



Financial Statement Bulletin

1 January – 31 December 2023

Fortaco Group Holdco Plc (3281147-3)

The bottom half of the page features a background image of industrial machinery with yellow and black components. The word "FORTACO" is printed in white, bold, uppercase letters in the lower-left corner of this section.

FORTACO

Financial Statement Bulletin January–December 2023

Unaudited, IFRS

Note for the reader: Fortaco Group was acquired by One Equity Partners in September 2022, and the new Fortaco Group Holdco was established. In this report, figures in parentheses refer to the corresponding period from the previous fiscal year and are based on the financials of the acquired Fortaco Group thus diverging from the officially consolidated financial statements of Fortaco Group Holdco for the year 2022. The same goes for comments and comparisons on 2022 financials. See more information in the Key figures section of this report. Formulas for calculating alternative performance metrics, along with their respective reconciliations, are outlined at the end of this report.

Core businesses performed as planned

Highlights: October–December 2023

- Net sales was EUR 101.9 million (EUR 94.9 million), comparable net sales growth 7.3 per cent.
- Recurring EBITDA was EUR 5.0 million (EUR 5.2 million) and 4.9 per cent of net sales, comparable decline in recurring EBITDA 2.6 per cent. EBITDA was EUR 2.5 million (EUR 4.3 million) and 2.5 per cent of net sales.
- Recurring EBITA was EUR 1.1 million (EUR 2.6 million) and 1.1 per cent of net sales. EBITA was EUR -1.4 million (EUR 1.8 million) and -1.4 per cent of net sales.
- Core businesses performed as planned, and strategic acquisitions strengthened the overall position of the Group. Fortaco also remains committed to its strategic agenda and continuously evaluates attractive add-on acquisitions to further strengthen its offering. Such acquisitions could materialize in the near term and may be financed with a combination of equity and bond, each in an approximately similar amount.
- Profitability was negatively impacted by the losses incurred in the marine, energy, and heavy project business which have now been placed under strategic review.
- Despite softening market environment during H2 2023, Fortaco reached its recurring EBITDA target in 2023 before considering the impact from acquisitions, excluding the marine, energy, and heavy project business.
- Non-recurring items amounted to EUR 2.5 million. The amount of non-recurring items is driven by M&A activities, and the extensive business development as well as the performance improvement agenda currently being executed.

Highlights: January–December 2023

- Net sales was EUR 373.8 million (EUR 332.4 million), comparable net sales increase 12.5 per cent.
- Recurring EBITDA was EUR 24.4 million (EUR 24.7 million) and 6.5 per cent of net sales, comparable decline in recurring EBITDA 0.9 per cent. EBITDA was EUR 17.3 million (EUR 22.8 million) and 4.6 per cent of net sales. Group's recurring EBITDA is including a loss of EUR 5.6 million originating from the energy, marine, and heavy project business. Recurring EBITDA, excluding this loss and before considering the impact of acquisitions was at a budgeted level. Hence, the profitability of the core business remained healthy in 2023.
- Recurring EBITA was EUR 12.3 million (EUR 14.8 million) and 3.3 per cent of net sales. EBITA was EUR 5.1 million (EUR 13.0 million) and 1.4 per cent of net sales. Recurring EBITA includes a loss of EUR 7.5 million originating from the marine, energy, and heavy project business.
- Non-recurring items amounted to EUR 7.1 million. The amount of non-recurring items is driven by M&A activities, business development, and other performance improvement programmes currently undertaken.
- Figures above are including the impact from the acquisition of MauserCABS and Buisard since the closing of transactions.
- 2023 pro forma key financials, including the full-year impact of MauserCABS and Buisard acquisitions, as if they were acquired on 1 January 2023, and excluding the loss-making energy, marine, and heavy project business, is net sales of EUR 420.4 million and recurring EBITDA of EUR 37.3 million, respectively.
- Net debt at year end 2023 was EUR 91.2 million and net debt to comparable recurring EBITDA 3.7x, including only partially the full-year EBITDA impact from acquisitions carried out in September and October. The pro forma leverage ratio, including MauserCABS and Buisard full year impact, as well as excluding the losses generated in the marine, energy, and heavy project business, is 2.4x. Equity ratio, including subordinated shareholder loan was 24.8 per cent.

The most important events during the financial year 2023

- Trading on the Fortaco's Senior Secured Bonds commenced on 25 May 2023 on the corporate bonds list of Nasdaq Helsinki Ltd.
- Connected to the bond tap issue the trading with the additional bonds commenced in August 2023. After the tap issue, the total bond principal outstanding amounts to EUR 102.5 million, of which EUR 3.6 million is held by Fortaco Group itself reducing the balance sheet value of the loan.
- Fortaco Group acquired the entire share capital of Walter Mauser GmbH on 6 September 2023.
- On 24 October 2023, Fortaco closed the acquisition of the remaining shares of Buisard.
- On 23 November 2023, Fortaco received a EUR 5 million shareholder loan from the sole shareholder of the company, OEP 81 B.V. The loan is subordinated to the bond financing. The funds have been used to repay in full a temporary local financing facility in MauserCABS, which was related to the acquisition carried out in September 2023.
- In November 2023, took place the inauguration of TATA AutoComp's manufacturing facility for vehicle cabins based on Fortaco's cabin design and manufacturing technology, and the ground-breaking ceremony of Fortaco's new business site located in the Gliwice region, Poland.
- The capacity expansion projects in Narva, Estonia and Holic, Slovakia continued according to the schedule.
- Fortaco continued to have good position in the market and additional new business was secured both from the existing and new customers.
- The energy, marine, and heavy project businesses have been placed under strategic review, and Fortaco is targeting to find a structural solution for these entities.

Key figures

Fortaco Group key financials

In this report, figures in parentheses refer to the corresponding period from the previous fiscal year and are based on the financials of acquired Fortaco Group thus diverging from the officially consolidated financial statements of Fortaco Group Holdco for the year 2022. Same goes for comments and comparisons on 2022 financials. See more information at Key figures section of this report. Formulas for calculating alternative performance metrics, along with their respective reconciliations, are outlined at the end of this report.

The terms 'comparable net sales', 'comparable EBITDA', 'comparable EBITA', 'comparable recurring EBITDA', and 'comparable recurring EBITA' are utilized specifically in relation to the financial performance of Fortaco Group, which was acquired by Fortaco Group Holdco in 2022. Consequently, these metrics diverge from the officially consolidated financial statements of Fortaco Group Holdco for the year 2022.

For the avoidance of doubt, no adjustments for comparability have been applied to the financial data presented for the year 2023.

MEUR	10-12/23	10-12/22	1-12/23	1-12/22*
Reported				
Net sales	101.9	94.9	373.8	94.9
EBITDA	2.5	1.9	17.3	0.6
% of net sales	2.5 %	2.0 %	4.6 %	0.7 %
EBITA	-1.4	-0.6	5.1	-2.0
% of net sales	-1.4 %	-0.7 %	1.4 %	-2.1 %
Non-recurring items	2.5	3.2	7.1	4.5
Recurring EBITDA	5.0	5.1	24.4	5.1
% of net sales	4.9 %	5.4 %	6.5 %	5.4 %
Recurring EBITA	1.1	2.5	12.3	2.5
% of net sales	1.1 %	2.7 %	3.3 %	2.6 %
Comparable				
Comparable net sales	101.9	94.9	373.8	332.4
Comparable EBITDA	2.5	4.3	17.3	22.8
% of net sales	2.5 %	4.6 %	4.6 %	6.9 %
Comparable EBITA	-1.4	1.8	5.1	13.0
% of net sales	-1.4 %	1.9 %	1.4 %	3.9 %
Comparable non-recurring items	2.5	0.8	7.1	1.8
Comparable recurring EBITDA	5.0	5.2	24.4	24.7
% of net sales	4.9 %	5.4 %	6.5 %	7.4 %
Comparable recurring EBITA	1.1	2.6	12.3	14.8
% of net sales	1.1 %	2.8 %	3.3 %	4.5 %
Balance sheet ratios				
Return on Capital Employed % (ROCE)	2.0 %	7.2 %	5.7 %	10.1 %
Equity ratio %	24.8 %	24.3 %	24.8 %	24.3 %
Net debt	91.2	51.9	91.2	51.9
Net gearing	119.9 %	92.9 %	119.9 %	92.9 %
Net debt/last 12 months comparable recurring EBITDA	3.7x	2.1x	3.7x	2.1x

*) Period 12.4.2022-31.12.2022 for reported figures.

Financials include MauserCABS since September 2023 and Buisard since 24 October 2023.

Guidance for 2024

Fortaco does not provide guidance for the financial year 2024.

President & CEO Lars Hellberg's comments

Fortaco continued its path of a consistent strategy during the period H2 under review. We further strengthened our position as a leading brand-independent strategic partner for heavy off-highway machine manufacturers in Europe and globally.

Uncertainties in the global operating environment continued to be reflected in our businesses during the period as the market continued to soften. Inflation, which has been at a high level for a long time, is now on a downward trend in Europe averaging 2.9 per cent at the end of December 2023 compared to 9.3 per cent at the end of 2022. The inflation rate was 5.9 per cent at the end of August and 3.6 per cent at the end of October. The profitability of the marine, energy, and heavy project businesses continued to be negatively impacted during the period due to low order intake and current customer strategic re-structuring. The cumulative net sales and EBITDA of the segment for full year 2023 amounted to EUR 40 million and -6 million, respectively. As announced 28 February 2024, Fortaco has started a strategic evaluation of its marine, energy, and heavy project businesses while these businesses are not considered strategic anymore. The evaluation is expected to be completed during H1 2024.

The acquisition of MauserCABS was completed as planned in the second half of the year, and the company is reported as part of Fortaco Group from 6 September 2023 onwards. MauserCABS is an Austrian company that manufactures high-quality safety cabins and operates on an international market. On 24 October 2023, Fortaco acquired the remaining part of shares and reached 100 per cent ownership of Buisard Cabins in France and the company has been reported as part of Fortaco Group since the acquisition date mentioned above.

In addition, we announced the inauguration of the Tata AutoComp manufacturing facility for state-of-the-art vehicle cabins in Pune, India. Together we will provide safe and ergonomic vehicle cabins to the Indian and international markets. Safety cabin manufacturing is made by Tata AutoComp and it is based on Fortaco's cabin design and manufacturing technology. The product offering will include cabins for Indian agriculture, construction equipment, and other off-highway applications, and also exports in all volume categories.

Together, our premium brands of Buisard, Fortaco, MauserCABS, and Tata AutoComp offer high-quality vehicle cabins and technology development to off-highway machine manufacturers worldwide. Fortaco's vehicle cabin business sites are located in Austria, Finland, France, Slovakia, and India. After these acquisitions, Fortaco is one of the leading players in the vehicle cabin business in the European market, having more capacity to expand its vehicle cabin offerings, technology, and manufacturing.

The ongoing project in Gliwice, Poland, with its aim to increase production capacity of steel fabricated components, is progressing as planned, though real estate works have been somewhat delayed. The capacity investment in Holic, Slovakia, is proceeding as planned. The capacity investment in Narva, Estonia, is also proceeding as planned.

Net sales grew by 7 per cent in Q4 2023, compared to the corresponding period in the previous year, driven by acquisitions of MauserCABS and Buisard, and totalled to EUR 102 (95) million. Recurring EBITDA was basically flat in Q4 2023, compared to the corresponding period in the previous year, and was EUR 5.0 (5.2) million, which included MauserCABS and Buisard since the closing. The profitability was negatively impacted by EBITDA losses generated in the marine, energy, and heavy project businesses.

During Q4 2023 we saw declining order intake driven by softening market demand. Depending on the market and customer segment, retailers and OEMs continue to adapt their warehouses after extraordinary supply chain issues in 2021/2022, as the distribution situation in the supply chain normalizes after the Covid pandemic. Along with the normalization of inventories in various industries a general weakening of customer demand has also been seen in several industry segments, due to inflation and high interest rates compared to recent years.

We see growth in customer needs in the US market, and we have won business from US customers to be delivered from our European operations. As earlier communicated, we plan to expand our business in this market in the near future. In accordance with our strategy, we plan to offer the same business portfolio in the US and Europe in the future.

The development of our internal processes continued in Q4 2023. The SAP S4/Hana project is progressing with a slight delay and the first deployment for two business sites is expected at the end of Q2 2024. In the review period, we have moved forward with our sustainability development plan to set the right targets, engagement, and actions. Sustainability is a focus of our operations, and we develop solutions together with our clients to reduce global warming, among other things.

Fortaco is seen as an attractive partner resulting in increased market share, new customers, and the introduction of new products. We have a strong new business order book to be implemented in 2024 and 2025.

We have good opportunities to win new customers and increase our market share. We have a solid and established market position, quality performance, and an excellent delivery performance that make us an interesting strategic partner for both current and new customers.

We closely follow global-, local-, and several other indices, as well as our listed customers' quarterly reports, and keep a constant dialogue with customers to anticipate development of the market. Additionally, Fortaco is executing capacity adjustments warranted by the changing demand situation. In H2 2023, Fortaco reduced its workforce by 12 per cent. The outlook for the near future is coloured by uncertainties in the global economy. In the longer term, the outlook is good for Fortaco. Fortaco's diversified industry exposure provides protection from cyclicity. We have a good cash position, which enables sustainable business development.

I would like to thank our customers and business partners for your trust. Also, I would like to thank our employees for their dedication to the path towards achieving our common goals.

Operating environment and market overview

The financial year 2023 was two-fold from operating environment and market point of view. The first half of the year contained a high level of overall demand, despite the signals of increasing general economic uncertainties and increasing interest rates. Fortaco's order intake was generally rather good excluding the marine, energy, and heavy project businesses, which suffered from the continued low order intake. The second half of the year turned out to represent softening overall market conditions. Fortaco assesses softening to be driven by the combination of de-stocking impact in the markets as well as softening the overall level of demand in most customer segments. Large variations exist between different segments. At Fortaco customer segments, especially the construction segment, have had a clearly declining trend in demand, whereas the underground mining segment demand has remained to be good, also during the second half of the year. Fortaco continued to win new business from the existing and new customers which is contributing positively to the net sales in the future.

Cost inflation, excluding the cost of steel, continued high during the first half of the year with a cost level starting to stabilize to high levels during the second half of the year. Fortaco focused on defending its margins by negotiating fact-based price increases with its customers, especially during the first half of the year. Steel prices have had a declining trend in 2023, after the peak levels reached in 2022. Fortaco is generally transferring the change of steel prices to its customers.

Fortaco Group's financial performance

October–December 2023

Fortaco Group's net sales in the review period was EUR 101.9 million, representing an increase of 7.3 per cent versus comparable net sales in the respective period in 2022. The increase in net sales was driven by inorganic growth as MauserCABS was consolidated into Fortaco during the whole Q4 2023 and Buisard since 24 October. Without the impact of the acquisitions, net sales was declining due to further softening in the market environment.

Fortaco Group's Recurring EBITDA was EUR 5.0 million (EUR 5.2 million) and 4.9 per cent of net sales, comparable decline being 2.6 per cent. The marine, energy, and heavy project business contributed EUR -1.8 million to recurring EBITDA during Q4 2024. Non-recurring items during the review period totaled EUR 2.5 million. The amount of non-recurring items is driven by M&As, business development, and other performance improvement programs currently undertaken by Fortaco. EBITDA was EUR 2.5 million (EUR 4.3 million) and 2.5 per cent of net sales, EBITA EUR -1.4 million (EUR 1.8 million) and -1.4 per cent of net sales and net income EUR -9.6 million during the review period. Earnings per share was EUR -9.6 during the review period.

The consolidated balance sheet amounted to EUR 306.6 million on 31 December 2023. Cash and cash equivalents amounted to EUR 32.5 million including pledged cash.

January–December 2023

Fortaco Group's net sales in 2023 was EUR 373.8 million, representing an increase of 12.5 per cent versus comparable net sales in 2022. The increase was driven by inorganic growth as well as volume growth in H1 2024. The net sales include the impact from the acquisition of MauserCABS from September 2023 onwards as well as the impact of the acquisition of Buisard from 24 October 2023 onwards. During H2 2023, and especially during Q4 2023 the like-for-like volume growth turned out to be negative, driven by the softening market environment.

Fortaco Group's recurring EBITDA was EUR 24.4 million (EUR 24.7 million) and 6.5 per cent of net sales, comparable decline being -0.9 per cent. The full year recurring EBITDA includes a negative impact of EUR -5.6 million originating from the loss-making marine, energy, and heavy project business. Fortaco Group's underlying like-for-like recurring EBITDA performance, excluding the loss of the marine, energy, and heavy project business and excluding the impact of MauserCABS and Buisard acquisitions were relatively flat recurring EBITDA full year 2023 versus full year 2022.

Non-recurring items during the review period totaled EUR 7.1 million. The amount of non-recurring items is driven by the M&As, business development, and performance improvement agenda currently undertaken by Fortaco. EBITDA was EUR 17.3 million (EUR 22.8 million) and 4.6 per cent of net sales, EBITA EUR 5.1 million (EUR 13.0 million) and 1.4 per cent, and net income EUR -19.9 million during the review period. Earnings per share was EUR -19.9 during the review period.

2023 pro forma key financials, including the full-year impact of MauserCABS and Buisard acquisitions, and excluding the loss-making energy, marine, and heavy project business is net sales of EUR 420.4 million and recurring EBITDA of EUR 37.3 million, respectively.

Corporate acquisitions during 2023

Fortaco Group acquired the entire share capital of Walter Mauser GmbH on 6 September 2023. Walter Mauser GmbH has over 60 years of experience in safety cabins and the company is an internationally established excellent niche player for innovative vehicle super structures made for versatile applications. The company has many years of expertise in design, construction, assembly, and service. Walter Mauser GmbH is successfully active in Europe and in the US. The company serves the larger value chain in-house with more than 300 people at a modern factory located in Breitenau, Austria. With this acquisition, Fortaco is broadening its cabin technology offerings in Europe, India, and the US. Walter Mauser GmbH has been fully consolidated into the Group since the acquisition.

Fortaco closed the acquisition of the remaining 65% of shares at Buisard on 24 October 2023 thus reaching 100% per cent ownership. Buisard has been consolidated in Fortaco Group's financials from 24 October onwards. Net sales and EBITDA of the acquired company were EUR 68.5 million and EUR 3.7 million respectively, based on the last audited financials statements in 2022. Additionally, the transaction scope included the real estate asset and respective liability. Hence, rent adjusted EBITDA in 2022 was EUR 4.6 million.

Changes in the group structure

During 2023 Fortaco Group established a legal footprint in Austria by establishing the legal entity Fortaco Austria Holding GmbH, which acquired the entire share capital of Walter Mauser GmbH. A legal footprint was also established in France by establishing Fortaco France Holding S.A.S, which acquired 65 per cent of the shares of Buisard S.A.S. Subsequent to that, the ownership in Buisard was reorganized so that Fortaco France Holding S.A.S became the 100 per cent shareholder of Buisard S.A.S. During the financial year Fortaco established Fortaco Polska Sp Z.o.o., which will carry out the operations at the new Gliwice business site.

Personnel and management

The average number of personnel during the review period was 2,534. The number of personnel at the end of the review period was 2,828.

Group Leadership Team

On 31 December 2023, Fortaco Group's Leadership Team members were Lars Hellberg, President & CEO, Kimmo Raunio, Senior Executive Vice President & CFO, Agnieszka Koziara, Senior Vice President People & HR, Krzysztof Michel, Senior Vice President, Group Sourcing & IT, Mikael Persson, Senior Vice President, Customer & Business Development, and Rafal Sornek, Senior Vice President, Zero Emission Solutions.

Board of Directors

The Board of Directors is responsible for making decisions required by the provisions of the Finnish Companies Act. The Board of Directors will make all necessary resolutions according to the instructions given by Supervisory Board on the matters which belong within the competence of the Board of Directors according to the Finnish Companies Act, but which have been addressed to the Supervisory Board under the Rules of Procedure. On December 31, 2023, the Board of Directors include Chairman Lars Hellberg and deputy member Kimmo Raunio.

Supervisory Board

The Supervisory Board's role is to oversee the management of the company and it directs Fortaco Group's business to generate the greatest possible added value on the capital invested. On 31 December 2023, the Supervisory Board includes Panu Routila, Chairman, and Members of the Board Markus Sjöholm, Marc Lindhorst, Sebastian Schatton and Mona Henning.

Risks and uncertainties

Fortaco follows and categorizes its risks based on the following categories, under which each individual risk is evaluated based on probability and business impact:

- Strategic risks
- Financial risks
- Operational risks
- Cyber- and technological risks
- Regulatory risks

Fortaco seeks to protect itself against risk in these categories by utilizing the Fortaco Group Risk Management approach, which is based on the three lines of defense: Governing body, management and internal audit – combined with proper analysis and reporting tools. A broader description of the company's risk management practices is available on the company's website at: investors.fortacogroup.com/fi/risk-management/.

Direct impacts stemming from the crisis in Ukraine are and have been very limited for Fortaco. Fortaco does not have and has not had any net sales either in Russia or Ukraine. Also, customers' exposure to orders from Russia and Ukraine has been limited, with a few exceptions. However, the crisis has resulted in increasing geopolitical tensions and uncertainty about the development of the global economy, and has fueled overall inflation, resulting in increased risk related to overall market demand and costs of production. Also, the availability of key commodities, such as electricity, can still be negatively impacted.

As announced in various press releases, Fortaco is currently undergoing a period of several strategic investments taking place in Slovakia, Poland and Estonia. The investment programme requests continued availability of financing and cash-flows so that investments can be properly executed. As part of the overall financing structure, Fortaco is selling its receivables based on non-recourse setup. Continued availability of such financing is imperative for Fortaco Group.

Other key risks which might negatively impact Fortaco are, for example, the availability of employees, security of systems and devices, inflationary cost environment, risks related to the extensive business development agenda, and the overall economic uncertainties that currently exist.

A broader description of identified key risks will be available in the upcoming Annual Report 2023 to be published on the company's website at investors.fortacogroup.com/fi/reports/, as well as in the bond prospectus published in May and August 2023, which are also available on the company's website at investors.fortacogroup.com/fi/bond.

Shares and shareholders

Fortaco Group has issued a total of 1,000 ordinary shares and has a registered share capital of EUR 80,000 which is fully paid. The sole shareholder of the Company is OEP 81 B.V.

Annual General Meeting and Board authorizations

The Annual General Meeting was held on 14 June 2023. The General Meeting adopted the financial statements and the consolidated financial statements and discharged members of the Board of Directors and the CEO from liability for the financial year 2022. The General Meeting approved the remuneration policy for governing bodies.

Treatment of profit shown on the balance sheet

It was resolved to approve the proposal of the Board of Directors, and the recommendation of the Supervisory Board of Directors, that the result of the financial year is transferred to the profit and loss account for the previous years and that no dividend shall be distributed.

Number of members of the Supervisory Board of Directors, their election and remuneration

It was resolved that the number of ordinary members of the Supervisory Board of Directors shall be six. It was resolved to elect Panu Routila (chair), Johann-Melchior von Peter, Marc Lindhorst, Markus Sjöholm, Sebastian Schatton and Mona Henning to the Supervisory Board of Directors of the company.

It was resolved that the members of the Supervisory Board of Directors shall be remunerated as follows:

- Panu Routila shall be paid an annual fee of EUR 52,800 in monthly installments and
- Markus Sjöholm shall be paid an annual fee of EUR 40,000 in monthly installments.

Other members of the Supervisory Board of Directors shall not be remunerated.

Johann-Melchior von Peter passed away during the review period and as of 31 December 2023, the supervisory Board members consist of Panu Routila (chair), Marc Lindhorst, Markus Sjöholm, Sebastian Schatton and Mona Henning.

Number of members of the Board of Directors, their election and remuneration

It was resolved that the number of members of the Board of Directors shall be one ordinary member and one deputy member. It was resolved to re-elect Lars Hellberg as ordinary member (chair) and Kimmo Raunio as deputy member of the Board of Directors.

It was resolved that the members of the Board of Directors shall not be remunerated.

Election of auditor

It was resolved to re-elect certified accountant corporation Ernst & Young Oy as the auditor of the company, responsible auditor being certified public accountant Anders Svennas.

Resolution on the remuneration of the auditor

It was resolved that the auditor is paid reasonable remuneration in accordance with the invoice approved by the company.

Events after the review period

On 28 February 2024, Fortaco announced the strategic evaluation of Fortaco's marine, energy and heavy project business. These businesses representing less than 10 per cent of the net sales of Fortaco Group, including MauserCABS and Buisard, have contributed significant losses to Fortaco Group in 2023. The recurring EBITDA loss incurred in these businesses during full year 2023 is amounting EUR 6 million and EUR 2 million during Q4 2024. The evaluation is expected to be completed during H1 2024.

Financial reporting in 2024

Fortaco plans to publish its Annual Report 2023, which includes the report by the Board of Directors and the audited Financial Statements, during week 12 2024.

The Interim Review for January–March 2024 will be published on Monday, 27 May 2024, the Half-Year Report for January–June will be published on Monday, 26 August 2024 and the Interim Review for January–September will be published on Thursday, 28 November 2024.

Fortaco Group Holdco Plc
Board of Directors

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Further information

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Distribution

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Financial Supervisory Authority
Main media
Web: investors.fortacogroup.com

Fortaco Group

Fortaco is the leading strategic partner in Europe to the heavy off-highway equipment and marine industries, providing premium offerings, like zero-emission solutions and technology, vehicle cabins, steel fabrications, and assemblies. Fortaco Group has operations in multiple European and Asian business sites and technology hubs, which support our global customers www.fortacogroup.com.

Financial information

Part corresponding to IAS 34

Consolidated statement of comprehensive income

1,000 EUR	Note	1.10.-31.12.2023	1.10.-31.12.2022	1.1.-31.12.2023	12.4.-31.12.2022
NET SALES	2	101,872	94,901	373,838	94,901
Other operating income		889	1,103	1,942	1,103
Work performed for own purposes and capitalized		93	105	659	105
Materials and services		-61,103	-64,562	-232,158	-65,142
Employee benefits expenses		-25,835	-18,215	-85,997	-18,215
Other operating expenses		-13,400	-11,387	-40,975	-12,132
Depreciation, amortisation and impairments		-5,434	-3,521	-16,349	-3,745
OPERATING PROFIT (LOSS)		-2,918	-1,575	959	-3,125
Finance income		688	288	3,400	357
Finance costs		-6,067	-2,903	-19,892	-3,648
Share of profit accounted for using the equity method		106	385	557	385
Loss from investments in associates		-657		-657	
PROFIT (LOSS) BEFORE INCOME TAX		-8,849	-3,804	-15,632	-6,031
Income taxes		-754	-22	-4,277	-791
PROFIT (LOSS) FOR THE PERIOD		-9,602	-3,826	-19,909	-6,822
Other comprehensive income					
Items that may be subsequently reclassified to profit or loss					
Translation differences		1,410	659	1,865	671
Other comprehensive income for the period, net of tax		1,410	659	1,865	671
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		-8,192	-3,167	-18,043	-6,151
Profit (loss) for the period attributable to					
Owners of the parent company		-9,604	-3,833	-19,928	-6,829
Non-controlling interests		2	7	19	7
Profit (loss) for the period		-9,602	-3,826	-19,909	-6,822
Total comprehensive income for the period attributable to					
Owners of the parent company		-8,201	-3,176	-18,070	-6,160
Non-controlling interests		8	9	27	9
Total comprehensive income for the period		-8,192	-3,167	-18,043	-6,151
Earnings per share for profit attributable to the ordinary equity holders of the parent company, EUR					
Basic and diluted, EUR	7	-9.6	-3.8	-19.9	-6.8

Consolidated statement of financial position

1,000 EUR	Note	31.12.2023	31.12.2022
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	5	51,088	37,345
Goodwill	5	20,976	304
Property, plant and equipment	4	98,358	62,863
Right-of-use assets	6	12,367	6,479
Investments accounted for using the equity method			7,896
Trade and other receivables	8	1,988	775
Receivables from defined benefit plan		629	
Deferred tax assets		5,118	5,058
TOTAL NON-CURRENT ASSETS		190,525	120,720
CURRENT ASSETS			
Inventories		50,137	43,881
Trade and other receivables	8	30,599	33,556
Contract assets		1,479	3,543
Income tax assets		1,461	127
Cash and cash equivalents	8	32,420	28,182
TOTAL CURRENT ASSETS		116,096	109,288
TOTAL ASSETS		306,621	230,008
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent company			
Share capital	7	80	80
Invested unrestricted equity capital	7	95,178	61,920
Translation differences		2,527	669
Retained earnings		-26,757	-6,829
Total equity attributable to owners of the parent company		71,028	55,840
Non-controlling interests		103	82
TOTAL EQUITY		71,131	55,922
NON-CURRENT LIABILITIES			
Deferred tax liabilities		18,495	8,842
Borrowings	8	101,013	73,091
Loans from related parties	10	5,000	
Other liabilities	8	5,485	3,505
Lease liabilities	8	8,807	4,349
Provisions		1,272	481
Liabilities from defined benefit plan		3,674	
TOTAL NON-CURRENT LIABILITIES		143,746	90,269
CURRENT LIABILITIES			
Borrowings	8	6,352	4,027
Trade and other payables	8	79,529	74,824
Lease liabilities	8	4,020	2,614
Provisions		1,141	623
Contract liabilities		208	1,472
Income tax liabilities		495	257
TOTAL CURRENT LIABILITIES		91,744	83,817
TOTAL LIABILITIES		235,490	174,086
TOTAL EQUITY AND LIABILITIES		306,621	230,008

Consolidated statement of cash flow

1,000 EUR	1.10.-31.12.2023	1.10.-31.12.2022	1.1.-31.12.2023	12.4.-31.12.2022
Cash flow from operating activities				
PROFIT (LOSS) FOR THE PERIOD	-9,602	-3,826	-19,909	-6,822
Depreciation, amortisation and impairments	5,434	3,521	16,349	3,745
Gains and losses on sale of property, plant and equipment and other non-current assets	32	206	134	206
Share of profit accounted for using the equity method	551	-385	100	-385
Financial income and expenses	4,978	1,805	16,542	2,516
Income taxes	754	22	4,277	791
Other adjustments	527	2,078	835	2,816
Change in working capital				
Increase / decrease in inventories	9,235	8,505	7,562	9,081
Increase / decrease in trade and other receivables	8,894	-2,261	10,232	-2,261
Increase / decrease in interest free trade payables	-10,981	-540	-17,259	120
Change in provisions	151	18	249	18
Interest paid	-3,729	-1,395	-11,542	-1,577
Interest received	231	35	294	35
Other financial items	-1,691	-1,061	-4,346	-992
Income taxes paid	-1,227	-259	-1,719	-259
Total cash flow from operating activities	3,558	6,463	1,798	7,032
Cash flow from investing activities				
Investments in property, plant and equipment and intangible assets	-9,313	-6,546	-16,076	-6,546
Disposal of property, plant and equipment and intangible assets	137	315	392	315
Acquisition of subsidiaries reduced with the cash and cash equivalents at the acquisition moment	4,383		-29,591	-45,094
Used collateral deposit for investments	7,585		12,985	
Dividends from associated companies			731	
Total cash flow from investing activities	2,792	-6,231	-31,558	-51,325
Cash flow from financing activities				
Proceeds from issue of share capital			9,000	62,000
Repayments from current loans	-6,280	-1,809	-8,827	-19,094
Proceeds from non-current loans	7,310	1,337	38,866	70,040
Repayments of non-current borrowings			-2,041	-41,479
Proceeds from leasing liabilities		1,699		1,699
Repayments of leasing liabilities	-895	-671	-3,493	-671
Total cash flow from financing activities	135	555	33,505	72,495
Change in cash and cash equivalents	6,486	786	3,745	28,202
Cash and cash equivalents at the beginning of the period	25,424	27,416	28,182	
Effects of exchange rate changes on cash and cash equivalents	510	-20	493	-20
Cash and cash equivalent at the end of the period	32,420	28,182	32,420	28,182

Consolidated statement of changes in equity

Attributable to owners of the company 31.12.2023

1,000 EUR	Share capital	Invested unrestricted equity reserve	Translation differences	Profit (loss) for period	Total	Non-controlling interests	Total equity
EQUITY 1.1.2023	80	61,920	669	-6,829	55,840	82	55,922
Comprehensive income							
Profit/loss for the period				-19,928	-19,928	19	-19,909
Translation differences			1,858		1,858	8	1,866
TOTAL COMPREHENSIVE INCOME			1,858	-19,928	-18,070	27	-18,043
Transactions with shareholders							
Transactions with non-controlling interests						-5	-5
Investments		33,258			33,258		33,258
Changes in equity total		33,258	1,858	-19,928	15,188	22	15,210
TOTAL EQUITY 31.12.2023	80	95,178	2,527	-26,757	71,028	103	71,131

Attributable to owners of the company 31.12.2022

1,000 EUR	Share capital	Invested unrestricted equity reserve	Translation differences	Profit (loss) for period	Total	Non-controlling interests	Total equity
EQUITY 12.4.2022							
Comprehensive income							
Profit/loss for the period				-6,829	-6,829	7	-6,822
Translation differences			669		669	3	671
TOTAL COMPREHENSIVE INCOME			669	-6,829	-6,160	9	-6,151
Transactions with shareholders							
Investments	80	61,920			62,000	73	62,073
Changes in equity total	80	61,920	669	-6,829	55,840	82	55,922
TOTAL EQUITY 31.12.2022	80	61,920	669	-6,829	55,840	82	55,922

Notes to the consolidated financial statements

1. General information and basis of preparation

The group's interim financial information concerning Fortaco Group Holdco Plc and its subsidiaries (Fortaco, the Group) has been prepared in accordance with IAS 34 Interim Financial Reporting standard and the preparation principles presented in the Group's 2022 financial statements. The reforms and annual improvements to the IFRS standards that entered into force on 1 January 2023 do not have a significant impact on the figures presented.

The interim financial information does not include all the supplementary information presented in the consolidated financial statements for the period ended 31 December 2022, and the interim information must be read together with the consolidated financial statements. The preparation of interim information requires management to use estimates and exercise judgements, which have an impact on the application of the accounting policies and the amounts of assets, liabilities, income and expenses presented. The actual results may differ from these estimates. When preparing the interim data, the significant accounting estimates, and judgment-based decisions made by the management, are the same as those applied in the consolidated financial statements prepared for the financial year ended 31 December 2022.

Except for the above changes, the accounting principles applied in this half-year report are the same as those applied in the consolidated financial statements for the year ended 31 December 2022.

Fortaco Group Holdco Plc became the new parent company when it acquired 100 per cent of the shares of Fortaco Group on 30 September 2022. Due to the transaction the comparative figures in the interim income and cash flow statement include only the fourth quarter of 2022 and therefore do not reflect the full scope of business in 2022.

All amounts presented have been rounded, and therefore the sum of individual figures may deviate from the presented total figure.

The interim report is unaudited.

2. Revenue and segment information

Fortaco has only one reportable segment, and the figures for the reportable segment are consistent with those of the Group. Significant operational decisions are made by the Fortaco Leadership Team and Fortaco's chief operative decision maker (CODM). Due to the business model, nature of operations, and governance structure of Fortaco, the operating segments are aggregated as one reportable segment.

Net sales divided by geographical areas 1,000 EUR	10–12/2023	1–12/2023	4–12/2022
Finland	26,014	102,724	27,387
Poland	22,901	114,394	30,521
Estonia	16,501	75,518	18,932
Austria	12,361	16,458	
France	10,381	10,381	
Slovakia	6,408	26,917	6,239
Hungary	4,393	22,469	5,761
Serbia	2,914	4,977	6,061
Total	101,872	373,838	94,901

3. Acquisitions

1,000 EUR	2023	Walter Mauser GmbH	Buisard S.A.S
Consideration transferred			
Fair value of the existing ownership	7,756		7,756
Cash consideration	48,184	37,000	11,184
Contingent considerations	3,221		3,221
Total consideration transferred	59,160	37,000	22,160
Assets and liabilities recognized as a result of the acquisitions			
Assets			
Intangible assets	16,018	10,929	5,089
Right-of-use assets	706	346	360
Property, Plant and Equipment	26,216	10,401	15,815
Inventory	12,855	6,308	6,547
Non-current receivables	1,817		1,817
Trade and other receivables	17,715	5,282	12,433
Deferred tax assets	1,378	391	986
Cash and cash equivalents	5,765	1,368	4,397
Total assets	82,469	35,024	47,445
Liabilities			
Interest bearing borrowings	11,680	4,462	7,218*
Lease liabilities	706	346	360
Provisions	284	136	148
Trade and other payables	24,085	3,380	20,705
Deferred tax liabilities	7,227	3,084	4,142
Total liabilities	43,982	11,409	32,573
Net assets	38,488	23,616	14,872
Goodwill arising from the acquisitions	20,672	13,384	7,288
Cash flow impact			
Paid acquisition price	27,000	27,000	
Cash and cash equivalents of the acquired entities	-5,765	-1,368	-4,397
Paid contingent considerations from previous years	8,309		
Total cash flow impact	29,544	25,632	-4,397

*Including sale and leaseback liability of EUR 2.4 million.

Fortaco Group acquired the entire share capital of Walter Mauser GmbH on 6 September 2023. Walter Mauser GmbH has over 60 years of experience in safety cabins and the company is an internationally established excellent niche player for innovative vehicle super structures made for versatile applications. The company has many years of expertise in design, construction, assembly, and service. Walter Mauser GmbH is successfully active in Europe and in the US. The company serves the larger value chain in-house with more than 300 people at a modern factory located in Breitenau, Austria. With this acquisition, Fortaco is broadening its cabin technology offerings in Europe, India, and the US. Walter Mauser GmbH has been fully consolidated into the Group since the acquisition. The contribution to Group's net sales in 2023 was EUR 16.5 million. The impact on Group's profit was EUR -0.1 million (loss). Had this acquisition taken place in the beginning of the year, the estimated contribution to Group's sales would have been EUR 44.6 million.

The transaction costs were EUR 1.8 million which were included in Group income statement to other operating expenses and in the cash flow statement to net cash flow from operating activities. The acquisition increased Group's goodwill by EUR 13.4 million. Goodwill is mainly attributable to synergies.

Since January 2022 the Group has had a 35 per cent interest in its associate Buisard S.A.S. Fortaco acquired the remaining 65 per cent part of the shares on 24 October 2023. As a result, Buisard S.A.S became a Fortaco subsidiary and has been fully consolidated into the Group since the acquisition. Buisard S.A.S. is manufacturing cabins in Sablé-sur-Sarthe, France and has 350 employees. Both Fortaco and Buisard have respected and complimentary customer portfolios. The combined cabin offering includes low-, medium-, and high-volume cabins with assembly content from glazed to full plug-and-play cabins. The contribution to Group's net sales in 2023 was EUR 10.4 million. The impact on Group's profit was EUR 0.4 million. Had this acquisition taken place in the beginning of the year, the estimated contribution to Group's sales would have been EUR 68.6 million.

The transaction costs were EUR 273 thousand which were included in group income statement to other operating expenses and in the cash flow statement to net cash flow from operating activities. The acquisition increased Group's goodwill by EUR 7.3 million. Goodwill is mainly attributable to synergies. Contingent considerations recognised for the acquisition amounted to EUR 3.2 million and are recognised to fair value. Contingent considerations are based for instance on the EBITDA between 2023–2025. The contingent considerations will be paid during 2026. The amount of contingent considerations is reviewed on the end date of each reporting period. The original 35 per cent interest in Buisard S.A.S has been revaluated. This resulted in an adjustment of EUR 0.7 million loss which is recognized as a loss on Fortaco's consolidated income statement.

4. Property, plant, and equipment

1,000 EUR	Land and water	Buildings and structures	Machinery and equipment	Other tangible assets	Advance payments and work in progress	Total
Cost 1.1.	1,229	31,021	31,490	12	2,216	65,967
Business combinations	1,024	13,949	5,462	1,806	3,725	25,966
Translation differences	19	383	956		145	1,504
Additions	523	64	567	75	16,194	17,423
Disposals		-254	-2,521			-2,775
Reclassifications		791	7,960	83	-8,857	-23
Cost 31.12.2023	2,796	45,953	43,914	1,975	13,424	108,063
Cumulative amortization and impairment 1.1.	-5	-828	-2,273			-3,105
Translation differences		-11	-54			-65
Cumulative depreciation on disposals		222	1,989			2,210
Amortization		-2,454	-6,207	-176		-8,837
Impairment	-3		96			93
Cumulative amortization and impairment 31.12.2023	-8	-3,070	-6,450	-176		-9,704
Carrying amount 1.1.2023	1,226	30,193	29,216	12	2,216	62,863
Carrying amount 31.12.2023	2,789	42,883	37,464	1,799	13,424	98,358

1,000 EUR	Land and water	Buildings and structures	Machinery and equipment	Other tangible assets	Advance payments and work in progress	Total
Business combinations 30.9.2022	1,212	30,793	27,078	12	3,252	62,347
Translation differences	17	498	1,667		85	2,267
Additions		98	2,292		1,933	4,322
Disposals		-70	-668			-738
Reclassifications		-298	1,121		-3,053	-2,230
Cost 31.12.2022	1,229	31,021	31,490	12	2,216	65,967
Translation differences	-3	-247	-1,198			-1,448
Cumulative amortization on disposals and reclassifications		1	278			279
Amortization		-582	-1,245			-1,827
Impairment			-109			-109
Cumulative amortization and impairment 31.12.2022	-3	-828	-2,274			-3,105
Carrying amount 30.9.2022	1,212	30,793	27,078	12	3,252	62,347
Carrying amount 31.12.2022	1 226	30,193	29,216	12	2,216	62,863

5. Intangible assets

1,000 EUR	Development costs	Customer relationships	Brand	Technology	Other intangible assets and advance payments	Goodwill	Total
Cost 1.1.2023	833	24,137	12,173		1,366	304	38,813
Business combinations		7,302	2,451	5,884	381	20,672	36,690
Translation differences	25				16		41
Additions					1,825		1,825
Disposals					-1		-1
Reclassifications	6				33		39
Cost 31.12.2023	864	31,439	14,624	5,884	3,620	20,976	77,407
Cumulative amortization and impairment 1.1.	-33	-536	-406		-189		-1,165
Translation differences	-4				-4		-9
Cumulative depreciation on disposals					1		1
Amortization	-134	-1,771	-1,455	-196	-615		-4,170
Cumulative amortization and impairment 31.12.2023	-171	-2,307	-1,861	-196	-808		-5,343
Carrying amount 1.1.2023	800	23,601	11,767		1,177	304	37,649
Carrying amount 31.12.2023	693	29,132	12,764	5,687	2,812	20,976	72,065

1,000 EUR	Development costs	Customer relationships	Brand	Technology	Other intangible assets and advance payments	Goodwill	Total
Business combinations 30.9.2022	822	24,136	12,173		1,215		38,345
Translation differences	11	1			41		53
Additions					304	304	608
Disposals					-8		-8
Reclassifications					-186		-186
Cost 31.12.2023	833	24,137	12,173		1,367	304	38,813
Translation differences					-32		-32
Cumulative depreciation on disposals					8		8
Amortization	-33	-536	-406		-165		-1,140
Cumulative amortization and impairment 31.12.2023	-33	-536	-406		-189		-1,165
Carrying amount 30.9.2022	822	24,136	12,173		1,215		38,345
Carrying amount 31.12.2022	800	23,601	11,767		1,176	304	37,649

6. Leases

1,000 EUR	Buildings and structures	Machinery and equipment	Total
Cost 1.1.2023	5,669	1,664	7,333
Translation differences	206	72	278
Business combinations	24	682	706
Additions	7,670	575	8,246
Disposals	-4	-139	-143
Cost 31.12.2023	13,566	2,854	16,420
Cumulative amortisation and impairment 1.1.2023	-637	-218	-855
Translation differences	-72	-22	-94
Amortisation	-2,355	-749	-3,104
Cumulative amortisation and impairment 31.12.2023	-3,063	-989	-4,053
Carrying amount 1.1.2023	5,033	1,446	6,479
Carrying amount 31.12.2023	10,502	1,865	12,367

1,000 EUR	Buildings and structures	Machinery and equipment	Total
Business combinations 30.9.2022	3,999	1,380	5,379
Translation differences	181	79	260
Additions	1,490	216	1,705
Disposals		-11	-11
Cost 31.12.2022	5,669	1,664	7,333
Translation differences	-135	-50	-185
Amortization	-502	-168	-670
Cumulative amortization and impairment 31.12.2022	-637	-218	-855
Carrying amount 30.9.2022	3,999	1,380	5,379
Carrying amount 31.12.2022	5,033	1,446	6,479

7. Equity and earnings per share

Fortaco Group has issued a total of 1,000 ordinary shares and has a registered share capital of EUR 80,000 which is fully paid. The sole shareholder of the Company is OEP 81 B.V.

1,000 EUR	31.12.2023	31.12.2022
Share capital	80	80
Invested unrestricted equity reserve	95,178	61,920
Translation differences	2,527	669
Accumulated earnings	-6,829	0
Profit (loss) for period	-19,928	-6,829
Attributable to owners of the company	71,028	55,840
Non-controlling interests	103	82
Total equity	71,131	55,922

During the disclosed period, Fortaco did not have instruments with a diluting impact on earnings per share.

Earnings per share, basic and diluted

1,000 EUR	1-12/2023	4-12/2022
Profit/-loss attributable to shareholders of the company	-19,928	-6,829
The number of shares issued	1,000	1,000
Earnings per share, basic and diluted, EUR	-19.9	-6.8

8. Financial assets and liabilities

1,000 EUR	Level	31.12.2023 Carrying amount	31.12.2022 Carrying amount
Financial asset measured at amortized cost			
Trade receivables	-	22,050	13,940
Security deposits	-	116	13,118
Cash & cash equivalents	-	32,420	28,182
Financial asset measured at amortized cost total		54,586	55,239
Fair value through other comprehensive income			
Other investments	2	9	9
Fair value through other comprehensive income total		9	9
Financial liabilities measured at amortized cost			
Senior bond	1	93,194	64,369
Floating rate borrowings	2	4,762	6,470
Fixed rate borrowings	2	3,518	3,074
Loans from related parties	2	5,000	0
Lease liabilities	-	12,827	6,964
Trade payables	-	56,311	51,378
Other interest bearing liabilities	2	6,131	3,205
Financial liabilities measured at amortized cost total		181,743	135,460
Fair value through profit and loss			
Contingent consideration	3	3,285	7,603
Fair value through profit and loss total		3,285	7,603

The fair value of the senior bond on 31 December 2023 was EUR 96.4 million (31.12.2022: EUR 65.5 million). The senior bond fair value is estimated based on the market price on the valuation date.

Loans from related parties include 5 MEUR subordinated shareholder loan from the owner of Fortaco Group.

Contingent considerations are treated in accordance with the IFRS 9 standard and are classified as financial liabilities. They are recognised in fair value through profit and loss. The change in fair value is recognised through profit and loss. The value of contingent consideration is dependant on the company's business development between 2023 and 2025. In 2023, the Group recognized EUR 0.8 million from the change in the fair value in the income statement under financial expenses.

During the financial year the Group has entered into new financing agreements related to expansion investments in Estonia and Poland. These include new factory lease agreement in Estonia, which has a purchase option, and 15-year factory lease agreement in Gliwice. In addition to the factory lease agreement, the Group has entered into a financing facility agreement related to Gliwice machinery purchases. The Gliwice facility will be handed over to the Group in the second half of 2024. The Gliwice facility lease agreement will be treated in accordance of IFRS 16 standards when the facility is handed over to the Group. The lease payment will be EUR 2.6 million annually and the lease liability is estimated to be around EUR 17.7 million.

Fair value Hierarchy

Fortaco Group uses valuation methods, which are appropriate for the circumstances and for which there is enough information available to designate fair value, so that significant observable data about inputs is maximized and other inputs minimized. All financial assets and liabilities measured at fair value, or for which the fair value is presented in the notes, will be designated to fair value hierarchy levels specified below based on the inputs from the lowest level, which are relevant for the whole valuation situations.

Level 1

Inputs for identical assets and liabilities are quoted prices (without adjustments) in active markets. Quoted prices are directly available from identical publicly listed markets, instrument brokers, or financial supervisory authority.

Level 2

Concerning fair valuation methods, where inputs are observable for the asset or liability, either directly or indirectly: inputs are easily observable from publicly listed markets, instrument brokers, or financial supervisory authority. Instruments shown are recognized at balance sheet value.

Level 3

Concerning fair valuation methods where the most significant valuation inputs are unobservable: when the fair valuation of a financial instrument cannot be determined for identical assets or liabilities from observable inputs in active markets, the fair value is designated by valuation methods (for example using a valuation based on cash flow discounting method). Assumptions are reflected in the inputs, such as liquidity risk, credit risk, and volatility. Changes to these assumptions may have an effect on the fair valuation of the financial instrument.

For recurring assets and liabilities Fortaco specifies the changes between hierarchy levels by reevaluate the categorization (based on the Level 3 input data, which is significant for entire valuation purposes) at the end of each reporting period.

Maturity of financial liabilities 31.12.2023

1,000 EUR	On demand	Less than 3 months	3 to 12 months	1 to 3 years	4 to 5 years	> 5 years	Total contractual cash flows	Book value
Senior bond					98,904		98,904	93,194
Loans from related parties					5,000		5,000	5,000
Other loans		1,020	5,840	4,366	2,367	577	14,170	14,170
Leasing liability		840	3,774	4,587	4,182		13,383	12,827
Interest liabilities		71	11,561	17,284	11,503	20	40,440	2,262
Trade payables	7,431	44,015	4,865				56,311	56,311
Other liabilities	2	7	518	1,329	870		2,725	2,725
Total	7,433	45,953	26,557	27,566	122,826	597	230,932	186,490

Maturity of financial liabilities 31.12.2022

1,000 EUR	On demand	Less than 3 months	3 to 12 months	1 to 3 years	4 to 5 years	> 5 years	Total contractual cash flows	Book value
Senior bond					68,904		68,904	64,369
Other loans	49	550	3,428	8,327	396		12,749	12,749
Leasing liability		816	2,437	3,935	1,593		8,781	6,964
Interest liabilities		1,700	5,643	21,594	3,562		32,498	1,228
Trade payables	13,525	37,832	21				51,378	51,378
Other liabilities	82	1,000	8,494	1,883		382	11,842	11,842
Total	13,656	41,898	20,023	35,738	74,455	382	186,152	148,530

Senior bond and other loans above are presented in the Group consolidated balance sheet in the item "Borrowings". Fortaco has adjusted the way of presenting the maturity of financial liabilities on 30 June 2023. The 2022 figures have been adjusted accordingly.

Fortaco Group's affiliate received a waiver from its local debt financing provider in June and in December 2023, when it comes to the envisaged technical covenant breach of the debt service coverage during 2023. According to the waiver, the envisaged covenant breach is not considered to constitute a breach of the respective loan agreement.

9. Contingent liabilities and liability commitments

Operating lease commitments, Fortaco Group as lessor

1,000 EUR	31.12.2023	31.12.2022
Within one year	333	333
After one year but no more than five years	749	1,081

Commitments, collaterals, and mortgages

1,000 EUR	31.12.2023	31.12.2022
Other receivables given as collateral deposit	116	13,118

Guarantees

Other financial commitments and guarantees

1,000 EUR	31.12.2023	31.12.2022
Guarantees given to the Group companies	5,380	5,475
Guarantees	53,475	
Collaterals	52,492	
Total	111,347	5,475

Interest-bearing loans and given collaterals

1,000 EUR	31.12.2023	31.12.2022
Senior bond	98 904	68 904
Interest bearing loans and borrowings	4,762	5,420
Total	103,666	74,324
Business & real estate mortgages	232,682	226,213
Pledged IC loan receivables	127,499	87,235
Total	360,181	313,448

10. Significant events after the reporting period

On 28 February 2024, it was announced that Fortaco Group has started a strategic evaluation of its marine, energy and heavy project business. These business areas represented less than 10 per cent of overall net sales in 2023, including MauserCabs and Buisard, full year pro forma, and EBITDA had a larger negative impact of -6 million euros included in full year 2023 financials. The Fortaco business sites operating in these segments are located in Finland, Hungary, and Serbia. The strategic evaluation is expected to be completed during H1 2024.

11. Structure of the Group

During 2023 Fortaco Group established a legal footprint in Austria by establishing the legal entity Fortaco Austria Holding GmbH, which acquired the entire share capital of Walter Mauser GmbH. A legal footprint was also established in France by establishing Fortaco France Holding S.A.S, which acquired 65 per cent of the shares of Buisard S.A.S. Subsequent to that, the ownership in Buisard was reorganized so that Fortaco France Holding S.A.S became the 100 per cent shareholder of Buisard S.A.S. During the financial year Fortaco established Fortaco Polska Sp Z.o.o., which will carry out the operations at the new Gliwice business site.

Formulas of alternative performance measures

EBITDA	Operating profit + depreciation + amortization + impairments
EBITA	Operating profit + amortization + impairments
Recurring EBITDA	Operating profit + depreciation + amortization + impairments +/- non-recurring items
Recurring EBITA	Operating profit + amortization + impairments +/- non-recurring items
Non-recurring items	Certain costs or income not related to the ordinary course of business, including restructuring costs, strategic development projects and transaction costs
Return of Capital Employed % (ROCE)	Recurring EBITA / (total assets – current liabilities)
Equity ratio	(Equity + subordinated shareholder loans) / total assets
Net debt	Current and non-current interest bearing liabilities + M&A liabilities - total liquidity
Net gearing	Net gearing = net debt / (total equity + subordinated shareholder loans)

Reconciliation of Alternative Performance Measures

The following table sets forth a reconciliation of the Alternative Performance Measures as of the dates and for the periods indicated.

Reconciliation of Recurring EBITDA and Recurring EBITA				
MEUR	10-12/23	10-12/22	1-12/23	1-12/22**
Reported				
EBIT	-2.9	-1.6	1.0	-3.1
Amortization and impairments	1.5	0.9	4.2	1.1
EBITA	-1.4	-0.6	5.1	-2.0
Depreciation	3.9	2.6	12.2	2.6
EBITDA	2.5	1.9	17.3	0.6
Non-recurring items				
Transaction costs	1.5	2.6	2.9	3.9
Other non-recurring items	1.0	0.6	4.2	0.6
Non-recurring items, total	2.5	3.2	7.1	4.5
Recurring EBITDA	5.0	5.1	24.4	5.1
Recurring EBITA	1.1	2.5	12.3	2.5
Comparable*				
EBIT	-2.9	1.7	1.0	12.5
Amortization and impairments	1.5	0.1	4.2	0.5
Comparable EBITA	-1.4	1.8	5.1	13.0
Depreciation	3.9	2.5	12.2	9.9
Comparable EBITDA	2.5	4.3	17.3	22.8
Non-recurring items				
Transaction costs	1.5	0.2	2.9	0.6
Other non-recurring items	1.0	0.6	4.2	1.3
Non-recurring items, total	2.6	0.8	7.1	1.8
Comparable Recurring EBITDA	5.0	5.2	24.4	24.7
Comparable Recurring EBITA	1.1	2.6	12.3	14.8

*) The comparable figures in this report are referring to the comparable financial metrics of the Group in 2022, which are derived from the financial performance of Fortaco Group in 2022, following its acquisition last year. For the avoidance of doubt, no adjustments to the comparability have been made to the financial information for the year 2023.

***) Period 12.4.2022-31.12.2022 for reported figures.

Financials include MauserCABS since September 2023 and Buisard since 24 October 2023.