorization may not exceed 540,000 shares, corresponding to approximately 20% of all shares in the company on the date of the notice to the General Meeting.

The authorization includes the right to issue new shares or to transfer treasury shares held by the company either against payment or without payment. New shares, option rights and other special rights entitling to shares may be issued, and treasury shares transferred, in deviation from the shareholders' pre-emptive rights if there is a weighty financial reason for the company, or, in the case of a share issue without payment, if there is an especially weighty financial reason considering the interests of the company and all its shareholders. The Board of Directors is authorized to resolve on all other terms and conditions of share issues and the issuance of special rights entitling to shares.

The authorization may be used, among other things, for personnel retention, the implementation of share-based incentive schemes, business development, strengthening the capital structure, broadening the ownership base, executing or financing acquisitions or other arrangements, acquiring assets related to the company's business, or for other purposes. The authorization concerning option rights and other special rights entitling to shares may be used to the same extent as the share issue authorization, except for personnel retention and share-based incentive schemes.

The authorization is valid until the close of the next Annual General Meeting, however no later than June 30, 2026. It does not affect other existing authorizations or decisions relating to share issues, options or other special rights entitling to shares.

In addition, the General Meeting authorized the Board of Directors to resolve, in one or more tranches, on the repurchase of the company's own shares using unrestricted equity as follows:

The number of shares to be repurchased under the authorization may not exceed 270,000 shares, corresponding to approximately 10% of all shares in the company on the date of the notice to the General Meeting. However, the total number of shares held or pledged by the company may not exceed one tenth of all shares in the company. Shares may be repurchased to develop the company's capital structure, to finance or implement acquisitions or other arrangements, to implement share-based

incentive schemes, to pay Board remuneration, or otherwise for further transfer or cancellation.

The minimum consideration for repurchased shares shall be the lowest market price quoted in public trading, and the maximum consideration shall be the highest market price quoted in public trading during the validity of the authorization. Repurchases may be carried out in deviation from the shareholders' pre-emptive rights if there is a weighty financial reason for the company.

The authorization to repurchase the company's own shares is valid until the close of the next Annual General Meeting, however no later than June 30, 2026.

At its organizing meeting held after the General Meeting, the Board of Directors elected Simon Hallqvist as Chair of the Board. The Board also elected the members of its Committees. Jouni Grönroos (Chair), Mattias Björk and Noora Neilimo-Kontio were elected to the Audit Committee. Camilla Grönholm (Chair), Simon Hallqvist and Jussi Vanhanen were elected to the Remuneration and Nomination Committee.

Other material events

On March 6, 2025, Boreo announced the completion of the sale of its Estonian property.

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

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

On May 8, 2025, Boreo completed the acquisition of Spetselektroodi AS.

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

On August 1, 2025, Boreo completed the acquisition of Elfa Distrelec's sales operations in Finland, Latvia, Estonia and Lithuania from RS Group plc.

On October 28, 2025, Boreo announced the appointment of Tuomas Kahri as the company's new CEO, succeeding Kari Nerg.

On December 1, 2025, Boreo announced that CFO Jesse Petäjä will step down from his position in March 2026.



PERSONNEL

The number of personnel in the Boreo Group increased mainly as a result of acquisitions and amounted to 360 at the end of the year (2024: 336). The personnel were distributed across the business areas as follows: Electronics 143 (2024: 132), Technical Trade 212 (2024: 199), and Group Functions 5 (2024: 5). Employment-related expenses in 2025 totaled EUR 24.0 million (2024: 22.1 and 2023: 23.0).

SHARES AND SHARE CAPITAL

At the end of 2025, Boreo Plc's share capital amounted to EUR 2,483,836 and the total number of shares was 2,701,353. At year-end, the company held 4,900 treasury shares (0.18% of the total number of shares).

A total of 235,187 Boreo Plc shares were traded on Nasdaq Helsinki during the year, with a total value of EUR 3,102,571. The trading volume corresponded to 9% of the total number of shares. The highest share price during the year was EUR 17.65 in September 2025, and the lowest was EUR 9.12 in January 2025. At the end of the financial year on December 31, 2025, the share price was EUR 14.00. The average share price for the financial year 2025 was EUR 14.22.

More detailed information on Boreo's share, key share-related figures and share performance is presented in the section "Share information".

INCENTIVE PLANS

In 2022, Boreo launched a long-term incentive plan for the key employees (Matching Share Plan 2022–2025). Eligibility for the reward under the plan required that the participant had subscribed for the company's shares in the personnel share issue within the limits set in advance by the Board of Directors and that their employment or service relationship with a Group company was valid on the payment date of the reward. The plan was settled during the financial year 2025 partly in shares and partly in cash in accordance with the terms of the plan. The plan expired during the financial year and no outstanding rights remain.

On April 29, 2025, the Board of Directors resolved on a new option program for the Group's management. Under the option program, a maximum of 90,000 option rights may be granted, entitling the holders to subscribe for a corresponding number of shares of the company at a pre-determined subscription price. During the financial year

2025, 70,000 option rights were granted to key employees, of which 48,333 were outstanding at the end of the financial year.

The subscription price of the option rights is EUR 15.11 per share. The subscription period for the shares begins on June 1, 2028 and ends on May 31, 2030. The option rights are granted subject to the terms and conditions of the option program, including customary good leaver and bad leaver provisions as determined by the Board of Directors

If exercised, the shares to be issued under the option program may have a dilutive effect on the company's earnings per share.

RELATED PARTY TRANSACTIONS

Boreo has a lease agreement with an entity controlled by a member of the Group Management Team. The agreement is on arm's length terms, and rent paid during the financial year 2025 amounted to approximately EUR 0.2 million. Other related party disclosures are presented in Note 28 to the consolidated financial statements.

The parent company of the Group, Boreo Plc, has long-term loan receivables from its subsidiaries, which are eliminated in the consolidated financial statements.

MANAGEMENT AND AUDITORS

Since January 1, 2020, the Boreo Group has complied with the Finnish Corporate Governance Code 2020 issued by the Finnish Securities Market Association and, as of its entry into force, the revised Corporate Governance Code 2025.

The Corporate Governance Statement issued by the Board of Directors of Boreo Plc and the Remuneration Report for 2025 are presented as separate reports and published together with the financial statements and the Report of the Board of Directors on the company's website at www.boreo.com.

Board of Directors

The Board of Directors elected by the Annual General Meeting on April 15, 2025 convened 10 times. The Audit Committee met eight times, and the Remuneration and Nomination Committee met four times.

Auditor

On April 15, 2025, the Annual General Meeting elected BDO Oy as the company's auditor, with Authorized Public Accountant (KHT) Taneli Mustonen as the auditor with



principal responsibility. The foreign subsidiaries have their own auditors.

Management

Boreo Plc has a Group Management Team chaired by the CEO. The company's current CEO, Kari Nerg, commenced in his position on May 4, 2020.

At the end of 2025, in addition to the CEO, the Group Management Team comprised CFO Jesse Petäjä, SVP, People & Sustainability Mari Katara, SVP, Electronics Business Area Tomi Sundberg, and SVP, Technical Trade Business Area Richard Karlsson. In addition, Petäjä is responsible for the Group's mergers and acquisitions.

ASSESSMENT OF RISKS AND UNCERTAINTIES

Boreo is exposed to various risks and opportunities arising from its own operations and the changing business environment. The most significant risks that could, if realized, have an adverse effect on the Group's business, results of operations or financial position are described below. However, risks currently unidentified may materialize in the future, or risks currently deemed immaterial may become significant. The Group has taken out insurance coverage against damage caused by accidents and business interruptions.

General market risks: The most significant market risks relate to geopolitical uncertainty, economic development in Europe and particularly in Finland, and fluctuations in industrial investments and demand. These factors are reflected, among other things, in the demand for products and services, product and component supply chains, delivery reliability and lead times, as well as pricing. A weakening of demand may directly impact the Group's net sales and profitability. In addition, changes in global trade policy, potential protectionism, export restrictions or changes in trade agreements between regions and countries may disrupt supply chains and increase costs.

Customer demand fluctuations and cyclicity: A significant share of the Group's net sales is derived from customers whose businesses are cyclical, project-based and investment-driven, and therefore often sensitive to economic cycles. From the Group's perspective, demand fluctuations and cyclicity are further emphasized by the relatively short order books typical of many of the Group's businesses.

Principal relationships and position in the value chain: Due to its business model, the Group's competitiveness is strongly correlated with and dependent on its portfolio of principals. The loss of a significant principal would weaken net sales development and earnings

performance. There is also a risk that the competitiveness or performance of a key principal deteriorates, which could reduce the attractiveness of the Group's offering. The Group may also face gradual difficulties in defending its gross margins in situations where end-product sales prices are under clear downward pressure and/or purchase prices are rising.

Principals may develop direct sales channels, change their distribution strategies or consolidate their distributor networks. Such changes could weaken the Group's position in the value chain.

Personnel risks: Personnel are a key asset of the Group. The loss and replacement of accumulated knowledge and expertise due to personnel-related risks may be difficult, costly and time-consuming. Recruiting new key personnel may also be challenging. Personnel risks are difficult to predict and quantify in financial terms.

Acquisition risks: One of the Group's strategic objectives is to grow through acquisitions. The most significant risks related to acquisitions may concern the availability of suitable targets, appropriate timing, the transaction process, integration of acquired businesses, retention of key personnel or the achievement of set targets.

Financial risks: The Group's financial risks include interest rate, currency, liquidity, credit and leverage-related risks, as well as risks related to equity and impairment. The Group operates continuously in seven countries and is therefore exposed to currency risks arising from intra-group trade, exports and imports, and the financing of foreign subsidiaries. The most significant currency positions relate to the US dollar and the Swedish krona. Currency risks arise primarily from translation differences (net investments in foreign subsidiaries and their equity) and from foreign currency transactions. Changes in market interest rates affect the Group's net interest expenses. The majority of the Group's interest-bearing liabilities consist of euro-denominated debt at the parent company level.

Governance, regulatory and system-related risks: In the Group's decentralized operating model with independent subsidiaries, it is essential to maintain a clear governance structure, decision-making matrix and general operating principles to support decision-making at company and personnel levels. To mitigate risks related to regulatory compliance and the detection of misconduct, a clear governance framework and operating principles are required. The Group's business is also dependent on various IT systems. Disruptions caused by denial-of-service attacks, failed system implementations or data breaches may pose risks to business continuity.

Cybersecurity risks have increased. Targeted cyberattacks, supply chain attacks, data breaches or system



disruptions may cause business interruptions, financial losses and reputational damage.

SUSTAINABILITY

Responsible business is an integral part of Boreo's DNA and its "Sustainable long-term profit growth" strategy. During 2025, the company continued to develop its sustainability-related practices and processes, guided by its selected sustainability focus areas and targets. In 2025, Boreo's sustainability focus areas were updated and included engaged people, healthy environment and sound business practices. The company has set targets and indicators with which it monitors the development of sustainability matters. In 2025, a target level was set for each indicator. The company started to report on its sustainability matters according to VSME standard in order to increase transparency of its operations and to respond to the needs of its stakeholders. In addition, the company invested in preparedness for cyber security threats and in management of data protection matters, and implemented a Group-level IT policy.

FINANCIAL GUIDANCE

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 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 2-3x (including acquired businesses as if they had been held for 12 months at the reporting date)

In the context of these strategic financial targets, long term refers to a period of five years or more.

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.

MATERIAL EVENTS AFTER THE END OF THE FINANCIAL YEAR

After the fourth quarter, on 10 February 2026, Boreo announced that Tuomas Kahri will assume the position of CEO of Boreo as of 1 April 2026. Kari Nerg will continue in the position until Tuomas Kahri assumes the role.

On 10 February 2026, Boreo Plc also announced that the Company has decided, for the time being, not to appoint a separate CFO and to divide the responsibilities between two persons as an interim arrangement: the Company appointed Rafael Osmanov as interim Head of M&A and Financing as of 10 February 2026, and Vice President, Finance Sami Hanerva is responsible for the Company's financial reporting.

BOARD'S PROPOSAL FOR THE DISTRIBUTION OF PROFITS

The distributable funds of the parent company, Boreo Plc, amounted to EUR 28.2 million on December 31, 2025, of which the profit for the financial year 2025 totaled EUR 3.7 million.

Boreo's objective is to pay an annually increasing dividend per share, taking into account capital allocation priorities. In the short term, however, the company's objective is to strengthen its financial position in order to secure the execution of its long-term growth strategy. Consequently, the Board of Directors proposes to the Annual General Meeting that no dividend be distributed for the financial year ended December 31, 2025.

Vantaa, March 17, 2026
Boreo Plc
Board of Directors

An aerial photograph of a large flock of white birds, likely swans or geese, flying over a dark blue body of water. The birds are scattered across the frame, with some in the foreground and others further away. The water has a textured, rippled appearance. A dark blue circular graphic element is positioned on the left side of the image, partially overlapping the text.

FINANCIAL STATEMENTS

**CONSOLIDATED COMPREHENSIVE INCOME STATEMENT**

EUR MILLION	JAN. 1–DEC. 31, 2025	JAN. 1–DEC. 31, 2024	Refer- ence
Net sales	153.3	134.0	1
Other operating income	2.3	1.3	3
Materials and services	-109.2	-95.0	4
Employee benefit expenses	-24.0	-22.1	5
Depreciation, amortization and impairment losses	-5.8	-5.6	6
Other operating expenses	-10.3	-9.0	5
Share of associated companies' profit or loss	0.2	0.4	28
EBIT	6.7	4.1	
Financial income	0.2	0.3	7
Financial expenses	-2.8	-3.1	8
Profit before taxes	4.1	1.3	
Income taxes	-0.2	-0.1	9
Profit for the period	3.9	1.2	
Attributable to shareholders of the parent company			
Profit for the period	3.9	1.1	
Shares of non-controlling interests	0.0	0.2	
	3.9	1.2	
Earnings per share calculated on the profit attributable to owners of the parent company			
Undiluted earnings per share	0.72	-0.30	10
Diluted earnings per share	0.71	-0.30	10
Items of comprehensive income			
Translation differences from foreign units	0.5	-0.3	
Other comprehensive income items after taxes in the review period	0.0	0.0	
Total comprehensive income for the period	4.4	0.9	
Allocated to			
Shareholders of the parent company	4.4	0.8	
To non-controlling interests	-0.1	0.2	

**CONSOLIDATED BALANCE SHEET**

CONSOLIDATED BALANCE SHEET (MEUR)	Dec. 31, 2025	Dec. 31, 2024	<i>Refer- ence</i>
ASSETS			
Non-current assets			
Goodwill	44.9	42.3	14
Intangible capital assets	12.4	7.9	13
Property, plant and equipment	10.5	10.7	13
Other financial assets	1.7	1.8	11
Investments in associates	1.0	1.1	28
Deferred tax assets	0.0	0.1	15
Total non-current assets	70.5	63.8	
Current assets			
Inventories	27.7	25.1	12
Accounts receivable and other receivables	19.5	16.6	16
Cash and cash equivalents	9.1	9.7	17
Total current assets	56.4	51.4	
Assets held for sale	0.0	0.4	18
TOTAL ASSETS	126.9	115.7	
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Equity attributable to the equity holders of the parent			
Share capital	2.5	2.5	20
Other committed capital	0.1	0.1	
Hybrid loan	30.0	24.0	21
Reserve for invested unrestricted equity	5.1	5.1	
Retained earnings	9.7	10.4	
Profit for the period	3.9	1.1	
Total equity attributable to the holders of the parent	51.2	43.1	
Non-controlling interests	1.4	1.4	
Total equity	52.6	44.5	
Non-current liabilities			
Financial liabilities	29.5	33.8	23
Deferred tax liabilities	3.2	2.2	15
Trade and other payables	0.6	0.0	24
Total non-current assets	33.3	36.0	
Current liabilities			
Trade and other payables	30.9	27.8	25
Financial liabilities	10.1	7.4	23
Total current liabilities	41.0	35.2	
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	126.9	115.7	

**CONSOLIDATED CASH FLOW STATEMENT**

EUR MILLION	JAN. 1–DEC. 31, 2025	JAN. 1–DEC. 31, 2024
Operational cash flow		
Profit before taxes	4.1	1.3
Non-cash transactions		
Depreciation, amortization and impairment losses	5.8	5.6
Net financial items	2.6	2.8
Share of associate companys' result, net	0.2	0.0
Increase (-) / decrease (+) in inventories	-0.8	5.7
Increase (-) / decrease (+) in current assets	-2.3	-0.3
Increase (+) / decrease (-) in current liabilities	2.5	-0.1
Net financial items	-2.2	-2.5
Taxes paid	-0.4	-0.5
Other adjustments	-1.9	0.0
Operational net cash flow	7.5	12.0
Cash flow from investments		
Investments in intangible and tangible assets	-2.0	-1.8
Acquisitions	-7.7	-3.8
Proceeds from sale of property, plant and equipment	1.7	0.8
Net cash flow from investments	-8.0	-4.8
Cash flow from financing		
Repayments of loans	-2.7	-3.0
Repayments of lease liabilities	-2.9	-2.5
Withdrawals of loans	2.0	0.0
Withdrawal of convertible hybrid loan	10.0	0.0
Withdrawals and repayments of hybrid loan, net	-4.0	4.0
Interest rate and expenses on hybrid loan	-2.5	-2.3
Dividends paid	0.0	-0.2
Net cash flow from financing	-0.2	-3.9
Change in cash and cash equivalents	-0.7	3.2
Cash and cash equivalents Jan 1	9.7	6.5
Impact of exchange rate fluctuations and consolidation	0.1	0.0
Liquid funds Dec. 31.	9.1	9.7

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

EUR MILLION

2025	Share capital	Contingency reserve	Reserve for invested unrestricted equity	Translation difference	Hybrid loan	Retained earnings	Non-cont. 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						3.9	0.0	3.9
Translation differences		0.0		0.6		0.0	-0.1	0.5
Withdrawal of hybrid loan					10.0			10.0
Repayment of hybrid loan					-4.0			-4.0
Share incentives						0.1		0.1
Interest rate and borrowing costs of the hybrid loan						-2.5		-2.5
Dividend payment								0.0
Other change						0.1		0.1
Dec. 31, 2025	2.5	0.1	5.1	-0.7	30.0	14.3	1.4	52.6

2024	Share capital	Contingency reserve	Reserve for invested unrestricted equity	Translation difference	Hybrid loan	Retained earnings	Non-cont. 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
Withdrawal of hybrid loan					4.0			4.0
Share incentives						0.1		0.1
Interest rate and borrowing costs of the hybrid loan						-2.9		-2.9
Dividend payment							-0.2	-0.2
Other change						0.0		0.0
Dec. 31, 2024	2.5	0.1	5.1	-1.3	24.0	12.7	1.4	44.5



ACCOUNTING PRINCIPLES OF THE CONSOLIDATED FINANCIAL STATEMENTS

BASIC INFORMATION

Boreo Plc (FI01161738) is a Finnish public limited liability company domiciled in Vantaa with its registered address at Ansatie 5, 01740 Vantaa, Finland. Boreo Plc and its subsidiaries form the Boreo Group (hereinafter Boreo or the Group). The share of Boreo Plc is listed on Nasdaq Helsinki.

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 2025 were EUR 153 million and it employs over 300 people in seven countries. The company's headquarter is in Vantaa.

BASIS OF PREPARING THE FINANCIAL STATEMENTS

Boreo Plc's consolidated financial statements for 2025 have been prepared in accordance with International Financial Reporting Standards (IFRS) and in compliance with the IAS and IFRS standards and SIC and IFRIC interpretations in force on December 31, 2025. International Financial Reporting Standards refer to the standards and their interpretations approved for application in the EU in accordance with the procedure stipulated in EU regulation (EC) No. 1606/2002 and embodied in Finnish accounting legislation and the decrees enacted under it. The notes to the consolidated financial statements also comply with complementary Finnish Accounting Standards based on Finnish accounting legislation and Community legislation.

The consolidated financial statements have been prepared based on original acquisition cost, with the exception of financial assets available for sale, financial assets and liabilities recognized at fair value through profit or loss, items hedged with market value hedges, cash, and share-based transactions that have been valued at fair value.

The Group has adopted new and renewed standards and interpretations that have come into force on January 1, 2025.

Preparation of financial statements in accordance with IFRS requires the Group management to make certain estimates and discretion in the application of accounting principles. Information on the discretion used by the management when applying the Group's accounting policies and that has the greatest impact on the figures presented in the financial statements is presented under 'ACCOUNTING PRINCIPLES REQUIRING MANAGEMENT DISCRETION AND KEY SOURCES OF ESTIMATION UNCERTAINTY'.

CHANGES IN ACCOUNTING POLICIES

There have been no changes in the accounting policies in 2025 and 2024.



CONSOLIDATION PRINCIPLES

Subsidiaries

The consolidated financial statements of Boreo Plc include the parent company Boreo Plc and all its subsidiaries. All companies of whose voting rights the parent owns more than 50% directly or indirectly or otherwise has the right to determine the financial and operating policies of the company to benefit from its activities are considered subsidiaries.

The Group's mutual shareholdings have been eliminated using the acquisition cost method. Acquired subsidiaries are included in the consolidated financial statements from the date when the Group gains control over them and divested subsidiaries are included until the moment control is relinquished. All intra-Group transactions, receivables, liabilities and unrealized gains, as well as internal distribution of profits are eliminated in the consolidated financial statements.
Associated companies

Associated companies are companies in which the Group usually has 20-50% of the voting rights or in which the Group has significant influence but does not have control. Shares in associated companies are consolidated in the financial statements using the equity method considering existing agreements. If the Group's share of the associated company's loss exceeds the book value of the investment, the investment is recognized at zero unless the Group has undertaken to fulfill the associated company's obligations. Unrealized profits between the Group and associated companies are eliminated in accordance with the Group's ownership. The Group's share of the associated company includes goodwill arising from its acquisition.

Boreo Group had two associated companies on December 31, 2025, Signal Solutions Poland sp. z o.o. sp.k. and Signal Solutions Poland Sp. Z.o.o Spolka komandytowa, which were associated companies also in the financial statements of December 31, 2024.

Shares of non-controlling interests

Non-controlling interests are presented in the balance sheet separately from liabilities and equity attributable to owners of the parent company. It is also presented as a separate item in the Group's income statement. Non-controlling interests in accumulated losses are recognized in the consolidated financial statements up to the amount of the investment.

A change in the ownership share of a subsidiary without loss of control is treated as an equity transaction. When acquiring non-controlling interests in subsidiaries, the difference between any consideration and the net assets of the acquired share in the subsidiary is recorded in equity. Gains and losses realized from sales to non-controlling interests are also recognized in equity. The allocation of the period's profit to the owners of the parent company and non-controlling interests is presented in the income statement. Equity attributable to non-controlling interests is presented as a separate item in the balance sheet.

If the Group loses control of a subsidiary, the related assets (including goodwill), liabilities, non-controlling interests and other equity components are derecognized from the balance sheet, and the resulting profit or loss is recognized in profit or loss. The remaining investment is measured at fair value.

Intra-Group transactions, receivables, liabilities and unrealized gains, as well as internal distribution of profits are eliminated in the consolidated financial statements. The accounting policies applied by the subsidiaries have been amended to correspond to the Group's policies where necessary.

CONVERSION OF ITEMS DENOMINATED IN A FOREIGN CURRENCY

The items included in the financial statements of each Group company are valued in the currency that is the currency of the main operating environment (functional currency) of the company in question. The consolidated financial statements are presented in euro, the parent company's operational and reporting currency.

The income and expense items in separate income statements of a foreign Group company have been translated into euros using the average exchange rate for the financial year and the balance sheets using the rates at the closing date of the reporting period.

The translation of the income and comprehensive income at different rates in the income statement and the comprehensive income statement and, on the other hand, in the balance sheet creates a translation difference recognized in equity, whose effect is recognized in other items of comprehensive income. The accumulated translation differences are recognized in profit or loss on disposal.



REVENUE RECOGNITION PRINCIPLE

The sales income of Boreo Group's companies consists mainly of goods and services sales. Sales income from customer contracts is recognized as income in the amount that Boreo expects to be entitled to for such products or services. Discounts and other variable considerations are deducted from the recognized transaction price. The recognition is made when the customer gains control over the good or service (performance obligation). In all of the Group's business areas, the revenue recognition principle is based on delivery terms, which means revenue recognition takes place at a point in time. During the financial year 2025, the Group had two contracts recognized over time, from which EUR 1.2 million was recognized. During the financial year 2024, the Group had one such contract, from which revenue of EUR 0.2 million was recognized.

The Group has commission sales, which is recognized based on the IFRS 15 principal vs. agent rule. In this case, Boreo considers itself an agent. An entity acting as an agent does not have control over the goods or services provided by the other party before the goods or services in question are delivered to the customer. When an entity acting as an agent meets a performance obligation, it recognizes the fee or commission it expects to be entitled in exchange for arranging for the provision of goods or services by another party as sales income. In such cases, only the commission received is presented as net sales.

The Group's sales contracts, where the seller has a contractual buyback obligation, are treated under IFRS 15 and IFRS 16. If a buyback obligation exists, the transaction is not considered a sale under IFRS 15, as significant risks and rewards of ownership are not transferred to the buyer.

Instead, the contract is treated as a lease agreement under IFRS 16, where the Group acts as the lessor. In this case, the Group retains the asset on its balance sheet and recognizes rental income during the contract period. Rental income is recognized in the income statement systematically over the term of the lease agreement. The Group has individual contracts that have been treated in the aforementioned manner.

OPERATING PROFIT (EBIT)

Operating profit/loss is the result of adding other operating income to net sales and deducting purchase costs adjusted by changes in inventories, deducting employment related expenses, other operating expenses, and adding or subtracting the share of the profit or loss of associated companies.

Exchange rate differences related to business operations are included in operating profit and other exchange rate differences in financial items. Income statement items other than those mentioned above are presented under operating profit.

INCOME TAXES

The tax expense in the consolidated income statement consists of the tax based on the taxable income for the period, the adjustment of taxes from previous financial periods and changes in deferred tax.

Deferred tax liabilities or assets are calculated from the temporary difference between accounting and taxation in accordance with the tax rate in force on the balance sheet date.

The largest temporary differences arise from the sale of tangible fixed assets, depreciation, unused tax losses and fair value measurements on acquisitions. No deferred taxes are recognized on undistributed profits of subsidiaries to the extent that the difference is unlikely to be dissolved in the foreseeable future.

Deferred tax assets are recognized to the extent that it is probable that they will be available against taxable profit in future periods against which the deductible temporary difference can be utilized.

The Group's main operations are carried out in Finland. Tax based on the taxable income for the financial period are calculated at a 20% tax rate. Taxes based on current income of foreign subsidiaries are calculated at tax rates 0-20.6%. In Estonia and Latvia, income tax is based on the dividend to be distributed.



BUSINESS COMBINATIONS

Business combinations are accounted for using the acquisition method. The consideration given in business combinations is measured at fair value determined at the acquisition date as the sum of the fair values of the assets transferred from the Group on the acquisition date and the liabilities arising for the earlier owners of the acquired target. Contingent considerations from business combinations are measured at fair value and included in the total consideration. Acquisition-related costs are recognized in the income statement.

Identifiable acquired assets and liabilities assumed are recognized at fair value at the time of acquisition, except for deferred tax assets or liabilities that are measured in accordance with the principles of IAS 12. Goodwill is recognized in the amount by which the acquisition cost exceeds the net value of the acquired assets and liabilities at the time of acquisition.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. If a property, plant and equipment consist of several parts with different useful lives, each part is treated as a separate asset. In such cases, renewal expenditure is capitalized and any remaining book value at time of renewal is derecognized from the balance sheet. Otherwise, subsequent expenditure is included in the book value of property, plant and equipment only if it is probable that future economic benefits related to the asset will benefit the Group and the acquisition cost of the asset can be measured reliably. Other repair and maintenance costs are recognized through profit or loss when incurred.

Assets are depreciated over the estimated useful life. Land is not depreciated. The estimated useful lives are as follows:

- Buildings and structures 25–40 years
- Renovation of rental dwellings 5 years
- Machinery and equipment 2-10 years
- Right-of-use assets 2-10 years

The machinery and equipment group consists of cars, office furniture and IT equipment.

The residual value and useful life of the assets are reviewed at least at the end of each financial period and adjusted if necessary to reflect changes in the expected economic benefits.

When a property, plant and equipment item is classified as available for sale in accordance with IFRS 5, the recording of depreciation stops.

Capital gains and losses arising from the decommissioning and disposal of property, plant and equipment are recognized through profit or loss and presented in other operating income or expenses. The sales gain is defined as the difference between the selling price and the remaining acquisition cost.

INTANGIBLE ASSETS

Goodwill and Other Intangible Assets

An intangible asset is initially recognized at acquisition cost in the balance sheet if the cost can be measured reliably and it is probable that the expected future economic benefits of the asset will benefit the Group.

Intangible assets with a limited useful life are amortized on a straight-line basis through profit or loss over their known or estimated useful life. Intangible rights are amortized on a straight-line basis in 3-5 years.

Goodwill is not amortized. Instead, it is tested for impairment annually and measured at original acquisition cost less impairment. In impairment testing, goodwill is allocated to cash-generating units.

Intangible assets acquired in business combinations that are recognized separately from goodwill are measured at fair value at the time of acquisition. After the initial valuation, intangible assets are recognized at original acquisition cost less cumulative amortization and impairment.

Assets are depreciated over the estimated useful life. The estimated useful lives are as follows:



- | | |
|------------------------------------|------------|
| • Software | 2-5 years |
| • Customer and principal contracts | 4–10 years |
| • Intangible rights | 3 -5 years |
| • Development costs | 4–10 years |
| • Other intangible assets | 4-10 years |

Development costs

Costs arising during the research stage are recognized for the period in which they incur.

Development costs that are directly attributable to the design, testing and execution of identifiable assets controlled by the Group are recognized as intangible assets in the balance sheet if the following conditions are met: if the completion of the intangible asset is technically feasible, the Group intends to complete and exploit the intangible asset, it can be proven that the intangible asset will generate future economic benefits, the Group has sufficient resources to implement the asset, and the Group can reliably determine and measure the costs of the development phase.

Amortization will begin when the development work is completed and it begins to generate financial benefits for the Group. Amortization is made over the expected useful life of the asset.

LEASE AGREEMENTS

Group as lessee

Boreo leases machinery and equipment, as well as real estate. As the lessee, the Group assesses whether the contract is a lease agreement or includes a lease at the time the agreement is concluded. The contract is a lease or includes a lease if the contract gives the right to control the use of an identified asset for a specified period of time in exchange for consideration.

The exemptions of IFRS 16 are applied to short-term leases of less than 12 months that do not include a purchase option, and no right-of-use asset or lease liability is recognized for these, but they are recorded as expenses in the income statement. Long-term leases where the leased assets are of insignificant value are also treated as off-balance sheet lease liabilities. Expenses from these liabilities are recognized evenly in the income statement over the lease term in the same period in which they are incurred.

Lease agreements that are not subject to the exception treatment for short-term or low-value leases are recognized on the balance sheet as a lease liability and a right-of-use asset at the commencement date of the lease. Lease liabilities are initially measured at present value by determining the expected reasonably certain lease payments discounted at the incremental credit rate, which is determined separately for the main lease types in all relevant currencies. The balance sheet value of the lease does not include lease components that are not directly related to the leased asset. If the lease agreement has no expiry date, the lease liability is determined based on the lease term to which both parties have an unconditional right, considering any contractual termination rights. Lease payments are allocated to repayments of the lease liability and financial expenses so that the same interest rate is applied to the remaining debt for each financial year. The lease liability is included in interest-bearing liabilities on the balance sheet and recognized at amortized cost. Right-of-use assets are initially measured at cost, comprising the initial amount of the lease liability, adjusted, if necessary, by advances paid or leasing incentives received, initial direct costs and estimated costs related to the dissolution, return or restoration of the leased asset at the end of the lease period. Right-of-use assets are included in tangible assets on the balance sheet and depreciated on a straight-line basis over the lease term, unless the asset is expected to be consumed or purchased before the end of the lease term, in which case the depreciation period is determined according to the asset's expected useful life. An off-balance sheet lease liability that becomes loss-making leads to the recognition of a separate loss provision, whereas an on-balance sheet lease becoming loss-making leads to an impairment of the related lease asset.

Lease modifications are treated either as new leases or as modifications to existing leases, depending on the nature of the change. For fixed-term lease agreements, the duration is estimated considering the terms of the agreement, business needs, possible extensions and termination options. The duration of fixed-term lease agreements is defined in the financial statements based on the management's best estimate, and the Group reviews its estimates regularly. Lease modifications treated as modifications to existing contracts, and changes in estimates used in lease calculations, such as those related to the exercise of extension or purchase options, trigger the need to remeasure the lease liability and



right-of-use asset using an updated discount rate. Index-linked contractual rent changes lead to a reassessment of the lease liability and right-of-use asset, but without a change in the applied discount rate.

Group as lessor

The Group acts as a lessor in certain lease agreements classified as finance leases under IFRS 16. When the Group acts as a lessor in finance lease agreements, the Group recognizes a net investment in the lease as a receivable on the balance sheet. The net investment consists of the discounted future minimum lease payments at the start of the lease, as well as any potential residual value. Lease receivables are presented as receivables in the consolidated balance sheet and divided into current and non-current based on the maturity of the lease.

Rental income is recognized in the income statement as financial income following the effective interest rate method. The effective interest rate is calculated so that it allocates the cash flows related to the leased asset evenly over the duration of the agreement. Potential losses or impairments related to lease agreements are estimated and recognized following the Group's accounting policies for calculating expected credit losses under IFRS 9.

The Group regularly assesses the residual values associated with finance lease agreements, the realizability of lease receivables, and potential credit risks, and makes the necessary adjustments to its financial reporting.

The Group also has sale and leaseback agreements and related sublease agreements. The Group applies IFRS 15 and IFRS 16 standards to sale and leaseback agreements. The Group treats sale and leaseback agreements following IFRS 16 and assesses whether a sale has occurred under IFRS 15. If the criteria for sale under IFRS 15 are not met, the Group retains the asset on its balance sheet and records the consideration received as a financial liability under IFRS 9. The company enters into sublease agreements related to these assets, the accounting of which the Group assesses separately under IFRS 16. An interest-bearing net investment is recorded in the lease from the financial lease agreement. Income received and rents paid are treated as financial items in the income statement following the effective interest rate method.

IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS

On each reporting date, the Group assesses whether there are any indications that an asset item has been impaired. If there are any such indications, the recoverable amount of said asset item is estimated. The need for impairment is examined at the level of cash-generating units, i.e., to the lowest unit level that is primarily independent of other units and for which there are distinguishable cash flows that are largely independent of the cash flows of other similar units.

The recoverable amount is the fair value of the asset item less the cost of disposal or the value in use, whichever is greater. The value in use refers to the estimated net future cash flows from the asset or cash-generating unit that are discounted to their current value. The discount rate used is the pre-tax interest rate, which reflects the markets' position on the time value of money and special risks related to the asset. An impairment loss is recognized in the income statement if the asset's carrying value is higher than its recoverable amount. The impairment loss is recognized immediately through profit or loss. If the impairment loss is allocated to a cash-generating unit it is first recognized to reduce the goodwill allocated to the cash-generating unit and then by reducing the unit's other assets proportionately. Where an impairment loss is recognized for an asset subject to depreciation, the asset's useful economic life is re-estimated. An impairment loss recognized on other than goodwill is reversed if there has been a change in the estimates used to determine the recoverable amount of the asset. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognized.

INVENTORIES

Inventories are measured at acquisition cost or probable net realizable value, whichever is lower. The acquisition cost is determined mainly using the weighted average price method. The acquisition cost of inventories includes all purchase costs and other costs incurred in bringing inventories to the location and condition it holds at the time of measuring. The net realization value is the estimated selling price in the ordinary course of business, less the costs necessary to complete the product and the costs of sales.



FINANCIAL ASSETS AND LIABILITIES

In accordance with IFRS 9, the Group's financial assets are classified in the following categories: financial assets recognized at fair value through profit or loss, financial assets recognized at fair value through other comprehensive income items or financial assets recognized at amortized cost. The classification is based on the purpose of the acquisition of financial assets upon initial acquisition. Financial assets at fair value through profit or loss consist predominantly of credit claims that are initially recognized at fair value. Fair value is determined on the basis of public price quotations in an active market. Both unrealized and realized profits and losses arising from changes in fair value are recognized in the income statement during the period in which they occur. Financial assets recognized at amortized cost consist of accounts receivable and other receivables. Their measurement basis is amortized cost and by their nature, they are included in the balance sheet as current or non-current financial assets; the latter if they mature after more than 12 months.

Boreo Group did not have any financial assets measured at fair value through other comprehensive income in 2024 or 2025. Financial assets are derecognized from the balance sheet when the rights to the cash flows have expired or have been transferred to another party, and the Group has transferred substantially all the risks and rewards of ownership to another party.

The Group's financial liabilities are classified as financial liabilities recognized at amortized cost. Financial liabilities recognized at amortized cost include loans from financial institutions and installment and lease liabilities. They are recognized at the fair value of the consideration initially received. Transaction costs have been included in the original book value of financial liabilities. Subsequently, financial liabilities are measured at amortized cost using the effective interest method. Financial liabilities are included in non-current and current liabilities and may be either interest-bearing or interest-free. Financial liabilities are classified as short-term unless the Group has an unconditional right to defer the payment of the liability at least 12 months from the balance sheet date.

A financial liability is derecognized from the balance sheet when the Group either pays the debt to the lender or is legally exempt from the principal debt obligation as a result of a legal process or by the lender.

In line with its financial policy, Boreo Group does not as a rule use currency derivatives, but exchange rate and interest rate risks arising from asset items and anticipated purchases and sales are hedged by currency clauses, payment terms and payment behavior in order to minimize the currency position. The Group does not apply hedge accounting. Boreo Group has hedged interest rate risk with an interest rate derivative whose fair value at the balance sheet date on December 31, 2025, was approximately EUR 0.0 million. The interest rate position hedged with an interest rate derivative covers approximately one third of Boreo's floating-rate bank loans.

CAPITAL ALLOCATION

The objective of capital allocation is to support the Group's business by ensuring normal operating conditions for business operations and increasing shareholder value. According to the Group's strategy, the capital structure is influenced by, e.g., share issues and dividend distribution. The company may also decide to sell assets to reduce liabilities. The capital managed is the equity shown in the consolidated balance sheet. The development of the Group's capital structure is monitored with the amount of net debt. At the end of 2025, the Group's interest-bearing net debt amounted to EUR 28.9 million (EUR 30.0 million in 2024), and the equity ratio was 42.2% (39.2% in 2024).

Cash and cash equivalents

Cash and cash equivalents consist of cash, short-term bank deposits and other short-term liquid investments. Used bank overdraft facilities have been presented under other short-term liabilities. Used bank overdraft facilities have been deducted from cash and cash equivalents in the cash flow statement.



EQUITY

Profit distribution

Profit distribution comprises dividends and donations resolved by the Annual General Meeting. The dividend proposed by the Board of Directors is recognized as a liability and a deduction of equity when the shareholders of Boreo Plc have approved the profit distribution at the Annual General Meeting.

Treasury shares

When the company or its subsidiaries have acquired treasury shares, the company's equity is reduced by an amount equal to the consideration paid less transaction costs, net of tax, until the treasury shares are canceled. No profit or loss is recognized for the sale, issue or cancellation of treasury shares in the income statement, but the consideration received is recorded as a change in equity.

EARNINGS PER SHARE

Undiluted earnings per share is calculated by dividing the profit or loss belonging to the shareholders of the parent company by the weighted average number of outstanding shares during the period. The diluted earnings per share is calculated by considering potential dilutive ordinary shares related to share-based compensation plans settled in shares.

The shares issued in incentive schemes are conditionally issued and therefore considered in the same way as options when calculating diluted earnings per share. Shares and options have a dilutive effect when their subscription price, including the fair value of the employee's work yet to be performed, is lower than the average market price of the share during the financial year. The dilution effect is the difference between the number of shares to be issued and the number of shares that would have been issued at the average market price of the shares during the period.

If the Group has issued financial instruments convertible into shares, such as convertible hybrid bonds, diluted earnings per share is calculated in accordance with IAS 33 using the so-called if-converted method. Under this method, it is assumed that the instrument has been converted into shares at the beginning of the period (or at the date of issuance, if later), and the number of shares is adjusted accordingly. At the same time, the profit for the period is adjusted by adding back the interest expense related to the convertible instrument, adjusted for tax.

Convertible instruments are taken into account in the dilution effect only to the extent that their impact is dilutive.

EMPLOYEE BENEFITS

Pensions

Pension plans are generally classified as defined contribution and defined benefit plans. Payments towards defined-contribution pension schemes are recognized as expenses in the income statement during the relevant period.

The Group's foreign subsidiaries have different pension arrangements that comply with local regulations and practices in different countries. All major pension arrangements are defined contribution plans. The statutory pension cover of the employees of the Group's domestic companies is with a Finnish pension insurance company. The pension cover is a defined contribution plan. The pension arrangements of the CEO of the parent company, the members of the management team, and the CEOs of subsidiaries are based on country-specific legislation, based on which the retirement age varies from 60 to 65. These pension schemes are also defined contribution plans.

Share-based payments

Boreo has had long-term incentive programs for key personnel that fall within the scope of IFRS 2 Share-based Payment. During the financial year 2025, the company had two programs in place: the Matching Share Plan 2022–2025, which ended during the financial year, and a new Stock Option Plan 2025–2030.

Share-based payments are measured at fair value at the grant date. The fair value at grant date is recognized as an expense in the income statement, with a corresponding entry in equity, over the vesting period. The expenses are presented in the income statement under employee benefit expenses.

The Matching Share Plan 2022–2025 could be settled either in shares or in cash. The arrangement has been accounted for in its entirety as an equity-settled share-based payment, as the company did not have an obligation to settle the arrangement in cash. The receipt of the reward under the program was conditional upon the participant having



subscribed for the company's shares in the personnel offering within the limits approved by the Board of Directors and upon the participant's employment or service relationship with a Group company being valid on the payment date of the reward. The reward was paid in shares and partly in cash in accordance with the terms of the program.

Under the Stock Option Plan 2025–2030, participants are granted stock options entitling them to subscribe for new shares in the company at a predetermined subscription price. The fair value of the stock options is determined at the grant date using an option pricing model that takes into account, among other factors, the market price of the share, the subscription price, expected volatility, the term of the options and the risk-free interest rate. The fair value is recognized as an expense in the income statement, with a corresponding entry in equity, over the vesting period. If stock options are forfeited due to termination of employment, the previously recognized expenses are adjusted in accordance with IFRS 2.

Shares potentially issued under share-based arrangements are taken into account as a dilution effect when calculating diluted earnings per share (EPS) in accordance with IAS 33, to the extent that they are dilutive.

More detailed information on share-based payments is presented in Note 22.

PROVISIONS

A provision is recognized when the Group incurs a legal or actual obligation as a consequence of a prior event, a payment obligation is likely to arise, and the amount of the obligation can be reliably determined. If it is possible to obtain compensation from a third party for part of the obligation, the compensation is recognized as an asset when there is practical certainty that compensation will be received.

SEGMENT REPORTING

Segment information is reported to the senior operating decision-maker as part of internal reporting. The Group's management team, including the CEO, is the senior operating decision-maker. The management team, considering its composition and active participation in key strategic and operational decision-making, is responsible for allocating resources and assessing performance. The performance of the operating segment is assessed based on the segment's net sales and operational EBIT.

Boreo's business operations are organized into two business areas or operating segments. Segment reporting is presented in more detail in Note 1.

ACCOUNTING PRINCIPLES REQUIRING MANAGEMENT DISCRETION AND KEY SOURCES OF ESTIMATION UNCERTAINTY

When preparing financial statements, assumptions and estimates have to be made concerning the future, the outcome of which may differ from the assumptions and estimates made. In addition, discretion has to be used when applying accounting principles.

Sources of estimation uncertainty

The estimates made when preparing the financial statements are based on the management's best assessment at the end of the reporting period. Estimates are based on past experience and assumptions about the future, which are considered most likely on the balance sheet date, related, e.g., to the expected development of the Group's financial environment in terms of sales and cost levels. The Group regularly monitors the realization of estimates and assumptions, as well as changes in the underlying factors together with the business unit by applying several internal and external information sources. Possible changes in estimates and assumptions are entered in the accounts for the financial period in which the estimate or assumption is adjusted and for all periods thereafter.

Key assumptions concerning the future and the main uncertainties related to the estimates at the end of the reporting period that pose a significant risk of a material change in the book values of the Group's assets and liabilities during the following financial year are presented below. The Group's management has considered these aspects of the financial statements to be most relevant, as their accounting principles are the most complex in the Group's view and require use of most significant estimate and assumptions, for example, when measuring assets. In addition, the impacts of potential changes in the assumptions and estimates used in these areas of the financial statements are expected to be the greatest.



Impairment testing of goodwill

Goodwill is tested in the Group at least annually. In addition, at the end of each reporting period, indications of circumstances that could lead to more frequent impairment testing are assessed. The recoverable amounts of a cash-generating units are determined based on their value in use. These calculations require estimates of business growth, profitability, the discount rate and factors affecting these. More details on impairment testing of goodwill are given in Note 14.

Acquired businesses

In acquired businesses, management's discretion has been used to measure the fair value of intangible assets and to assess the useful life of the assets. Assumptions based on management's estimates have also been used to determine the possible additional purchase price. More details on business acquisitions are given in Note 2.

Valuation of accounts receivable

The estimated credit loss provisions under IFRS 9 are based on the management's best view, covering historical experience and forward-looking understanding of customers' payment behavior and financial situation. Assessing the likelihood of receiving payments related to customer contracts requires management discretion and may affect the timing and amount of income recognition.

Valuation of inventories

Assessing the marketability of inventories requires management discretion, in particular related to the assessment of the various product groups' net realization value. The value of inventories considers impairment caused by unsaleability based on management's estimate of the probable net realization value.

AMENDMENTS TO IFRS STANDARDS AND IFRIC INTERPRETATIONS

Boreo Group has adopted the new standards, amendments and interpretations issued by the IASB that are effective for reporting periods beginning on or after 1 January 2025. The adoption of these new and amended standards and interpretations has not had a material impact on the Group's result, financial position or presentation of the financial statements.

The Group has not identified any new standards, amendments or interpretations issued by the IASB that are effective for reporting periods beginning on or after 1 January 2026 that are expected to have a significant impact on the Group's result, financial position or presentation of the financial statements, with the exception of IFRS 18 Presentation and Disclosure in Financial Statements.

IFRS 18 will be applied for financial years beginning on or after 1 January 2027 and will replace the current IAS 1 Presentation of Financial Statements. IFRS 18 focuses on the presentation of financial statements and disclosure requirements. The most significant changes introduced by the standard include a new structure for the income statement, the classification of income and expenses into separate categories (operating, investing and financing), and expanded disclosure requirements for Management Performance Measures (MPMs).

IFRS 18 does not change the principles for measuring financial performance; its impact is expected to relate solely to the presentation of the income statement, balance sheet, statement of cash flows and notes to the financial statements. The Group is currently assessing the impact of the standard on its consolidated financial statements. The standard is expected to be endorsed by the European Union during the first quarter of 2026.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Segment reporting

Segment information is reported to the senior operating decision-maker as part of internal reporting. The Group's management team, including the CEO, is the senior operating decision-maker. The management team, considering its composition and active participation in key strategic and operational decision-making, is responsible for allocating resources and assessing performance. The performance of the operating segment is assessed based on the segment's net sales and operational EBIT.

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

The Electronics business area consists of businesses engaged in the distribution, manufacturing and assembly of professional electronics 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 provide warehousing and logistics services as well as technical sales services to principals and customers. The companies in the business area are Yleiselektronikka, YE International, Noretron Komponentit, Milcon, Infradex, Signal Solutions Nordic, Delfin Technologies (Delfin) and YE RS.

The Technical Trade business area consists of businesses engaged in technical trade and industrial services. Its companies act as representatives of well-known principals and serve, among others, the mechanical engineering, construction, process, forestry and concrete industries in Finland, Sweden and Estonia. The companies in the business area are Machinery, Muottikolmio, Pronius, J-Matic, Filterit, PM Nordic, Tornokone, HM Nordic, Floby Nya Bilverkstad (FNB), Lackmästarn, Etelä-Suomen Kuriiripalvelu (ESKP), Vesterbacka Transport and Spetsselektroodi.

In addition to the above-mentioned business areas, the "Group Functions" reporting unit comprises the activities of the parent company Boreo.

The Group's Management Team evaluates segment performance based on net sales and operational EBIT adjusted for items affecting comparability. Segment assets and liabilities consist of business items used by the segment in its operations. Investments comprise additions to tangible and intangible assets that are used for more than one financial year.

SEGMENT INFORMATION (MEUR)

1-12/2025	Electronics	Technical Trade	Group Functions	Inter Segment	Total
Revenue	61.4	91.9	0.0		153.3
Share of results of associates	0.2	0.0	0.0		0.2
Depreciation	-1.9	-2.8	0.0		-4.7
EBIT	2.9	5.7	-2.0		6.7
Financial income	0.1	0.1	1.7	-1.7	0.2
Financial expenses	-0.9	-1.6	-2.0	1.7	-2.8
Profit before taxes	2.1	4.3	-2.2		4.1
Balance sheet assets	79.7	74.6	0.0	-27.4	126.9
Balance sheet liabilities	-38.5	-63.2	0.0	27.4	-74.3
Investments	0.3	1.7	0.0		2.0
Personnel at end of the period	143	212	5		360

**SEGMENT INFORMATION (MEUR)**

1-12/2024

	Electronics	Technical Trade	Group Functions	Inter Segment	Total
Net sales	58.0	76.0	0.0		134.0
Profit/loss from associated companies	0.4	0.0	0.0		0.4
Depreciation	-2.2	-3.4	0.0		-5.6
EBIT	3.1	2.7	-1.7		4.1
Financial income	0.1	0.1	1.2	-1.2	0.3
Financial expenses	-0.6	-1.4	-2.3	1.2	-3.1
Profit before taxes	2.6	1.4	-2.7		1.3
Balance sheet assets	66.4	66.9	0.0	-17.6	115.7
Balance sheet liabilities	-34.1	-54.6	0.0	17.6	-71.1
Investments	0.6	1.3	0.0		1.8
Personnel at end of the period	132	199	5		336

Net sales by geographic area

EUR million	2025	2024
Finland	107.0	95.5
Sweden	23.2	20.2
Baltic countries	20.9	15.5
Others	2.2	2.9
Total	153.3	134.0

2. Acquisitions**Acquisitions in 2025**

In 2025, the Boreo Group completed two acquisitions: Spetsselektroodi AS and Elfa Distrelec Oy, as well as Elfa Distrelec's sales operations in the Baltic countries. Boreo has assessed the acquisition of Elfa Distrelec to be material.

Acquired entity	Business area	Acquisition type	Ownership	Acquisition date	Revenue, EUR million**	Employees	Country
Spetsselektroodi AS	Technical Trade	Share and asset acquisition	100 %	8.5.2025	3.6	12	Estonia
Elfa Distrelec	Electronics	Share and asset acquisition	100 %	1.8.2025	15.0	10	Finland and Baltics

*Net sales for the financial year preceding the acquisition in accordance with local accounting standards.

Elfa Distrelec's sales operations

Elfa Distrelec's sales operations employ ten professionals in Finland and the Baltic countries, and their net sales for the financial year 2024 amounted to approximately EUR 15 million. The transaction was executed as three business acquisitions in the Baltic countries and as a share acquisition in Finland.

The enterprise value of the transaction was EUR 5.5 million, based on the acquired businesses' adjusted annual operational EBIT of approximately EUR 1.1 million. The purchase price, subject to customary final adjustments, will be paid in cash in four installments: EUR 4.0 million at closing and EUR 1.5 million over three years in three equal installments. The consideration is fixed and non-contingent. Boreo financed the transaction with its existing financing facilities.

The goodwill arising from the acquisition is mainly attributable to the acquisition of a suitable organization and operations to expand the Group's activities and strengthen its product offering. The goodwill primarily consists of the expertise of



the personnel and customer and principal relationships that do not meet the criteria for separate recognition as identifiable intangible assets.

2025	Elfa Distrelec
Consideration paid	5.7
Deferred consideration	1.5
Total consideration	7.2
Assets acquired and liabilities assumed	
Property, plant and equipment	0.0
Principal and customer contracts	5.8
Deferred tax asset	0.0
Inventories	0.0
Trade and other receivables	0.4
Cash and cash equivalents	0.5
Total assets	6.6
Non-current liabilities	1.2
Current liabilities	0.7
Total liabilities	1.9
Net assets	4.7
Goodwill	2.4

Spetsselektroodi As

Founded in 1995, Spetsselektroodi operates as a distributor of welding and cutting products and solutions in Estonia. The company's suppliers include, among others, Fronius, a global technology leader in welding products, Hypertherm, a leading provider of plasma cutting solutions, as well as several other well-known international suppliers. Spetsselektroodi acts as a partner to its customers throughout the product lifecycle, and its service offering covers import, warehousing, sales and distribution of new products, as well as maintenance and spare parts services. Spetsselektroodi employs 12 people, and its offices are located in Tallinn, Tartu and Haljala, Estonia. In the financial year 2024, the company's net sales amounted to EUR 3.6 million and EBIT to EUR 0.4 million. Boreo has consolidated Spetsselektroodi into the Group as of May 8, 2025, which was the acquisition date. Spetsselektroodi is reported as part of the Technical Trade business area.

The purchase price was paid in cash in two installments: approximately two-thirds at closing and one-third in autumn 2025. Boreo financed the transaction using its existing financing facilities.

The acquisition resulted in negative goodwill (a bargain purchase). In accordance with IFRS 3.36, the Group reassessed the identification of the acquired assets and liabilities and the determination of their fair values before recognizing the gain. Based on the reassessment, management considers that the difference between the consideration transferred and the fair value of the acquired net assets reflects a favorable purchase price.

The gain on bargain purchase arose from the market situation at the acquisition date and the fact that the purchase price was below the fair value of the acquired net assets.

**2025****Spetsselektroodi**

Consideration paid	2.0
Total consideration	2.0
Assets acquired and liabilities assumed	
Property, plant and equipment	0.1
Principal and customer contracts	0.6
Deferred tax asset	0.0
Inventories	1.7
Trade and other receivables	0.3
Cash and cash equivalents	0.8
Total assets	3.4
Non-current liabilities	0.2
Current liabilities	0.4
Total liabilities	0.6
Net assets	2.8
Goodwill	0.0
Negative goodwill recognized in other operating income	-0.8

Boreo has recognized a total of EUR 0.3 million in transaction-related costs in connection with these acquisitions, consisting of transfer tax and fees related to advisory and other services. These costs are included in other operating expenses in the consolidated income statement.

The purchase price allocations resulted in the recognition of EUR 6.4 million in intangible assets related to customer and principal relationships. The fair value of these intangible assets (customer and principal relationships) was determined using the Multi-Period Excess Earnings Method (MPEEM).

The gross cash flow impact of the acquisitions for the financial year 2025 amounted to EUR 7.7 million, of which acquired cash and cash equivalents totaled EUR 1.2 million. Additional purchase price payments related to acquisitions completed in previous years amounted to EUR 1.2 million. The total cash flow impact of acquisitions was EUR 7.7 million.

Cash flow statement

Consideration paid in cash	-7.7
Cash and cash equivalents acquired	1.2
Payments related to acquisitions in prior years	-1.2
Net cash flow impact	-7.7

Since their respective acquisition dates in 2025, the acquired businesses have contributed approximately EUR 5.9 million to net sales and approximately EUR 0.2 million to operational EBIT. Had the acquired companies been consolidated into the Group as of January 1, 2025, management estimates that the Group's reported net sales would have amounted to approximately EUR 158.8 million and operational EBIT to approximately EUR 8.5 million.

2024 acquisitions

In 2024, the Group had no acquisitions.



3. Other operating income

	2025	2024
Sales gains from property, plant and equipment	0.9	0.2
Negative goodwill recognized in profit or loss	0.8	0.0
Other income	0.6	1.1
Total	2.3	1.3

4. Materials and services

	2025	2024
Materials and goods		
Purchases during the financial year	-105.6	-86.3
Change in inventory	0.5	-5.3
External services	-4.0	-3.4
Total	-109.2	-95.0

5. Employee benefit expenses and other operating expenses

	2025	2024
Salaries and fees	-20.5	-19.0
Pension costs	-3.1	-2.9
Other indirect employee costs	-0.4	-0.3
Total employee benefit expenses	-24.0	-22.1
Other operating expenses	-10.3	-9.0
Total operating expenses	-34.3	-31.1

Number of personnel at the end of the period

	2025	2024
	360	336

Other operating expenses in the income statement include audit fees of EUR 0.2 million (2024: EUR 0,2 million). Fees paid to audit firms for additional services during the financial year amounted to EUR 0.0 million (2024: EUR 0.0 million).

Other operating expenses in the income statement also include research and development expenses of EUR 0.1 million (2024: EUR 0.0 million).

6. Depreciation, amortization and impairment losses

	2025	2024
Intangible assets		
Intangible assets	-2.1	-2.6
Tangible assets		
Buildings and structures	0.0	0.0
Machinery and equipment	-0.6	-0.7
Rented business premises	-2.3	-1.9
Leased machinery and equipment	-0.8	-0.4
Total	-5.8	-5.6

7. Financial income

	2025	2024
The change in the fair value of the interest derivative and realized cash flow	0.1	0.1
Other financial income	0.1	0.2
Total financial income	0.2	0.3



	2025	2024
8. Financial expenses		
Interest expenses	-2.2	-2.6
Interest expenses on lease liabilities	-0.3	-0.3
Other financial expenses	-0.3	-0.1
Total financial expenses	-2.8	-3.1
9. Income taxes		
Taxes based on the profit/loss for the financial year	-0.4	-0.4
Taxes for the previous year	-0.1	-0.1
Change in deferred taxes	0.3	0.4
Total income taxes	-0.2	-0.1
Income tax reconciliation		
Profit before taxes	4.1	1.3
Taxes calculated at the parent company's 20% tax rate	-0.8	-0.3
Impact of foreign subsidiaries' differing tax rates	0.2	0.1
Share of associated companies' profit or loss	0.0	0.1
Impact of tax-free net sales and non-deductible expenses	0.5	0.2
Temporary difference between taxation and accounting depreciation	0.0	0.0
Unrecognized tax assets	0.0	-0.1
Taxes for the previous year	-0.1	-0.1
Tax expense in the income statement	-0.2	-0.1
Effective tax rate	4.2%	6.0%
10. Earnings per share		
Profit for the review period to shareholders	3,893,319	1,060,000
Impact of the interest rate on the hybrid loan adjusted by the tax effect	-1,941,507	-1,856,300
Dilution effect – interest on hybrid loans adjusted for tax effect	168,000	0
Weighted average number of shares during the period	2,693,390	2,686,780
Impact of the convertible hybrid bond	282,624	0
Effect of share options	678	3,092
Earnings per share (EUR/share), diluted	0.71	-0.30
Earnings per share (EUR/share), undiluted	0.72	-0.30

Dividend

The dividend paid in 2025 was EUR 0.00 and in 2024 was EUR 0.00. Boreo's objective is to pay an annually increasing dividend per share, taking into account capital allocation priorities. In the short term, however, the company's objective is to strengthen its financial position and thus ensure the implementation of its growth strategy also in the future. As a result, the company's Board of Directors proposes to the Annual General Meeting that no dividend be paid for the financial year ended December 31, 2025.



11. Other financial assets and liabilities

The following levels of fair value measurement are used:

Level 1: Fair value is determined based on market quotations.

Level 2: Fair value is determined using valuation methods. Fair value means the value that can be ascertained from the market value of the components or similar financial instruments; or the value that can be ascertained using valuation models and methods generally accepted in financial markets, if the market value can be reliably determined using them.

Level 3: Fair value is determined using valuation methods in which the inputs used significantly affect the recorded fair value, and these inputs are not based on observable market data.

EUR million	Book value	2025 Fair values			To- tal	Book value	2024 Fair values			To- tal
		Level 1	Level 2	Level 3			Level 1	Level 2	Level 3	
Financial assets										
Recognized at fair value through profit or loss										
Non-current										
Unlisted equity investments	0.3	-	-	0.3	0.3	0.3	-	-	0.3	0.3
Net investment in lease agreements*	1.5	-	-	1.5	1.5	1.5	-	-	1.5	1.5
Current										
Derivatives outside hedge accounting	0.0	-	0.0	-	0.0	0.1	-	0.1	-	0.1
Measured at amortized cost										
Non-current										
Assets classified as held for sale	-	-	-	-	-	0.4	-	0.4	-	0.4
Short-term										
Trade receivables	17.7	-	17.7	-	17.7	14.5	-	14.5	-	14.5
Other receivables	1.9	-	1.9	-	1.9	2.0	-	2.0	-	2.0
Cash and cash equivalents	9.1	-	9.1	-	9.1	9.7	-	9.7	-	9.7
Total financial assets	30.5	-	28.7	1.8	30.5	28.5	-	26.7	1.8	28.5

EUR million	Book value	2025 Fair values			To- tal	Book value	2024 Fair values			To- tal
		Level 1	Level 2	Level 3			Level 1	Level 2	Level 3	
Measured at amortized cost										
Interest-bearing liabilities										
Non-current loans from financial institutions	24.3	-	24.3	-	24.3	27.7	-	27.7	-	27.7
Non-current lease liabilities	3.9	-	3.9	-	3.9	4.7	-	4.7	-	4.7
Current lease liabilities	2.5	-	2.5	-	2.5	2.5	-	2.5	-	2.5
Other non-current IFRS liabilities*	1.2	-	1.2	-	1.2	1.4	-	1.4	-	1.4
Other current IFRS liabilities*	0.3	-	0.3	-	0.3	0.3	-	0.3	-	0.3
Current loans from financial institutions	7.3	-	7.3	-	7.3	4.6	-	4.6	-	4.6
Interest-free liabilities										
Current liabilities	16.7	-	16.7	-	16.7	15.4	-	15.4	-	15.4
Non-current liabilities	0.6	-	0.6	-	0.6	0.0	-	0.0	-	0.0
Trade payables	14.1	-	14.1	-	14.1	12.4	-	12.4	-	12.4
Total financial liabilities	71.0	-	71.0	-	71.0	68.9	-	68.9	-	68.9

*The Group treats sale and leaseback transactions following IFRS 16 and assesses whether a sale has occurred following IFRS 15. If the criteria for sale under IFRS 15 are not met, the Group retains the asset on its balance sheet and records the consideration received as a financial liability under IFRS 9. The company enters into sublease agreements related to these assets, the accounting of which the Group assesses separately under IFRS 16. An interest-bearing net investment is recorded in the lease from the financial lease agreement.

The Group recognizes financial income from the net investment in leases using the effective interest rate method over the lease term. The financial income on contracts recognized during the financial year was EUR 0.1 million (2024: EUR 0.1 million). Correspondingly, finance expenses from the financial liability in accordance with IFRS 9 are recognized in the income statement using the effective interest method. Finance expenses recognized from the contracts during the financial year amounted to EUR 0.1 million (2024: EUR 0.1 million).



Other non-current financial assets	2025	2024
Acquisition cost, Jan. 1	1.8	1.3
Increases	0.6	0.8
Decreases	-0.7	-0.4
Accumulated amortization and impairment, Jan. 1	-0.1	-0.1
Accumulated amortization and impairment, Dec. 31	-0.1	-0.1
Book value, Dec. 31	1.7	1.8
Other non-current financial assets, total	1.7	1.8
Contingent earn-out liabilities		
	2025	2024
Additional purchase liabilities, deferred earn-out liabilities and other contingent liabilities related to acquisitions Jan.1	1.3	5.2
Increases	1.5	0.3
Payments	-1.2	-3.8
Changes recognized through profit or loss	-0.1	-0.5
Translation differences	0.0	0.0
Total Dec. 31	1.5	1.3

Contingent liabilities relate to additional purchase price payments arising from acquisitions. Those recognized through profit or loss include fair value changes in estimates as well as additional purchase price liabilities recognized as personnel expenses in accordance with IFRS 3, which are considered remuneration and are recognized through profit or loss.

12. Inventories	2025	2024
Materials and goods	4.3	3.4
Work in progress	0.9	0.4
Finished goods	20.9	20.0
Prepayments for inventories	1.6	1.2
Inventories	27.7	25.1

During the financial year, an expense of EUR 0.1 million was recognized to reduce the carrying amount of inventories to their net realizable value (2024: EUR 0.1 million).

The Group companies do not have material manufacturing operations.



13. Non-current assets

Intangible assets 2025

	Other intangible assets	Advances paid on intangible assets	Goodwill	Total
Acquisition cost, Jan. 1, 2025	17.7	0.0	42.3	59.9
Translation difference	0.1	0.0	0.2	0.3
Acquisitions	6.4	0.0	2.4	8.8
Increases	0.2	0.0	0.0	0.2
Divestments	0.0	0.0	0.0	0.0
Decreases	0.0	0.0	0.0	0.0
Acquisition cost, Dec. 31, 2025	24.3	0.0	44.9	69.3
Accumulated depreciation, Jan. 1, 2025	-9.7	0.0	0.0	-9.7
Translation difference	-0.1	0.0	0.0	-0.1
Accumulated amortization from divestments	0.0	0.0	0.0	0.0
Amortization for the period	-2.1	0.0	0.0	-2.1
Accumulated amortization, Dec. 31, 2025	-12.0	0.0	0.0	-11.9
Book value, Jan. 1, 2025	7.9	0.0	42.3	50.2
Book value, Dec. 31, 2025	12.4	0.0	44.9	57.3

Intangible assets 2024

	Other intangible assets	Advances paid on intangible assets	Goodwill	Total
Acquisition cost, Jan. 1, 2024	17.3	0.0	42.4	59.7
Translation difference	0.0	0.0	-0.2	-0.3
Acquisitions	0.0	0.0	0.0	0.0
Increases	0.4	0.1	0.0	0.5
Divestments	0.0	0.0	0.0	0.0
Transfers between items	0.1	-0.1	0.0	0.0
Acquisition cost, Dec. 31, 2024	17.7	0.0	42.3	59.9
Accumulated depreciation, Jan. 1, 2024	-7.2	0.0	0.0	-7.2
Translation difference	0.0	0.0	0.0	0.0
Accumulated amortization from divestments	0.0	0.0	0.0	0.0
Amortization for the period	-2.6	0.0	0.0	-2.6
Accumulated depreciation, Dec. 31, 2024	-9.7	0.0	0.0	-9.7
Book value, Jan. 1, 2024	10.0	0.0	42.4	52.5
Book value, Dec. 31, 2024	7.9	0.0	42.3	50.2

**Property, plant and equipment 2025**

	Buildings and structures	Machinery and equipment	Buildings and construction, right of use	Machinery and equipment, right of use	Advance payments and construction in progress	Total
Acquisition cost, Jan. 1, 2025	2.5	11.1	10.9	2.2	0.0	26.7
Translation difference	0.0	0.1	0.1	0.0	0.0	0.2
Acquisitions	0.0	0.1	0.0	0.0	0.0	0.1
Increases	0.0	1.8	1.1	0.9	0.0	3.8
Divestments	0.0	0.0	0.0	0.0	0.0	0.0
Decreases	0.0	-0.4	-0.1	-0.3	0.0	-0.8
Transfers between items	0.0	0.1	-0.1	0.0	0.0	0.0
Acquisition cost, Dec. 31, 2025	2.5	13.0	11.8	2.9	0.0	30.2
Accumulated depreciation, Jan. 1, 2025	-2.4	-7.8	-4.7	-1.2	0.0	-16.1
Translation difference	0.0	-0.1	-0.1	0.0	0.0	-0.2
Accumulated amortization from divestments	0.0	0.0	0.0	0.0	0.0	0.0
Accumulated depreciation from decreases and transfers	0.0	0.1	0.0	0.0	0.0	0.1
Depreciation	0.0	-0.9	-2.2	-0.4	0.0	-3.5
Accumulated amortization, Dec. 31, 2025	-2.4	-8.7	-7.0	-1.6	0.0	-19.7
Book value, Jan. 1, 2025	0.1	3.3	6.2	1.0	0.0	10.7
Book value, Dec. 31, 2025	0.1	4.3	4.9	1.3	0.0	10.5

Property, plant and equipment 2024

	Buildings and structures	Machinery and equipment	Buildings and structures, right of use	Machinery and equipment, right of use	Advance payments and construction in progress	Total
Acquisition cost, Jan. 1, 2024	3.7	10.3	9.1	2.1	0.1	25.3
Translation difference	0.0	-0.1	-0.1	0.0	0.0	-0.2
Acquisitions	0.0	0.0	0.0	0.0	0.0	0.0
Increases	0.0	1.6	2.4	0.9	0.0	4.9
Divestments	0.0	0.0	0.0	0.0	0.0	0.0
Decreases	0.0	-0.7	-0.5	-0.6	0.0	-1.8
Transfers between items	-1.2	0.0	0.0	-0.1	-0.1	-1.4
Acquisition cost, Dec. 31, 2024	2.5	11.1	10.9	2.2	0.0	26.7
Accumulated depreciation, Jan. 1, 2024	-3.1	-7.2	-3.3	-0.9	0.0	-14.4
Translation difference	0.0	0.0	0.0	0.0	0.0	0.0
Accumulated depreciation from divestments	0.0	0.0	0.0	0.0	0.0	0.0
Accumulated depreciation from decreases and transfers	0.8	0.1	0.5	0.0	0.0	1.4
Depreciation	0.0	-0.7	-1.9	-0.4	0.0	-3.0
Accumulated depreciation, Dec. 31, 2024	-2.4	-7.8	-4.7	-1.2	0.0	-16.1
Book value, Jan. 1, 2024	0.5	3.0	5.8	1.3	0.0	10.7
Book value, Dec. 31, 2024	0.1	3.3	6.2	1.0	0.0	10.7



The maturities of lease liabilities are presented in Note 23 Financial liabilities. The amount of lease expenses recognized in the income statement in 2025 for leases of short-term or low-value assets was EUR 0.0 million (2024: EUR 0.0 million).

14. Goodwill and impairment testing

Goodwill is allocated, from the acquisition date, for the purpose of impairment testing to those cash-generating units (CGUs) or groups of CGUs that are expected to benefit from the synergies arising from the business combination. The allocation is made to the lowest level at which goodwill is monitored for internal management reporting purposes, however not at a level higher than an operating segment in accordance with IFRS 8.

The Group's CGU structure is based on management's internal reporting and monitoring of the business. During the financial year, the Group assessed whether the CGU definitions correspond to the current reporting and management structure. The assessment focused in particular on the relationship of the Heavy Machines and Other Functions business units to the Technical Trade business area, and on the level at which the financial performance of the business is monitored and decisions are made.

Based on the assessment, the CGU definitions were not formally changed during the financial year. However, goodwill impairment testing is performed at the combined level of the Technical Trade, Heavy Machines and Other Functions business units, as the cash flows of the businesses are interdependent and management monitors and evaluates their financial performance as a combined entity. This testing level does not exceed the operating segment level in accordance with IFRS 8.

The impairment testing for the comparison period 2024 has not been adjusted to correspond to the 2025 testing structure, but the testing was performed in accordance with the CGU structure and management reporting model in force during that reporting period. The change in the definition of the testing level has not had an impact on previously reported figures.

	2025	2024
Technical Trade*	35.6	23.5
Electronics	9.2	6.7
Heavy Machines	0.0	9.9
Other Operations	0.0	2.1
Total	44.9	42.3

*In 2025, tested at a combined level including Technical Trade, Heavy Machines and Other Operations.

The recoverable amounts of the cash-generating units are based on value-in-use calculations prepared using discounted cash flow forecasts. The forecasts are based on the budget for 2026 approved by management and the Board of Directors and on the best available information and estimates regarding earnings and market development for the years 2027–2030, which together form the forecast period.

The key assumptions used in the calculations are the cash flow growth beyond the forecast period and the discount rate (WACC). The discount rate used in the calculations is the weighted average cost of capital, the components of which consist of a country-specific weighted risk-free rate, risk premiums, industry-specific beta, the cost of the Group's external debt and the industry capital structure based on the average of selected peer companies. The cash flow growth beyond the forecast period is based on the company's conservative estimate of long-term growth and corresponds to the European Central Bank's long-term inflation target of 2%. Profitability during the forecast period is based on the assumed organic growth of the business in a normal market environment and stable development of profitability and does not take into account future acquisitions.

The key assumptions used in the impairment testing are presented in the table below.

2025	Electronics	Technical Trade
Growth in cash flow after the forecast period	2 %	2 %
Profitability (EBIT %) in the terminal period	6.2 %	5.9 %
Discount rate (Pre-tax WACC)	10.8 %	11.2 %
Discount rate (Post-tax WACC)	9.0 %	9.3 %



2024	Technical Trade	Electronics	Heavy Machines	Other Operations
Growth in cash flow after the forecast period	2%	2%	2%	2%
Profitability (EBIT %) in the terminal period	8.6%	7.1%	5.3%	9.6%
Discount rate (Pre-tax WACC)	8.8%	8.4%	8.4%	9.1%
Discount rate (Post-tax WACC)	8.1%	7.8%	7.8%	8.5%

Based on the impairment tests performed, no impairment of goodwill is required. The recoverable amounts of all cash-generating units exceeded their carrying amounts. The table below presents the percentages by which the recoverable amount exceeds the carrying amount of the assets tested.

Electronics	Technical Trade
>100%	25-50%

Sensitivity calculation

The Group has assessed the sensitivity of the goodwill impairment calculations of the Technical Trade and Electronics cash-generating units to changes in key assumptions. The sensitivity analysis has been performed by changing each key assumption separately while keeping the other assumptions unchanged.

The table below presents the changes in each key assumption which, when considered individually, would result in the recoverable amount of the respective cash-generating unit falling below its carrying amount.

According to management's assessment, however, no reasonably possible change in any of the key assumptions used would individually lead to a situation where the recoverable amount of the Technical Trade or Electronics cash-generating unit would fall below its carrying amount.

	Electronics	Technical Trade
Change in EBIT margin in the terminal year, percentage points	-4.6	-2.3
Change in cash flow after the forecast period, percentage points	-20.5	-4.5
Discount rate change, percentage points	8.6	2.9



15. Deferred tax assets and liabilities

	Jan. 1, 2025	Recognized in the income statement	Recognized in equity	Acquisitions and disposals	Dec. 31, 2025
Deferred tax assets					
Accrual difference in ex- penses	0.1	-0.1	0.0	0.0	0.0
Total	0.1	-0.1	0.0	0.0	0.0
	Jan. 1, 2024	Recognized in the income statement	Recognized in equity	Acquisitions and disposals	Dec. 31, 2024
Accrual difference in ex- penses	0.1	0.0	0.0	0.0	0.1
Total	0.1	0.0	0.0	0.1	0.1
Deferred tax liabilities	Jan. 1, 2025	Recognized in the income statement	Recognized in equity	Acquisitions and disposals	Dec. 31, 2025
Tangible and intangible fixed assets	2.2	-0.3	0.0	1.4	3.2
Total	2.2	-0.3	0.0	1.4	3.2
	Jan. 1, 2024	Recognized in the income statement	Recognized in equity	Acquisitions and disposals	Dec. 31, 2024
Tangible and intangible fixed assets	2.5	-0.4	0.0	0.0	2.2
Total	2.5	-0.4	0.0	0.0	2.2

16. Trade and other receivables

	2025	2024
Trade receivables	17.7	14.5
Loan receivables	0.0	0.0
Other receivables	0.4	0.5
Accrued income	1.5	1.5
Total receivables	19.5	16.6

17. Contract assets and liabilities

	2025	2024
Trade receivables	17.7	14.5
Contract assets	0.2	0.0
Total trade receivables and contract assets	17.9	14.5

Advance payments received	2.4	2.1
Total contract liabilities	2.4	2.1

At the end of the financial year, the Group had two contracts recognized over time. The remaining performance obligation related to these contracts as of December 31, 2025 was EUR 1.3 million, which is expected to be recognized as revenue mainly during the following 12 months.

At the end of the financial year, the Group had contract assets of EUR 0.2 million (2024: EUR 0.0 million) related to contracts recognized over time. Advance payments received related to contracts recognized over time amounted to EUR 0.4 million (2024: EUR 0.1 million).

**Age distribution of trade receivables and impairment losses****Expected credit losses (IFRS 9)**

Dec. 31, 2025	Gross value	Based on a proactive risk assessment	Estimated expected credit loss	Net value
Trade receivables and contract assets not past due	15.1	0.0	0 %	15.1
Past due 1-30 days	2.0	0.0	-0.50 %	2.0
Past due 31-90 days	0.4	0.0	-2 %	0.4
Past due more than 90 days	0.3	0.0	-10 %	0.3
Total	17.7	0.0		17.7

Expected credit losses (IFRS 9)

Dec. 31, 2024	Gross value	Based on a proactive risk assessment	Estimated expected credit loss	Net value
Trade receivables and contract assets not past due	12.4	0.0	0%	12.4
Past due 1-30 days	1.1	0.0	-0.50%	1.1
Past due 31-90 days	0.6	0.0	-2%	0.6
Past due more than 90 days	0.5	-0.1	-10%	0.4
Total	14.6	-0.1		14.5

The Group applies the simplified approach for recognizing expected credit losses, according to which lifetime expected credit losses are recognized for all trade receivables and contract assets. The percentages used in the calculation are based on historical data on realized credit losses and take into account the economic conditions at the reporting date as well as the Group's view of the economic conditions that will affect the expected lifetime of the trade receivables. According to the Group's view, the carrying amount of trade receivables best represents the maximum exposure to credit risk in the event that counterparties are unable to fulfill their obligations related to the trade receivables.

Net sales from customer contracts by business area, 2025 and 2024

EUR million	2025	2024	Change
Electronics	61.4	58.0	6%
Technical Trade	91.9	76.0	21%
Total	153.3	134.0	14%

18. Cash and cash equivalents	2025	2024
Cash in hand and at banks	9.1	9.7
Total	9.1	9.7



19. Non-current assets held for sale	2025	2024
Assets held for sale	0.0	0.4
Total	0.0	0.4

2025

Boreo does not have non-current assets classified as held for sale.

2024

Boreo classified the building and land owned by its subsidiary YE International AS as an asset held for sale at the end of 2024 based on the business plan and a plan approved by management to sell the property. The property is located in Tallinn at Sõpruse pst 259. The company estimated that the transaction would be completed during the first half of 2025.

Depreciation of property, plant and equipment is discontinued when the asset is classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Assets held for sale are measured at their carrying amount or fair value less costs to sell, whichever is lower. Gains and losses on sale are determined as the difference between the sales price and the carrying amount, and are included in other operating income and expenses in the income statement. Based on an external valuation, Boreo concluded that the fair value of the asset less costs to sell exceeded its carrying amount.

The transaction was completed in March 2025 as planned in the 2024 financial statements.

20. Share capital

The total number of shares is 2,701,353 shares (2024: 2,701,353 shares).

The Group's share capital is EUR 2,483,836 (2024: EUR 2,483,836).

All issued shares have been paid in full.

Share classes		Shares pcs	Share % of shares	Share % of votes
Shares	1 vote/share	2,701,353	100.00	100.00

The reserve fund includes the reserve funds of subsidiaries, which have been formed in accordance with local legislation through transfers of retained earnings to the reserve fund. The company holds 4,900 of its own shares.

Share issues

Boreo's Board of Directors did not use the authorizations granted by the General Meetings for share issues in 2025 or in 2024.

	2025		2024
Jan. 1, 2025	2,701,353	Jan. 1, 2024	2,701,353
Dec. 31, 2025	2,701,353	Dec. 31, 2024	2,701,353

21. Hybrid loan

Boreo announced on March 15, 2024 that it would issue a new EUR 20 million hybrid bond, which is treated as equity in the Group's IFRS financial statements. The hybrid bond is a subordinated bond and ranks junior to other debt instruments. The holder of the hybrid bond does not have shareholder rights and the bond does not dilute the holdings of existing shareholders. The coupon interest on the hybrid bond is fixed at 10.75 per cent per annum until March 31, 2027. The hybrid bond has no maturity date, but the company has the right to redeem the hybrid bond at its nominal value on the reset date and thereafter on each interest payment date. In certain circumstances, the company also has the right



to redeem the hybrid bond before the reset date at a price above its nominal value. The hybrid bond is initially recognized at fair value less transaction costs and subsequently measured at amortized cost. The coupon interest is recognized directly in equity.

On June 24, 2025, Boreo issued a EUR 10 million equity-settled convertible hybrid bond, which is treated as equity in the Group's IFRS financial statements. The hybrid bond ranks junior to other debt instruments. The coupon interest is fixed at 4.00 per cent per annum until June 24, 2030, after which the interest rate is 14.00 per cent per annum. The hybrid bond has no maturity date, but the company has the right to redeem the bond at its nominal value in accordance with the terms and conditions from the first possible redemption date and thereafter on each interest payment date.

The holder has the right to convert the nominal amount of the bond into shares of the company at a fixed conversion price during the conversion period in accordance with the terms and conditions of the bond. Due to the conversion right, the bond constitutes a dilutive potential ordinary share in accordance with IAS 33 and is taken into account in the calculation of diluted earnings per share.

The hybrid bonds are initially recognized at fair value less transaction costs and subsequently measured at amortized cost. The coupon interest and transaction costs related to the issuance are recognized directly in equity.

In 2025, interest and expenses related to the hybrid bonds amounting to EUR 2.5 million were recognized (2024: EUR 2.9 million), and EUR 2.5 million of interest and arrangement fees were paid (2024: EUR 2.3 million). In accordance with IAS 33, the accrued interest for the reporting period has been taken into account in the calculation of earnings per share, as presented in the key figure calculation formulas.

22. Share-based payments

Boreo has had two long-term incentive programs in accordance with IFRS 2 during the financial year 2025. The Matching Share Plan for key personnel 2022–2025 ended during the financial year 2025. As announced, the program was settled in both shares and cash. As part of the completion of the program, the company transferred 4,384 of its own shares. The total cost of the program was EUR 0.3 million, and in the financial year 2025, EUR 0.1 million of income was recognized due to the revision of previous cost estimates.

On April 29, 2025, the company's Board of Directors decided on a new stock option plan as part of the Group management's long-term incentive scheme. Under the stock option plan, a maximum of 90,000 stock options may be granted, entitling the subscription of a corresponding number of new shares in the company. During the financial year 2025, 70,000 stock options were granted to key personnel. Each stock option entitles the holder to subscribe for one share in the company.

The subscription price for the shares is EUR 15.11 per share. The subscription period begins on June 1, 2028 and ends on May 31, 2030. The receipt of the stock options requires the continuation of employment or service during the vesting period.

The fair value of the stock options is determined at the grant date using an option pricing model and is recognized as an expense in the income statement with a corresponding entry in equity over the vesting period.

During the financial year 2025, an expense of EUR 0.1 million was recognized from the stock option plan. The estimated total cost of the program is EUR 0.7 million.

Taking into account adjustments related to the termination of the old program, the net impact of share-based payments on profit was an expense of EUR 0.1 million.

**Matching Share Plan for key personnel 2022–2025**

	2025	2024
Date granted	Jun. 29, 2022	Jun. 29, 2022
Shares issued Jan. 1	9,276	11,380
Shares issued during the period	0	0
Shares lost	-0	-2,104
Shares paid	-9,276	0
Shares issued Dec. 31	0	9,276
Fair value of the share at the time of issue	37.56	37.56
Earning criteria	Employment and employment has not been terminated	Employment and employment has not been terminated
Implementation	As shares and cash	As shares and/or cash
Estimated creation of right	Jul. 3, 2025	Jul. 31, 2025

Management Stock Option Plan 2025–2030

	2025	2024
Date granted	Apr. 29.2025	-
Options granted as at 1 January	0	-
Options granted during the period	70,000	-
Options forfeited	-21,667	-
Options exercised	0	-
Options granted as at 31 December	48,333	-
Subscription price	15,11	-
Subscription period	1.6.2028-31.5.2030	-
Vesting criterion	Continued employment throughout the vesting period*	-
Settlement	As shares	-
Estimated vesting date	1.6.2028	-

Shares to be issued under the stock option plan are presented as a dilution effect in earnings per share (EPS) in accordance with IFRS, if the options have a dilutive effect.

23. Financial liabilities

	2025	2024
Interest-bearing liabilities		
Non-current liabilities		
Lease liabilities	3.9	4.7
Other IFRS liabilities	1.2	1.4
Bank loans	24.3	27.7
Total	29.5	33.8
Current liabilities		
Lease liabilities	2.5	2.5
Other IFRS liabilities	0.3	0.3
Bank loans	7.3	4.6
Total	10.1	7.4

Management has estimated that the book values of financial assets and liabilities are reasonably close to fair values



Non-current liabilities mature	Fixed-rate bank loans	Floating rate bank loans	Lease liabilities*	Total
2027	0.0	9.2	2.6	11.7
2028	0.0	15.1	1.6	16.6
2029	0.0	0.1	0.6	0.7
Later	0.0	0.0	0.4	0.4
Total	0.0	24.3	5.1	29.5

Total interest payments based on contracts

2026	0.0	1.4	0.3	1.7
2027	0.0	0.9	0.2	1.1
2028	0.0	0.3	0.1	0.4
2029	0.0	0.0	0.1	0.1
Later	0.0	0.0	0.0	0.0
Total	0.0	2.6	0.7	3.3

*Includes other IFRS liabilities

Variable-rate bank loans include loans raised on normal terms from financial institutions. Bank loans are secured by conventional corporate mortgages.

Maturity of lease liabilities*	2025	2024
Within one year	2.8	2.8
Over a year, but less than five years	5.1	6.1
After five years	0.0	0.0
Total	7.9	8.9

*Includes other IFRS liabilities

Breakdown of interest-bearing net debt	2025	2024
Long-term financial liabilities	29.5	33.8
Short-term financial liabilities	10.1	7.4
Interest-bearing receivables	1.5	1.5
Cash and cash equivalents	9.1	9.7
Interest-bearing net debt	28.9	30.0

24. Accounts payable and other non-current liabilities

	2025	2024
Accrued expenses	0.6	0.0
Total	0.6	0.0

25. Accounts payable and other current liabilities

	2025	2024
Trade payables and other liabilities	14.1	12.4
Advance payments received	2.4	2.1
Accrued expenses	9.3	9.2
Other current liabilities	5.1	4.1
Total	30.9	27.8

Essential items included in deferred and other liabilities consist of salary provisions, VAT liabilities and additional purchase price liabilities.



26. Guarantees, commitments and other obligations

Liabilities	2025	2024
Overdraft facility	10.4	10.8
Total liabilities	10.4	10.8
Collateral given		
Enterprise mortgages	71.5	71.5
Guarantees	1.6	2.9
	73.1	74.4

27. Financial risk management

The objective of financial risk management is to limit the uncertainty arising from currency, interest rate, credit and liquidity risks to cash flow, earnings and equity. The Group's management determines risk concentrations by assessing the impact of the risks on the Group under different circumstances. Financial risk management is centralized to Group Administration. Financial risk management is controlled and supervised by the Group's CFO.

Currency risk

The Group's financial risks include interest rate, currency, liquidity and credit risks. Other risks relate to equity and impairment. In 2025, the Group had operations in seven countries and is therefore exposed to currency risks arising from intra-group trade, exports and imports, as well as the financing of foreign subsidiaries. The Group's most significant currency positions consist of items denominated in US dollars and Swedish kronor. Currency risks arise mainly from translation differences (net investments in foreign subsidiaries and their equity) and foreign currency transactions. Changes in market interest rates affect the Group's net interest expenses. Most of the Group's interest-bearing liabilities are euro-denominated liabilities of the parent company. The largest net position risk relates to the Swedish entities. The Group does not apply hedge accounting. In the financial year 2025, translation differences amounted to EUR 0.5 million.

The Group does not have material derivatives hedging currency risks.

Sensitivity analysis of the impact of a +/- 20% change in SEK on equity and equity ratio

	2025 EUR million	2024 EUR million
Impact on post-tax profit	0.1	0.1
Equity before profit	1.0	0.9
Total	1.0	1.0

A 20% decline in SEK would affect the Group's equity ratio as follows:

%	2025
Equity ratio	42.2%
Equity ratio with a 20% weaker SEK	41.8%
Effect	-0.5%

Interest rate risk

The Group's bank loans are variable-rate, and all bank loans are denominated in the functional currency, euro. A 1% increase in interest rates would affect the Group's finance expenses and net profit by approximately EUR -0.4 million. Interest rate risk has been hedged with an interest rate derivative, the fair value of which at the balance sheet date was approximately EUR 0.0 million. The Group does not apply hedge accounting, and therefore changes in the fair value of the interest rate derivative are recognized through profit or loss. The hedged portion of variable-rate bank loans amounts to EUR 10 million. The risk management policy does not define a duration target.



Credit risk

Credit risk is mitigated by actively monitoring the financial position of customers. Credit risk management in accordance with IFRS 9 is centralized to Group administration. The company has recognized a provision in accordance with the IFRS 9 expected credit loss model, in addition to which customer credit risk is assessed on a case-by-case basis.

The highest credit risk relates to trade receivables that are more than 90 days past due, for which a 10% impairment has been recognized in accordance with the company's risk policy based on management's assessment of the risk and analysis performed by management. Trade receivables over 90 days past due amounted to EUR 0.3 million as of December 31, 2025 (2024: EUR 0.4 million) for the entire Group.

Refinancing and liquidity risk

Refinancing and liquidity risk is managed by maintaining a balanced maturity profile of loans, keeping a sufficient amount of committed credit facilities with adequate maturities available, and maintaining an adequate level of cash and cash equivalents. At the end of the year, unused committed credit facilities amounted to EUR 13.9 million.

The Group's financing agreements include covenants related to the equity ratio, the ratio of net debt to EBITDA for the preceding 12 months calculated in accordance with the calculation principles agreed with financiers, and the amount of capital expenditure. A breach of covenants may increase finance costs or lead to the termination of loans. Covenants are reviewed and reported to banks semi-annually. The company's management monitors the covenants regularly. During the financial year 2025, all semi-annual covenant requirements were met.

28. Group companies and related party transactions

The Group's related parties include subsidiaries, associates, joint ventures and key management personnel and their related parties. Key management personnel comprise the members of the company's Board of Directors, the CEO and the Group Management Team.

Group companies	Group's holding (%)	Home country
Boreo Plc		Finland
Norettron Komponentit Oy	100	Finland
AS YE International	100	Estonia
UAB YE International	100	Lithuania
SIA YE International	51	Latvia
Machinery Group Oy	100	Finland
Machinery Oy	100	Finland
Machinery MT Oy	100	Finland
Tornokone Oy	100	Finland
Muottikolmio Oy	100	Finland
PM Nordic AB	100	Sweden
Milcon Oy	100	Finland
Etelä-Suomen Kuriiripalvelu Oy	100	Finland
HM Nordic OÜ	100	Estonia
Floby Nya Bilverkstad AB	100	Sweden
Machinery OÜ	100	Estonia
Pronius Oy	100	Finland
Infradex Oy	100	Finland
Vesterbacka Transport Oy	100	Finland
Signal Solutions Nordic Oy	100	Finland
Signal Solutions Nordic AB	51	Sweden
Signal Solutions USA L.L.C.	51	The United States
Lackmästar'n i Håkantorp AB	100	Sweden
J-Matic Oy	100	Finland



Filterit Oy	100	Finland
Delfin Technologies Oy	100	Finland
Xenderma Limited	65	Great Britain
Spetselektroodi AS	100	Estonia
YE RS Solutions Oy	100	Finland
YE RS Solutions OÜ	100	Estonia
YE RS Solutions SIA	51	Latvia
YE RS Solutions UAB	100	Lithuania

Changes in Group structure

2025

During the financial year, Boreo established new subsidiaries YE RS Solutions OÜ, YE RS Solutions SIA and YE RS Solutions UAB. The RS businesses previously included in the YE International companies were transferred to the established companies through internal business transfers, and the Baltic sales operations of Elfa Distrelec were acquired into the established companies through business acquisitions.

In addition, Boreo acquired the entire share capital of Spetselektroodi AS and YE RS Solutions Oy through share acquisitions.

No mergers were carried out in 2025.

2024

During the financial year, Boreo established a new subsidiary, Machinery MT Oy, to which the metal machining business previously included in Machinery Oy was transferred through an internal business transfer.

No mergers were carried out in 2024.

Remuneration of management

Remuneration paid to the Board of Directors and the CEO and performance-based pension contributions	2025	2024
CEO		
Fixed monthly salary	0.3	0.3
Pension costs	0.1	0.0
Incentive bonuses	0.1	0.0
Total	0.5	0.3
Management Team		
Fixed monthly salary	0.5	0.9
Pension costs	0.1	0.1
Incentive bonuses	0.2	0.1
Total	0.9	1.0
Remuneration paid to the Board of Directors	0.2	0.2

Boreo has a lease agreement with an entity controlled by Richard Karlsson, a member of the Group Management Team. The agreement is on market terms, and the rent paid during the financial year 2025 amounted to approximately EUR 0.2 million (2024: EUR 0.2 million).

**Sales of goods and services with associated companies**

	2025	2024
Transactions with associated companies		
Sale of goods	0.1	0.5
Purchases of goods	0.1	0.4
Dividends received	0.4	0.4
Trade receivables	0.1	0.3
Trade payables	0.0	0.1

29. Associated companies and shares in associated companies

Boreo has the following associated companies that are consolidated using the equity method. Signal Solutions Poland Sp. z.o.o Spolka komandytowa is an operational company and Signal Solutions Poland Sp. z.o.o sp.k does not have operational activities. The Group does not have individually material associated companies.

	Share of ownership	Voting power
Signal Solutions Poland sp. z o.o. sp.k	50%	50%
Signal Solutions Poland Sp. z.o.o Spolka komandytowa	50%	50%
	2025	2024
Book value, Jan. 1	1.1	1.0
Increases	0.0	0.0
Translation differences	0.0	0.0
Share of profit or loss	0.2	0.4
Dividends	-0.4	-0.4
Book value, Dec. 31	1.0	1.1
	2025	2024
Balance sheet summary Dec. 31		
Non-current assets	0.0	0.0
Current assets	1.2	2.0
Total assets	1.2	2.0
Non-current liabilities	0.0	0.0
Current liabilities	0.4	0.9
Total liabilities	0.4	0.9
Income statement summary Dec. 31		
Net sales	2.5	4.3
Profit for the period	0.5	0.9



30. Material events after the financial year

After the fourth quarter, on February 10, 2026, Boreo announced that Tuomas Kahri will start as CEO of Boreo on April 1, 2026.

On February 10, 2026, Boreo Plc also announced changes in the organization of the company's finance and funding function. The company has decided not to recruit a separate CFO for the time being and to divide the responsibilities of the finance and funding function between two persons as an interim arrangement. In accordance with this arrangement, the company appointed Rafael Osmanov as interim Head of M&A and Financing as of February 10, 2026, to be responsible for the company's M&A and financing. The company's financial reporting is the responsibility of Vice President Finance Sami Hanerva. Both will report to the CEO of Boreo during the transition period

**KEY FIGURES OF THE CONSOLIDATED FINANCIAL STATEMENTS**

EUR million	2025	2024	2023	2022**	2021**
Net sales	153.3	134.0	161.3	160.4	122.0
Net sales growth %	14 %	-17%	1%	31%	25%
Operational EBIT	8.0	6.8	9.5	8.7	7.2
Operational EBIT %	5.2 %	5.1%	5.9%	5.4%	5.9%
Profit for the period, continuing operations	3.9	1.2	2.8	4.4	3.9
Profit/loss for the period, discontinued operations	0.0	0.0	0.0	-4.7	1.6
Profit for the period attributable to shareholders of the parent company	3.9	1.1	2.6	0.0	5.2
Earnings per share (EUR) (diluted), continuing operations	0.71	-0.30	0.47	1.12	1.40
Dividend (EUR)	0.00*	0.00	0.00	0.44	0.42
Equity ratio %	42.2 %	39.2%	36.2%	35.4%	23.8%
Net debt	28.9	30.0	36.0	30.9	41.0

*Board of Directors' proposal to the Annual General Meeting

**2022 and 2021 adjusted to correspond with continuing and discontinued operations.

**FORMULAS FOR CALCULATING KEY FIGURES**

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



INFORMATION ABOUT BOREO PLC'S SHARES

Shares and shares traded Jan. 1 - Dec. 31, 2025

The shares of Boreo Plc are listed on Nasdaq Helsinki Ltd and the trading symbol is BOREO. The total number of listed shares is 2,701,353 and the trading lot is 1 share.

A total of 235,187 Boreo Plc shares were traded on Nasdaq Helsinki, with a total value of EUR 3,102,571. The traded volume represented 9% of the total number of shares. The highest share price was EUR 17.65 in September 2025. The lowest quotation was EUR 9.12 in January 2025. At the end of the financial year on December 31, 2025, the share price was EUR 14.00. The average price of the share during the financial year 2025 was EUR 14.22. The market value of the share capital as of December 31, 2025 was EUR 37.8 million.

Structure of the share capital Dec. 31, 2025

		Shares pcs	Share of shares	Share of votes
Shares	1 vote/share	2,701,353	100%	100%

Ownership structure Dec. 31, 2025

	Owners pcs	Shares pcs	Votes
Households and private individuals	1,931	608,931	608,931
Private companies	70	124,807	124,807
Financing and insurance institutions	4	3,659	3,659
Non-profit organizations	3	2,002	2,002
International	8	1,895,873	1,895,873
Nominee-registered	7	66,081	66,081
Total	2,023	2,701,353	2,701,353

Shareholders by ownership Dec. 31, 2025

Shares/shareholder	Shareholders	% share	Number of shares	% share
1-100	1,426	70.49 %	39,895	1,48 %
101-1,000	478	23.63 %	160,153	5,93 %
1,001-10,000	97	4.79 %	258,208	9,56 %
10,001-	15	0.74 %	2 177,016	80,59 %
Nominee-registered	7	0.35 %	66,081	2,45 %
Total	2,023	100.00 %	2,701,353	100,00 %

20 largest shareholders according to the share register on Dec. 31, 2025

	Shares pcs	Share of share capital (%)	of votes (%)
Preato Capital AB	1,891,433	70,02 %	70,02 %
AK Capital Oy	35,370	1,31 %	1,31 %
Sirviö Kari Simo Tapani	30,696	1,14 %	1,14 %
Sulin Ari W	27,200	1,01 %	1,01 %
Richard Karlsson	25,524	0,94 %	0,94 %
Rumpunen Aku Väinämö	24,000	0,89 %	0,89 %
Silvennoinen Janne Pekka	23,644	0,88 %	0,88 %
Moilanen Mikko Petteri	23,125	0,86 %	0,86 %
Tuomas Kahri Holding Oy	22 734	0,84 %	0,81%
Lamminpää-Sirviö Marja Hannele	22,135	0,82 %	0,82 %
Danske Bank A/S Helsinki Branch	21,884	0,81 %	0,81 %
Määttä Mikko Olavi	15,177	0,56 %	0,56 %
Jesse Petäjä	15,060	0,56 %	0,56 %
Siik Rauni Marjut	13,348	0,49 %	0,49 %
Virtanen Matti	13,000	0,48 %	0,48 %
Korpinen Janne Adiel	10,074	0,37 %	0,37 %
Neuvonen Toivo Johannes	10,020	0,37 %	0,37 %
Leechland Oy	9,000	0,33 %	0,33 %
LK Capital Oy	8,798	0,33 %	0,33 %
OMS Capital Oy	8,000	0,30 %	0,30 %
20 largest in total	2,250,222	83,58 %	83,58 %
Shareholding of the Members of the Board of Directors and the CEO and their controlling entities	1,952,104	72.26%	72.26%

Board authorizations

The Board of Directors has an authorization granted by the General Meeting to carry out a share issue, transfer the company's own shares and issue stock options. Under the authorization, the number of shares to be issued may not exceed 540,000 shares. The authorization is valid until the end of the next Annual General Meeting, however no later than June 30, 2026.

At the beginning of the financial year, the company held 11,716 of its own shares. During the financial year, 2,432 own shares were used as part of the remuneration of the Board of Directors and 4,384 own shares were used for the payment of the key personnel incentive program. At the end of the financial year, the number of own shares was 4,900.

Key figures per share

	2025	2024	2023
Earnings per share, EUR	0.72	-0.30	0.47
Equity per share, EUR	19.47	16.48	15.77
Dividend per share, EUR	0.00	0.00	0.00
Dividend of earnings per share, %	-	-	-
Effective dividend yield, %	-	-	-

**PARENT COMPANY'S INCOME STATEMENT**

EUR	JAN. 1–DEC. 31, 2025	JAN. 1–DEC. 31, 2024	Refer- ence
Net sales	16,557,841.52	17,865,293.56	1
Other operating income	437,537.60	367,867.36	2
Materials and services	-12,241,281.25	-13,173,848.57	3
Personnel expenses	-3,991,371.19	-3,842,600.37	4
Depreciation, amortization and impairment losses	-89,494.56	-137,174.99	5
Other operating expenses	-2,085,484.57	-2,132,732.98	6
Operating profit/loss	-1,412,252.45	-1,053,195.99	
Financial income	2,390,034.60	11,729,166.77	7
Financial expenses	-2,033,266.27	-2,348,234.87	7
Profit before taxes	-1,055,484.12	8,327,735.91	
Group contribution	4,804,100.00	4,031,120.00	8
Income taxes	-64,841.85	0.00	9
Profit for the period	3,683,774.03	12,358,855.91	

**PARENT COMPANY'S BALANCE SHEET**

EUR

Assets	Dec. 31, 2025	Dec. 31, 2024	<i>Refer- ence</i>
Non-current assets			
Intangible assets	124,496.36	205,088.36	10
Tangible assets	9,234.96	18,137.52	10
Investments			11
Investments in group companies	74,097,877.59	70,030,032.67	
Other shares and interests	136,351.97	236,807.27	
Non-current assets total	74,367,960.88	70,490,065.82	
Current assets			
Inventories	2,068,542.77	2,109,277.00	12
Non-current receivables			
Non-current receivables from Group companies	17,179,263.41	17,545,908.98	13
Current receivables			14
Current receivables from Group companies	5,332,094.77	4,395,276.50	
Current receivables from others	1,289,207.84	1,921,219.17	
Cash and cash equivalents	350,792.65	396,293.57	
Current assets total	26,219,901.45	26,367,975.22	
Total assets	100,587,862.33	96,858,041.04	

**Equity and liabilities****Equity**

Share capital	2,483,836.05	2,483,836.05	
Hybrid loan	30,000,000.00	24,040,000.00	
Reserve for invested un- restricted equity	5,311,841.39	5,311,841.39	
Retained earnings	19,242,797.69	9,310,825.11	
Profit for the period	3,683,774.03	12,358,855.91	
Total equity	60,722,249.16	53,505,358.46	15
Liabilities			
Non-current liabilities			16
Interest-bearing liabilities			
Loans from financial institutions	24,000,000.00	27,500,000.00	
Current liabilities			17
Interest-bearing liabilities			
To non-group companies	5,000,000.00	2,500,000.00	
Non-interest-bearing liabilities			
To Group companies	5,109,144.49	5,870,697.40	
To non-group companies	5,756,468.67	7,481,985.18	
Total liabilities	39,865,613.16	43,352,682.58	
Total equity and liabilities	100,587,862.33	96,858,041.04	

**PARENT COMPANY'S CASH FLOW STATEMENT**

EUR	JAN. 1–DEC. 31, 2025	JAN. 1–DEC. 31, 2024
Cash flow from operating activities		
EBIT	-1,055,484	8,327,736
Financial income and expenses	-356,768	-9,380,932
Depreciation and impairments	89,495	137,176
Gains and losses on disposal of fixed assets	-179,545	0
Change in working capital		
Increase (-)/decrease (+) in short-term receivables	-324,655	309,677
Increase (-)/decrease (+) in inventories	40,734	341,969
Increase (+)/decrease (-) in current liabilities	660,165	-93,493
Dividend income	700,000	10,428,500
Interest income	1,526,122	1,227,604
Interest paid	-2,148,765	-2,348,235
Paid taxes	-84,690	0
Cash flow from operating activities	-1,133,392	8,950,001
Cash flow from investment activities		
Proceeds from the sale of tangible and intangible assets	179,545	0
Investments	-5,076,175	-3,767,906
Cash flow from investment activities	-4,896,631	-3,767,906
Financial cash flow		
Loan withdrawals	1,500,000	2,500,000
Withdrawal of hybrid loan	10,000,000	20,000,000
Group account	-851,044	1,747,130
Interest and Commission paid on the hybrid loan	-2,522,200	-2,312,099
Loan repayments	-2,500,000	-5,079,900
Repayment of the hybrid loan	-4,040,000	-15,960,000
Increase in loan receivables	366,646	-11,435,000
Group contribution received	4,031,120	5,075,000
Dividends paid	0	0
Financial cash flow	5,984,522	-5,464,779
Change in cash and cash equivalents	-45,501	-282,684
Cash and cash equivalents Jan 1	396,294	678,978
Cash and cash equivalents, Dec 31	350,793	396,294



ACCOUNTING PRINCIPLES OF THE PARENT COMPANY'S FINANCIAL STATEMENTS

Boreo Plc's financial statements for the financial year Jan. 1 – Dec. 31, 2025 has been prepared following the Finnish Accounting Act.

Valuation principles

MEASUREMENT OF FIXED ASSETS

Fixed assets are recognized at acquisition cost less depreciations made according to plan in the balance sheet. Depreciation according to plan is calculated on a straight-line basis during the fixed asset item's useful economic life.

The depreciation periods are:

Intangible assets	5 years
Tangible assets	
Buildings and structures	25–30 years
IT hardware	3–5 years
Other machinery and equipment	3–5 years
Other capitalized long-term expenditure	5 years

MEASUREMENT OF INVENTORIES

Inventories are presented at historical acquisition cost or probable disposal price if it is lower and measured using the weighted average price method.

ACCRUAL OF PENSION COSTS

Pension coverage is organized in accordance with local legislation. Pension insurance have been amortized to correspond to the accrual-based salaries in the financial statements.

FOREIGN CURRENCY DENOMINATED ITEMS

Foreign currency denominated receivables and liabilities have been translated into euro using the average exchange rate quoted by the European Central Bank on the closing date. Unrealized exchange rate losses and gains have been recognized through profit or loss.

TAXES

Income taxes have been recorded following Finnish tax legislation.

INFORMATION ON THE PARENT COMPANY

Boreo Group is part of the Hallqvist Ab Group and its financial statements are consolidated into the Hallqvist Ab Group. A copy of Hallqvist Group's financial statements is available at: c/o Navigator partners Oy, Yrjönkatu 9 a, 00120 Helsinki, FINLAND.



NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS

EUR

1. Net sales

	2025	2024
Finland	13,701,854.17	14,962,580.01
Baltic countries	551,259.26	550,661.10
Others	2,304,728.09	2,352,052.45
Total	16,557,841.52	17,865,293.56

2. Other operating income

	2025	2024
Gains on the fixed assets	50,000.00	0.00
Gains of the fixed asset shares	129,544.70	0.00
Rental income	18,360.00	16,652.95
Other operating income	239,632.90	351,214.41
Total	437,537.60	367,867.36

3. Materials and services

	2025	2024
Materials and goods		
Purchases during the financial year	-12,186,976.25	-12,831,879.57
Obsolescence reduction	-57,078.79	-76,981.08
Change in inventory	2,773.79	-265,987.92
	-12,241,281.25	-13,173,848.57

4. Notes concerning personnel and members of governing bodies

	2025	2024
Personnel expenses		
Salaries and fees	-3,352,550.38	-3,251,340.79
Pension costs	-550,977.63	-554,137.98
Other indirect employee costs	-87,843.18	-37,121.60
Total	-3,991,371.19	-3,842,600.37

Salaries and fees of the members of the Board of

Directors and the CEO and fringe benefits	649,706	510,848
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Average number of personnel	32	40
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**5. Depreciation, amortization and impairment**

	2025	2024
Depreciation according to plan		
Intangible assets		
Intangible rights	-59,900.64	-97,164.34
Goodwill	0.00	-10,416.73
Other capitalized long-term expenditure	-20,691.36	-20,691.36
Tangible assets		
Machinery and equipment	-8,902.56	-8,902.56
Total	-89,494.56	-137,174.99

6. Other operation expenses

	2025	2024
Voluntary personnel expenses	-95,783.77	-84,923.33
Premises expenses	-172,715.60	-212,304.07
Travel and transportation expenses	-176,730.00	-164,217.26
Marketing expenses	-189,308.95	-192,029.83
Other operation expenses	-1,450,856.26	-1,479,254.49
Total	-2,085,484.57	-2,132,732.98

Fees paid to auditors

For statutory audit	34,650.00	32,435.00
Fees paid for others services	14,114.00	0.00
Total	48,764.00	32,435.00

7. Financial income and expenses

	2025	2024
Dividend income		
From group companies	700,000.00	10,428,500.00
Total dividend income	700,000.00	10,428,500.00

Other interest and financial income

From group companies	1,600,480.94	1,187,829.50
From others	89,553.66	112,837.27
Other interest and financial income, total	1,690,034.60	1,300,666.77

Total financial income

	2,390,034.60	11,729,166.77
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Interest expenses and other financial expenses

To others	-2,033,266.27	-2,348,234.87
Total financial expenses	-2,033,266.27	-2,348,234.87

Total financial income and expenses

	356,768.33	9,380,931.90
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8. Appropriations	2025	2004
Group contribution	4,804,100.00	4,031,120.00
Total	4,804,100.00	4,031,120.00

9. Income taxes	2025	2024
Income taxes for the period	-64,387.93	0.00
Taxes for previous fiscal periods	-453.92	0.00
Total income taxes	-64,841.85	0.00

10. Parent company's fixed assets

2025	Intangible assets			Tangible assets		
	Intangible rights	Goodwill	Other long-term expenditures	Work in progress	Machines and equipment	Total
Acquisition cost, Jan. 1, 2025	1,964,646	50,000	92,120	0	614,995	2,721,721
Increases	0	0	0	0	0	0
Decreases	0	0	0	0	0	0
Acquisition cost, Dec. 31, 2025	1,964,606	50,000	92,120	0	614,995	2,721,721
Accumulated depreciation, Jan. 1, 2025	-1,802,891	-50,000	-48,474	0	-596,857	-2,498,495
Accumulated depreciation on decreases	0	0	0	0	0	0
Amortization for the period	-59,901	0	-20,691	0	-8,903	-89,495
Accumulated depreciation, Dec. 31, 2025	-1,862,791	-50,000	-69,438	0	-605,760	-2,587,989
Book value, Dec. 31, 2025	101,815	0	22,682	0	9,235	133,731

2024	Intangible assets			Tangible assets		
	Intangible rights	Goodwill	Other long-term expenditures	Work in progress	Machines and equipment	Total
Acquisition cost, Jan. 1, 2024	1,964,606	50,000	92,120	0	614,995	2,721,721
Increases	0	0	0	0	0	0
Decreases	0	0	0	0	0	0
Acquisition cost, Dec. 31, 2024	1,964,606	50,000	92,120	0	614,995	2,721,721
Accumulated depreciation, Jan. 1, 2024	-1,705,726	-39,583	-28,056	0	-587,955	-2,351,320
Depreciation accumulated in decreases	0	0	0	0	0	0
Amortization for the period	-97,164	-10,417	-20,691	0	-8,903	-137,175
Accumulated amortization, Dec. 31, 2024	-1,802,891	-50,000	-48,747	0	-596,857	-2,498,495
Book value, Dec. 31, 2024	161,715	0	43,373	0	18,137	223,226

**11. Investments**

	Shares in Group companies	Shares Others	Total
Acquisition cost, Jan. 1	70,030,032,67	320,901.22	70,350,933.89
Increases	4,868,587.50	0.00	4,868,587.50
Decreases	-800,742,58	-100,455.30	-901,197.88
Acquisition cost, Dec. 31	74,097,877.59	220,445,92	74,318,323.51
Accumulated depreciation, Jan. 1		84,093.95	84,093.95
Accumulated depreciation, Dec. 31		84,093.95	84,093.95
Book value, Dec. 31	74,097,877.59	136,351.97	74,234,229.56
Subsidiaries		Parent company's holding (%)	Home country
Machinery Group Oy		100	Finland
AS YE International		100	Estonia
UAB YE International		100	Lithuania
PM Nordic AB		100	Sweden
Noretron Komponentit Oy		100	Finland
Etelä-Suomen Kuriiripalvelu Oy		100	Finland
Floby Nya Bilverkstad AB		100	Sweden
HM Nordic OÜ		100	Estonia
Milcon Oy		100	Finland
SIA YE International		51	Latvia
Infradex Oy		100	Finland
Signal Solution Nordic Oy		100	Finland
J-Matic Oy		100	Finland
Vesterbacka Transport Oy		100	Finland
Pronius Oy		100	Finland
Delfin Technologies Oy		100	Finland
Filterit Oy		100	Finland
Machinery OÜ		100	Estonia
YE RS Solutions UAB		100	Lithuania
YE RS Solutions SIA		51	Latvia
YE RS Solutions Oy		100	Finland
YE RS Solutions OÜ		100	Estonia

12. Inventories**Dec. 31, 2025** **Dec. 31, 2024****Goods****2,068,542.77** **2,109,277.00****13. Non-current receivables****Dec. 31, 2025** **Dec. 31, 2024**Loan receivables from Group
companies

17,179,263.41 17,545,908.98

Total**17,179,263.41** **17,545,908.98****14. Current receivables**



Current receivables from Group companies		
Trade receivables	108,669.84	113,481.24
Interest receivables	414,587.60	250,675.26
Accrued income	4,808,837.33	4,031,120.00
Total	5,332,094.77	4,395,276.50
Current receivables from other companies		
Trade receivables	1,132,345.05	1,373,225.32
Other receivables	13,212.00	17,480.55
Accrued income	143,650.79	530,513.30
Total	1,289,207.84	1,921,219.17
Total current receivables	6,621,302.61	6,316,495.67

15. Equity	Dec. 31, 2025	Dec. 31, 2024
Share capital, Jan. 1	2,483,836.05	2,483,836.05
Equity loan	30,000,000.00	24,040,000.00
Share capital, Dec. 31	32,483,836.05	26,523,836.05
Total restricted equity	32,483,836.05	26,523,836.05
Unrestricted equity		
Reserve for invested unrestricted equity, Jan. 1	5,311,841.39	5,311,841.39
Reserve for invested unrestricted equity, Dec. 31	5,311,841.39	5,311,841.39
Retained earnings Jan. 1	21,669,681.02	12,229,450.67
Share of interest on hybrid loan	-2,426,883.33	-2,320,375.56
Hybrid loan commissions	0.00	-598,250.00
Retained earnings Dec. 31	19,242,797.69	9,310,825.11
Profit/loss for the period	3,683,774.03	12,358,855.91
Unrestricted equity	28,238,413.11	26,981,522.41
Total equity	60,722,249.16	53,505,358.46
Calculation on distributable shareholder's equity		
Reserve for invested unrestricted equity	5,311,841.39	5,311,841.39
Retained earnings	19,242,797.69	9,310,825.11
Profit/loss for the period	3,683,774.03	12,358,855.91
Total distributable funds	28,238,413.11	26,981,522.41



	Dec. 31, 2025	Dec. 31, 2024
16. Non-current liabilities		
Interest-bearing loans to others		
Loans from financial institutions	24,000,000.00	27,500,000.00
Total	24,000,000.00	27,500,000.00
Interest-bearing loans total	24,000,000.00	27,500,000.00
17. Current liabilities		
Interest-bearing current liabilities to others		
Loans from financial institutions	5,000,000.00	2,500,000.00
Total	5,000,000.00	2,500,000.00
Total interest-bearing current liabilities to others	5,000,000.00	2,500,000.00
Non-interest-bearing current liabilities to group companies		
Cash pool	5,011,700.20	5,862,743.73
Trade payables	97,444.29	7,953.67
Total	5,109,144.49	5,870,697.40
Non-interest-bearing current liabilities to others		
Trade payables	1,339,029.11	1,709,264.94
Accrued liabilities	4,115,008.42	5,206,354.61
Total	5,454,037.64	6,915,619.55
Accrued liabilities		
Liabilities related to acquisitions	1,171,407.68	2,170,548.21
Accrued holiday pay	476,168.44	452,746.94
Other current accrued liabilities	2,467,432.30	2,583,059.46
Total	4,115,008.42	5,206,354.61
Other liabilities		
VAT liability	302,431.03	566,365.63
Total	302,431.03	566,365.63
Total non-interest-bearing current liabilities	10,865,613.16	13,352,682.58
18. Lease liabilities		
Payable within one year	48,095.72	65,033.70
Payable later	25,842.13	45,301.46
Residual value liability	74,258.80	116,714.29
Total	148,196.65	227,049.45

**19. Liabilities under rental agreements**

Liabilities under rental agreements

Payable within one year	959,053.68	949,940.76
Payable after one year	2,088,467.52	3,018,431.86
	3,047,521.20	3,968,372.62

20. Other contingent liabilities

	Dec. 31, 2025	Dec 31, 2024
Bank overdraft (not used)	3,500,000.00	4,000,000.00
Total contingent liabilities	3,500,000.00	4,000,000.00

21. Other guarantees

Guarantees	283,961.52	283,961.52
Guarantees given on behalf of other group companies	1,243,819.32	0.00
Business mortgages	71,500,751.68	71,500,751.68
	73,028,352.52	71,784,713.20

The Company has an interest rate swap agreement with a nominal amount of EUR 10,000,000, maturing on 31 January 2028.

The fair value of the interest rate swap as at 31 December 2025 was EUR -46,803.51.

22. Share option programmes

During the financial year 2025, the Company had two programmes in place: the Matching Share Plan 2022–2025, which ended during the financial year, and the new Share Option Programme 2025–2030. The Matching Share Plan resulted in an expense of EUR 80,467 recognised in the income statement of Boreo Plc.

With regard to the new Share Option Programme, no expense has been recognised in the Company's financial statements for the financial year 2025 in accordance with the Finnish Accounting Act, as the programme is accounted for as a share-based payment under IFRS 2 in the consolidated financial statements. More detailed information on the effects of the programme is presented in the notes to the consolidated financial statements and in the accounting principles.



BOARD OF DIRECTORS' PROPOSAL FOR THE USE OF DISTRIBUTABLE PROFITS

Boreo's aim is to pay an annually increasing dividend per share, considering capital allocation priorities. In the short term, the company's objective is to strengthen its financial position and, thus ensure the implementation of its growth strategy also in the future. As a result, the Board of Directors of the company proposes to the Annual General Meeting that no dividend will be paid for the financial year that ended on December 31, 2025.



SIGNATURES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS

The financial statements, prepared in accordance with the applicable financial reporting regulations, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and of the undertakings included in the consolidated financial statements as a whole.

The Report of the Board of Directors provides a fair review of the development and performance of the business of the company and of the undertakings included in the consolidated financial statements as a whole, and describes the most significant risks and uncertainties and other aspects of the company's position.

Vantaa, March 17, 2026

Simon Hallqvist
Chair of the Board

Camilla Grönholm
Member of the Board

Jouni Grönroos
Member of the Board

Mattias Björk
Member of the Board

Jussi Vanhanen
Member of the Board

Noora Neilimo-Kontio
Member of the Board

Kari Nerg
CEO



AUDITOR'S NOTE

The auditor's report on the financial statements has been issued today.

Helsinki, on the date of the electronic signature

BDO Oy
Auditor

Taneli Mustonen
APA

AUDITORS' REPORT (Translation of the Finnish Original)

To the Annual General Meeting of Boreo Plc

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Boreo Plc (business identity code 0116173-8) for the year ended 31 December 2025. The financial statements comprise the consolidated balance sheet, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including material accounting policy information, as well as the parent company's balance sheet, income statement, statement of cash flows and notes.

In our opinion

- the consolidated financial statements give a true and fair view of the group's financial position, financial performance and cash flows in accordance with IFRS Accounting Standards as adopted by the EU
- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Our opinion is consistent with the additional report submitted to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

In our best knowledge and understanding, the non-audit services that we have provided to the parent company and group companies are in compliance with laws and regulations applicable in Finland regarding these services, and we have not provided any prohibited non-audit services referred to in Article 5(1) of regulation (EU) 537/2014. The non-audit services that we have provided have been disclosed in note 5 to the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have also addressed the risk of management override of internal controls. This includes consideration of whether there was evidence of management bias that represented a risk of material misstatement due to fraud.

Key audit matter**How the matter was addressed in the audit**

Key Audit Matter - Revenue Recognition (We refer to the accounting principles of the consolidated financial statements.)

- The Group fulfills its contractual performance obligations and recognizes revenue when control of the products or services has transferred to the customer.
 - Allocation of sales to the correct period has been treated as a key audit matter in the consolidated financial statements audit.
 - **This matter is a significant risk of material misstatement referred to in EU Regulation No 537/2014, point (c) of Article 10(2).**
- **We evaluate the Group's revenue recognition accounting principles in relation to the applicable accounting standards.**
 - We gain an understanding of the revenue recognition process and internal controls used by the company to monitor the correct timing of revenue recognition.
 - We tested revenue recognition with a sample to determine whether revenue was recognized in the correct financial period
 - We evaluate the appropriateness of the presentation in the financial statements.
-

Key Audit Matter - Goodwill Valuation (We refer to the accounting principles and Note 14 of the consolidated financial statements.)

- The value of goodwill on the balance sheet tested on the balance sheet date was EUR 44.9 million, which is 35% of the balance sheet assets and 85% of the total equity.
 - The valuation of goodwill was a key aspect from the audit perspective, as impairment testing involves forecasts and judgement. Group management makes assumptions when determining the discount rate and factors related to the future market situation and economic development, such as general economic growth, expected inflation, and sales and profitability development.
 - **This matter is a significant risk of material misstatement referred to in EU Regulation No 537/2014, point (c) of Article 10(2).**
- We used the help of our valuation specialists when assessing the assumptions and methods applied by the Group.
 - Our audit focused on, among other things, the forecasted profitability and the discount rate used.
 - In assessing the profitability figures used in the testing of cash-generating units, we focused on how they were derived from actual historical figures and the budget compiled by management.
 - We evaluated the accuracy of previous forecasts made by management.
 - We checked the mathematical correctness of the calculations.
 - We assessed the appropriateness of the **Group's notes to the financial statements** related to impairment testing.
-

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material

misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of **expressing an opinion on the effectiveness of the parent company's or the group's** internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- **Conclude on the appropriateness of the Board of Directors' and the Managing Director's** use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast **significant doubt on the parent company's or the group's ability to continue as a going concern**. If we conclude that a material uncertainty exists, we are required to draw **attention in our auditor's report to the related disclosures in the financial statements** or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based **on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.**
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Reporting Requirements

Information on our audit engagement

We were first appointed as auditors by the Annual General Meeting on April 17, 2024, and our appointment represents a total period of uninterrupted engagement of two years.

Other Information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Annual Report but does not include the financial statements or our auditor's report thereon. We have obtained the report of the Board of Directors prior to the date of this auditor's report and the Annual Report is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to the report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in compliance with the applicable provisions.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in compliance with the applicable provisions.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Helsinki, on the date of electronic signature

BDO Oy, Audit Firm

Taneli Mustonen

APA

A person is rowing a small boat on a calm lake. The water is still, reflecting the surrounding forest of tall pine trees. The scene is misty and serene. A large, dark blue circle is partially visible on the right side of the image.

GOVERNANCE STATEMENTS



CORPORATE GOVERNANCE STATEMENT 2025

INTRODUCTION

Boreo Plc's corporate governance system is based on Finnish legislation and the company's Articles of Association. Boreo Plc complies with the rules of Nasdaq Helsinki Ltd and the Finnish Corporate Governance Code for listed companies issued by the Finnish Securities Market Association, which entered into force on January 1, 2025. A description of the corporate governance system is available on the company's website at www.boreo.com and publicly available on the website of the Finnish Securities Market Association at www.cgfinland.fi. This document is the annual Corporate Governance Statement published in connection with the financial statements. The company does not deviate from the recommendations of the Corporate Governance Code.

This statement has been approved by the Board of Directors of Boreo Plc and has been prepared as a separate report from the Report of the Board of Directors. The company's audit firm, BDO Oy, has verified that the description of the main features of the internal control and risk management systems related to the financial reporting process is consistent with the financial statements.

Structure of Boreo Group

Boreo's operations are organized into two business areas.

The Electronics business area consists of businesses engaged in the distribution, manufacturing and assembly of professional electronics components and own products. Its companies act as representatives of leading global principals in Northern Europe, Poland and the United States. The companies provide warehousing and logistics services as well as technical sales services to both principals and customers. The companies within the business area are Yleiselektronikka, YE International, Noretron Komponentit, Milcon, Infradex, Signal Solutions Nordic, Delfin Technologies (Delfin) and YE RS.

The Technical Trade business area consists of businesses engaged in technical trade and industrial services. Its companies act as representatives of well-known principals and serve, among others, the engineering, construction, process, forestry and concrete industries in Finland, Sweden and Estonia. The companies within the business area are Machinery, Machinery MT, Muottikolmio, Pronius, J-Matic, Filterit, PM Nordic, Tornokone, HM

Nordic, Floby Nya Bilverkstad (FNB), Lackmästarn, Etelä-Suomen Kuriiripalvelu (ESKP), Vesterbacka Transport and Spetsselektroodi.

In addition to the above business areas, the reporting segment Group Functions comprises the operations of the parent company, Boreo Plc.

BOREO'S GOVERNANCE PRINCIPLES

Boreo Plc is a Finnish public limited liability company listed on the Main Market of Nasdaq Helsinki Ltd. The parent company, Boreo Plc, together with its subsidiaries, forms the Boreo Group. The company's highest decision-making authority is exercised by the shareholders at the Annual General Meeting. The administration of the company is the responsibility of the Board of Directors of Boreo Plc, together with its Committees, and the CEO.

Annual General Meeting

The General Meeting is the highest decision-making body of Boreo Plc and is held at least once a year. According to the company's Articles of Association, the notice to the General Meeting is issued by the Board of Directors, and when necessary, the Board of Directors may convene an Extraordinary General Meeting.

The General Meeting decides on matters assigned to it under the Finnish Limited Liability Companies Act and the Articles of Association, including:

- the adoption of the financial statements and the use of the profit shown in the balance sheet;
- the discharge of the members of the Board of Directors and the CEO from liability; and
- the election of the members of the Board of Directors and the auditor, as well as their remuneration.

The notice to the General Meeting and other communications to shareholders shall be published as a stock exchange release no earlier than three months and no later than three weeks prior to the General Meeting. The Annual General Meeting shall be held by the end of June. The General Meeting documents are kept available on Boreo Plc's website (www.boreo.com) for at least five years from the date of the meeting.

A shareholder has the right to have a matter falling within the competence of the General Meeting under the Finnish Limited Liability Companies Act included on the agenda



of the General Meeting, provided that the shareholder requests this in writing from the Board of Directors in such a timely manner that the matter can be included in the notice to the meeting. The company announces on its website the date by which a shareholder must notify the Board of Directors of a matter to be included on the agenda of the Annual General Meeting. The company aims to announce this date by the end of the financial year preceding the Annual General Meeting. In 2025, the Annual General Meeting was held in Vantaa on April 15, 2025.

Board of Directors

Boreo Plc has a Board of Directors comprising a minimum of three and a maximum of seven members. The General Meeting elects the members of the Board of Directors for a term that ends at the close of the next Annual General Meeting. The Board of Directors elects a Chair (and, if deemed necessary, a Vice Chair) from among its members.

The company's largest shareholder, representing more than 50 percent of the company's shares and voting rights, prepares the proposal for the composition of the Board of Directors. At the beginning of 2025, the Board of Directors consisted of six members. The Annual General Meeting held on April 15, 2025 resolved to elect six members to the Board. Simon Hallqvist, Jouni Grönroos, Camilla Grönholm, Jussi Vanhanen and Noora Neilimo-Kontio were re-elected as members of the Board, and Mattias Björk was elected as a new member. Ralf Holmlund stepped down from the Board.

In 2025, the Board of Directors convened 10 times.

Independence of the Board members

Of the members of the Board of Directors elected by the Annual General Meeting on April 15, 2025, Jouni Grönroos, Mattias Björk, Camilla Grönholm, Jussi Vanhanen and Noora Neilimo-Kontio are independent of the company and its significant shareholders.

The Chair of the Board of Directors, Simon Hallqvist, is a significant shareholder of the company through Preato Capital AB. Preato Capital AB became the company's largest shareholder through a share transaction carried out on June 14, 2019.

Presentation of Board members

Chair of the Board Simon Hallqvist

Gender: Male

Born: 1967

Nationality: Finland, Sweden

Education: M.Sc. Econ.

Member of the Board since August 22, 2019, Chair since March 3, 2020

Member of the Remuneration and Nomination Committee since April 15, 2021

Full-time position: Partner in Preato Capital AB

Key work experience: Preato Capital AB, Founding Partner (2004-), Argnor Wireless Ventures, Investment Director (2001-2004) and Oracle Finland Oy, Account Manager (1995-1999)

Primary positions of trust: Chair of the Board at Preato Capital AB, Preato Oy and Consivo Group AB

Shareholding 31.12.2025: 1,891,433 shares (through Preato Capital AB)

Member Camilla Grönholm

Gender: Female

Born: 1964

Nationality: Finland

Education: M.Sc. Econ.

Member of the Board since April 16, 2020

Chair of the Remuneration and Nomination Committee since April 15, 2021

Key work experience: ROCKWOOL International A/S, CHRO and member of the Group's Management Team (2012-2020), Pöyry Oyj, CHRO and member of the Group's Management Team (2006-2012) and Nokia Oyj, international HR roles (1999-2006) latest HR Director, Nokia mobile phones (2003-2006)

Primary positions of trust: Member of the Board at Lumon Group (2023-), Member of the Board, AEE Aalto University Executive Education Oy (2009-2012).

Shareholding 31.12.2025: 1,885

Member Jouni Grönroos

Gender: Male

Born: 1965

Nationality: Finland

Education: M.Sc. Econ.

Member of the Board since April 16, 2020

Chair of the Audit Committee since April 16, 2020

Key work experience: Fazer Group CFO and Deputy CEO (2010-2024) and Senior Adviser (2024-2025), Rapala VMC Oyj CFO (2005-2010), AvestaPolarit Oyj Deputy CFO and later CFO (2001-2005), Outokumpu Oyj Group Tax Manager, Assistant Vice President and later Vice President (1990-2001), Auditor at KPMG (1989-1990)

Primary positions of trust: Member of the Board and Chair of the Audit Committee at Caruna Networks Group (2015-), Chair of the Board of several Fazer Group subsidiaries (2010-2024), Member of the Board of Directors at the Rannikotykistösaatiö (2002-) and Member of the



Board of Directors at the Terho-säätiö (2026-), Member of the Board and Chair of the Audit Committee at Hartwall Capital Oy (2018-2020), Vice Chair of the Food sector of the Finnish National Emergency Supply Organisation (2016-2024)

Shareholding 31.12.2025: 2,041

Member Mattias Björk

Gender: Male

Born: 1975

Nationality: Sweden

Education: LL.M., M.Sc. Econ., MBA

Member of the Board since April 15, 2025

Member of the Audit Committee since April 15, 2025

Key work experience: CFO, Volati AB (2009–2019); various positions within Kinnevik Group companies (2000–2009)

Primary positions of trust: Member of the Board: Bokusgruppen AB (2021–), Genova Property Group AB (2025–), Salix Group AB (2025–), S:t Eriks Gruppen AB (2016–2024), Sequent Invest AB (2021–2025); Member of the Board of various Volati AB companies (2009–2019)

Shareholding 31.12.2025: 6,350 shares

Member Jussi Vanhanen

Gender: Male

Born: 1971

Nationality: Finland

Education: LL.M., MBA

Member of the Board since April 17, 2024

Member of the Remuneration and Nomination Committee since April 17, 2024

Full-time position: CEO, Metsä Group (2025-)

Key work experience: CEO, Vexve Armatury Group (2017–2024); CEO, Fibre Packaging, Mondi Plc (2014–2017); UPM-Kymmene Corporation – various positions (1999–2013), most recently Senior Vice President, Technical Materials business area

Primary positions of trust: Member of the Board, Metsä Group (2022–2025); Chair of the Board, Logistikas Oy (2021–2022); Member of the Regional Board of Pirkanmaa, Technology Industries of Finland (2020–2023); Member and Chair of the Board, Peikko Group Oy (2011–2020); Member of the Supervisory Board, WWF Finland (2010–2016)

Shareholding 31.12.2025: 5,817 shares

Member Noora Neilimo-Kontio

Gender: Female

Born: 1975

Nationality: Finland

Education: M.Sc. Econ., Accounting and Finance

Member of the Board since April 19, 2023

Member of the Audit Committee since April 19, 2023

Full-time position: CFO and Deputy CEO, Caruna

Key work experience: Caruna, multiple roles (2014-), Accenture, Manager Strategy & Enterprise Performance Management (2007-2014), EY, Senior Consultant (2003-2007), L'oreal, Division Business Controller LPD (2000-2003)

Primary positions of trust: Suomen Lauttaliikenne Oy, Member of the Board (2023-)

Shareholding 31.12.2025: 1,312

Activities of the Board of Directors

According to the Articles of Association, the Board is responsible for the management and appropriate organization of the company's operations. The Board of Directors is also responsible for carrying out other duties of the Board as prescribed in the Finnish Limited Liability Companies Act. The Board of Directors has compiled a written charter that defines the Board's main duties and operating methods. According to the charter, for example, the following are part of the Board's duties:

- Approve the company's strategy and long-term objectives, and monitor the implementation of the objectives and strategy
- Approve strategically important plans, acquisitions, and investments
- Monitor and assess financial reporting
- Monitor financial performance and process, and approve financial reports
- Ensure that the company implements the operating principles of internal control, internal audit, and risk management, and monitoring and assessing their effectiveness
- Prepare the proposal for the election of the auditor and monitor the audit, and assess the auditor's performance and independence

A more detailed description of the Board's duties is found in the Charter of the Board of Directors.

Diversity of the Board of Directors

Boreo considers diversity an important factor in maintaining a well-functioning and effective Board of Directors. The company believes that diverse perspectives, experience and expertise strengthen strategic thinking and the quality of decision-making.

At Boreo, diversity encompasses several dimensions, including but not limited to:

- professional background and expertise
- industry experience
- education



- age and experience
- gender
- international and cultural background; and
- personal characteristics

During 2025, the Board of Directors comprised six members, and one change took place during the year.

The members of the Board represent two nationalities and hold higher academic degrees in economics or in law. The members of the Board have broad experience from various industries from both Finnish and international companies operating in several countries. All members also have experience in executive positions in companies, either in operational roles or through board membership. More detailed curricula vitae of the members are presented in the section describing the Board of Directors.

The members of the Board have a comprehensive understanding of Boreo's industries and markets, as well as regulatory compliance. They also possess extensive knowledge of financial and financing matters, sustainability and investor relations. The members were born between 1964 and 1975, and the gender distribution of the Board is balanced in accordance with the Finnish Corporate Governance Code: two (33%) female and four (67%) male members.

The Remuneration and Nomination Committee prepares proposals for the appointment of new Board members and takes into account the company's diversity objectives in the selection process. Diversity among the representatives of the decision-making bodies is regarded as an asset, and diversity will continue to be promoted with respect to gender as well as other diversity factors.

In the selection process for a new Board member conducted in 2025, an external partner was used. The search process emphasized international background, knowledge on serial acquirers and experience in business management and development roles. The Remuneration and Nomination Committee prepared the proposal for the composition of the Board of Directors, which the company's largest shareholder submitted to the General Meeting for decision.

Committees

Boreo Plc's Board of Directors may establish specific Committees to assist the Board of Directors in their duties. Each year, the Board appoints the members and the Chair of the Committees from among its members and confirms the Committees' charters. The Committees

have no independent decision-making authority, they act as preparatory bodies and the issues they discuss are submitted for decision to the Board of Directors.

Audit Committee

In 2019, the Board of Directors decided to establish an Audit Committee. The Board of Directors appoints three to four members to the Audit Committee, one of whom is appointed as Chair of the Committee.

At its organizing meeting held after the Annual General Meeting on April 15, 2025, the Board of Directors elected the members to its Committees. Jouni Grönroos was re-elected as Chair of the Audit Committee, Noora Neilimo-Kontio was re-elected as a member, and Mattias Björk was elected as a new member of the Audit Committee. The duties of the Audit Committee are described in the Charter of the Audit Committee.

In accordance with the Corporate Governance Code 2025, the majority of the members shall be independent of the company. In addition, at least one member shall be independent of the company's significant shareholders. A member of the Committee may not belong to the company's executive management. The Chair of the Audit Committee defines the meeting schedule and the agenda of the meetings in consultation with the members. The Audit Committee shall meet at least four times a year. In 2025, the Audit Committee convened eight times.

The key duties of the Audit Committee in accordance with the charter approved by the Board of Directors for the Committee are:

- monitoring and assessing the financial reporting and sustainability reporting process
- monitoring the quality and integrity of the financial statements and sustainability reports
- monitoring and assessing the effectiveness of the company's internal control, internal audit and risk management systems
- assessing the internal control process and its effectiveness
- assessing the auditor's qualifications and performance
- monitoring and assessing the auditor's independence and preparing the proposal concerning the election and remuneration of the auditor and the sustainability assurance provider
- preparing and implementing other tasks assigned by the Board of Directors
- reporting regularly to the Board of Directors and submitting the minutes of the Audit Committee meetings to the Board



Remuneration and Nomination Committee

In 2021, the Board of Directors decided to establish a Remuneration and Nomination Committee to assist the Board in the preparation of matters falling within its responsibilities. At its organizing meeting held on April 15, 2025, the Board of Directors re-elected Camilla Grönholm as Chair of the Remuneration and Nomination Committee and elected Simon Hallqvist and Jussi Vanhanen as members of the Committee. The Committee convenes when necessary at the invitation of the Chair, however at least three times a year. The Chair of the Committee defines the meeting schedule and the agenda of the meetings in consultation with the members. The Committee comprises three to four members, one of whom is appointed as Chair. The majority of the members shall be independent of the company. The duties of the Committee are defined in its Charter. In 2025, the Remuneration and Nomination Committee convened four times.

The key duties of the Remuneration and Nomination Committee in accordance with the charter approved by the Board of Directors for the Committee are to:

- assist the Board in monitoring and preparing remuneration reporting and governance
- assist the Board in monitoring and evaluating the effectiveness of the Group's remuneration practices, and in preparing annual reviews, target setting and changes to incentive schemes
- assist the Board in succession planning and appointments

Board and Committee work in 2025

Name	Participation		
	Board	Audit Committee	Remuneration & Nomination Committee
Simon Hallqvist (chair)	10/10		4/4
Jouni Grönroos	10/10	8/8	
Ralf Holmlund*	3/10	2/8	
Mattias Björk**	7/10	6/8	
Camilla Grönholm	10/10		4/4
Noora Neilimo-Kontio	10/10	8/8	
Jussi Vanhanen	9/10		4/4

* Member of the Board and Audit Committee until 15.4.2025

** Member of the Board and Audit Committee since 17.4.2025

CEO

The CEO of Boreo Plc is responsible for managing the operations of the Boreo Group in accordance with the Finnish Limited Liability Companies Act, the instructions issued by the Board of Directors and applicable corporate governance regulations. The CEO is appointed and, if necessary, dismissed by the Board of Directors. The CEO prepares matters to be considered by the Board of Directors and implements its decisions. The CEO is responsible for the day-to-day administration of the company in accordance with the instructions and orders issued by the Board of Directors and ensures that the company's accounting complies with the law and that its financial affairs are arranged in a reliable manner.

The company's current CEO, Kari Nerg, commenced in his position on May 4, 2020. On October 28, 2025, the company announced a change of CEO. Tuomas Kahri was appointed as the new CEO and will assume his position on April 1, 2026. Kari Nerg will remain with the company until April 30, 2026.

Management Team

Boreo Plc has a Group Management Team chaired by the CEO. The Group Management Team is responsible for the development of the Group and its businesses and for operational activities in accordance with the objectives set by the Board of Directors and the CEO.

The Group Management Team focuses on strategic matters concerning the Group and its businesses, defines operating principles and procedures, and regularly addresses, among other things, matters and reviews related to financial development, the supervision of subsidiaries' business plans, governance, personnel matters and development projects.

The Group Management Team meets at least nine times a year. In 2025, the Group Management Team convened 11 times. At the end of 2025, the Group Management Team of Boreo Plc consisted of:

Kari Nerg

Gender: Male

CEO

Born: 1984

Nationality: Finland

Education: M.Sc. in Agriculture and Forestry, CEFA

CEO since May 4, 2020

Key work experience: Mutares SE & Co. KGaA director responsible for Nordic and UK operations (2017-2020), Häggblom & Partners Oy chief operating officer (2010-2017) and Manager (2010-2013)

Primary positions of trust: Junnikkala Oy, member of the board since 2018

Shareholding 31.12.2025: 43,266 shares (of which 35,370 through AK Capital Oy, a controlled corporation)

Mari Katara

Gender: Female

SVP, People & Sustainability

Born: 1984

Nationality: Finland

Education: M.Sc. Econ.

Member of the Management Team since October 26, 2020

Key work experience: Boreo Plc, SVP, Group HR (2020–2023), Head of HR and Member of Management Team in Pohjola Sairaala Oy and OP-Henkivakuutus Oy of OP Financial Group (2018-2020), HR Manager at Länsi-Auto Group and Member of the Management Team (2013-2018)

Shareholding 31.12.2025: 5,283 shares

Richard Karlsson

Gender: Male

SVP, Head of Technical Trade



Born: 1975
 Nationality: Sweden
 Education: Lieutenant (retired).
 Member of the Management Team since January 5, 2021
 Key work experience: CEO of PM Nordic AB since 2008 and CEO of Elephant Group AB since 2007.
 Shareholding 31.12.2025: 25,524 shares (of which 19,416 through Elephant Group AB, a controlled corporation)

Tomi Sundberg

Gender: Male
 SVP, Head of Electronics
 Born: 1983
 Nationality: Finland
 Education: M.Sc. Econ.
 Member of the Management Team since October 18, 2021
 Key work experience: CEO at Storent Oy (2018-2021), Director for New Business Development and Innovations for Cramo Group (2016-2018), Head of business support and development for Cramo AG (2013-2016)
 Shareholding 31.12.2025: 6,367 shares

Jesse Petäjä

Gender: Male
 CFO
 Born: 1991
 Nationality: Finland
 Education: M.Sc. Econ.
 Member of the Management Team since March 15, 2022
 Key work experience: Boreo Plc, SVP M&A (2021-2023) and Head of Technical Trade (2023-2024), Mutares SE & Co. KGaA's investment manager in Nordic operations (2019-2020), CEO of Petäjä Group (2018-2019), Investment Banking Analyst at Citigroup (2017-2018)
 Shareholding 31.12.2025: 15,060 shares

DESCRIPTION OF PROCEDURES FOR CONTROLLING THE FINANCIAL REPORTING PROCESS AND MAIN FEATURES OF RISK MANAGEMENT SYSTEMS

Internal control

Internal control related to financial reporting is part of Boreo Plc's overall internal control framework. The processes, instructions and procedures related to financial reporting are coordinated and developed at Group level. Boreo Plc prepares its financial reporting in accordance with International Financial Reporting Standards (IFRS), the Finnish Securities Markets Act, the Finnish Accounting Act and the instructions and statements of the Finnish

Accounting Board, while also complying with the standards of the Finnish Financial Supervisory Authority and the rules of Nasdaq Helsinki Ltd.

The principles, guidelines, practices and areas of responsibility related to internal control and risk management in the financial reporting process are designed to ensure that the company's financial reporting is reliable and that the financial statements are prepared in accordance with applicable laws, regulations and the company's operating principles. The Board of Directors assesses annually the need for an internal audit function as part of its evaluation of risk management. Considering the size, structure and risk profile of the Group, it has not been deemed appropriate to establish a separate internal audit function for the time being. As the company does not currently have a separate internal audit organization, responsibility for internal control is divided across different organizational levels. The Group Management Team, line management and the company's support functions are each responsible for the effectiveness of internal control within their respective areas. In addition, the external auditor's audit plan takes into account that the company does not have a separate internal audit function. The effectiveness of internal control is assessed as part of management reporting and based on the observations of the external auditor in the Audit Committee.

The Board of Directors bears the ultimate responsibility for ensuring that internal control related to financial reporting is appropriately organized. The Board reviews and approves annually the financial statements, the half-year report, interim reports and the sustainability report. The Audit Committee assists the Board in monitoring the effectiveness of internal control and risk management principles. Furthermore, the Audit Committee monitors the financial reporting process and the sustainability reporting process to ensure that the financial statements and related information are appropriate and consistent. In this task, the Group CFO, business support functions and the finance departments of the subsidiaries provide support.

To prevent financial and other misconduct, the Group has implemented a whistleblowing procedure in cooperation with an external service provider. In addition, employees are trained to promote the adoption of ethical business practices.

Risk management

Boreo Plc's risk management policy defines the objectives, principles, roles and responsibilities, as well as the practices of risk management. The objective is to ensure



that risk management is an integral part of strategy work, internal processes and the management of the business.

The Board of Directors decides on the desired overall risk level of the Group and is responsible for arranging effective risk management and internal control. The Audit Committee has general oversight responsibility for the implementation of risk management and reports to the Board of Directors at least once a year on the adequacy of risk management. The Group Management Team of Boreo Plc is responsible for the planning, implementation and organization of risk management and internal control. The Group Management Team conducts an annual risk assessment, which is reported to the Audit Committee and the Board of Directors. The CFO is responsible for the practical implementation and measures related to risk management.

The company reports its most significant risks and uncertainties in the Report of the Board of Directors. In addition, the company describes and reports on them, as well as on the related risk management measures, in its regular financial reporting.

To manage the risks related to the financial reporting process of the Boreo Group, various control measures are implemented at all organizational levels. These control measures include, among others, approval procedures, reconciliations, guidelines and continuous monitoring of operational activities. Ongoing control measures include, for example, monitoring subsidiary-specific monthly financial reports against targets and forecasts, preparing budgets and monitoring their realization, reviewing new business plans and developing internal financial processes. Through Boreo Plc's risk assessment process, the risks related to the financial reporting process are identified and analyzed, and appropriate risk management measures are determined.

OTHER INFORMATION TO BE INCLUDED IN THE REPORT

Insider transactions and their management

Boreo Plc has prepared Insider Guidelines supplementing the Market Abuse Regulation (596/2014, "MAR"), the Finnish Securities Markets Act (746/2012) and the Finnish Criminal Code (39/1889), as well as the regulations and guidelines issued by the Finnish Financial Supervisory Authority, the European Securities and Markets Authority (ESMA) and Nasdaq Helsinki Ltd. The purpose of the Insider Guidelines is to establish clear procedures and rules for the administration of insider matters, the disclosure of inside information, the maintenance of insider

lists and the management of managers' transactions, as well as for the prevention of misuse of inside information.

The Insider Guidelines have been approved by the Board of Directors and are binding on the company's insiders, including the members of the Board of Directors and the Group Management Team of Boreo Plc. In addition, the Guidelines contain provisions applicable to all employees who possess inside information, as well as to persons closely associated with insiders. Each individual is personally responsible for complying with the Guidelines. The Guidelines are available on the company's website and have been separately provided to insiders. Each individual is also personally responsible for assessing whether information in their possession constitutes inside information.

Insider matters and the maintenance of the insider list are the responsibility of the CEO of Boreo Plc. Insiders may not trade, on their own account or on behalf of a third party, in the company's financial instruments during a closed period of 30 calendar days prior to the publication of interim reports, the half-year report and the financial statements release, including the day of publication. Each individual is personally responsible for ensuring that trading in the company's financial instruments, recommending trading and the disclosure of inside information comply with applicable regulations at any given time.

Managers and persons closely associated with them must notify the company and the Finnish Financial Supervisory Authority of transactions conducted in the company's financial instruments. The company discloses such transactions by means of stock exchange releases and on its website (www.boreo.com).

Principles for related party transactions

Boreo Plc has established guidelines on related party transactions defining the principles for managing the company's related party transactions.

The related parties of Boreo Plc include the members of the Board of Directors, the CEO and other members of the Group Management Team, their close family members, and entities over which the aforementioned persons exercise control, directly or indirectly. The company maintains lists of related parties.

Transactions between the company and its related parties are permitted provided that they promote the company's operations and are carried out on acceptable terms in accordance with the company's business interests. Transactions with associates and joint ventures are



monitored and reported in the notes to the financial statements and in the Report of the Board of Directors.

The company has guidelines for members of the Board of Directors and the Group Management Team regarding the identification of related party transactions. In addition, they are annually requested to confirm the related party transactions carried out during the year.

Remuneration

The remuneration principles of Boreo Plc's governing bodies are defined in the company's Remuneration Policy. The salaries, fees and other financial benefits of the members of the Board of Directors and the CEO are presented in a separate Remuneration Report.

The Remuneration Policy and the Remuneration Report, as well as information on the remuneration of the other members of the Group Management Team, are available on the company's website at www.boreo.com.

Audit

According to the Articles of Association of Boreo Plc, the General Meeting elects one auditor, which must be an audit firm approved by the Finnish Patent and Registration Office. The audit firm appoints the auditor with principal responsibility, who must be an Authorized Public Accountant (KHT). The term of office of the auditor ends at the close of the Annual General Meeting following the election.

On April 15, 2025, the Annual General Meeting elected BDO Oy as the company's auditor, with Authorized Public Accountant (KHT) Taneli Mustonen as the auditor with principal responsibility. The subsidiaries have their own auditors. The statutory audit fees paid in 2025 amounted to a total of EUR 161,000 (EUR 164,000 in 2024).

REMUNERATION REPORT OF GOVERNING BODIES 2025

INTRODUCTION

This remuneration report contains information on the remuneration of the Board of Directors and the CEO of Boreo Plc for the period of January 1 to December 31, 2025. The report is based on the recommendations of the Finnish Securities Market Association's Corporate Governance Code 2025 and the requirements of the Securities Market Act and the Limited Liability Companies Act.

Boreo Plc's remuneration is based on the remuneration policy approved by the Annual General Meeting on April 19, 2022. According to the remuneration policy, the key factors considered when determining remuneration are the company's financial performance, the skills and performance of people involved, the complexity of their duties and external remuneration references in the relevant markets.

The remuneration of the CEO also reflects this specific role's impact on forming and implementing the company's business strategy, as well as in achieving the short- and long-term financial results.

The remuneration of Boreo Plc's governing bodies in 2025 was implemented in line with the principles described in the remuneration policy. The Board of Directors' remuneration is determined in accordance with established market practices, enabling the Board to effectively contribute to the advancement of the Company's current and future business objectives.

The target setting in Boreo Plc's remuneration models is designed to place the company's key financial indicators and their positive development at the core of performance measurement. This aims to ensure that excellent performance also leads to a positive outcome for the company's business objectives and that the company's profitability develops positively in the short- and long-term.

In accordance with Chapter 6 in Boreo's remuneration policy, the one-time compensation paid to the CEO is detailed on page 5 under the section describing the remuneration of the CEO. No recovery of remuneration took place in 2025 and no information has come to the company's attention after the end of the financial year that would lead to clawback of remuneration.

COMPARISON OF 5-YEAR DEVELOPMENT OF BOARD OF DIRECTORS, CEO AND EMPLOYEE REMUNERATION

Development of Board of Directors' fees

During 2021-2025, the average size of the Board of Directors was six persons, but fees were paid annually to 6–7 persons due to changes in the composition of the Board of Directors. In 2025, the Board of Directors comprised six members and one change took place.

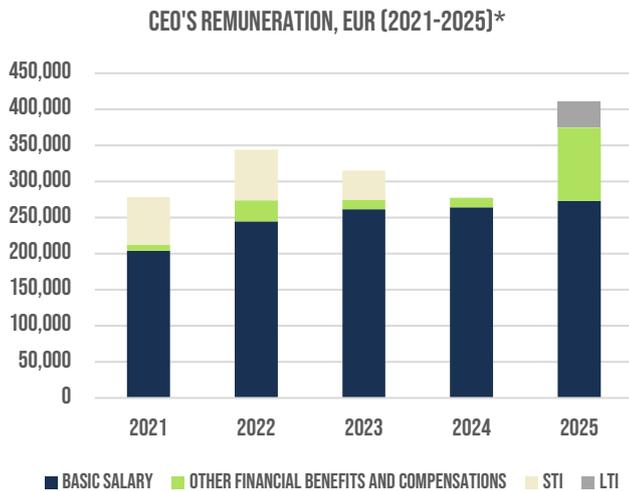
In accordance with the decision of the Annual General Meeting held on April 19, 2022, the Chair of the Board started to receive Board fees and meeting fees in 2022. Prior to this no fees were paid to the Chair. The monthly fees and meeting fees are unchanged since 2021.



*Includes non-recurring special fees related to the independent committee in 2021 (EUR 44,000). The Chair has received Board and meeting fees from April 19, 2022 onwards (EUR 56,000 in 2025).

Development of the CEO's remuneration

According to Boreo Plc's remuneration policy, the remuneration of the CEO is significantly influenced by the performance-based, variable component. Thus, the development of the company's key financial figures is reflected in the remuneration of the CEO.



*For 2023-2024, the CEO was not paid any short-term incentives. In 2025, the remuneration includes one-time compensation and Matching Share Plan 2022 payout.

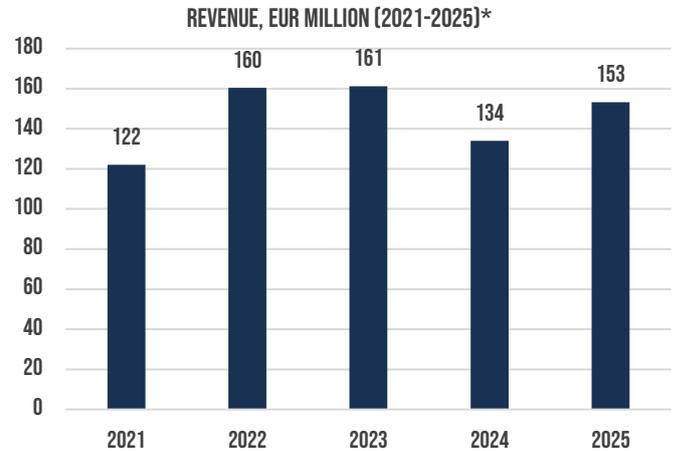
Development of employees' average salaries



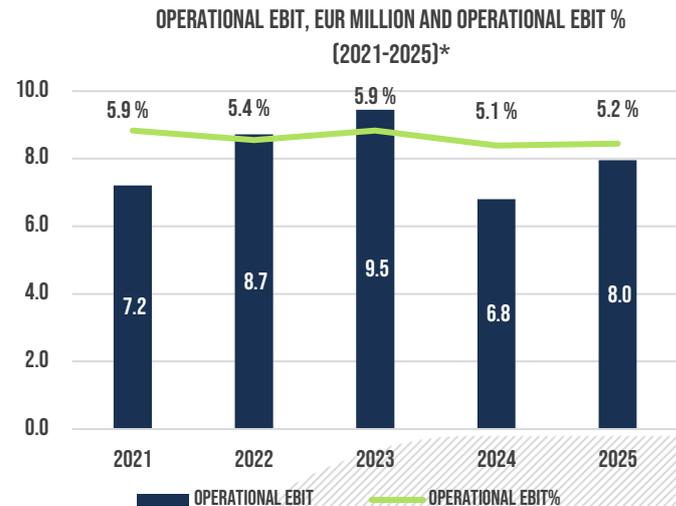
*Employees' average remuneration is calculated by dividing personnel costs reported in the financial statement by full-time equivalent of the Group. Remuneration of employees consists of the average total salaries of employees, including basic salaries, fringe benefits and variable incentives. There were considerable structural changes in the Group in 2019–2023 due to acquisitions. This weakens the comparability of figures when analysing employee remuneration development. The Russian operations sold in August 2022 have been fully eliminated from the figures. In addition, the formula for calculating employees' average salaries was changed in 2022 to give a more accurate

picture of average salaries in case of acquisitions, and the average salaries for 2019–2021 were adjusted correspondingly.

The company's financial development



*In 2021–2025, revenue describes the company's continuing operations and thus does not include Russian operations that were sold in August 2022 and classified as discontinued operations since the 2022 financial statements.



*In 2021–2025, operational EBIT describes the company's continuing operations and thus does not include Russian operations that were sold in August 2022 and classified as discontinued operations since the 2022 financial statements.

REMUNERATION OF THE BOARD OF DIRECTORS FOR THE FINANCIAL PERIOD JAN. 1 - DEC. 31, 2025

In accordance with the decision of the Annual General Meeting of April 15, 2025, the fees were not raised and therefore the remuneration of the members of the Board of Directors is EUR 2,000 per month and the remuneration of the Chair of the Board is EUR 4,000 per month. 60% of the Board fee is paid in cash and 40% in company



shares. However, the Board fee paid to the Chair of the Board, Simon Hallqvist, is paid in full in cash because it is not in the company's interest to increase the holding of Simon Hallqvist (actual main owner through Preato Capital AB) with Board fees. To avoid unnecessary cost and cross-border administration, the board fee is paid fully in cash also for Mattias Björk and he has himself acquired the company's shares from the market.

The fee for the Chair of the Audit Committee is EUR 1,000 per month. The fee for the Chair of the Remuneration and Nomination Committee is EUR 500 per month. Each member of the Board of Directors and the Committees is paid EUR 500 in meeting fees per Board and Committee meeting.

Each member of the Board (excluding the Chair and Björk) received 608 treasury shares held by Boreo Plc on May 9, 2025 as part of their remuneration in accordance with the decision of the Annual General Meeting. The value of the shares was EUR 15.77 per share. The value

of the shares has not been amortised for the financial period. The company also paid the transfer tax related to the transfer of the Board members' shares, which has been recognized as a benefit received in the taxation of the Board members.

Other financial benefits

In addition to the above fees, no other financial benefits were paid to the members of the Board. No separate remuneration was paid to Committee members in addition to the fees mentioned above.

Remuneration of the Board of Directors in 2025 (EUR)

Member of the Board	Monthly fee	Shares*	Meeting fees	Asset transfer tax	Total
Hallqvist Simon	48,000	0	8,000	0	56,000
Björk Mattias**	17,200	0	6,500	0	23,700
Grönholm Camilla	20,400	9,588	8,000	169	38,157
Grönroos Jouni	26,400	9,588	10,000	169	46,157
Holmlund Ralf***	4,800	0	3,500	0	8,300
Neilimo-Kontio Noora	14,400	9,588	10,000	169	34,157
Vanhanen Jussi	14,400	9,588	7,500	169	31,657
Total	145,600	38,353	53,500	675	238,128

*The value of share-based fees has not been amortised over the financial period.

**Björk's Board membership started on April 15, 2025

***Holmlund's membership ended on April 15, 2025



REMUNERATION OF THE CEO FOR THE FINANCIAL PERIOD JAN. 1 – DEC. 31, 2025

The remuneration of the CEO consists of a fixed basic salary and fringe benefits, as well as a short-term incentive plan and a possible long-term incentive plan based on a separate decision of the Board of Directors. The table on the next page shows the remuneration of Boreo Plc's CEO for the financial period 2025.

In 2023-2025, there were exceptional fluctuations in the remuneration, as no short-term incentives were paid to the CEO for 2023-2024 based on the cost optimisation program. Year 2025 included the payout of the Matching Share Plan 2022, a one-time compensation, and in addition, the CEO was granted options under the Option Program.

Fixed basic salary and fringe benefits

The fixed basic salary of the CEO is reviewed annually. The CEO is entitled to the benefit package in force at any time. In 2025, the CEO's taxable fringe benefits included a mobile phone benefit.

Short-term incentive plan

The CEO has a short-term incentive plan, the terms of which are reviewed annually. Under the short-term incentive plan, targets are linked to financial indicators and non-financial indicators. Incentives can be paid up to the equivalent of 6 months' basic salary. As part of a cost optimisation program agreed in Q4/2023 it was agreed that no short-term incentives are paid to the CEO and the Group Management Team for 2023 nor 2024. Thus, no

short-term incentives were paid to the CEO for the year 2024. For the financial year 2025, the CEO will receive a short-term incentive payout of EUR 46,000 in 2026.

Supplementary pension contributions

In 2025, the CEO did not have any supplementary pension arrangements deviating from the statutory pension scheme.

Long-term incentive plan

Boreo Plc's Board of Directors resolved on June 10, 2022 on a three-year Matching Share Plan directed at the company's key employees. Boreo Plc's CEO Kari Nerg subscribed for 6,768 shares in the personnel issue carried

out on June 14–26, 2022. Thus, in July 2025, he was paid a reward totaling EUR 35,158. The reward was paid 50% in cash and 50% in shares. In addition, the transfer tax related to the reward shares was paid on behalf of the CEO.

Boreo Plc's Board of Directors announced on April 29, 2025, a new three-year Stock Option Scheme for the members of the Group Management team. Based on this scheme, the CEO was granted 20,000 options on April 30, 2025. The amortized value of the benefit for the CEO in 2025 was EUR 36,700 based on Black-Scholes model.

The amortized value of the benefit granted to the CEO under the long-term incentive plan may not exceed 25% of the annual basic salary.

Other financial benefits and compensations

No signing fees, commitment fees or severance pays were paid in 2025. The CEO's contract includes a severance pay in the event that Boreo Plc terminates the service agreement. In addition to 6 months' redundancy pay, the CEO is entitled to severance pay corresponding to 6 months' basic salary.

The Board of Directors of Boreo decided to pay one-time compensation for the Group Management team members in the second quarter of 2025. Consequently, the CEO received a nonrecurring cash compensation equaling four times the fixed monthly basic salary (EUR 88,000).

CEO exit terms agreed

In October 2025, the CEO Kari Nerg and the Board of Directors agreed that the service agreement of the CEO will end no later than on April 30, 2026. Based on the agreement, CEO's fixed monthly salary will be paid until April 30, 2026. His final short-time incentive payout will be EUR 46,000 in April 2026 according to the normal schedule and he is entitled to retain 13,333 stock options (of the total 20,000 stock options granted in 2025). The exercise window of the options will follow the timeline announced on April 29, 2025 with the stock exchange release.

Shareholdings

At the end of 2025, the CEO owned 43,266 shares in Boreo Plc (of which 35,370 through AK Capital Oy, a corporation in his control).

**Remuneration of the CEO in 2025 (EUR)**

Name	Basic salary	Other financial benefits and compensations*	Short-term incentive plan**	Long-term incentive plan***	Total
Kari Nerg	273,000	101,920	0	35,158	410,078

*Other financial benefits and compensations including, e.g., holiday compensation, holiday bonus, fringe benefits and one-time compensation (the sum includes one-time compensation of EUR 88,000)

**As part of a cost optimisation program agreed in Q4/23 it was agreed that no short-term incentives will be paid to the CEO for 2023 nor for 2024. The short-term incentive payout earned for 2025 will be EUR 46,000 and is to be paid in 2026.

***Payout in the table refers to the LTI plan 2022. The annual amortised value of the Option Scheme benefit granted in April 2025 is EUR 36,700 for financial year 2025.

