

**BIG ENOUGH
TO COMPETE –
SMALL ENOUGH
TO CARE.**

QUARTERLY REPORT
Q3 2024/2025

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Preface

Dear Shareholders,

The general economic conditions have not improved in the third quarter of the ongoing 2024/2025 financial year. Due to a continued weak consumer climate, the continued reluctance to invest and geopolitical uncertainties along the end customer chain, we are continuing to operate in a challenging market environment. The results on 31 March 2025 reflect these current challenges.

The group turnover in the first three quarters of the current financial year was EUR 57.9 million (previous year: EUR 70.0 million), and the operating earnings (EBIT) at EUR 1.4 million (previous year: EUR 5.7 million). The development of the individual segments was heterogeneous: While the power supplies segment delivered stable EBIT contributions thanks to the defence orders, the data visualisation segment remained below the previous years' values. The main cause of this was the reluctance to invest in Germany and the USA.

Despite the temporary pressures, we are using the current market position consistently to strengthen our structures, achieve efficiency potentials and develop the technological basis.

Our solid balance sheet structure and a continued positive operational cash flow enable us to invest in the future even in economically challenging time so that we can start the next financial year with a new ERP system at FORTEC Power and AUTRONIC, as well as merging the two subsidiaries in order to continue to reduce the number of companies in the group and achieve synergies.

In the USA, the announced new positions were successfully filled from the 4th quarter of the 2024/2025 financial year. Future investments also continue to be made here while consistently implementing cost reduction measures at the same time.

Germany is in recession, which also affects the FORTEC Group. But uncertain times always bring new chances: with new customer projects and orders, such as the newly-won defence orders with a volume of around EUR 3.5 million, we continue to consider our strategic alignment to be confirmed even if the successes will only be noticeable later than originally planned.

Dear shareholders, thank you for your trust and support along our ongoing path.

Sandra Maile

Chair of the Management Board

Group quarterly report: 3rd Quarter 2024/2025

01/07/2024-31/03/2025

Profit situation

Uncertainties in the global environment put pressure on the result

In the first nine months of 2024/2025, the group turnover was EUR 57.9 million and therefore around 17 % lower than previous year's figure of EUR 70.0 million due to challenging macroeconomic conditions. Development in the data visualisation segment remained below the multi-year trend in the reporting period, which is mainly due to the reluctance to invest in Germany and the USA. Thanks to existing contracts in the defence sector, the power supplies segment declined less than the data visualisation segment.

Due to the lower volume compared to the previous year, the increased stock of work in progress and finished products at EUR 399 thousand has reduced compared to the previous year period (previous year: EUR 840 thousand) by 52.4 %.

The cost of materials decreased from EUR 46.3 million to EUR 38.8 million almost in direct line with the lower turnover. The cost of sales ratio increased slightly to 66.3 % (previous year: 65.0 %).

Personnel expenses reduced from EUR 12.6 million to EUR 11.7 million in the first nine months of the current financial year, particularly due to reduced bonuses and profit sharing at board and managing director level but also due to the reduction in the number of production employees. The personnel cost ratio increased from 18.0 % to 20.2 % in the reporting period due to the more pronounced decrease in turnover.

At EUR 1.3 million, depreciation and amortisation was almost the same as in the previous year.

At EUR 6.5 million, other operating expenses increased when compared to the previous year, particularly due to the new website for FORTEC UK, FORTEC CH, FORTEC CZ and FORTEC AG (previous year: EUR 5.9 million). Short-term leases also resulted in higher premises costs that were reported under depreciations on rights of use in the previous 2023/2024 financial year. Furthermore, additions to warranties increased by around EUR 300 thousand compared to the previous year. Relative to turnover, other operating costs amounted to 11.1 % (previous year: 8.5 %).

As an important performance indicator, the EBIT (earnings before interest and taxes) was around EUR 1.4 million and therefore significantly below the previous year's value of EUR 5.7 million. Accordingly, the EBIT margin after the first nine months of the 2024/2025 is 2.5 % (previous year: 8.1 %).

The period result for the nine months of the 2024/2025 financial year was EUR 1.0 million (previous year: EUR 4.0 million).

Earnings per share were EUR 0.30 compared to EUR 1.21 in the previous year.

The order book was EUR 52.1 million at the end of March 2025 and has therefore decreased slightly in comparison to 31 December 2024 at EUR 56.0 million. On 30 April 2025, the order book increased again to EUR 55 million thanks to the new orders from the medical, railway and defence segments.

Asset situation

Slight stock increase to safeguard the supply chains

On the assets side, with a balance sheet total of EUR 77.5 million (30/06/2024: EUR 78.8 million), non-current assets amounted to EUR 18.4 million (30/06/2024: EUR 16.8 million). Of this figure, at EUR 6.5 million (30/06/2024: EUR 6.5 million) the goodwill from the acquired subsidiaries is the largest item. Due to accounting in accordance with IFRS 16, rights of use amounting to EUR 6.5 million (30/06/2024: EUR 4.8 million) are reported.

Under current assets, with a value of EUR 59.2 million (30/06/2024: EUR 62.0 million), the stocks at EUR 24.7 million (30/06/2023: EUR 22.3 million) are therefore the largest single item on the balance sheet total. The increase reflects a slight stock increase to safeguard the supply chains in a procurement environment that remains challenging. The receivables from deliveries and services item as of the reporting date reduced to EUR 10.5 million (30/06/2024: EUR 14.8 million). Cash and cash equivalents, the second largest item on the assets side, was EUR 20.8 million and therefore slightly below the amount of EUR 22.3 million on 30 June 2024.

Financial and liquidity position

Equity ratio decreased slightly at a high level

The group's equity ratio decreased slightly to 72.2 % on 31 March 2025 (30/06/2024: 73.3 %). The reason for this is the dividend distribution amounting to EUR 2.8 million in February 2025, which could not be balanced due to the significantly lower period result. At EUR 56.0 million (30/06/2024: EUR 57.8 million), the group still has sufficient equity.

Under current liabilities, liabilities due to deliveries and services increased from EUR 6.3 million on 30 June 2024 to EUR 6.9 million on the balance sheet date of 31 March 2025.

The FORTEC GROUP defines the net financial assets that are relevant for a potential company valuation as the difference between the cash and cash equivalents, and the interest-bearing financial liabilities, of which the FORTEC GROUP only counts the bank liabilities. The net financial assets defined in this way are therefore EUR 19.7 million (30/06/2024: EUR 21.0 million).

Forecast

Uncertain outlook

Despite positive momentum, the economic recovery of the sales markets remains slow due to geopolitical tensions and ongoing uncertainties. Possible effects, such as due to tariffs, regulatory specifications or political decisions, particularly regarding trade with the USA, are currently hard to assess but they could have a negative impact on FORTEC's business. Even planned turnover up to the end of the 2024/2025 financial year is potentially impacted due to the current uncertainties regarding tariffs and administrative approval processes.

Despite the challenging conditions, the Management Board continues to forecast a group turnover in the range of EUR 80.0 million to EUR 95.0 million and a Group EBIT between EUR 4.0 million and EUR 6.0 million for the 2024/2025 financial year. At the same time, the Management Board points out that the forecast is subject to higher risk due to the ongoing geopolitical uncertainties, which could have a negative effect on the forecast turnover and particularly the results development. The corresponding effects cannot yet be estimated reliably at the current time. The possible consequences of the increased volatility and limited visibility on the results will continue to be monitored carefully.

Consolidated statement of comprehensive income at 31/03/2025 in accordance with IAS/IFRS

In thousand EUR	Consolidated statement of income 01/07/2024 - 31/03/2025	Consolidated statement of income 01/07/2023 - 31/03/2024
Sales revenues	57,940	69,960
Increased inventory of unfinished goods	399	840
Other operating income	1,338	967
Cost of materials	38,803	46,308
Personnel expenses	11,720	12,593
Depreciation	1,262	1,269
Other operating costs	6,459	5,934
Operating result (EBIT)	1,433	5,662
Other interest and similar income	222	56
Other interest and similar costs	122	98
Result before taxes	1,533	5,620
Taxes on income and earnings	573	1,696
Consolidated net profit for the period	959	3,924
Other earnings*	81	29
Total earnings	1,040	3,954
Earnings per share (in EUR)	0.30	1.21
Number of shares (in units)	3,250,436	3,250,436
Of the total result, the following are attributable to:		
Shareholders of the parent company	1,041	3,956
Non-controlling shareholders	-1	-2

*Other comprehensive income exclusively comprises currency translation differences not recognised in profit or loss.

Explanatory notes

The basis for the preparation of the financial statements

The condensed Group report does not contain all information and disclosures required for consolidated financial statements and should therefore be read in conjunction with the consolidated financial statements and the Group management report dated 30 June 2024.

The consolidated quarterly financial statements have been neither audited nor reviewed by an auditor.

The report has been drawn up in euros. For reasons of calculation, rounding differences may occur in the tables and in references.

Segment reporting

The Group's reportable segments are data visualisation and power supplies. Other segments include intra-group services.

In thousand EUR	Data visualisation	Power supplies	Other segments	Total	Reconciliation Consolidation	Consolidated
External revenues	32,730	25,200	10	57,940	0	57,940
<i>Previous year</i>	<i>41,676</i>	<i>28,281</i>	<i>3</i>	<i>69,960</i>	<i>0</i>	<i>69,960</i>
Internal revenues	1,875	1,306	2,927	6,108	-6,108	0
<i>Previous year</i>	<i>2,075</i>	<i>1,549</i>	<i>2,669</i>	<i>6,294</i>	<i>-6,294</i>	<i>0</i>
Segment revenues	34,605	26,506	2,937	64,048	-6,108	57,940
<i>Previous year</i>	<i>43,752</i>	<i>29,830</i>	<i>2,673</i>	<i>76,255</i>	<i>-6,294</i>	<i>69,960</i>
Gross margin (total operating performance ./. cost of sales)	11,294	8,520	2,701	22,514	-3,004	19,510
<i>Previous year</i>	<i>15,491</i>	<i>9,259</i>	<i>2,461</i>	<i>27,211</i>	<i>-2,719</i>	<i>24,492</i>
Gross margin in %	32.6	32.1	91.9	35.2		33.7
<i>Previous year</i>	<i>35.4</i>	<i>31.0</i>	<i>92.1</i>	<i>35.7</i>		<i>35.0</i>
EBIT	-458	1,957	-56	1,443	-11	1,432
<i>Previous year</i>	<i>3,098</i>	<i>2,746</i>	<i>-176</i>	<i>5,668</i>	<i>-5</i>	<i>5,663</i>
EBIT in %	-1.3	7.4	-1.9	2.3	0.2	2.5
<i>Previous year</i>	<i>7.1</i>	<i>9.2</i>	<i>-6.6</i>	<i>7.4</i>	<i>0.1</i>	<i>8.1</i>

Disclaimer of liability

This report contains certain forward-looking statements based on currently discernible and available information, assumptions and forecasts made by the Management of FORTEC Elektronik AG. They serve solely to provide information and are characterised by terms such as "believe", "expect", "predict", "intend", "forecast", "plan", "estimate" or "endeavour". These statements are therefore only valid at the time of their publication. Various known and unknown risks, uncertainties and other factors could lead to material differences between the forecasts given here and the actual results, financial situation, development or performance of the Company. FORTEC Elektronik AG assumes no obligation to update such forward-looking statements or to align them with future events or developments. Accordingly, no liability or guarantee for the topicality, correctness or completeness of this data and information is assumed either explicitly or implicitly.

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