



# Business Review

## January–September 2024

Fortaco Group Holdco Plc



**FORTACO**

## Business Review January–September 2024

Unaudited, IFRS

### Challenging quarter due to continued market headwind

#### Financial highlights: July–September 2024

##### Reported financials

*Note: Comparison figures do not include Buisard Cabins which was acquired in Autumn 2023. MauserCABS is included since September 2023.*

- Order intake was EUR 70.3 (71.2\*) million.
- Net sales were EUR 73.3 (79.9) million.
- Recurring EBITDA was EUR 3.7 (2.5) million, i.e. 5.0 (3.1) per cent of net sales.
- EBITDA was EUR 1.8 (0.0) million, i.e. 2.4 (-0.1) per cent of net sales.

##### Financials excluding businesses under strategic review

*Note: The financials presented below are based on the “New Fortaco” scope, i.e. excluding the marine, energy and heavy project businesses which have been divested during 2024 except for the Gruza business in Serbia. Net sales comparison figures include MauserCABS and Buisard net sales as if they had been part of Fortaco whole July–September 2023. Other comparison figures are not shown as MauserCABS did not report intra-year financials prior to the acquisition by Fortaco.*

- Order intake was EUR 66.6 million.
- Net sales were EUR 69.0 (93.1) million. Reduction in net sales is driven by the continued market headwind.
- Recurring EBITDA was EUR 3.6 million, i.e. 5.3 per cent of net sales.
- EBITDA was EUR 1.7 million, i.e. 2.5 per cent of net sales.

\*) Not including MauserCABS order intake

## Financial highlights: January–September 2024

### Reported financials

*Note: Comparison figures do not include Buisard Cabins which was acquired in Autumn 2023. MauserCABS is included since September 2023.*

- Order intake was EUR 275.8 (260.0\*) million.
- Net sales were EUR 280.1 (272.0) million. Increase in net sales is driven by acquisition of MauserCABS (September 2023) and Buisard (October 2023).
- Recurring EBITDA was EUR 14.7 (19.4) million, i.e. 5.3 (7.1) per cent of net sales.
- EBITDA was EUR 7.8 (14.8) million, i.e. 2.8 (5.4) per cent of net sales.

### Financials excluding businesses under strategic review

*Note: The financials presented below are based on the “New Fortaco” scope, i.e. excluding the marine, energy and heavy project businesses which have been divested during 2024 except for the Gruza business in Serbia. Comparison figures include MauserCABS and Buisard impact as if they had been part of Fortaco whole January–September 2023.*

- Order intake was EUR 254.1 million.
- Net sales were EUR 257.8 (323.9) million. Decline in net sales is driven by the market headwind during January – September 2024.
- Recurring EBITDA was EUR 16.2 (30.0) million, i.e. 6.3 (9.2) per cent of net sales.
- EBITDA was EUR 8.7 (25.9) million, i.e. 3.4 (8.0) per cent of net sales.

## Operational highlights

- In February 2024, Fortaco announced having started a strategic evaluation of its marine, energy, and heavy project businesses, as these businesses are no longer considered strategic. The strategic evaluation was completed in the third quarter of 2024.
- In March 2024, Fortaco successfully placed a subsequent bond issue of EUR 25.0 million and received an equity injection of EUR 10 million from One Equity Partners, the company’s owner.
- In May 2024, the first part of the strategic review was completed with the sale of the company’s heavy project business in Jászberény, Hungary, to Cyclus GmbH and Ask US Management s.r.o. The transaction was completed on 28 June 2024.
- On 22 July 2024, Fortaco announced having signed an agreement to sell its marine and energy business in Kalajoki and Sepänkylä in Finland to Componenta, an international technology company and a Finnish contract manufacturer of metal components. The transaction was completed after the reporting period, on 1 October 2024.

\*) Not including MauserCABS order intake

## Key figures

### Fortaco Group key financials

MEUR	07–09/24	07–09/23	01–09/24	01–09/23	01–12/23	Last 12 months
Net sales	73.3	79.9	280.1	272.0	373.8	381.9
EBITDA	1.8	0.0	7.8	14.8	17.3	10.4
% of net sales	2.4%	-0.1%	2.8%	5.4%	4.6%	2.7%
EBITA	-2.9	-3.1	-14.1	6.6	5.1	-15.5
% of net sales	-4.0%	-3.9%	-5.0%	2.4%	1.4%	-4.1%
Non-recurring items - EBITDA impact	1.9	2.5	6.9	4.6	7.1	9.4
Recurring EBITDA	3.7	2.5	14.7	19.4	24.4	19.8
% of net sales	5.0%	3.1%	5.3%	7.1%	6.5%	5.2%
Non-recurring items - EBITA impact	3.0	2.5	17.8	4.6	7.1	20.4
Recurring EBITA	0.1	-0.5	3.7	11.2	12.3	4.8
% of net sales	0.1%	-0.7%	1.3%	4.1%	3.3%	1.3%
<b>Balance sheet ratios</b>						
Return on Capital Employed % (ROCE)	0.1%	-1.1%	2.1%	7.8%	5.7%	2.0%
Equity ratio %	16.3%	24.2%	16.3%	24.2%	24.8%	16.3%
Net debt	134.2	81.4	134.2	81.4	91.2	134.2
Net gearing	259.0%	125.1%	259.0%	125.1%	119.9%	259.0%
Net debt / last 12 months recurring EBITDA	6.8x	3.3x	6.8x	3.3x	3.7x	6.8x

Financials include figures for MauserCABS since September 2023 and for 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's third quarter of the year was a challenging quarter due to the continued market headwind. Our pro forma net sales decreased by almost 26% year on year to EUR 69.0 (93.1) million. The situation however varied greatly between our different business sites. The overall market remained highly unpredictable. At the moment, we believe that we are approaching the lower point of the order intake cycle. Our customers are normalising their deliveries after the high order backlog originating from the large order increase after COVID-19 in 2020–2022 as well as due to large inventories that they have inhouse and with distributors. Excluding businesses under strategic evaluation, our order intake was EUR 66.6 million.

During the third quarter, the business and margin improvement programme we initiated in the first quarter of the year continued to deliver margin improvements in the tough market environment. Our recurring EBITDA was EUR 3.7 (2.5) million or 5.0 (3.1) % of our net sales. Excluding the marine, energy, and heavy project businesses under strategic evaluation and including the businesses acquired in 2023, our pro forma

recurring EBITDA was EUR 3.6 million, or 5.3% of net sales. In January–September, our pro forma recurring EBITDA was EUR 16.2 (30.0) million, reflecting the impact of volume decline in the tough market environment. A few business sites are currently operating at EBITDA break-even driven primarily by the low volume. As a response for continued market headwind, Fortaco has during H1 2024 launched a holistic transformation programme addressing EBITDA and net working capital improvements, fixed cost reduction, pricing and volume improvements as well as other areas jointly targeting to contribute to the improving profitability and cash flow generation going forward. The efforts and targets of the programme have been further increased after the review period in Q4 2024.

During the quarter, we deepened our cooperation with Indian Apex Auto, a large and professional manufacturer of finished fabricated structures and vehicle assemblies to e.g. earth-moving and construction equipment industry in India and rest of the world.

## **Strategic evaluation completed**

The strategic evaluation of our marine, energy, and heavy project businesses, announced in February 2024, has now been finalised.

In June, we sold our heavy project business in Jászberény, Hungary. In July, we announced the sale of our marine and energy business in Kalajoki and Sepänkylä in Finland to Componenta, and the transaction was closed in October 2024. At the same time, our marine and energy business in Gruza in Serbia has made a turn-around and reached a break-even in profitability, and we expect further improvements to come. Thus, the business in Gruza will remain in Fortaco's business portfolio.

We remain committed to our strategic agenda and are continuously evaluating M&A opportunities to further develop our business in Europe, the US and Asia in the future.

## **Investments proceeding as planned**

The strategic expansion projects in our factories in Estonia, Slovakia, and Poland have continued as planned. In Narva in Estonia, with additional floor space and updated production processes, we are planning to start serial production in the first quarter of 2025. In Slovakia, we made a major makeover of our site in Holic. The new assembly shop extension has reached serial production, and the new welding robot line is scheduled to start production at the beginning of 2025. In the Gliwice region in Poland, the new manufacturing hall was inaugurated in October, and preparations for serial production have started. Production ramp-up is ongoing with the target to reach full production capacity at the end of 2025. With these investments we will have the needed capacity to fulfil our customers' needs when the markets eventually pick up.

## **Preparing for the Corporate Sustainability Reporting Directive (CSRD)**

During the third quarter, we have put additional focus on preparing for CSRD reporting. We have updated our sustainability related policies, reviewed processes, and informed employees about updated reporting. In the last months of this year, we are concentrating on preparing the sustainability report for 2024 and planning for our sustainability actions in 2025. We continue to cooperate with our customers to build a common sustainability agenda.

## **Market expected to remain weak**

We remain fully committed to delivering a solid financial performance in 2024 by staying focused on improving our profitability through the ongoing operational improvement programme and strategic initiatives. At the same time, we have revised our view on market demand downwards and expect it to remain weak at least till the later part of the second half of 2025, except for certain market segments, such as mining and defence industries.

# FORTACO

As announced on 4 November, I will be retiring on 1 January 2025. My tenure at Fortaco as President & CEO has been a great learning experience for all of us, and we have achieved a lot together: we have established ourselves as a technology leader in the vehicle cabin industry and steel-fabricated components in Europe. We have more than doubled our net sales and including all strategic investments more than tripled our European capacity. We have also established a footprint in India, the key critical market going forward in the new global environment. I am looking forward to joining Fortaco's Supervisory Board in January 2025 as a continuation of being a member in the Fortaco family, contributing to the strategic initiatives. I wish Mika Mahlberg, assigned as COO on 1 November 2024 and interim President and CEO on 1 January 2025, every success in his new role. My heartfelt thanks to the entire personnel for great teamwork in developing a premium partner serving off-highway industries globally, and to our customers, suppliers, and investors for your trust in us during these 11 years.

## Events after the review period

On 22 July 2024, Fortaco announced having signed an agreement to sell its marine and energy business in Kalajoki and Sepänkylä in Finland to Componenta, an international technology company and a Finnish contract manufacturer of metal components. The transaction is part of the strategic evaluation of Fortaco's marine, energy and heavy project business announced on 28 February 2024. The transaction was completed on 1 October 2024.

On 4 November 2024, Fortaco announced that Mr. Lars Hellberg, President & CEO of Fortaco and a member of Fortaco's Board of Directors, had decided to retire on 1 January 2025 and that the company's Board of Directors had appointed Mr. Mika Mahlberg as Chief Operating Officer (COO) effective 1 November 2024 and Interim President & CEO as of 1 January 2025.

Fortaco Group Holdco Plc  
Board of Directors

## Further information

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## 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](https://www.fortacogroup.com).

## Financial information

Unless otherwise stated, comparison figures in brackets refer to the corresponding period of the previous year.

### Part corresponding to IAS 34

## Consolidated statement of comprehensive income

1,000 EUR	1.7.–30.9.2024	1.7.–30.9.2023	1.1.–30.9.2024	1.1.–30.9.2023	1.1.–31.12.2023
<b>NET SALES</b>	<b>73,252</b>	<b>79,900</b>	<b>280,053</b>	<b>271,966</b>	<b>373,838</b>
Other operating income	493	319	1,222	1,053	1,942
Work performed for own purposes and capitalised	204	110	351	566	659
Materials and services	-41,866	-51,196	-162,890	-171,056	-232,158
Employee benefit expenses	-22,515	-20,045	-80,594	-60,162	-85,997
Other operating expenses	-7,796	-9,134	-30,301	-27,575	-40,975
Depreciation, amortisation and impairments	-6,043	-4,055	-26,009	-10,915	-16,349
<b>Operating profit (loss)</b>	<b>-4,271</b>	<b>-4,101</b>	<b>-18,169</b>	<b>3,877</b>	<b>959</b>
Finance income	355	1,636	1,695	2,712	3,400
Finance costs	-6,307	-6,271	-21,755	-13,824	-19,892
Share of profit accounted for using the equity method		13		451	557
Loss from investments in associates					-657
<b>PROFIT (LOSS) BEFORE INCOME TAX</b>	<b>-10,223</b>	<b>-8,723</b>	<b>-38,228</b>	<b>-6,783</b>	<b>-15,632</b>
Income taxes	401	-2,654	404	-3,523	-4,277
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>-9,823</b>	<b>-11,377</b>	<b>-37,824</b>	<b>-10,306</b>	<b>-19,909</b>
<b>Other comprehensive income</b>					
<b>Items that may be subsequently reclassified to profit or loss</b>					
Translation differences	161	-845	2,812	455	1,865
Actuarial gains / losses from defined benefit plans	25		75		
<b>Other comprehensive income for the period, net of tax</b>	<b>186</b>	<b>-845</b>	<b>2,887</b>	<b>455</b>	<b>1,865</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>-9,637</b>	<b>-12,222</b>	<b>-34,937</b>	<b>-9,851</b>	<b>-18,043</b>
<b>Profit (loss) for the period attributable to</b>					
Owners of the parent company	-9,821	-11,382	-37,821	-10,324	-19,928
Non-controlling interests	-2	6	-3	17	19
<b>Profit (loss) for the period</b>	<b>-9,823</b>	<b>-11,377</b>	<b>-37,824</b>	<b>-10,306</b>	<b>-19,909</b>

**Total comprehensive income for the period attributable to**

Owners of the parent company	-9,635	-12,223	-34,935	-9,869	-18,070
Non-controlling interests	-1	2	-2	18	27
Total comprehensive income for the period	-9,637	-12,222	-34,937	-9,851	-18,043

**Earnings per share for profit attributable to the ordinary equity holders of the parent company, EUR**

Basic and diluted, EUR	-9.8	-11.4	-37.8	-10.3	-19.9
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## Consolidated statement of financial position

1,000 EUR	30.9.2024	30.9.2023	31.12.2023
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Intangible assets	48,187	46,866	51,088
Goodwill	20,976	13,688	20,976
Property, plant and equipment	85,727	74,605	98,358
Right-of-use assets*	39,813	6,160	12,367
Investments accounted for using the equity method		8,348	
Trade, other receivables and financial assets	5,080	8,490	1,988
Receivables from defined benefit plan	629		629
Deferred tax assets	5,383	4,782	5,118
<b>TOTAL NON-CURRENT ASSETS</b>	<b>205,794</b>	<b>162,939</b>	<b>190,525</b>
<b>CURRENT ASSETS</b>			
Inventories	40,284	52,173	50,137
Trade and other receivables	27,050	27,366	30,599
Contract assets	174	844	1,479
Income tax assets	938	52	1,461
Cash and cash equivalents	41,331	25,424	32,420
<b>TOTAL CURRENT ASSETS</b>	<b>109,777</b>	<b>105,858</b>	<b>116,096</b>
<b>ASSETS HELD FOR SALE</b>	<b>3,185</b>		
<b>TOTAL ASSETS</b>	<b>318,757</b>	<b>268,797</b>	<b>306,621</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the parent company</b>			
Share capital	80	80	80
Invested unrestricted equity capital	105,178	80,920	95,178
Translation differences	5,338	1,123	2,527
Retained earnings	-64,623	-17,153	-26,757
<b>Total equity attributable to owners of the parent company</b>	<b>45,973</b>	<b>64,971</b>	<b>71,028</b>
<b>Non-controlling interests</b>		<b>100</b>	<b>103</b>
<b>TOTAL EQUITY</b>	<b>45,973</b>	<b>65,071</b>	<b>71,131</b>
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities	17,629	14,014	18,495
Borrowings	130,122	102,287	101,013
Borrowings from related parties	5,858		5,000
Other liabilities	5,554	2,641	5,485
Lease liabilities*	30,697	3,759	8,807
Provisions	1,189	492	1,272
Liabilities from defined benefit plan	3,606	2,339	3,674
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>194,654</b>	<b>125,532</b>	<b>143,746</b>

## CURRENT LIABILITIES

Borrowings	4,919	5,562	6,352
Trade and other payables	65,157	67,923	79,529
Lease liabilities*	6,291	2,916	4,020
Provisions	1,074	1,230	1,141
Contract liabilities	107	547	208
Income tax liabilities	196	16	495
<b>TOTAL CURRENT LIABILITIES</b>	<b>77,744</b>	<b>78,194</b>	<b>91,744</b>
<b>LIABILITIES DIRECTLY ASSOCIATED WITH THE ASSETS HELD FOR SALE</b>	<b>385</b>		
<b>TOTAL LIABILITIES</b>	<b>272,784</b>	<b>203,726</b>	<b>235,490</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>318,757</b>	<b>268,797</b>	<b>306,621</b>

\*) The new facility in Gliwice was handed over to Fortaco in September 2024, and in accordance with IFRS 16 standards, it has been recognised as right-of-use asset (EUR 15.6 million) and lease liability (EUR 15.6 million) in September 2024.

## Consolidated statement of cash flow

1,000 EUR	1.7.–30.9.2024	1.7.–30.9.2023	1.1.–30.9.2024	1.1.–30.9.2023	1.1.–31.12.2023
<b>Cash flow from operating activities</b>					
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>-9,823</b>	<b>-11,377</b>	<b>-37,824</b>	<b>-10,306</b>	<b>-19,909</b>
Depreciation, amortisation and impairments	6,043	4,055	26,009	10,915	16,349
Gains and losses on sale of property, plant and equipment and other non-current assets	-149	130	936	102	134
Share of profit accounted for using the equity method		-13		-451	100
Financial income and expenses	5,942	5,087	20,168	11,564	16,542
Income taxes	-401	2,654	-404	3,523	4,277
Other adjustments	52	744	1,671	308	835
<b>Change in working capital</b>					
Increase/decrease in inventories	-330	1,164	3,348	-1,673	7,562
Increase/decrease in trade and other receivables	10,795	2,801	1,360	1,338	10,232
Increase/decrease in interest free trade payables	-12,142	-9,050	-12,290	-6,278	-17,259
Change in provisions	62	182	104	97	249
Interest paid	-4,905	-3,337	-13,667	-7,814	-11,542
Interest received	-46	62	-45	63	294
Other financial items	-812	-198	-3,968	-2,656	-4,346
Income taxes paid	85	301	-510	-492	-1,719
<b>Total cash flow from operating activities</b>	<b>-5,628</b>	<b>-6,793</b>	<b>-15,113</b>	<b>-1,760</b>	<b>1,798</b>
<b>Cash flow from investing activities</b>					
Investments in property, plant and equipment and intangible assets	-4,172	-2,928	-10,499	-6,763	-16,076
Disposal of property, plant and equipment and intangible assets	51	156	1,250	255	392
Acquisition of subsidiaries reduced with the cash and cash equivalents at the acquisition moment	84	-25,623	84	-33,974	-29,591
Disposal of subsidiaries increased with the cash and cash equivalents at the acquisition moment	-3		-321		
Used collateral deposit		3,200	50	5,400	12,985
Dividends received				731	731
<b>Total cash flow from investing activities</b>	<b>-4,039</b>	<b>-25,194</b>	<b>-9,436</b>	<b>-34,351</b>	<b>-31,558</b>

## Cash flow from financing activities

Proceeds from issue of share capital		9,000	10,000	9,000	9,000
Repayments from current loans	-1,875	-694	-2,986	-1,281	-8,827
Proceeds from loans	6,423	31,222	36,563	31,556	38,866
Repayments of non-current borrowings	-309	-2,042	-1,497	-2,042	-2,041
Repayments of leasing liabilities	-1,240	-1,604	-5,815	-3,863	-3,493
Loans granted	-3,000		-3000		
<b>Total cash flow from financing activities</b>	<b>-1</b>	<b>35,882</b>	<b>33,265</b>	<b>33,370</b>	<b>33,504</b>
<b>Change in cash and cash equivalents</b>	<b>-9,668</b>	<b>3,894</b>	<b>8,717</b>	<b>-2,741</b>	<b>3,745</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>50,989</b>	<b>21,979</b>	<b>32,420</b>	<b>28,182</b>	<b>28,182</b>
Effects of exchange rate changes on cash and cash equivalents	10	-449	194	-17	493
<b>Cash and cash equivalent at the end of the period</b>	<b>41,331</b>	<b>25,424</b>	<b>41,331</b>	<b>25,424</b>	<b>32,420</b>

## Consolidated statement of changes in equity

### Attributable to owners of the company on 30.9.2024

1,000 EUR	Share capital	Invested unrestricted equity reserve	Translation differences	Profit (loss) for period	Total	Non-controlling interests	Total equity
<b>EQUITY 1.1.2024</b>	<b>80</b>	<b>95,178</b>	<b>2,527</b>	<b>-26,757</b>	<b>71,028</b>	<b>103</b>	<b>71,131</b>
<b>Comprehensive income</b>							
Profit/loss for the period				-37,821	-37,821	-3	-37,824
Translation differences			2,811	75	2,886	1	2,887
<b>TOTAL COMPREHENSIVE INCOME</b>			<b>2,811</b>	<b>-37,746</b>	<b>-34,935</b>	<b>-2</b>	<b>-34,937</b>
<b>Transactions with shareholders</b>							
Transactions with non-controlling interests				-120		-102	-222
Investments		10,000			10,000		10,000
<b>Changes in equity total</b>		<b>10,000</b>	<b>2,811</b>	<b>-37,866</b>	<b>-15,300</b>	<b>-103</b>	<b>-15,300</b>
<b>TOTAL EQUITY 30.9.2024</b>	<b>80</b>	<b>105,178</b>	<b>5,338</b>	<b>-64,623</b>	<b>45,973</b>	<b>0</b>	<b>45,973</b>

### Attributable to owners of the company on 30.9.2023

1,000 EUR	Share capital	Unrestricted equity reserve	Translation differences	Profit/loss for the period	Total	Non-controlling interests	Total equity
<b>EQUITY 1.1.2023</b>	<b>80</b>	<b>61,920</b>	<b>669</b>	<b>-6,829</b>	<b>55,840</b>	<b>82</b>	<b>55,922</b>
<b>Comprehensive income</b>							
Profit/loss for the period				-10,324	-10,324	17	-10,306
Other comprehensive income for the year, net of tax			455		455	1	456
<b>TOTAL COMPREHENSIVE INCOME</b>			<b>455</b>	<b>-10,324</b>	<b>-9,679</b>	<b>18</b>	<b>-9,851</b>
<b>Transactions with shareholders</b>							
Additions		19,000			19,000		19,000
<b>Changes in equity total</b>		<b>19,000</b>	<b>455</b>	<b>-10,324</b>	<b>9,131</b>	<b>18</b>	<b>9,149</b>
<b>TOTAL EQUITY 30.9.2023</b>	<b>80</b>	<b>80,920</b>	<b>1,123</b>	<b>-17,153</b>	<b>64,971</b>	<b>100</b>	<b>65,071</b>

## Attributable to owners of the company on 31.12.2023

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

## Notes to the business review

### Sale of heavy products project business

In February 2024, Fortaco announced having begun a strategic evaluation of its marine, energy and heavy project businesses.

On 10 May 2024, as a part of the evaluation, Fortaco announced having signed an agreement to sell its heavy products project business in Jászberény, Hungary. In 2023, Fortaco Zrt. had net sales of EUR 23 million, and the business was clearly loss-making. The company employs 250 people. The sale of Fortaco Zrt. was finalised on 28 June 2024.

Fortaco Zrt. was classified as assets held for sale on 31 March 2024. In the fair value measurement carried out within the Group, the write-down of the company's non-current assets totalled EUR 6.8 million, in addition to an impairment of EUR 2.8 million on inventories. The sales price was one euro.

The transaction is also conditional on a loan to be granted to the company immediately after the transaction, consisting of two tranches. The first is a bullet loan for seven years with an annual interest rate of 5 per cent. The second part consists of machinery and equipment to be supplied by Fortaco for a total amount of EUR 2 million, with a repayment period of 10 years.

The table below summarises the assets and liabilities derecognised from Fortaco's balance sheet in connection with the sale, and the realised sales loss.

#### Fortaco Zrt., sales loss calculation

##### 1,000 EUR

Inventories	-1,416
Trade and other receivables	-3,244
Cash	-318
Other liabilities	167
Non-current provisions	221
Current provisions	33
Trade and other payables	3,474
<b>Net assets</b>	<b>-1,083</b>
Sales price, receivable in cash	0
<b>Total consideration</b>	<b>0</b>
<b>Translation differences</b>	<b>-2,601</b>
<b>Sales loss</b>	<b>-3,684</b>
Sales price, received in cash	0
Cash and cash equivalents sold	318
<b>Cash flow impact</b>	<b>-318</b>

As another part of the strategic evaluation, on 4 July 2024, Fortaco announced that Fortaco Group Holdco Plc's subsidiary, Fortaco Oy had signed an agreement to sell its marine and energy business in Kalajoki and Sepänkylä in Finland to Componenta, an international technology company and a Finnish contract manufacturer of metal components. The transaction was completed after the reporting period on 1 October 2024 for the sales price of EUR 1.8 million. The sale of real estates is planned to happen in 2025.

In the fair value measurement carried out within the Group on 30 September 2024, the company's assets were measured to the cost to sell, and the write-down of the company's non-current assets totalled EUR 1.5 million. The table below summarises the current assets classified as held for sale and the related liabilities classified as held for sale.

## Assets held for sale and related liabilities on 30 September 2024

1,000 EUR	Carrying amount 30.9.2024
<b>ASSETS</b>	
<b>Current assets</b>	
Intangible assets	75
Tangible assets	925
Inventories	2,185
<b>Total non-current assets</b>	<b>3,185</b>
<b>Assets held for sale</b>	<b>3,185</b>
<b>LIABILITIES</b>	
<b>Current liabilities</b>	
Current liabilities	385
<b>Total current liabilities</b>	<b>385</b>
<b>Liabilities held for sale</b>	<b>385</b>

## Formulas of alternative performance measures

EBITDA Operating profit + depreciation + amortisation + impairments

EBITA Operating profit + amortisation + impairments

Recurring EBITDA Operating profit + depreciation + amortisation + impairments +/- non-recurring items

Recurring EBITA Operating profit + amortisation + 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, transaction costs and ramp-up impact of Gliwice operations

Return of Capital Employed % (ROCE) Recurring EBITA (annualised) / (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.

1,000 EUR	07-09/24	07-09/23	01-09/24	01-09/23	1-12/23	Last 12 months
EBIT	-4.3	-4.1	-18.2	3.9	1.0	-21.1
Amortisation and impairments	1.3	1.0	4.1	2.7	4.2	5.6
<b>EBITA</b>	<b>-2.9</b>	<b>-3.1</b>	<b>-14.1</b>	<b>6.6</b>	<b>5.1</b>	<b>-15.5</b>
Depreciation	4.7	3.0	21.9	8.2	12.2	25.9
<b>EBITDA</b>	<b>1.8</b>	<b>0.0</b>	<b>7.8</b>	<b>14.8</b>	<b>17.3</b>	<b>10.4</b>
<b>Non-recurring items</b>						
Transaction costs, EBITDA impact	0.1	1.3	2.3	1.4	2.9	3.7
Other non-recurring items, EBITDA impact	1.8	1.2	4.6	3.2	4.2	5.7
<b>Non-recurring items, total EBITDA impact</b>	<b>1.9</b>	<b>2.5</b>	<b>6.9</b>	<b>4.6</b>	<b>7.1</b>	<b>9.4</b>
Extraordinary impairment - EBITA impact	1.1	0.0	11.0	0.0	0.0	11.0
<b>Non-recurring items, total EBITA impact</b>	<b>3.0</b>	<b>2.5</b>	<b>17.8</b>	<b>4.6</b>	<b>7.1</b>	<b>20.4</b>
<b>Recurring EBITDA</b>	<b>3.7</b>	<b>2.5</b>	<b>14.7</b>	<b>19.4</b>	<b>24.4</b>	<b>19.8</b>
<b>Recurring EBITA</b>	<b>0.1</b>	<b>-0.5</b>	<b>3.7</b>	<b>11.2</b>	<b>12.3</b>	<b>4.8</b>

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