

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

QUARTERLY REPORT
Q1 2025/2026

FORTEC
GROUP

Quarterly Report Q1 2025/2026

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Preface

Dear Shareholders,

Despite a continuing challenging market environment, we can look back on a solid first quarter of the 2025/2026 financial year (1 July 2025 – 30 September 2025). With an 11% increase in revenue compared to the same quarter last year and a return to operating profitability, we have made a successful start to the 2025/2026 financial year.

Moderate growth momentum was evident worldwide in the reporting period: while the USA and selected Asian regions in particular benefited from a revival in domestic demand and investment, growth in the eurozone remained subdued overall. In Germany, economic development remained subdued in the third quarter of 2025, which is also reflected in the ifo Institute's downward revision of its growth forecast for gross domestic product in 2025 to +0.2%. The global environment remains characterised by geopolitical tensions and subdued economic momentum in Europe, yet our business performance in the reporting quarter shows a positive development.

With an increase in revenue of around 11%, consolidated revenue was up on the previous year's figure of EUR 17.5 million at EUR 19.4 million. Earnings before interest and taxes (EBIT), the second performance indicator, also improved to EUR 0.2 million (previous year: EUR -0.2 million). The data visualisation segment achieved a slight increase in revenue to EUR 11.3 million (previous year: EUR 10.9 million), although EBIT was down on the previous year at EUR -0.7 million (previous year: EUR -0.2 million). This development is primarily attributable to continued investment restraint on the part of customers in the high-margin project business. The Power Supplies segment recorded dynamic demand – particularly in the defence sector – and increased revenue to EUR 9.2 million (previous year: EUR 7.5 million). Segment EBIT improved significantly to around EUR 0.8 million (previous year: EUR 0.0 million).

With the complete acquisition of Nottrot B.V. on 11 July 2025 – the Dutch manufacturer of monitors for maritime, military and industrial use was consolidated retroactively to 1 July 2025 – we are specifically strengthening the Data Visualisation segment and expanding our market position in the Netherlands and Central Europe. This step also marks our entry into the maritime market in the data visualisation segment. The acquisition also enables us to expand our technological base and vertical value creation in future-oriented applications.

Events after 30 September 2025

On 13 October 2025, FORTEC acquired the remaining 63.3% of shares in the Dutch company Advantec Electronics B.V., thereby further expanding its activities in the power supply segment. This step expands our presence in the Benelux market and combines the activities of Advantec with those of Nottrot B.V. in the new regional unit FORTEC Benelux.

To ensure the smooth continuation of the company's management, Mr Henrik Christiansen has been entrusted with the interim support of the Executive Board with effect from 10 November 2025, in consultation with the Supervisory Board.

Outlook

The stabilisation trends evident in the first quarter and the measures introduced form the basis for the assessment of business development in the current 2025/2026 financial year, which remains valid. Against the backdrop of the current conditions, FORTEC remains cautiously optimistic.

The 2025/2026 financial year will be a transitional year for us, in which we will set the course for the appointment of new members to the Executive Board and press ahead with the further development of our organisational structure, while at the same time consistently pursuing our 'Strong Together 2030' strategic orientation.

We will also continue to drive forward the initiatives already launched to strengthen our market presence. The focus here will be on expanding our marketing and sales activities in the USA, intensifying our market development efforts and further establishing robust sales structures, particularly at FORTEC Integrated. The integration of the Dutch companies is also of particular importance, as it will make a significant contribution to standardising and strengthening our international presence. At the same time, we will continue to focus on efficiency and profitability by optimising internal processes in a targeted manner and further developing the second management level in a sustainable manner.

We continue to anticipate moderately positive sales momentum and confirm the forecast published in our 2024/2025 annual report. Our focus is on stabilising margins, efficiency and inventory management, and the targeted further development of our growth areas. Should the general conditions continue to improve, particularly with regard to demand and supply chains, we see additional potential for acceleration.

We would like to thank you, our valued shareholders, for your trust and continued support on our journey.

Ulrich Ermel

Management Board

Group quarterly report: 1st Quarter 2025/2026

01/07/2025-30/09/2025

Earnings situation

Slight stabilisation at the beginning of the financial year

In the first three months of the 2025/2026 financial year, FORTEC generated consolidated revenue of EUR 19.4 million, up around 11% on the previous year (previous year: EUR 17.5 million). The data visualisation segment stabilised slightly above the previous year's level, while the power supply segment closed the first three months with a moderate increase in revenue.

In line with the slight increase in revenue, the cost of materials rose from EUR 11.7 million to EUR 12.4 million. At 64.7% (previous year: 65.5%).

Personnel expenses rose by around EUR 0.3 million to EUR 4.1 million (previous year: EUR 3.8 million) in the first three months of the current financial year due to the initial consolidation of Nottrot B.V. and new appointments in the USA.

At EUR 0.8 million, the depreciation value resulting from the acquisition of Nottrot B.V. was higher than in the previous year (previous year: EUR 0.4 million), primarily due to depreciation on the capitalised order backlog.

Other operating expenses fell from EUR 2.3 million to EUR 2.0 million, mainly due to lower IT and advertising costs and lower currency losses.

EBIT (earnings before interest and taxes) – another important performance indicator alongside consolidated revenue – improved to EUR 0.2 million compared with the previous year's figure of EUR -0.2 million.

Consolidated net income for the period rose by around EUR 0.3 million to EUR 0.0 million (previous year: EUR -0.3 million). Earnings per share in the first quarter of the 2025/2026 financial year were also above the previous year's figure of EUR -0.09 at EUR -0.01.

The order backlog at the end of September 2025 amounted to EUR 44.3 million, which was, as expected, below the level of EUR 50.0 million as at 30 June 2025. This development usually reflects the customary weaker demand dynamics in the first quarter of the financial year.

Asset situation

Accounting effects from company acquisitions

On the assets side, with total assets of EUR 74.7 million (30 June 2025: EUR 73,3 million), non-current assets amounted to EUR 24.1 million (30 June 2025: EUR 18,0 million). Of this amount, goodwill from the acquired subsidiaries is the largest item at EUR 9.8 million (30 June 2025: EUR 5,8 million), which increased accordingly on 1 July 2025 of the 2025/2026 financial year due to the acquisition of the Dutch company Nottrot B.V. Due to accounting in accordance with IFRS 16, rights of use amounting to EUR 7.0 million (30 June 2025: EUR 6.2 million) are reported, which increased primarily due to the initial consolidation of Nottrot B.V.

Among current assets with a value of EUR 50.7 million (30 June 2025: EUR 55.3 million), the slight increase in inventories to EUR 22.2 million (30 June 2025: EUR 21.2 million) represents the largest single item on the balance sheet total. The increase is mainly due to the first-time consolidation of Nottrot B.V. Trade receivables decreased to EUR 9.9 million as of the reporting date (30 June 2025: EUR 11.9 million). Cash and cash equivalents, the second-largest item on the assets side, amounted to EUR 15.6 million, down from EUR 19.2 million as at 30 June 2025. This was due to the recent acquisition of the Dutch subsidiary Nottrot B.V.

Financial and liquidity position

Equity ratio slightly down at a high level

At EUR 56.0 million (30 June 2025: EUR 56,1 million), the Group continues to have sufficient equity capital. The Group's equity ratio fell slightly to 74.9% as at 30 September 2025 (30 June 2025: 76,6%).

In terms of current liabilities, trade payables rose from EUR 4.4 million as at 30 June 2025 to EUR 5.1 million as at the balance sheet date of 30 September 2025.

FORTEC defines net financial assets relevant for a possible company valuation as the difference between cash and cash equivalents and interest-bearing financial liabilities, which FORTEC defines exclusively as bank liabilities. The net financial assets defined in this way thus amount to EUR 14.7 million (30 June 2025: EUR 18.3 million).

Forecast

Cautiously optimistic

Despite the current economic and geopolitical uncertainties, the Management Board continues to anticipate cautiously positive development in the 2025/2026 financial year. Consolidated revenue is expected to range between EUR 80.0 million and EUR 85.0 million, with consolidated EBIT expected to be between EUR 0.9 million and EUR 2.1 million. The Management Board also points out that this forecast is based on the assumption that there will be no further deterioration in the general economic environment that could negatively impact the forecast revenue and earnings range. In general, such forecasts are always subject to unpredictability.

Consolidated balance sheet as of 30/09/2025 in accordance with IFRS

ASSETS in thousand EUR	30/09/2025	30/06/2025	LIABILITIES in thousand EUR	30/09/2025	30/06/2025
A. Non-current assets	24,098	17,998	A. Equity capital	55,963	56,106
I. Acquired goodwill	9,847	5,814	I. Subscribed capital	3,250	3,250
II. Intangible assets	1,925	801	II. Capital reserve	14,481	14,481
III. Tangible fixed assets	4,104	4,105	III. Conversion adjustments	1,560	1,666
IV. Rights of use	6,983	6,219	IV. Other reserves	36,714	35,365
V. Financial assets balanced in accordance with the equity method	91	91	V. Consolidated net profit for the period	-37	1,349
VI. Financial assets	91	75	VI. Non-controlling interests	-6	-6
VII. Deferred taxes	1,057	894			
B. Current assets	50,653	55,260	B. Non-current liabilities	7,729	6,898
I. Inventories	22,185	21,246	I. Non-current bank liabilities	528	611
II. Receivables from deliveries and services	9,864	11,921	II. Non-current leasing liabilities	6,020	5,368
III. Tax refund entitlements	2,345	2,129	III. Other non-current financial liabilities	99	98
IV. Other financial assets	303	303	IV. Other non-current liabilities	4	7
V. Other assets	392	459	V. Non-current reserves	350	352
VI. Cash and cash equivalents	15,565	19,203	VI. Deferred tax liabilities	728	461
			C. Current liabilities	11,060	10,254
			I. Liabilities to credit institutes	333	333
			II. Liabilities from deliveries and services	5,064	4,398
			III. Current leasing liabilities	1,060	922
			IV. Tax liabilities	1,513	1,579
			V. Other current financial liabilities	922	1,060
			VI. Other current liabilities	1,588	1,463
			VII. Reserves	579	498
Total assets	74,751	73,258	Total liabilities	74,751	73,258

Consolidated statement of comprehensive income at 30/09/2025 in accordance with IFRS

In thousand EUR	Consolidated statement of income	Consolidated statement of income
	01/07/25 - 30/09/25	01/07/24 - 30/09/24
Sales revenues	19,359	17,491
Increased inventory of unfinished goods	-164	210
Other operating income	234	218
Cost of materials	-12,361	-11,669
Personnel expenses	-4,084	-3,796
Depreciation	-838	-418
Other operating costs	-1,980	-2,282
Operating result (EBIT)	166	-246
Other interest and similar income	16	87
Other interest and similar costs	-66	-31
Result before taxes	115	-190
Taxes on income and earnings	-153	-89
Consolidated net profit for the period	-37	-279
Other earnings*	-106	-23
Total earnings	-143	-303
Earnings per share (in EUR)	-0.01	-0.09
Number of shares (in units)	3,250,436	3,250,436

*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 2025.

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	10,635	8,724	0	19,359	0	19,359
<i>Previous year</i>	10,357	7,134	0	17,491	0	17,491
Internal revenues	638	433	975	2,047	-2,047	0
<i>Previous year</i>	541	402	997	1,941	-1,941	0
Segment revenues	11,273	9,157	975	21,406	-2,047	19,359
<i>Previous year</i>	10,899	7,537	997	19,432	-1,941	17,491
Gross margin (total operating performance ./. cost of sales)	3,916	3,049	975	7,940	-1,107	6,834
<i>Previous year</i>	3,703	2,413	997	7,112	-1,080	6,032
Gross margin in %	34.7%	33.3%	100.0%	37.1%		35.3%
<i>Previous year</i>	34.0%	32.0%	100.0%	36.6%		34.5%
EBIT	-736	832	68	164	2	166
<i>Previous year</i>	-243	26	-19	-236	-10	-246
EBIT in %	-6.5%	9.1%	6.9%	0.8%	-0.1%	0.9%
<i>Previous year</i>	-2.2%	0.3%	-1.9%	-1.2%	0.5%	-1.4%

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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