

FORTACO

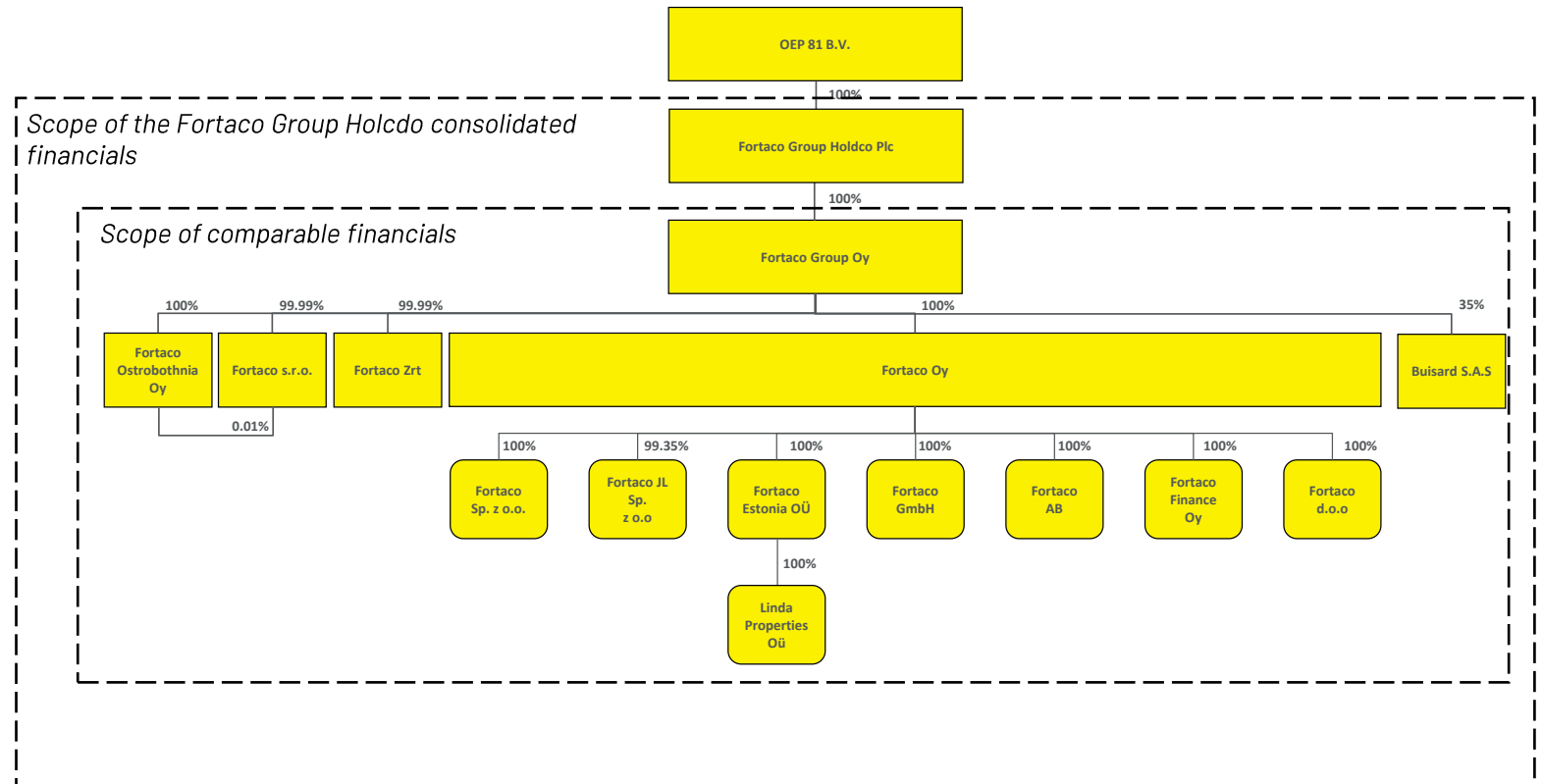


FORTACO GROUP HOLDCO PLC INTERIM REPORT Q3 2022

30 November 2022

GROUP STRUCTURE AND BASIS OF PREPARATION OF THE REPORT

- Fortaco Group Holdco Plc acquired 100% of the shares in Fortaco Group Oy in 30 September 2022, after which period Fortaco Group Oy and its subsidiaries are consolidated to Fortaco Group Holdco
- Consequently, Q3 2022 Fortaco Group Holdco consolidated P&L (page 5) or cash-flow report (page 7) are not representing the operative performance of Fortaco Group, as they only contain activities before the transaction took place
- Therefore, the management summary is focused on commenting the operative performance and comparable financials, unless stated otherwise
- The consolidated balance sheet of Fortaco Group Holdco (page 7) is representing the fair view of Fortaco Group Holdco consolidated balance sheet as of 30 September 2022



Q3 2022 EXECUTIVE SUMMARY

- Good business volume delivered during Q3 2022. Customer demand remains generally very healthy and order intake has remained to be good
- Some industries, such as defense, having clearly increasing volume outlook for next year, whereas the volume outlook in certain other industries is more flattish. Generally, many customers have full order book for whole year 2023. Supply chain bottlenecks remain to cause issues to some customers, impacting also Fortaco's deliveries
- Cost base generally increasing. Concerning steel cost increase, pass-through clauses are being applied, securing the absolute profitability. Concerning other cost inflation related increases, commercial negotiations are being concluded with the customers
- Overall, some margin dilution visible driven by extraordinarily high steel and other production costs and supply disturbances

Fortaco comparable key financials

New Fortaco Holdco Group key financials

Guidance for 2022: Based on comparable scope

Fortaco Group Key Financials kEUR, IFRS	Fortaco Group consolidated: Pro forma scope				
	Q3 2021	Q3 2022	1-9/2021	1-9/2022	LTM 9/2022
Net sales	57 125	80 671	166 580	237 545	306 644
EBITDA	4 839	5 101	20 805	18 484	22 461
<i>EBITDA margin</i>	8.5 %	6.3 %	12.5 %	7.8 %	7.3 %
EBITA	2 220	2 558	13 082	10 828	12 401
<i>EBITA margin</i>	3.9 %	3.2 %	7.9 %	4.6 %	4.0 %
Non-recurring items	207	232	-4 802	1 016	1 775
Recurring EBITDA	5 046	5 333	16 003	19 500	24 236
<i>Recurring EBITDA margin</i>	8.8 %	6.6 %	9.6 %	8.2 %	7.9 %

Fortaco Group Key Financials kEUR, IFRS	Fortaco Group consolidated: New Holdco Group				
	Q3 2021	Q3 2022	1-9/2021	1-9/2022	LTM 9/2022
Net sales	0	0	0	0	0
EBITDA	0	-1 325	0	-1 325	-1 325
<i>EBITDA margin</i>	<i>n.m.</i>	<i>n.m.</i>	<i>n.m.</i>	<i>n.m.</i>	<i>n.m.</i>
EBITA	0	-1 343	0	-1 343	-1 343
<i>EBITA margin</i>	<i>n.m.</i>	<i>n.m.</i>	<i>n.m.</i>	<i>n.m.</i>	<i>n.m.</i>
Non-recurring items	0	1 325	0	1 325	1 325
Recurring EBITDA	0	0	0	0	0
<i>Recurring EBITDA margin</i>	<i>n.m.</i>	<i>n.m.</i>	<i>n.m.</i>	<i>n.m.</i>	<i>n.m.</i>

In connection with the bond issue in June 2022, Fortaco guided a pro-forma adjusted EBITDA of 30.7mEUR which we revise to 26 – 28mEUR based on highly inflationary cost environment and delayed implementation timetable of certain structural investments vs. the business plan

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Figures are based on unaudited IFRS financials

Pro forma adjusted EBITDA defined as Recurring EBITDA added with 100% of Buisard EBITDA less IFRS 16 rental adjustment, all based on the comparable scope

FORTACO GROUP HOLDCO CONSOLIDATED P&L

- Fortaco Group Holdco negative EBITDA driven solely by transaction related costs during the period. No operative financials consolidated into the Group during the period
 - All costs within EBITDA classified as non-recurring items

Fortaco Group Holdco Consolidated P&L: 1-9/2022	
IFRS	kEUR
Net sales	0
Change in inventories	-583
Materials and services	2
Personnel expenses	0
Other operating expenses	-745
EBITDA	-1 325
<i>EBITDA margin</i>	<i>n.m.</i>
Depreciations	-18
EBITA	-1 343
<i>EBITA margin</i>	<i>n.m.</i>
Amortizations	-207
EBIT	-1 550
<i>EBIT margin</i>	<i>n.m.</i>
Financial items, net	-677
Taxes	-769
Net income	-2 996
<hr/>	
Non-recurring items impacting EBITDA	1 325
Recurring EBITDA	0
<i>Recurring EBITDA margin</i>	<i>n.m.</i>

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FORTACO GROUP HOLDCO CONSOLIDATED BALANCE SHEET

Fortaco Group Holdco Consolidated Balance sheet: 9/2022

IFRS kEUR

Assets

Intangible assets	35 936
Goodwill	6 799
Property, plant and equipment	67 707
Other non-current financial assets	7 511
Non-current trade and other receivables	738
Deferred tax assets	4 894

Non-current assets **123 585**

Inventories	52 504
Trade receivables	14 391
Other current receivables	5 850
Current financial assets	13 072
Cash and cash equivalents	27 416

Current assets **113 233**

Total Assets **236 818**

- Fortaco Group Holdco September balance sheet is fairly representing the new balance sheet structure of Fortaco
- Interest bearing loans and borrowing including bond financing and other senior interest-bearing debt items
- Other financial assets including pledged cash of 13mEUR to be used for M&A and other expansionary capex purposes
- Intangible assets and goodwill originating from the purchase price allocation analysis

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Figures are based on unaudited IFRS financials

Fortaco Group Holdco Consolidated Balance sheet: 9/2022

IFRS kEUR

Equity & Liabilities

Share capital	80
Unrestricted equity reserve	61 920
Accumulated earnings	-2 984

Equity attributable to owners of the parent **59 016**

Minority interest 73

Total equity **59 089**

Deferred tax liabilities	8 829
Interest bearing loans and borrowings	73 795
Lease liabilities	5 695
Non-current provisions	1 074
Other interest free liabilities	2 947

Non-current liabilities **92 340**

Interest bearing loans and borrowings	1 452
Lease liabilities	2 961
Trade payables	51 865
Other interest free liabilities	29 111

Current liabilities **85 389**

Total Liabilities **177 729**

Total Equity & Liabilities **236 818**

FORTACO GROUP HOLDCO CONSOLIDATED CASH-FLOW

- Fortaco Group Holdco cash-flow driven solely by transaction related items during the period, including the impact of the new capital structure. No operative financials consolidated into the Group during the period

Fortaco Group Holdco Consolidated Cash-flow: 1-9/2022	
IFRS	kEUR
<u>Operating activities</u>	
Profit/loss for the period	-2 996
Financial income/expenses	534
Tax from income from operations	769
Change in working capital	-12 340
Other adjustments	738
Net cash flow from operating activities	-13 295
<u>Investing activities</u>	
Acquisition of subsidiaries, net of cash acquired	-50 093
Net cash flow from investing activities	-50 093
<u>Financing activities</u>	
Proceeds of issue of share capital	62 000
Net change in borrowings	28 804
Net cash flow from financing activities	90 804
Net change in cash and cash equivalents	27 416



APPENDIX

COMPLIANCE CERTIFICATE Q 3 2022

COMPLIANCE CERTIFICATE

To: Nordic Trustee & Agency AB (publ)
From: Fortaco Group Holdco Oyj (the "Issuer") (previously OEP Finnish Bidco Oyj)
Dated: 30 November 2022

OEP Finnish Bidco Oyj – Initially EUR 75,000,000 Senior Secured Floating Rate Bonds with ISIN NO0012547274 (the "Bonds")

Dear Madams and Sirs,

1. Reference is made to the terms and conditions for the Bonds, dated 19 July 2022 and entered into by the Issuer as issuer and the Agent as agent for the bondholders (the "**Terms and Conditions**"). Terms defined in the Terms and Conditions have the same meaning when used in this Compliance Certificate unless given a different meaning in this Compliance Certificate.
2. This is a Compliance Certificate referred to in the Terms and Conditions and delivered pursuant to paragraph (g) of Clause 11.1 (*Information from the issuer*) of the Terms and Conditions.
3. This Compliance Certificate is delivered in connection with the the Group's quarterly unaudited financial report for period Q3/2022.
4. We confirm that no Event of Default has occurred, is continuing or would occur upon the incurrence of the new Financial Indebtedness or making the Restricted Payment.

Fortaco Group Holdco Oyj

as Issuer



By: Kimmo Raunio
Senior Vice President & CFO

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Figures are based on unaudited IFRS financials

SUMMARY OF FORTACO GROUP COMPARABLE FINANCIALS

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	Q3 2021	Q3 2022	1-9/2021	1-9/2022	LTM 9/2022
Net sales	57 125	80 671	166 580	237 545	306 644
COGS	-45 442	-67 658	-130 180	-194 238	-250 931
<i>% of net sales</i>	-79.5 %	-83.9 %	-78.1 %	-81.8 %	-81.8 %
Gross Margin	11 682	13 012	36 399	43 307	55 713
<i>% of net sales</i>	20.5 %	16.1 %	21.9 %	18.2 %	18.2 %
Fixed costs total	-6 843	-7 911	-15 594	-24 823	-33 252
<i>% of net sales</i>	-12.0 %	-9.8 %	-9.4 %	-10.4 %	-10.8 %
EBITDA	4 839	5 101	20 805	18 484	22 461
<i>% of net sales</i>	8.5 %	6.3 %	12.5 %	7.8 %	7.3 %
Depreciation	-2 620	-2 543	-7 723	-7 656	-10 060
EBITA	2 220	2 558	13 082	10 828	12 401
<i>% of sales</i>	3.9 %	3.2 %	7.9 %	4.6 %	4.0 %
Total non-recurring items	207	232	-4 802	1 016	1 775
Recurring EBITDA	5 046	5 333	16 003	19 500	24 236
<i>% of net sales</i>	8.8 %	6.6 %	9.6 %	8.2 %	7.9 %
Recurring EBITA	2 427	2 790	8 280	11 845	14 176
<i>% of net sales</i>	4.2 %	3.5 %	5.0 %	5.0 %	4.6 %

TRUST IN TOMORROW

