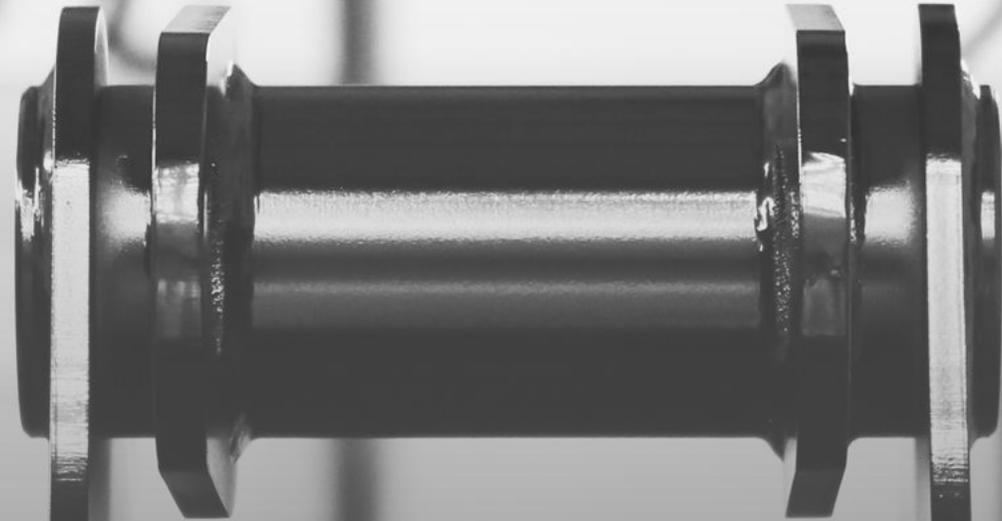


# FORTACO



## Presentation to bondholders

Fortaco Group Holdco Oyj

April 2025

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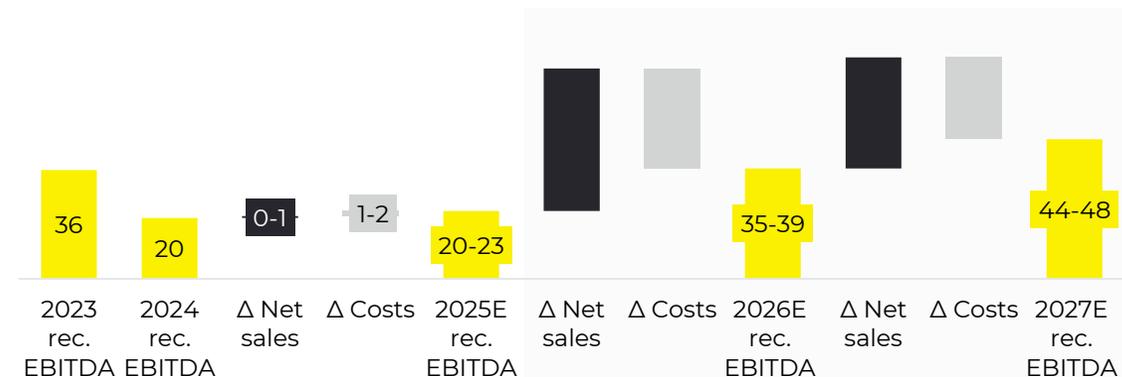
# Sales recovery with material EBITDA uplift expected from 2026

LTM sales forecast, EURm<sup>1</sup>



- Management's current expectation, backed by market intelligence and key customer trends, is for sales to bottom out during Q2'25 before gradually improving in H2'25
- 2026 and 2027 are expected to show sales growth
- Fortaco's annual plan is based on a conservative market view, which has been cascaded to conservative net sales plan for each business site
- The ongoing turnaround in Breitenau and Gliwice, ensuring full strategic alignment and correct market positioning, is expected to contribute significantly to the increase in sales

Recurring EBITDA bridge 2024-2027E, EURm<sup>1</sup>



- Net sales growth a combination of conservative overall market recovery outlook, introduction of new business already secured, introduction of new business through on-going volume push including Gliwice ramp-up initiative
- COGS growth limited by on-going profitability improvement programme actions in terms of sourcing and productivity
- Turnaround in Breitenau and ramp-up of Gliwice specific contributors to increasing profitability in 2026 and 2027
- Fixed cost base also optimised, resulting in limited increase as sales grow

## Cash flow and liquidity outlook 2025 – 2027, before implementing the proposed financing solution

- With only a modest recurring EBITDA improvement expected in 2025, free cash flow is projected to amount to > EUR -20m. In 2026, free cash flow is projected to improve, however remaining negative, before a recovery to close to break-even in 2027
- Driven by the negative cash flow outlook, Fortaco's liquidity is expected to decrease throughout 2025, falling below the minimum reasonable operating liquidity level of EUR 15m in May 2025 before turning negative in 2026 and remaining negative throughout 2026 and 2027. The proposal to bondholders set out herein seeks to address this issue

# Overview of proposal to bondholders

## Request to bondholders

**Maturity**

Bond maturity to be extended by 24 months until 22-07-2029.

This in order to provide sufficient runway for

- Market recovery to materialise;
- Ongoing profitability initiatives to fully flow through to earnings

ahead of a potential refinancing or exit by OEP

**Interest**

The interest rate shall be amended as follows:

- Cash interest payment of 3mE + 7.00% on 22-04-2025
- Until 31-12-2025: 10.50% p.a., paid in kind (PIK)
- 2026: 3mE + 2.50% cash + 5.25% PIK
- From 1-1-2027 until maturity of the Bonds: 3mE + 7.00% cash interest

**Call structure**

The call structure shall be amended as follows (existing structure in brackets)

- Make whole until January 2027 (*make whole until January 2025*)
- 104.50 from January 2027 until July 2027 (*103.50 until July 2025*)
- 103.50 from July 2027 until January 2028 (*102.80 from July 2025 to January 2026*)
- 102.50 from January 2028 until July 2028 (*102.10 from January 2026 to July 2026*)
- 100.00 from July 2028 until July 2029 (*101.05 from July 2026 to January 2027 and 100 thereafter*)

**Voluntary amortisation**

Introduction of a voluntary amortization clause whereby the shareholder contribution may be used, in part or in full, to prepay bonds at 101.0% of par until the original maturity date, should the Group's liquidity situation develop better than expected

Interest rate to revert to 3mE + 7.00% in the event of a voluntary amortization

## Concessions and compensation to bondholders

**Equity injection**

Should the proposed resolution be approved by a sufficient majority of bondholders, OEP undertakes to inject a minimum of EUR 20.0m in cash equity in connection with the amendment becoming effective

**Interest compensation**

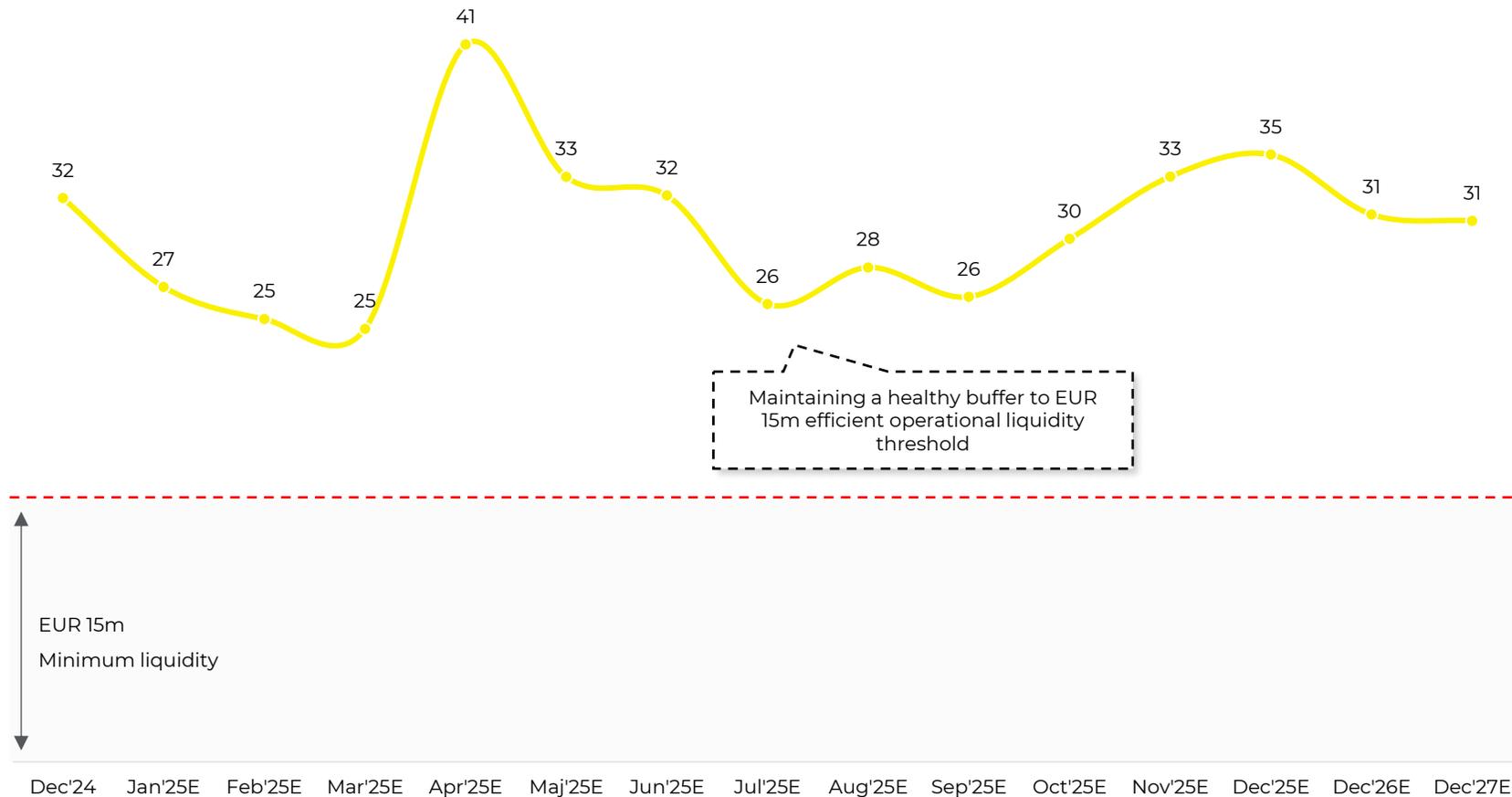
Approx. 1.15% interest rate pick-up for July and October 2025 interest payments, and 0.75% for 2026 interest payments

**Call compensation**

- 1.00% call premium step-up from January 2027 to July 2027
- 0.70% call premium step-up from July 2027 to January 2028
- 0.40% call premium step-up from January 2028 to July 2028

# Proposed amendments will ensure a sufficient liquidity buffer

Post-amendments - Monthly liquidity forecast 2025, annual liquidity forecast 2026-2027, EURm



## Commentary

- Assuming the proposed amendments are implemented in April 2025, Fortaco's cash balance will improve by EUR 20m following the contingent equity injection from OEP
- This, coupled with amended interest payments in 2025 and 2026, will ensure a healthy liquidity headroom over the forecast period, providing sufficient runway until a market recovery and allowing management to focus on implementing sales and profitability initiatives
- The liquidity projection assumes full PIK interest between May and December 2025, and 3mE + 2.50% cash interest and 5.25% PIK interest in 2026 before reverting to 3mE + 7.00% cash interest in 2027

**FORTACO**