



Sievi Capital

# Combination with Boreo

December 2021



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This presentation includes “forward-looking statements” that are based on present plans, estimates, projections and expectations and are not guarantees of future performance. They are based on certain expectations and assumptions, which, even though they seem to be reasonable at present, may turn out to be incorrect. Shareholders should not rely on these forward-looking statements. Numerous factors may cause the actual results of operations or financial condition of the combined company to differ materially from those expressed or implied in the forward-looking statements. Neither Sievi Capital nor Boreo, nor any of their respective affiliates, advisors or representatives or any other person undertakes any obligation to review or confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise after the date of this presentation.

This presentation includes estimates relating to the synergy benefits expected to arise from the merger and the combination of the business operations of Sievi Capital and Boreo as well as the related integration costs, which have been prepared by Sievi Capital and Boreo and are based on a number of assumptions and judgments. Such estimates present the expected future impact of the merger and the combination of the business operations of Sievi Capital and Boreo on the combined company's business, financial condition and results of operations. The assumptions relating to the estimated synergy benefits and related integration costs are inherently uncertain and are subject to a wide variety of significant business, economic, and competitive risks and uncertainties that could cause the actual synergy benefits from the merger and the combination of the business operations of Sievi Capital and Boreo, if any, and related integration costs to differ materially from the estimates in this presentation. Further, there can be no certainty that the merger will be completed in the manner and timeframe described in this presentation, or at all.



## Lennart Simonsen

Chairman of the Board of Directors  
Sievi Capital Plc



## Jussi Majamaa

CEO  
Sievi Capital Plc

# 1. Summary of the combination

Lennart Simonsen



# Summary of the combination




- I.** **The combination will create one of the leading growth platforms for small and medium-sized companies on the Nasdaq Helsinki Stock Exchange** 
- II.** **Stronger financial position and prerequisites for the Future Company's acquisition-driven growth** 
- III.** **Improved and stronger conditions for the growth and development of independent business operations and personnel** 

## 2. Background of the combination

Lennart Simonsen



# Background of the combination

- I.** **Successful investments and the development of target companies' operations was not reflected on the market value of the share** 
- II.** **Challenges in the present operation model as an IFRS investment company** 
- III.** **Combination with Boreo forms a good basis for creating shareholder value also in the long term** 

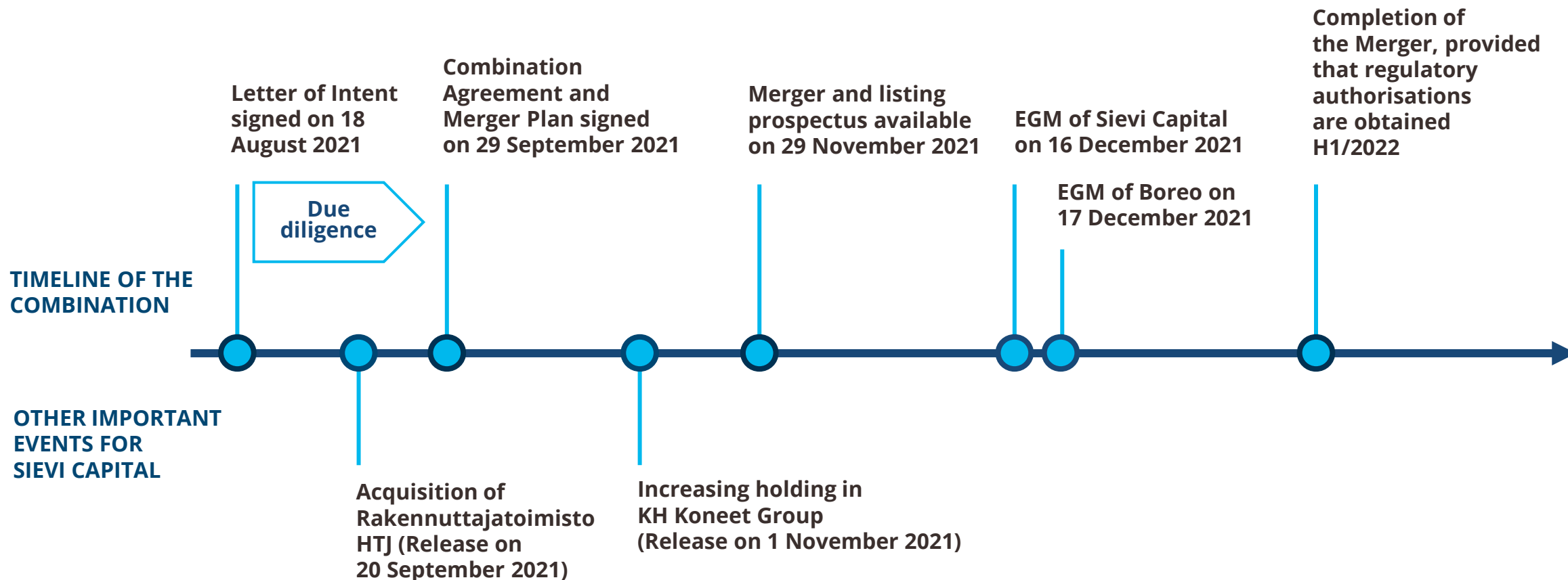
# 3. Progress of the combination

Jussi Majamaa



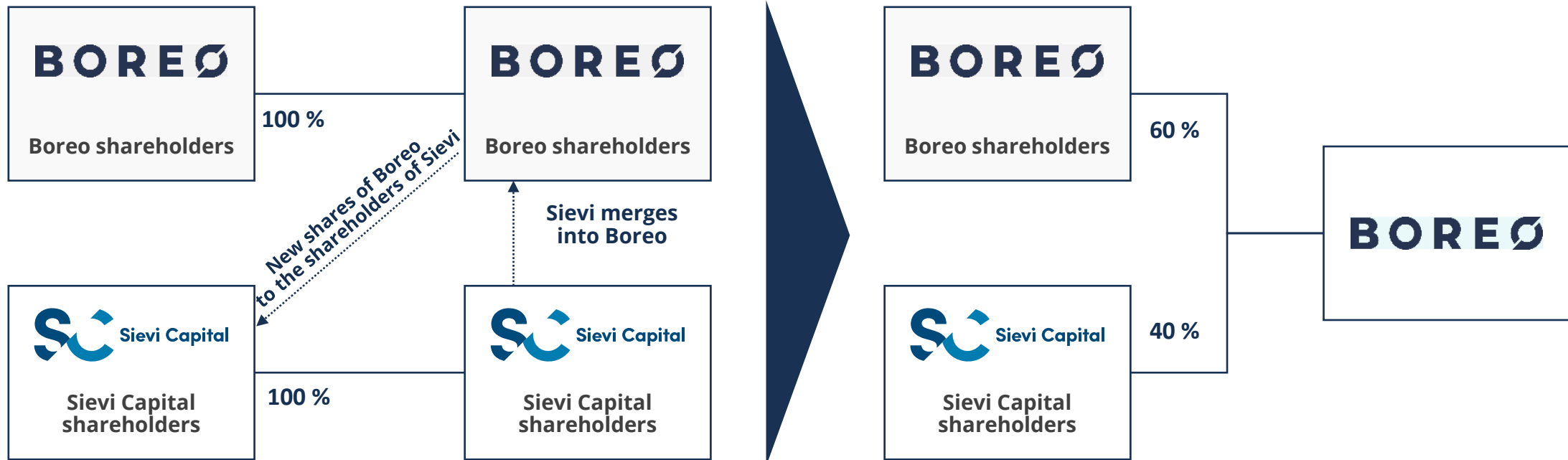


# The execution of combination is expected during H1/2022\*



*\*According to the Merger Plan, the planned date of the registration of the implementation of the Merger is 1 April 2022, subject to the fulfilment of the preconditions in accordance with the Finnish Companies Act and the conditions for implementing the Merger. The planned implementation day may change.*

# Sievi to merge into Boreo



- The proposed merger between Sievi Capital and Boreo will be executed through an absorption merger pursuant to the Finnish Limited Liability Companies Act, whereby Sievi Capital will merge into Boreo
- Before or upon the implementation of the merger Boreo's shareholders are issued new shares without payment in proportion to their holdings so that fourteen (14) new Boreo shares are issued for each share
- Upon the completion of the merger, Sievi Capital's shareholders will receive as merger consideration 0.4492 new shares of Boreo for each Sievi Capital share held on the record date
- Preato Capital AB, the majority shareholder of Boreo and Sievi Capital, representing on 22 November 2021 approximately 73.1 per cent of Boreo's outstanding shares and votes and 23.2 per cent of Sievi Capital's outstanding shares and votes, has undertaken, subject to certain customary terms and conditions, to vote irrevocably in favour of the combination

# 4. Pro forma financial information

Jussi Majamaa



# Pro forma financial information

	1 January - 30 September 2021			
EUR million	Boreo pro forma	Sievi Capital pro forma	Merger	Future Company pro forma
<b>Net Sales</b>	<b>109.0</b>	<b>323.5</b>	-	<b>432.5</b>
<b>EBITDA</b>	<b>10.2</b>	<b>42.0</b>	<b>1.1</b>	<b>53.2</b>
<b>Operating profit (loss)</b>	<b>7.4</b>	<b>15.2</b>	<b>(0.6)</b>	<b>22.0</b>
Transaction costs related to the acquisitions	0.4	0.9	(1.1)	0.2
Restructuring costs	0.2	0.1	-	0.3
Sale of property	(0.8)	-	-	(0.8)
Total items affecting comparability	(0.2)	1.0	(1.1)	(0.3)
<b>Adjusted EBITDA</b>	<b>10.0</b>	<b>42.9</b>	-	<b>53.0</b>
Depreciation, amortization and impairments charges, other than lease agreements	(1.4)	(3.6)	(1.1)	(6.1)
Depreciation from lease agreements (IFRS 16)	(1.3)	(23.1)	(0.6)	(25.1)
Impacts of the purchase price allocation	0.7	-	1.7	2.4
<b>Adjusted operating profit</b>	<b>7.9</b>	<b>16.2</b>	-	<b>24.1</b>
Adjusted operating profit attributable to the non-controlling interest	0.4	5.2	-	5.6
<b>Adjusted operating profit attributable to the owners of the Future Company</b>	<b>7.5</b>	<b>11.0</b>	-	<b>18.5</b>
	30 September 2021			
EUR million	Boreo historical	Sievi Capital pro forma	Merger	Future Company pro forma
Interest-bearing net debt	35.9	182.7	2.7	221.3
of which leasing liabilities	5.3	120.1	-	125.4

Unaudited pro forma information is presented for illustrative purposes only to give effect of the merger, Sievi Capital's acquisitions in 2020 and 2021 and the increase in shareholding in KH-Koneet Group Oy and the financing of these acquisitions, and Boreo's acquisitions in 2020 and 2021 and the financing of these acquisitions to Boreo's published historical financial information as if the transactions described above had occurred on an earlier date. Further information on pro forma financial information can be found on merger prospectus.

# Future Company has stable economic basis

## Future Company pro forma

### EUR million

	1-9/2021	1-12/2020
<b>Net Sales</b>	<b>432.5</b>	<b>550.5</b>
EBITDA	53.2	49.8
<b>Adjusted EBITDA</b>	<b>53.0</b>	<b>70.8</b>
Adjusted EBITDA attributable to the owners of the Future Company	40.1	48.5
Adjusted EBITDA attributable to the non-controlling interest	12.8	22.3
Operating profit	22.0	10.0
<b>Adjusted operating profit</b>	<b>24.1</b>	<b>33.4</b>
Adjusted operating profit attributable to the owners of the Future Company	18.5	25.3
Adjusted operating profit attributable to the non-controlling interest	5.6	8.1
<b>Profit for the period</b>	<b>12.6</b>	<b>1.1</b>
Profit for the period attributable to the owners of the Future Company	9.7	(0.3)
Profit for the period attributable to the non-controlling interest	2.9	1.4

### 30 September 2021

### EUR million

Interest-bearing net debt	221.3
of which leasing liabilities	125.4

**€551m**

Future Company  
pro forma net  
sales (2020)

**€71m**

Future Company  
pro forma  
adjusted EBITDA  
(2020)

**3.1x**

Future Company pro forma  
interest-bearing net debt /  
adjusted EBITDA previous  
12 months\*  
(30 Sept. 2021)

**36.4%**

Future Company pro  
forma equity ratio  
(30 Sept. 2021)

\* Adjusted EBITDA for 1 Jan – 30 Sept. 2021 + Adjusted EBITDA for 1 Jan – 31 Dec 2020 divided by four

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# 5. Strategy and outlook of the Future Company

Jussi Majamaa



# The Future Company's strategy will be based on Boreo's strategy

## Acquisitions

- Growth and expansion to new areas and industries through platform acquisitions
- Acquisitions of independent business operations that strengthen the whole
- Current business operations will be strengthened by add-on acquisitions

## Operational efficiency

- The Future Company will develop a systematic way to improve operational efficiency and create stronger conditions for improving organic growth and profitability

## People & Culture

- Developing employees and providing opportunities for people is at the heart of the value creation model
- The entrepreneurial approach of Boreo and Sievi creates a strong foundation for the development of culture in the combined company

**The Future Company serves as a growth platform for its companies and employees, creates growth through acquisitions and organically and focuses on creating operational efficiency and shareholder value in the long-term.**

# The benefits of Compounder model

## Transparency

- Transparent operation model facilitates the evaluation of the company

## Taxation

- Companies are owned and acquired without intent to sell them
- No capital gains tax dispensed

## Efficient use of capital

- Predictability, strong cash flow and efficiency of capital use at the core
- Aiming at efficient allocation of capital

## Opportunities for personnel

- The Group offers better conditions for personnel development and career progression

## Synergies with financing

- Financing activities on Group level enables synergies

## Value creation is not dependent on exit

- Growing the entity by using cash flow on new acquisitions enables better conditions for faster growth and the effect of compounding



# 6. Extraordinary General Meeting

Lennart Simonsen



# Extraordinary General Meeting

## EGM of Sievi Capital 16 December 2021

- Extraordinary General Meeting will be held on 16 December 2021 at 1:00 pm at the Finlandia Hall
- In order to reduce the risk of infection resulting from the coronavirus, Sievi Capital will seek to keep the meeting as short as possible and to limit the number of participants.
- The shareholders are respectfully requested to follow the meeting through web-cast and voting in advance or authorizing a proxy representative to represent the shareholder in the meeting.

## Resolution of the merger

- There is only one matter on the agenda:  
The unanimous proposal of the Board of Directors to merge Sievi Capital into Boreo

## Influence by voting

- Notice to the Extraordinary General Meeting has been published on 2 November with Stock Exchange Release
- Advance voting can be done here:  
<https://sievicapital.fi/en/sijoittajille/hallinnointi/yhtiokokoukset/egm-2021/>

**We welcome the shareholders of Sievi Capital to the Extraordinary General Meeting to decide on the future of the company.**



Sievi Capital

**Thank you**

