

# BIG ENOUGH TO COMPETE – SMALL ENOUGH TO CARE.

ANNUAL REPORT 2025

**FORTEC**  
GROUP



# Annual Report 2025

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# Preface

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Dear Sirs and Madams, dear shareholders, dear employees,

The 2024/2025 financial year was once again marked by challenging macroeconomic developments, which had a noticeable impact on FORTEC. Geopolitical uncertainties, a stagnating economy, continued volatility in supply chains and new trade restrictions in the form of tariffs and sanctions led to generally subdued market and investment dynamics. Although various factors had a negative impact on FORTEC's business performance, consolidated revenue of EUR 79.7 million was achieved, which was close to the forecast of EUR 80.0 million to EUR 95.0 million adjusted in February 2025.

Earnings before interest and taxes (EBIT) amounted to EUR 1.9 million, which was at the upper end of the forecast updated in July 2025 (EUR 1.0 million to EUR 2.0 million). The EBIT margin consequently fell to 2.3% in the reporting year, while consolidated net income declined proportionally to EUR 1.3 million. Earnings per share amounted to EUR 0.41. Nevertheless, FORTEC – which for over 40 years has been characterised by a business model that generates consistently positive earnings and a conservative financing policy – continues to have a very robust balance sheet structure. With an equity ratio of 76.6% (previous year: 73.3%), this underlines the company's financial stability and forms a reliable basis for its further development. In this context, the Management Board will propose a dividend distribution of EUR 0.40 per share (previous year: EUR 0.85 per share) at the upcoming Annual General Meeting on 11 February 2026, thus continuing its consistent distribution policy based on net income for the year.

In addition to key performance indicators, the development of individual segments is of great importance to FORTEC. Business activities are divided into the segments of data visualisation and power supplies. The data visualisation segment generated sales revenues of EUR 46.8 million in the reporting year, compared with EUR 59.3 million in the previous year, while the power supplies segment once again made a virtually stable contribution to total sales with EUR 37.4 million, compared with EUR 39.8 million in the previous year. With its distribution, development, production and solutions divisions, FORTEC covers the entire spectrum from standard products to customer-specific solutions, making it a reliable partner for customers in the transport, industrial, medical technology, defence and security sectors. The order backlog as of 30 June 2025 was EUR 50.0 million, compared to EUR 53.4 million in the previous year, and has thus continued to normalise.

## Changes to the Executive Board and ensuring management continuity

After the end of the financial year (30 June 2025), there were several significant developments that are of central importance for the future direction of FORTEC. On 6 October 2025, the Supervisory Board decided for good cause to revoke the appointment of Ms Sandra Maile as a member of the Executive Board and Chairwoman of the Executive Board with immediate effect. For personal reasons, I myself informed the Supervisory Board that I would not be available for another term of office and that I intend to resign from my position by 30 June 2026 at the latest.

In order to ensure continuity in the management of the company, Mr Henrik Christiansen was appointed to provide interim support to the Executive Board from 10 November 2025 in consultation with the Supervisory Board. With over 30 years of experience in CFO and management positions, including at listed companies, as well as extensive expertise in controlling, accounting, M&A and digitalisation, he will strengthen the governance structures and operational capabilities of FORTEC during this transition period. At the same time, the Supervisory Board will use a structured process to identify suitable candidates who can further develop the FORTEC Group in a market-oriented manner with a clear strategy for the future and set a strategic perspective for the coming years.

### Significant acquisitions to strengthen market position

The Group also continued to develop strategically after the balance sheet date. On 11 July 2025, FORTEC Elektronik AG acquired 100% of the shares in the Dutch company Nottrot B.V., thereby strengthening its data visualisation segment. This move not only expands FORTEC's product portfolio, but also gives it access to new customer segments in the maritime market, which has high barriers to entry, and in the defence sector. On 13 October 2025, FORTEC also acquired the remaining 63.3% of shares in Advantec Electronics B.V., which operates in the power supply segment, meaning that FORTEC now holds 100% of the shares. Both acquisitions strengthen FORTEC's presence in the Benelux region, open up additional market potential and create synergy effects that are expected to contribute to the Group's earnings power in the future.

### Outlook for the 2025/2026 financial year

In view of the overall economic conditions and the associated uncertainties, FORTEC expects the 2025/2026 financial year to develop at the previous year's level with a slightly positive trend. 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. This scenario assumes that the existing challenges will not increase further.

FORTEC's 2025/2026 fiscal year will be marked by the appointment of new members to the Executive Board, the consistent implementation of the "Strong Together 2030" strategy, and the associated strengthening of market presence and sales development. The expansion of marketing and sales activities in the USA and targeted initiatives at FORTEC Integrated are intended to sustainably increase growth and sales potential in these core areas in particular. The "Strong Together 2030" strategy serves as a central guideline for all measures and supports the long-term stabilization and further development of the group of companies. The integration of the Dutch companies will also play a central role, making an important contribution to harmonising and strengthening our international positioning. At the same time, we are continuing to focus on increasing efficiency and profitability by systematically developing internal processes and strengthening the second management level in a targeted manner.

Dear Shareholders,

Your trust forms the basis for our long-term strategic orientation, especially in times of organisational change and macroeconomic uncertainty. The Executive Board and Supervisory Board work closely together to clearly define the priorities for FORTEC and shape its sustainable development.

We would like to express our special thanks to our employees, whose commitment, expertise and flexibility contribute significantly to the continued success of FORTEC.

Ulrich Ermel

Management Board





## Annual Report 2025

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# Group management report: 1. Fundamentals of the Group

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Over the past years, FORTEC as a group ("FORTEC Group") has gradually transformed itself from a product supplier to a system supplier of industrial high-tech products, and is now part of the international added value chain. Acting as a link between various production plants of internationally active suppliers, in particular from the Far East, as well as European and American customers, the FORTEC Group occupies an attractive growth niche and strives to constantly expand its position as a supplier of industrial solutions, for example through its own software and hardware developments, as well as the expansion of its own production services.

Target customers are companies with long-term positioning, primarily in the high-growth areas of industrial automation, information technology and medical technology. Attractive niche markets such as railway & transportation and defence are also focal areas. The FORTEC Group's success is founded on a large number of long-standing customer relationships. The aim of our sales activities is to build strategic partnerships with top customers who are leaders in their own market sectors, as well as with customers with smaller and medium-sized order volumes. Due to ever-greater complexity, orders are increasingly commonly long-term projects and the companies of the FORTEC Group - as suppliers - are becoming long-term, strategic partners to their customers.

In Germany, the group is represented by FORTEC Power GmbH in Riedstadt-Wolfskehlen ("FORTEC Power") and FORTEC Integrated GmbH in Germering ("FORTEC Integrated"). In Austria, the FORTEC Group is represented by a sales office and, in Switzerland, by its wholly-owned sales subsidiary FORTEC Switzerland AG ("FORTEC CH"). Furthermore, the group is represented in the Benelux states with a shareholding in the Dutch trading company Advantec Electronics B.V. in Prinsenbeek and through foreign subsidiaries: FORTEC Technology UK Ltd. in Huntingdon, England ("FORTEC UK"), FORTEC US Corp. in Ronkonkoma, USA ("FORTEC US") and FORTEC Czech Republic s.r.o. in Dýšina ("FORTEC CZ"), a subsidiary of AUTRONIC Steuer- und Regeltechnik GmbH, headquartered in Sachsenheim. Since 2024, the group has been supplemented by the newly-founded development location FORTEC Electronics Designs & Solutions Egypt SMLC in Giza, Egypt ("FORTEC EGY").

The FORTEC Group is one of the market leaders in German-speaking countries in the fields of data visualisation (display and embedded computer technology) and industrial power supplies by the Management Board's estimation. Furthermore, the FORTEC Group has established good positioning on the Anglo-American market with its subsidiaries.

By linking the product areas of Display Technology and Embedded Computer Technology to form a data visualisation system, the FORTEC Group also offers complex solutions for an innovative market.

The group's fields of competence range from the delivery of system-tested standard kits, to support services in the area of hardware and software for the sale of standard devices, for example, for professional display systems for industry or digital signage as well as complete monitors, right up to customer-specific developments and product solutions. The FORTEC Group's portfolio also includes TFT controller and drive solutions developed in-house, as well as the latest generation of optical bonding technology.

In the product area of power supplies, the FORTEC Group covers the complete product range of power supplies and DC/DC converters, from standard products from the Far East, through series devices modified in Germany, right to customer-specific developments for niche markets realised by the subsidiary company AUTRONIC.

Due to the high proportion of distribution in this segment, stock availability of the right products is the basis for success here.



## Group management report: 2. Control system

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As a group listed on the stock exchange, the FORTEC Group has well-established control systems that enable it to maintain a constant overview of important group activities. The Management Board monitors the group using key figures. The Supervisory Board in turn receives quarterly financial reports and monthly information on certain key figures. Furthermore, the board members maintain regular contact with the companies at local level.

Reporting is performed by segments and, in some cases, across segments for simplicity. Such aspects as incoming orders, the contribution margin (CM I = gross margin), turnover and EBIT serve as relevant key performance indicators. The group considers turnover and group EBIT to be the most important financial performance indicators.

## Group management report: 3. Research and development

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The FORTEC Group is mainly active as a system provider in the data visualisation segment to provide its customers with added value and therefore differentiate them from the competition thanks to innovative applications and procedures. The group is therefore investing continuously and sustainably in its own development competence and maintains a development department with 27 (previous year: 26) employees and invests both in traditional product development (e.g. video converters and network IoT products) and in the further development of production technologies with an annual expenditure of around EUR 2.0 million (previous year: EUR 2.6 million).

The focus in the data visualisation area in the 2024/2025 financial year was on renewing the product range due to further discontinuation of key components and required adjustments to our software due to updates to operating systems. Furthermore, training the new colleagues at the FORTEC EGY development

location in Egypt was completed. The most important development work is still ongoing: Important software updates were already able to be released successfully, while the redesigns will probably take until the first half of 2026 before then being delivered to the first customers for evaluation.

Thanks to staff reinforcements in Egypt, future-proof pre-developments were also able to be completed along with the required redesigns. Examples of this include the NFC board, the system management board and a new LED driver for lighting. Furthermore, a prototype of an in-house cloud application is in development. The proof-of-concept for an AI-based, fully-automated test device for in-house production is soon to be released.

## Group management report: 4. Economic report

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### Macroeconomic and sector-specific framework conditions

In the period from 01 July 2024 to 30 June 2025, the *world economy* continued to be characterised by challenging macroeconomic conditions. Geopolitical tensions in particular, continued high core inflation in many industrial countries and a restrictive fiscal policy in large economies such as the USA and

parts of Europe had a dampening effect on the global economic situation.

According to the expert advisory board, world economic growth over the course of 2024 was only just slightly below its long-term average. The decline in inflation in the large economies slowed down over the course of 2024.

## Group management report: 4. Economic report

The expert advisory board expects a global gross domestic product (GDP) growth of around 2.6 % in 2024 and 2025.<sup>1</sup>

The continued tension in the geopolitical environment, particularly the ongoing Ukraine war, new trade barriers and supply chain risks as a result of political tensions in the Asia-Pacific area remained a significant stress factor for the global economic investment and trade climate.

In the *euro zone*, the economic situation at the start of 2025 was going slightly upwards, boosted mainly by exports to the USA, which were pulled forward. Consumer demand remained cautious despite beneficial conditions with low inflation, increasing real income and low unemployment. The European Central Bank decreased its base rates significantly up to the end of July.

The threat of higher US tariffs on EU goods increased economic uncertainty and blocked investments. The ECB base rates fell from 4.25 % in June 2024 to 2.00 % in June 2025.<sup>2</sup>

The *German economy* in the period from July 2024 to June 2025 was in a transitional phase from economic weakness to starting to recover.

After two declining quarters in the second half of 2024, the first quarter of 2025 had surprisingly high growth of +0.4 % compared to the previous quarter.<sup>3</sup> At the same time, structural challenges remained: high labour costs, demographic change and sluggish digitisation and approval processes impaired long-term growth prospects.

## Group management report: 5. Business development and overall assessment

The FORTEC Group's business development in the 2024/2025 financial year was shaped significantly by the continuing inflationary effects with the associated weakened demand from customers, which was increased further by geopolitical uncertainties.

In the last financial year, FORTEC achieved a group turnover of around EUR 79.7 million, which is around 16 % below the result of EUR 94.5 million in the previous year. The group EBIT (earnings before interest and taxes) at EUR 1.9 million (previous year: EUR 7.1 million) was around 73 % below the previous year's result. The group continued its strategy of ensuring supply chains, developing its IT infrastructure and reinforcing its uniform brand identity.

In million EUR	ACTUAL 2024/2025	Forecast 2024 management report
Sales	79.7	95.0–110.0
EBIT	1.9	6.0–8.0

The reason for change of plan regarding the financial performance indicators was mainly the declining sales volume in the data visualisation area (-21 %) due to further increased and noticeable reluctance on the part of customers. Higher costs, including due to volatile tariff policies and a decline in investment high-margin

1) [https://www.sachverstaendigenrat-wirtschaft.de/fileadmin/dateiablage/gutachten/jg202425/JG202425\\_Kapitel\\_1.pdf](https://www.sachverstaendigenrat-wirtschaft.de/fileadmin/dateiablage/gutachten/jg202425/JG202425_Kapitel_1.pdf)

2) <https://www.leitzinsen.info/eurozone.htm>

3) <https://www.ifo.de/fakten/2025-06-12/ifo-konjunkturprognose-sommer-2025>

project business affected profitability. However, the gross margin is within range and, considering the loss in sales only reduced disproportionately by 4.5 %. Therefore, the margin quality is relatively stable. Revenue in the power supplies segment, on the other hand, only reduced by 6 % due to defence orders.

Other operating costs remained roughly constant, as the high currency losses contained therein (EUR 0.8 million higher than the previous year) and the savings measures also contained therein roughly compensated for each other, and personnel

costs also only decreased slightly, as the group is maintaining a long-term personnel policy.

In summary, FORTEC had to take a setback when it came to achieving its short-term financial goals in the financial year due to the challenging economic circumstances. The relatively strong gross margin development and the ongoing financial stability did offer a ray of hope.

## Group management report: 6. Profit situation

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Thanks to the restored delivery capability for preliminary products, the order backlog in the group fell to EUR 50.0 million at the end of the 2024/2025 financial year, and was therefore around 6 % lower than the previous year's value.

Group turnover, a key financial performance indicator, was EUR 79.7 million in the 2024/2025 financial year (previous year: EUR 94.5 million). This corresponds to a decline of 16 % compared to the previous year. The reasons for the decline were mainly the reluctance to invest on the part of customers in the data visualisation segment. The power supplies segment only showed a slight decline of 6 % due to existing orders in the defence area. The inventory changes to the inventories of finished goods and work in progress caused an inventory increase of EUR 278 thousand due to the decline in demand.

Other operating income increased from EUR 1.2 million in the previous year to EUR 2.0 million. The reasons for this include, on the one hand, various amounts of compensation for damages from business partners, increased profits from currency conversion differences of EUR 1.1 million compared to the previous year (previous year: EUR 0.8 million), as well as renegotiating a rental contract (EUR 0.2 million).

The cost of materials decreased by 14 % to EUR 53.3 million (previous year: EUR 61.7 million). Taking into account the change in inventories of finished goods and work in progress in the 2024/2025 financial year, the gross margin  $[(\text{revenue} - \text{cost of materials}) /$

revenue) therefore decreased only slightly from 34.4 % in the previous year to 33.5 %. The cost of sales ratio therefore increased from 65.6 % in the 2023/2024 financial year to 66.5 % in the 2024/2025 financial year.

Due to reduced bonuses and a headcount that reduced by seven employees, personnel costs reduced by EUR 0.7 million to EUR 15.9 million (previous year: EUR 16.6 million). Depreciation rose by EUR 0.7 million to EUR 2.4 million (previous year: EUR 1.7 million). The reason for the increase is an included goodwill reduction of EUR 0.7 million in the data visualisation segment due to short-term adjustments to business expectations.

Other operating costs increased slightly by around EUR 0.1 million to EUR 8.5 million (previous year: EUR 8.4 million) and were 10.6 % relative to the reduced revenue (previous year: 8.9 %). The group achieved savings in this area, where expenses for IT services reduced from EUR 1.2 million to EUR 0.8 million, procured external services by EUR 0.1 million and insurance also reduced by EUR 0.1 million. However, these and further savings efforts were balanced out by the increase in currency losses of EUR 0.8 million so that other operating costs in the whole year increased by around EUR 0.1 million despite this.

On balance (currency gains less currency losses), the profit and loss account includes a currency loss of EUR 512 thousand. The previous year resulted in currency gains of EUR 13 thousand.

## Group management report: 6. Profit situation

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Group EBIT, a key financial performance indicator, was EUR 1.9 million (previous year: EUR 7.1 million) due to the aforementioned factors. The group EBIT margin, based on sales revenues, therefore decreased from 7.5 % in the previous year to 2.3 % in the 2024/2025 financial year. Taxes on income and earnings decreased by 67 % to EUR 0.6 million (previous year: EUR 1.8 million). In contrast, the tax rate increased from 25.5 % to 32.3 %, which, as with the decline in EBIT, was mainly due to the reduced revenue and the corresponding reduction in tax offset possibilities. Furthermore, the goodwill impairment has no effect on taxes.

The consolidated net income for the 2024/2025 financial year was EUR 1.3 million (previous year: EUR 5.3 million). The return on sales after taxes therefore decreased to 1.7 % (previous year: 5.6 %). Earnings per share decreased by around 75 % from EUR 1.63 to EUR 0.41.

At the upcoming Annual General Meeting, the Management Board intends to propose dividend distribution of EUR 0.40 per share (previous year: EUR 0.85 per share). This corresponds to a dividend return of 2.5 % based on the share price (EUR 16.10) on 30 June 2025.

### Development of the segments

The external revenues of the data visualisation segment made a contribution to Group turnover of EUR 44.1 million (previous year: EUR 56.7 million) and the power supplies segment EUR 35.6 million (previous year: EUR 37.8 million) to the group turnover. The ratio of the two segments therefore turned in favour of the power supply segment. The data visualisation segment contributed 55.4 % (previous year: 60.0 %) to the total turnover. The EBIT margin segment in relation to the total output of the data visualisation segment decreased from 6.0 % to 0.0 %, the return on sales in the power supply segment decreased from 7.5 % to 6.6 %. The decline was mainly due to volume.

Due to the reduced demand for high-margin products, the ratio of revenue to cost of sales changed disproportionately, which is why the cost of sales ratio increased from 64.6 % in the previous year to 67.2 %. In the power supplies sector, turnover only decreased slightly and the cost of sales ratio was able to remain stable at 69.5 % (previous year: 70.0 %). However, due to increased other operational costs (IT project), the EBIT margin decreased from 7.5 % to 6.6 %.

## Group management report: 7. Asset situation

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On the assets side, with a balance sheet total of EUR 73.3 million (previous year: EUR 78.8 million), *non-current assets* amount to EUR 18.0 million (previous year: EUR 16.8 million). In accordance with IFRS 16, the largest item was recorded rights of use amounting to EUR 6.2 million (previous year: EUR 4.8 million) followed by goodwill from acquired subsidiaries at EUR 5.8 million (previous year: EUR 6.5 million). The increase in rights of use results from renegotiation of a long-term rental contract, while the decrease in goodwill is primarily due to an impairment in the data visualisation segment of EUR 0.7 million.

The tangible assets mainly comprise one plot and a building from the power supply segment. The decline of EUR 387 thousand is mainly due to the ongoing, planned depreciation of the building. The increase in intangible assets to EUR 0.8 million (previous year: EUR 0.3 million) can mainly be traced back to activating IT

projects (ERP system, FORTEC ONE website).

Under *current assets*, with a value of EUR 21.2 million (previous year: EUR 22.3 million), the stocks standing at 28.6 % (previous year: 28.3 %) is one of the two largest single items of the balance sheet total. Of this amount, EUR 11.8 million (previous year: EUR 12.2 million) is attributable to the data visualisation segment, whilst the power supplies segment accounts for EUR 9.6 million (previous year: EUR 10.1 million). The decrease in inventory volumes reflects the normalising delivery availability of preliminary products and procurements that is adapted to the lower revenue.

The *receivables from deliveries and services* decreased from EUR 14.8 million in the previous year to EUR 11.9 million due to decreasing revenue.

The stock of instruments of payment, the second of the two largest items on the assets side, decreased from EUR 22.3 million in the previous year to EUR 19.2 million on 30 June 2025. The group's equity ratio increased to 76.6 % (previous year: 73.3 %). At EUR 56.1 million (previous year: EUR 57.8 million), the Group has sufficient equity.

The equity capital increased by the consolidated net profit of EUR 1.3 million but was reduced by the dividend payment of EUR 2.8 million. On the liabilities side, *non-current bank liabilities* fell from EUR 0.9 million to EUR 0.6 million due to

reclassifications in the area to the current liabilities to credit institutes. The current liabilities to credit institutes remained unchanged at EUR 333 thousand. Other current liabilities decreased slightly from EUR 1.6 million to EUR 1.5 million.

Liabilities due to deliveries and services reduced to EUR 4.4 million (previous year: EUR 6.3 million). The significant decrease in tax liabilities from EUR 4.4 million to EUR 1.6 million is mainly due to the EUR 2.4 million decrease in liabilities for business tax due to the lower results and the payment of tax debts.

## Group management report: 8. Financial and liquidity position

The goal of financial management is to safeguard corporate success against financial risks of any kind. The group pursues a conservative financing policy with the aim of securing its liquidity at all times. In doing so, the Group applies a steady and responsible dividend policy and utilises the freely available bank balances, which are intended to exceed the group's current liabilities. This ensures liquidity at all times.

Furthermore, the group's objective is to sustain a strong capital base in order to maintain investor, market and creditor confidence. The objective of capital management is to ensure that business operations are based on a high level of equity

financing. To control the capital structure, dividend payments can be adjusted, share buybacks can be implemented or new shares can be issued.

The group monitors capital using a ratio of equity to net financial debt (equity / net financial debt) as the capital controlling indicator. The capital controlling indicator should be continuously higher than four. Net financial debt includes all debts according to the balance sheet less cash and cash equivalents. The equity capital corresponds to the equity capital shown in the balance sheet.

In thousand EUR	30/06/2025	30/06/2024
Total balance sheet debts	17,152	21,041
Less cash and cash equivalents	19,203	22,259
Net financial debt	0	0
Equity capital	56,106	57,762
Capital controlling indicator	-	-

## Group management report: 8. Financial and liquidity position

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At the end of the 2024/2025 financial year, the FORTEC Group does not have any net financial debts, as the cash and cash equivalents exceed the total debts. Calculating the capital controlling indicator was therefore not required. The high stock of instruments of payment is mainly intended for acquisition objectives and is invested in interest-bearing day-to-day cash and restricted cash for up to six months as part of liquidity management.

The FORTEC group defines the net financial assets as a further liquidity protection amount 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 17.1 million (previous year: EUR 21.0 million).

The cash flow from operations in the 2024/2025 financial year decreased from EUR 13.7 million in the previous year to EUR 1.9 million due to the lower consolidated net profit and higher taxes. The high operational cash flow in the previous year was due to a one-time special effect of warehouse normalisation (reduction) by around EUR 9 million in the previous year, which was not repeated in the current year. The cash flow from investing activities was EUR 0.7 million (previous year: EUR 0.5 million) and therefore almost unchanged. The cash outflow from financing activities was EUR 4.1 million after dividend distribution and regular repayments (previous year: EUR 4.2 million).

In total, the group recorded cash and cash equivalents of EUR 19.2 million on 30 June 2025 (previous year: EUR 22.3 million).

### Investments

In the past financial year, investments in intangible assets amounted to EUR 579 thousand (previous year: EUR 124 thousand), EUR 161 thousand in tangible assets (previous year: EUR 417 thousand), and rights of use including revaluation amounting to EUR 2,503 thousand (previous year: EUR 1,147 thousand), whereby investments in tangible assets were largely realised in operating and office equipment. In terms of rights of use, the decreases mainly resulted from a rental contract ending and being replaced by a new contract, and the low remaining term of the rental contracts.

### Non-financial reporting

*Non-financial performance indicators* such as employee matters, long-term customer and supplier relationships, environmental issues and ISO certifications are also very important for the Group, although these are assigned a subordinate role in the management of the Group. With respect to employee matters, the average length of a FORTEC Group employee's time in service is over 10 years. The FORTEC group's stable business over decades is based on a long-lasting, close cooperation with selected suppliers. Many long-standing customers benefit from this, and the Group in turn owes its business success to these customers.

The company is committed to ecological sustainability in its operational activities. For this reason, FORTEC is steadily expanding its sustainability report, which was prepared voluntarily for the first time in 2021/2022. The Group is certified in accordance with ISO 9001 and environmental management is already partially integrated into the management manual. The Management Board's variable remuneration also included qualitative goals that are published in the company's remuneration report.

## Group management report: 9. Forecast report

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The following statements regarding the future course of business and the assumptions of the economic development of the market and the industry are based on the assessments of the Management Board, which are currently considered

realistic according to the information available. Various known and unknown risks, uncertainties and other factors may mean that the forecast developments do not actually come into being, either in terms of their tendency or their extent.

#### Macroeconomic and sector-specific framework conditions

According to the IFO 2025 summer forecast, a significant improvement in economic conditions is expected in the coming 2025/2026 financial year. After an expected GDP increase of 0.3 % in 2025, the institute is forecasting a growth of 1.5 % in 2026<sup>4</sup>. Therefore, the German economy would enter a moderate upturn after a phase of weak dynamics.<sup>4</sup> Early indicators also point to a recovery: the IFO Business Climate Index was at 88.4 points in June 2025<sup>5</sup>, which indicates a noticeable improvement to expectations compared to the previous year's value. According to an analysis by the European Parliamentary Research Service (EPRS, July 2025), the coming months will mainly be characterised by the "reciprocal tariffs" introduced by the USA. Depending on the degree of escalation, these tariffs could suppress the EU GDP by -0.2 % to -0.8 % and impair the capital markets due to higher import prices, exchange rate effects and increasing risk premiums<sup>6</sup>. The Centre for European Policy Studies (CEPS) also mentions the politico-economic dimension: the EU must safeguard industries and diversify supply chains.<sup>7</sup>

#### Forecast group development

In the 2025/2026 financial year, the management board is expecting an equally challenging environment in the data visualisation, embedded systems and power supplies segments. Success depends majorly on demand development and our customers' investment and product decisions from the industry, medical technology, transportation, security and defence sectors. While intensive price and competitive pressures, as well as some pushed back projects from customers will be noticeable, particularly in the data visualisation area, we are

predicting stable demand for embedded solutions and power supplies due to increasing digitisation and current developments in the defence sector.

However, at the same time, we can also expect cost increases. Material costs will probably be higher than in the previous year due to ongoing uncertainties with semiconductors, special components and preliminary products. Other operating costs will increase due to regulatory requirements, as well as due to additional marketing and logistics costs, including due to volatile tariff policies in international business.

Under the aforementioned premises and the challenges outlined, the group expects development at the previous year's level with a slightly positive trend for revenue and EBIT in the 2025/2026 financial year in the basic scenario in both segments. Depending on the continued marketing development, a group turnover in a range of between EUR 80.0 million and EUR 85.0 million (2024/2025 financial year: EUR 79.7 million) and a Group EBIT of between EUR 0.9 million and EUR 2.1 million (2024/2025 financial year: EUR 1.9 million) are expected.

#### General risk notice

A forecast is subject to uncertainties that may have an impact on the development of results, which cannot be fully assessed at the current time.

4) <https://www.ifo.de/fakten/2025-06-12/ifo-konjunkturprognose-sommer-2025>

5) <https://www.ifo.de/fakten/2025-06-24/ifo-geschaeftsklimaindex-gestiegen-juni-2025>

6) [https://www.europarl.europa.eu/thinktank/en/document/ECTI\\_IDA%282025%29764382?utm](https://www.europarl.europa.eu/thinktank/en/document/ECTI_IDA%282025%29764382?utm)

7) <https://www.ceps.eu/the-eu-us-trade-deal-promises-temporary-relief-but-longer-term-pain/>

# Group management report: 10. Risk and opportunity report

## 10.1 Risk management

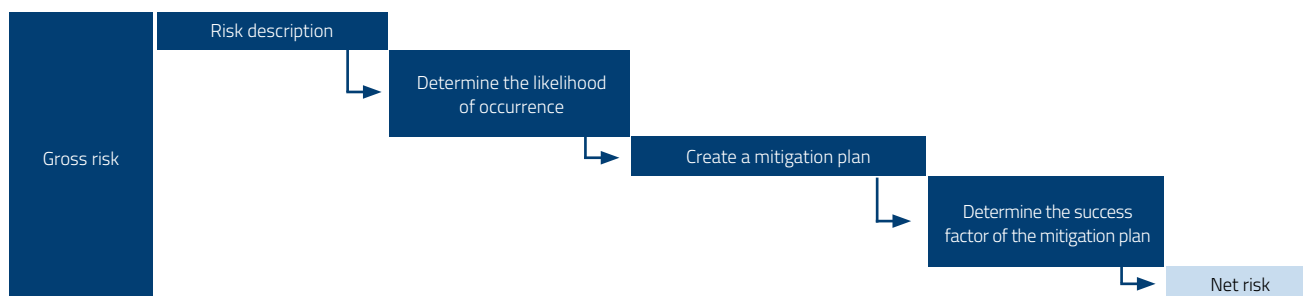
### Fundamentals of risk management

Risk management is an ongoing task of identifying risks as possible negative developments and their effects on the Group at an early stage, evaluating them and implementing measures to deal with the risks accordingly. It is therefore necessary to create an awareness of the risks existing in the company among all employees and in particular among decision-makers. For this reason, corresponding processes and procedural instructions are integrated into the QMH process landscape and are permanently available to all employees; they are defined annually and their effectiveness is reviewed in internal audits. Employees are

additionally sensitised in this regard through training. Risk management is an integral part of the management system and facilitates the identification of risks and the limiting of their effects insofar as possible.

### Risk identification

At regular intervals, the FORTEC group carries out a risk survey through questionnaires and checklists. This results in a risk matrix (risk inventory) and is reported to the Management Board. This process ensures that both known and newly arising risks in the daily course of business are made transparent and therefore controllable. To this end, specifications are also devised for the subsidiaries.



### Risk assessment

Risks are assessed and classified in terms of their probability of occurrence and their qualitative significance for the company, in order to establish transparency with regards to risk relevance for the group. The FORTEC Group draws up a quantitative assessment to facilitate even more precise evaluation of the risk-bearing capacity. The risk assessment is made up of the individual evaluations of the probability of occurrence and the potential gross amount of damage, which are reduced to a corresponding net risk through appropriate countermeasures. The criterion of probability of occurrence is divided into the categories "highly unlikely" (probability up to 10 %), "unlikely" (probability up to 25 %), "possible" (probability up to 50 %), "probable" (probability up to 75 %) and "highly probable" (probability up to 100 %).

The potential gross loss amount is classified up to EUR 0.1 million ("minimal"), up to EUR 0.5 million ("minor"), up to EUR 1.0 million ("moderate"), up to EUR 5.0 million ("severe") and up to and greater than EUR 10.0 million ("threatening").

The final risk is divided into the categories "high risk" (net risk greater than EUR 1.0 million), "moderate risk" (net risk between EUR 0.5 million and EUR 1.0 million) and "low risk" (net risk less than EUR 0.5 million)

### Risk management measures

Risk control can take place on the basis of the risk assessment. Appropriate risk measures have been implemented in accordance with the risk assessment carried out by the Management Board, and the individuals responsible for their implementation have been appointed. One of the aims of the risk management system is to ensure that risks are recognised by employees and decision-makers before they result in damage to the company and that those responsible reduce the risks in good time - either independently or in cooperation with the decision-makers - to a level that is acceptable to the FORTEC Group.



### Risk reporting

Continuous risk reporting, in particular by the legally independent Group companies, ensures that the Management Board is able to regularly obtain an overall picture of the risk situation of the participations. The formal implementation of the risk management system helps in this regard. However, the FORTEC Group also focuses on ensuring that the employees are made permanently aware of potential risks, and that risks are recognised and dealt with promptly.

*Internal control and risk management with regard to the accounting process* is an integral part of all processes of the FORTEC Group and is based on a systematic approach of risk identification, assessment and management that encompasses the entire Group. An internal control system supports the attainment of business policy objectives by ensuring the functionality and efficiency of business processes, compliance with laws and regulations, and the protection of business assets. The Management Board is responsible for the design of the control and risk management. Active monitoring controls by the board support the identification, assessment and handling of risks in the individual business areas of the AG and within the subsidiaries.

The group has implemented a comprehensive QM management system for process organisation, which includes work instructions for the preparation of financial statements and other accounting-related activities that help to prevent errors. As part of the control and risk management from the participations, monthly evaluations of the segments facilitate the prompt identification of any deviations in the planned figures for incoming orders, the order inventory, stock on hand, as well as turnover, gross margin and costs, and the implementation of countermeasures if necessary. The maturity of receivables, in particular debtors, is reviewed regularly.

The measures aimed at the correctness and reliability of accounting ensure that business transactions are recorded fully and promptly in accordance with the legal and statutory regulations, that inventories are carried out correctly, and that

both assets and liabilities are accurately recognised, valued and reported in the annual financial statements. The processes serve to ensure that the accounting records provide reliable and comprehensible information.

External consultants with appropriate expertise in accounting processes, such as auditors, accountants, as well as software providers, are included in the internal risk management.

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External consultants with appropriate expertise in accounting processes, such as auditors, accountants, as well as software providers, are included in the internal risk management.

## 10.2 Risk report

The risks listed below – subdivided into risk categories – can affect the company as a whole (overall risk), the two segments,

## Group management report: 10. Risk and opportunity report

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the financial situation (financial risks) and the results (earnings-oriented risks). Further system-related risks are the personnel risk and technical risk. The Group is permanently exposed to the risks listed below.

The principle insurable natural hazards are covered by a comprehensive insurance policy. This is reviewed annually, but may be insufficient in individual cases.

For both segments, potential risks that the FORTEC Group must take in order to exist and survive in the market are the product risk, the risk of price changes and default risk, as well as the market risk and the dependence on upstream suppliers.

### Market price risks

In times of high demand and product availability shortages, such as during the pandemic from 2020 to 2023 and due to the general increase in energy prices, the prices for purchased parts increased dynamically. A decrease in demand along with improved delivery capability is currently increasing the market risk, as price implementation becomes more difficult. Price change risks, which consist of a potential loss due to adverse changes in the market price or price-influencing parameters, are minimised through contract negotiations. Although the FORTEC group has always succeeded in managing this risk in the past, it is not possible to guarantee that market price risks will not result in future losses.

However, this risk is currently classified as high.

### Procurement risks

#### a) Inventory risks

A significant earnings-oriented risk lies in the material planning of inventories. Incorrect scheduling can lead to considerable losses despite a multi-stage procurement process.

However, the risk of having unsaleable goods in stock is not only based on an incorrect estimation of future demand, but also depends on a different perception of quality standards between customers and producers, in particular with respect to the quality of the goods (especially from the Asian region), and on EU directives and regulations regarding the constituents and use of the goods. Product liability is an ongoing risk for

the FORTEC group, for example due to changes in purchasing rights (e.g. within the framework of Brexit). The risk is minimised through the careful selection of suppliers and the monitoring of assessments. However, in the event of deception and criminal acts on the part of upstream suppliers, Group companies are each liable to the customer as importers.

#### b) Changes in suppliers

Close cooperation with only a few strategic partners in the product area poses a major risk that is inherent in the system, which must not be underestimated. Success with Asian suppliers in particular is often based on a long-standing personal relationship between the decision-makers, in particular in the power supplies segment. As such, a change in personnel - be it due to the departure of the decision-maker(s) from the company or a change in the company's shareholder structure - can lead to the loss of existing business relationships. An expected concentration process on the supplier side could also have a negative effect on the company. In extreme cases, this could result in the termination of the supply relationship. The tensions between China and Taiwan currently pose a particular risk on the supplier side. Due to the current developments in the USA, there is a higher risk due to punitive tariffs. The company counteracts the risks by establishing alternative secondary suppliers in certain areas, adjusting the inventory and checking for alternative inventory flows.

#### c) Availability of goods and procurement prices

The market for power supplies and display technology is heavily dominated by the Far East. In times of high demand and product availability shortages due to limited capacities, this can lead to price effects (rising purchase prices), delivery delays and even to the non-delivery of products or, in the event of low demand and high delivery capability, to decreased purchase prices, meaning that a loss of sales or lower margins could arise in the worst case scenario. The group attempts to counteract this risk through a forward-looking procurement policy and back-up inventories.

The procurement risk is assessed as high in general due to the cited risks.

## Risk reporting in relation to the use of financial instruments

### Default risks

Default risk is the risk of financial loss if a customer or a contracting party to a financial instrument fails to meet their contractual obligations. A default risk generally arises from the group's receivables due to deliveries and services, debt securities held as financial investments and the bank balance. As a general rule, the Group checks the creditworthiness of the customer relationship with a trade credit insurer for all new customers and otherwise on an annual basis. Due to cancellations of the existing trade credit insurance of some customers by the insurers, they will be checked again (as is the general case for uninsured customers) and safeguarded either by bank guarantees, other hedges or increasingly by advance payment. In certain cases, FORTEC is also assuming a certain amount of risk itself. Accounts receivable are constantly monitored and known risks are reflected in value adjustments.

The group's primary financial instruments include current and investment accounts, receivables due to deliveries and services and, on the liabilities side, bank loans and liabilities due to deliveries and services. To spread the risk associated with bank balances, the group relies on several bank accounts from reputable large institutes.

The risk is currently classified as moderate.

### Liquidity risk

To hedge the liquidity risk, a liquidity plan is prepared on a weekly basis and the value of receivables, especially debtors, is reviewed regularly. To further secure liquidity, the group has sufficient bank balances that exceed current liabilities from deliveries and services.

Liabilities are paid within the agreed payment periods.

Furthermore, the group has one long-term bank loan with favourable conditions from the management's perspective. Credit lines amounting to EUR 8.0 million have also been granted at group level, but these are not in use at the moment.

The liquidity risk is currently classified as low.

### Legal and warranty risks

A constantly increasing risk lies in customer requirements, which extend beyond the previous warranty period and the usual standard of a supply contract. In recent years, customers have gradually developed a sense of entitlement that is reinforced further in the currently challenging economic times and places a clear burden on the supplier.

Claims arising from the supply contract can be considerably higher than the value of the goods. Legal disputes with corresponding risks are increasingly resulting from this.

The former board member has taken legal action against his dismissal; based on legal advice, FORTEC believes it has a good chance of successfully defending itself against the lawsuit.

The FORTEC Group has been able to manage the risks so far, but the risk is currently considered to be high.

### Personnel risks

Success in the market remains heavily dependent on the comprehensive knowledge and long-term experience of the employees. Any large-scale change in personnel or individual key members of staff, as well as long-serving managing directors and members of the Management Board could jeopardise the success achieved so far. Through targeted representative regulations, comprehensive documentation and regular training, FORTEC ensures that short-term absences of individual employees can be compensated for at any time. The most important core tasks are therefore assured and business operations are not impaired.

Hiring new employees against the background of a highly discernible shortage of skilled workers and enhancing attractiveness as an employer in a regional environment of full employment has presented a particular challenge. The risk is reduced through cooperation with external personnel service providers, active sourcing with the inclusion of social media, recruitment of employees abroad, relocation offers as well as a new, modern working environment and individual working

## Group management report: 10. Risk and opportunity report

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models. Furthermore, the FORTEC Group endeavours to secure and keep the expertise within the company through early succession planning for employees who are set to leave the company. FORTEC also provides targeted support for young people through the continuous training of young employees.

Nevertheless, the risk is classified as high.

### Corporate strategy risks and competitive risks

If the industrial customers of the FORTEC Group were to change their strategy and to cease production in Central Europe on a long-term basis and in doing so, rely on local suppliers, this would call the business model of FORTEC as a supplier of technically sophisticated products into question.

A similar effect would arise in the event of a future change in the behaviour of the upstream suppliers of FORTEC, resulting in these suppliers realising sales directly to industrial customers via the internet and no longer selling their products exclusively through the established distribution channels. The same effect could occur if the trading margin to be achieved is below the costs incurred by the FORTEC Group due to the competitive information available to all customers via the Internet, which is mainly influenced by personnel expenses. Extensive production capacities, in particular in the data visualisation segment, increase the risk of not being able to react flexibly to market conditions, such as the current reluctance to invest on the part of customers, due to the fixed cost block.

The risk is currently classified as high.

### IT risks / cyber risks

A technical risk lies in the Group's entire IT network. Any possible failure or serious malfunction in the computer system could cause considerable damage to the FORTEC Group. Misuse by internal or external parties despite security precautions - in particular through theft of information or through inadequate data protection precautions - can endanger the company in extreme cases. This risk is minimised through the implementation of an internal MPLS network and the associated reduction of external interfaces, the ongoing training of employees, multi-factor authentication and cooperating with an external information security officer.

Nevertheless, the risk is currently classified as high.

### Compliance risks

As an international company that is oriented towards the capital market, the FORTEC Group operates in an environment of varied legal regulations. Numerous compliance laws and regulations, e.g. tax matters, as well as the ongoing changes to these regulations influence the company. Violations of these regulations, as well as the EU General Data Protection Regulation (GDPR), the supply chain due diligence law, the NIS2 directive and the regulations along with the corresponding reporting about the topic of sustainability can result in significant fines, additional costs and negative reports. Violations of applicable directives by employees of the FORTEC Group is a risk to which the company is exposed. The company faces these risks proactively by training employees, observing legislative changes precisely and ongoing consultation with lawyers and accountants, as well as other external partners.

The former board member was dismissed due to, among other things, a compliance violation at a foreign subsidiary.

The risk is therefore classified as moderate.

### Currency risks

Foreign currency risks are avoided insofar as possible by conducting business in a single currency. Nevertheless, changes, in particular with regards to the US dollar and yen parity as well as fluctuations of the Swiss franc, the British pound and the Egyptian pound against the euro, dollar and yen, can have negative effects for the group. Currency risks can arise in particular as a result of the foreign activities, because currency fluctuations there directly influence the group's results.

Based on ongoing monitoring, the risk is classified as moderate.

### Interest rate risks

The FORTEC Group has significant cash and cash equivalents that earn interest, as the company invests its money for terms of up to 6 months. Therefore, an interest reduction to short-term interest would cause a decrease in interest income. The risk is currently classified as low, as interest income is currently of low importance in comparison to the remaining sources of income.

The list of risks is not exhaustive; additional risks may arise that we are currently unaware of or do not consider significant.

#### Summary risk assessment

The overall risk position of the Group is operationally unchanged compared to the previous year. At the present time, it is not possible to definitively assess whether and what effects the war in Ukraine, the ongoing differences between the USA and China, the issues relating to Taiwan and current tariff developments could still have.

At the present time, no risks are identifiable that could endanger the continued existence of the Group as a whole.

In addition to the risks, the following opportunities, in the form of opportunity management, have been integrated into the management manual. This manual is updated annually as part of the management review, in order to continuously develop the Group.

### 10.3 Opportunities report

The FORTEC Group sees a number of opportunities to successfully develop the company in the coming years.

The company philosophy "Big enough to compete, small enough to care" continues to create new opportunities compared to the previous year. New *market opportunities* are identified by the Management Board through targeted market observation, analysed and further developed together with the Supervisory Board within the framework of the strategic orientation. Outside the German-speaking region, we are seizing further market opportunities through subsidiaries in the United Kingdom, the USA and Egypt.

The FORTEC group sees *product opportunities* from its own products and services in the area of controlling displays, touch solutions using the optical bonding procedure and high quality industrial monitors. As part of the digitisation trend and Industry 4.0., the external sales team or marketing are drawing up

product ideas that are being coordinated with management and that are flowing into road maps and projects, which also tie up resources and pose risks.

In the power supplies segment, the FORTEC group possesses expertise in application, problem solving and technical service. In the data visualisation segment (display and embedded computer technology), the company offers technology expertise for complete and tested subsystems, which contributes to growth. Further opportunities arise due to the consolidation of operational activities within the subsidiaries, which results in synergies in accordance with the "Grow Together 2025 Strategy". The "FORTEC One" project with the common brand identity implemented last year is an important milestone in merging together to become a global partner for unlimited technology solutions. Further measures for a successful future are anchored in the "Strong Together 2030 Strategy". With the newly-established FORTEC Electronic Design and Solutions development site in Cairo, Egypt, FORTEC is increasing its own development capacities to generate growth with new products and to inspire customers with the new possibilities.

Although this cannot be guaranteed for the future, the FORTEC group is confident that the expanded mix of distribution, development, production & solutions in both segments offers good opportunities for long-term, sustainable growth. The financial situation enables the group to respond with flexibility and speed to strategic options as they arise in the light of market and industry developments.

#### Overall assessment of the risk and opportunity situation

From the perspective of the management of a technology company, the opportunities for the future development of the FORTEC Group outweigh the risks. Despite increasing entrepreneurial risks, higher product requirements and shorter product lifecycles, the Group believes that the digitisation trend can have a positive effect on the market environment.

Nonetheless, the worldwide crises could continue to have a negative impact on the Group's delivery capability and sales market. The Management Board is monitoring and analysing the developments very closely.

# Group management report: 11. Further information in accordance with section 315a of the German Commercial Code

The *number of shares* on 30 June 2025 stands at 3,250,436 with a nominal value of EUR 1.00 per share. There is currently neither conditional capital nor a share buyback programme. The subscribed capital consists exclusively of ordinary bearer shares with voting rights. There are no restrictions on voting rights, nor are there any restrictions on the transfer of shares.

The AGM of 15 February 2023 authorised the Management Board, with the approval of the Supervisory Board, to increase the company's share capital by up to EUR 1,625,218 by issuing up to 1,625,218 no-par value bearer shares on one or more occasions against cash and/or non-cash contributions by 14 February 2028 (Authorised Capital I). The Management Board was also authorised, with the consent of the Supervisory Board, to exclude shareholders' subscription rights in the following cases:

- (i) for fractional amounts;
- (ii) for capital increases against contributions in kind;
- (iii) in the case of cash contributions up to an amount not exceeding 10 percent of the share capital existing at the time this authorisation becomes effective or – if this value is lower – at the time this authorisation is exercised, provided that the issue price of the shares is not significantly lower than the stock exchange price of the already listed shares of FORTEC at the time the issue price is finally determined.

The *authorised capital* on 15 February 2023 (Authorised Capital 2023/I) amounts to EUR 1,625,218 on the balance sheet date. The AGM of 07 February 2024 authorised the Management Board, with the approval of the Supervisory Board, to acquire the company's own shares by 06 February 2029 up to a total of 10 % of the company's existing share capital at the time of the date of resolution or, if this value is lower, at the time of exercising the authorisation. The shares acquired as part of this authorisation, together with the company's other shares that the company has already acquired and still owns or that are attributable to it in accordance with section 71a ff. of the German Stock Corporation Act (AktG) must never exceed

10 % of the relevant share capital. Appointment and dismissal of the Management Board take place in accordance with the statutory provisions (sections 84, 85 of the German Stock Corporation Act [AktG]). Compensation agreements in the event of a change of control or a takeover bid have been concluded with the Management Board. However, in the event of a change of control as a result of a takeover bid, the supplier contracts essential to the company may be terminated by the contractual suppliers. This danger exists in particular if the contractual supplier has reason to fear the entry of a competitor. Amendments to the articles of association require a majority of 75 % of the votes cast at the AGM.

Further disclosures in accordance with section 315a, paragraph 1 no. 3 of the German Commercial Code are provided in the notes to the consolidated financial statements.

## Declaration on Corporate Governance in accordance with section 315d of the German Commercial Code

According to section 315d HGB [Commercial Code], the company must submit a corporate governance statement for the Group. This declaration is made permanently accessible to the public on the Company's website at:  
<https://www.fortecag.de/investor-relations/corporate-governance/>

## Final declaration on the report regarding relationships with affiliated companies (dependency report), section 312 paragraph 3 clause 3 of the Stock Corporation Act [AktG]

The company has decided to draw up a dependency report once again. This is because the main shareholder with a minority shareholding usually represented a majority at the Annual General Meeting in the past two years, due to presence at the Annual General Meeting. This may give rise to a dependency relationship on the part of our company per section 17, paragraph 1 of the Stock Corporation Act. That said, the Management Board issues the following concluding statement: Our company did not have any reportable transactions in relation to the controlling company or one of its affiliated companies in the financial year.

Germering, 17 November 2025

Ulrich Ermel

Management Board

## Annual Report 2025

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## Consolidated balance sheet: 1. Assets

In thousand EUR	Annex	Consolidated balance sheet 30/06/2025	Consolidated balance sheet 30/06/2024
<b>A. Non-current assets</b>			
I. Acquired goodwill	5	5,814	6,503
II. Intangible assets	6	801	331
III. Tangible fixed assets	6	4,105	4,492
IV. Rights of use	7	6,219	4,830
V. Financial assets balanced according to the equity method	8	91	84
VI. Financial assets	9	75	77
VII. Deferred tax assets	19	894	454
		<b>17,998</b>	<b>16,771</b>
<b>B. Current assets</b>			
I. Inventories	10	21,246	22,290
II. Receivables from deliveries and services	11	11,921	14,795
III. Tax refund entitlements	11	2,129	2,100
IV. Other financial assets	11	303	237
V. Other assets	11	459	349
VI. Cash and cash equivalents	12	19,203	22,259
		<b>55,260</b>	<b>62,031</b>
<b>Total assets</b>		<b>73,258</b>	<b>78,802</b>



## Consolidated balance sheet: 2. Liabilities

In thousand EUR	Annex	Consolidated balance sheet 30/06/2025	Consolidated balance sheet 30/06/2024
<b>A. Equity capital</b>			
I. Subscribed capital	14	3,250	3,250
II. Capital reserve	14	14,481	14,481
III. Conversion adjustments	14/32	1,666	1,907
IV. Other reserves	14	35,365	32,813
V. Consolidated annual surplus	14	1,349	5,315
<b>Equity of the owners of the parent company</b>		<b>56,112</b>	<b>57,766</b>
Non-controlling interests		-6	-5
<b>Total equity capital</b>		<b>56,106</b>	<b>57,762</b>
<b>B. Non-current liabilities</b>			
I. Non-current bank liabilities	15/18	611	944
II. Non-current leasing liabilities	18	5,368	3,973
III. Other non-current financial liabilities	18	98	87
IV. Other non-current liabilities	18	7	24
V. Non-current provisions	17	352	400
VI. Deferred tax liabilities	19	461	352
		<b>6,898</b>	<b>5,781</b>
<b>C. Current liabilities</b>			
I. Liabilities to credit institutes	15/18	333	333
II. Liabilities from deliveries and services	18	4,398	6,321
III. Current leasing liabilities	18	922	1,040
IV. Tax liabilities	18	1,579	4,408
V. Other current financial liabilities	18	1,060	1,275
VI. Other current liabilities	18	1,463	1,595
VII. Provisions	17	498	287
		<b>10,254</b>	<b>15,260</b>
<b>Total liabilities</b>		<b>73,258</b>	<b>78,802</b>

# Consolidated statement of comprehensive income

In thousand EUR	Annex	Group P&L 2024/2025	Group P&L 2023/2024
<b>1. Sales revenues</b>	<b>21</b>	<b>79,717</b>	<b>94,529</b>
2. Increased inventory of unfinished goods	22	278	-227
3. Other operating income	23	1,968	1,196
4. Cost of materials	24	-53,311	-61,744
5. Personnel expenses	25	-15,881	-16,566
6. Depreciation	26	-2,444	-1,739
7. Other operating costs	27	-8,470	-8,391
<b>8. Operating result (EBIT)</b>		<b>1,856</b>	<b>7,058</b>
9. Proportion of results from companies balanced according to the equity method	8	0	33
12. Other interest and similar income	29	273	149
13. Other interest and similar costs	29	-181	-134
<b>14. Result before taxes</b>		<b>1,948</b>	<b>7,106</b>
15. Taxes on income and earnings	30	-599	-1,803
<b>16. Consolidated net profit for the period</b>		<b>1,348</b>	<b>5,303</b>
17. Other earnings	32	-241	216
<b>18. Total earnings</b>		<b>1,107</b>	<b>5,519</b>
Attributable to:			
19. Shareholders of the parent company		1,108	5,521
20. Non-controlling shareholders		-1	-2
21. Earnings per share (in euros)		0.41	1.63
22. Number of shares (in units)		3,250,436	3,250,436

## Consolidated statement of changes in equity

In thousand EUR	Subscribed capital	Capital reserve	Currency conversion difference	Other reserves	Total	Non-controlling interests	Total equity capital
As at 01/07/2023	3,250	14,481	1,691	35,576	54,999	6	55,005
Consolidated net profit for the period 01/07/2024-31/03/2024				5,315	5,315	-11	5,303
Change in other earnings			216		216		216
Dividend payments				-2,763	-2,763		-2,763
Changes from 01/07/2023-31/03/2024			216	2,552	2,767	-11	2,756
As at 31/03/2024	3,250	14,481	1,907	38,128	57,766	-5	57,762
As at 01/07/2023	3,250	14,481	1,907	38,128	57,766	-5	57,762
Consolidated annual surplus 01/07/2024-30/06/2025				1,349	1,349	-1	1,348
Change in other earnings			-241		-241		-241
Dividend payments				-2,763	-2,763		-2,763
Changes from 01/07/2024-30/06/2025			-241	-1,414	-1,655	-1	-1,656
As at 30/06/2025	3,250	14,481	1,666	36,714	56,112	-6	56,106

# Consolidated cash flow statement

In thousand EUR	Annex	2024/2025	2023/2024
<b>I. Operating activities</b>			
1. Consolidated net profit		1,348	5,303
2. (+) Income tax expenditure / (-) income tax refund		599	1,803
3. (+) Depreciation / impairment of value of tangible and intangible assets		2,444	1,739
4. (+) Other non-cash expenses / (-) other cash income		-534	408
5. (+) Loss / (-) gain on sale of tangible assets		-1	-13
6. (+) Decrease / (-) increase in inventories		1,098	10,143
7. (+) Decrease / (-) increase in receivables from deliveries and services and other receivables		2,541	-3,442
8. (-) Decrease / (+) increase in liabilities from deliveries and services		-1,886	-231
9. (-) Decrease / (+) increase in current liabilities		-447	-298
10. (+) Decrease / (-) increase in non-current receivables		-516	-36
11. (-) Decrease / (+) increase in non-current liabilities		104	-417
12. (+) Interest expenses / (-) interest income		-92	-15
13. (-) Interest paid <sup>1</sup>		92	12
14. (+) Income tax refunded / (-) income tax paid		-2,868	-1,208
<b>Cash flow from operating activities</b>		<b>1,883</b>	<b>13,748</b>
<b>II. Investment activities</b>	<b>34</b>		
1. Payments for investments in tangible and intangible assets		-730	-556
2. Proceeds from sale of tangible and intangible assets		12	16
<b>Cash flow from investing activities</b>		<b>-718</b>	<b>-540</b>
<b>III. Financing activities</b>	<b>34</b>		
1. Payments for the redemption of (financial) loans		-333	-333
2. Payments for leasing liabilities <sup>2)</sup>		-1,021	-1,144
3. Profit distribution		-2,763	-2,763
<b>Cash flow from financing activities</b>		<b>-4,117</b>	<b>-4,241</b>
<b>IV. Changes to cash and cash equivalents affecting payment</b>	<b>34</b>	<b>-2,952</b>	<b>8,968</b>
Cash and cash equivalents at the start of the period		22,259	13,246
Effect of exchange rate changes on cash and cash equivalents		-104	45
<b>V. Cash and cash equivalents at the end of the period</b>		<b>19,203</b>	<b>22,259</b>
<b>Composition of cash and cash equivalents</b>			
Cash		5	7
Bank balances		19,198	22,252
<b>Cash and cash equivalents at the end of the period</b>	<b>13</b>	<b>19,203</b>	<b>22,259</b>

1) The interest paid includes interest portion of lease liabilities

2) The group has classified payments for the redemption component of the lease liability as financing activities, payments for the interest component as operating activities in accordance with the presentation of interest paid, and payments under short-term leases and payments for leases that are based on low-value assets as operating activities.

## Annual Report 2025

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# Notes to the consolidated financial statements: 1. General disclosures

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FORTEC Elektronik Aktiengesellschaft, Germering, Germany (hereinafter "FORTEC"), as the highest-level parent company in accordance with section 315e of the German Commercial Code, prepares consolidated financial statements in accordance with the provisions of the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB), London, effective as on the balance sheet date, as well as the interpretations of the International Financial Reporting Interpretations Committee (IFRIC), as applicable in the European Union as of 30 June 2025. The basis for this is the obligation resulting from section 315e, paragraph 1 of the German Commercial Code in conjunction with Article 4 of Regulation (EC) No. 1606/2002 of the European Parliament and Council of 19 July 2002 concerning the application of international accounting standards.

All standards whose application was mandatory as of the balance sheet date have been taken into account.

Furthermore, all disclosures and explanations required by section 315e, paragraph 1 of the German Commercial Code, which are additionally required by German commercial law for consolidated financial statements to be prepared in accordance with IFRS, are published over and above the disclosure requirements under IFRS.

The company's consolidated financial statements consist of the financial statements of the company and its subsidiaries (together referred to as the Group).

In the power supplies segment, the Group offers the complete product range of power supplies and DC/DC converters. In the data visualisation segment with the product areas Display Technology and Embedded Computer Technology, the activities range from standard kits to complementary services and self-developed product solutions to complete industrial monitors.

The business address of the parent company is Augsburg Str. 2b, 82110 Germering. The company is registered at the Munich district court under registration number HRB 247748.

The consolidated financial statements of FORTEC have been rounded in euros, the functional currency; minor, insignificant rounding differences may therefore occur. Unless otherwise stated, all values are rounded up or down to the nearest thousand euros (EUR thousand).

The consolidated statement of comprehensive income has been prepared using the nature of expense method. Where individual items on the consolidated balance sheet and the consolidated statement of comprehensive income have been combined for the sake of clarity, they are broken down and explained in the notes.

The Group has prepared its financial statements on the assumption that it will be able to continue as a going concern.

## New accounting standards

New and amended standards and interpretations IAS 8.28:

The group has applied the following new and amended standards and interpretations, which are effective from 1 January 2024, for the first time in the past financial year:

### Classification of liabilities as short-term or long-term — amendments to IAS 1 and long-term liabilities with secondary conditions – amendments to IAS 1

The narrow amendment to IAS 1 clarifies that the classification of liabilities as short-term or long-term is based on the rights that apply at the end of the reporting period. The classification is independent of both management expectations and any

events after the balance sheet date (e.g. receiving a waiver declaration or a breach of contract after the balance sheet date). The amendment also defines what is meant by "fulfilment" (settlement) of a liability in IAS 1

### Supplier financing agreements, amendments to IAS 7 and IFRS 7

The aim of the new disclosure is to provide information about supplier financing agreements that enable investors to appraise the effects on liabilities, cash flows and the liquidity risk of a company. The new disclosures comprise information regarding

- The conditions of the supplier financing agreements (including extended payment periods and securities or guarantees provided, for example)
- The book values of the financial liabilities, which are items of supplier financing agreements, and the balance sheet items in which these liabilities are shown.
- The book value of the financial liabilities for which the suppliers have already received payments from the financial service providers (e.g. factoring companies or banks).
- The range of payment dates and the financial liabilities that are the subject of the supplier financing agreements, as well as for comparable liabilities from deliveries and services that are not part of the supplier financing agreement.
- Changes to the book values of the financial liabilities specified in (b), which do not affect payment
- Access to supplier financing facilities and concentration of liquidity risks related to financial service providers

An explanation of the conditions of the agreements (e.g. extended payment periods);

FORTEC does not have any supplier financing agreements and there were therefore no amendments.

#### **Amendments did not cause any amendments to lease liabilities in the financial statements in a sale and lease-back transaction – amendments to IFRS 16**

In September 2022, the IASB finalised narrow amendments to the requirements for sale and leaseback transactions in IFRS 16 governing leases. These explain how an entity accounts for a sale and leaseback transaction after the date of the transaction. The amendments specify that in measuring the lease liability after the sale and leaseback transaction, the seller/lessee determines the "lease payments" and "modified lease payments" in a way that does not result in the seller/lessee of the gain or loss relating to the retained right of use. This could have a particular impact on sale and leaseback transactions where the lease payments include variable payments that do not depend on an index or interest rate.

The new standard did not result in any amendments for the group in the financial year.

#### **Published standards whose application is not yet mandatory**

New and amended standards and interpretations that had been published by the date of the consolidated financial statements but were not yet mandatory are presented below. FORTEC intends to apply these new and amended standards and interpretations from their effective date.

#### **Amendments to IAS 21 Lack of exchangeability**

In August, the IAS published the IAS amendments to IAS 21, which adds regulations for the exchangeability of currency to the standard. These regulations are intended to help companies to determine whether a currency can be exchanged into another currency. And which spot rate they must use if this is not the case. Before this amendment, IAS 21 only contained regulations on which exchange rate is to be used if exchangeability between two currencies is temporarily unavailable but did not specify the procedure for if exchangeability is missing permanently.

The group does not expect any effects on the financial statements as a result.

*To be applied as of 01 January 2025 (earlier application permissible)*

#### **Amendments to the classification and evaluation of financial instruments in accordance with IFRS 9 and IFRS 7**

On 30 May 2024, the IASB published amendments to IFRS 9 and IFRS 7 with the following objectives:

- a) Clarifying the time of recognition and derecognition of certain financial assets and liabilities, with a new exception for certain financial liabilities that are fulfilled via an electronic payment system,
- b) Clarifying and expanding the application guidelines for evaluating whether a financial asset fulfils the cash flow criterion (SPPI criterion),
- c) Expanding the disclosures for financial instruments with limited cash flows (e.g. depending on ESG factors), and

# Notes to the consolidated financial statements: 1. General disclosures

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d) Expanding the disclosures for equity instruments that are evaluated at fair value through other comprehensive income (FVOCI).

The amendments in b) are mainly relevant for financial institutions, while the amendments in a), c), and d) are relevant to all companies.

The regulations were endorsed in the EU in July 2025

*To be applied as of 01 January 2026*

## Annual improvements to IFRS

The IASB published the "Annual improvements to IFRS" with clarifications and corrections to the following topics at the end of July:

- Accounting for hedging transactions by a first-time adopter (IFRS 1): In IFRS 1.B5 and .B6, cross-references to IFRS 9.6.4.1 are included and the term "conditions" is replaced with "qualifying criteria".
- Profit or loss during derecognition, disclosures for the default risk and disclosing the accrued difference between the fair value and the transaction price (IFRS 7): changes to the references and terminology were mainly made.
- Derecognition of lease liabilities for the lessee and transaction price (IFRS 9): With regard to the derecognition of lease liabilities, a cross-reference to the regulations of IFRS 9 for accounting for a disposal result is added to IFRS 9.2.1(b)(ii), the references to the definitions of the transaction price in accordance with IFRS 15 are removed from IFRS 9.5.1.3 and Annex A.
- Determining a "de-facto agent" (IFRS 10): The amendments remove a potential inconsistency between IFRS 10.B73 and .B74.
- Amortised costs method (IAS 7): The term "cost method" in IAS 7.37 is replaced with "at cost", as the term is no longer defined in IFRS.

Note: The regulations have not yet (as of November 2024) been endorsed in the EU.

*To be applied as of 11 January 2026 (for the group as of 01 July 2024)*

## Amendments to the classification and evaluation of financial instruments in accordance with IFRS 9 and IFRS 7

On 30 May 2024, the IASB published amendments to IFRS 9 and IFRS 7 with the following objectives:

a) Clarifying the time of recognition and derecognition of certain financial assets and liabilities, with a new exception for certain financial liabilities that are fulfilled via an electronic payment system,

b) Clarifying and expanding the application guidelines for evaluating whether a financial asset fulfils the cash flow criterion (SPPI criterion),

c) Expanding the disclosures for financial instruments with limited cash flows (e.g. depending on ESG factors), and

d) Expanding the disclosures for equity instruments that are evaluated at fair value through other comprehensive income (FVOCI).

The amendments in b) are mainly relevant for financial institutions, while the amendments in a), c), and d) are relevant to all companies.

The regulations were endorsed in the EU in July 2025. The group does not expect any significant changes as a result.

The EU endorsement is currently still outstanding. The group will analyse any effects.

*To be applied as of 01 January 2026*

## Introduction of IFRS 18 (replaces IAS 1)

IFRS 18 comprises basic specifications for presenting the financial statements, as well as on required disclosures, which was part of IAS 1 Presentation of Financial Statements up to now. The evaluation of financial capability itself remains unaffected by IFRS 18 and is regulated in the applicable standards. IFRS 18 applies basically to all financial statement components and mainly entails the following amendments to three higher-level areas.

The newly-defined subtotals of "operating profit" and "profit before financing and income taxes" must be added to the profit and loss account in the future. Based on this, the income and costs must be classified and structured according to the following categories:



*Operating,  
Investing,  
Financing,  
Income taxes and  
Discontinued operations.*

Information regarding the "Management-defined Performance Measures" (MPMs) and regarding corresponding offsetting and reconciliation of individual MPMs on the closest comparable IFRS subtotals must be added to the appendix in the future. MPMs as defined by IFRS 18 can be exclusively subtotals of costs and income and must be separated from other performance measures (such as the free cash flow).

In the primary financial statement components and the appendix, new principle-based aggregation and disaggregation regulations for grouping information must be considered in the future in order to provide the users of financial statements with additional relevant and comparable information.

The adjustments must be made retrospectively.

#### **Evaluation of effects by the group:**

The introduction of IFRS 18 also causes adjustments to IAS 7 Statement of Cash Flows in order to also ensure increased cross-company comparability here. With regard to dividends and interest received and paid, the previous presentation alternatives are dispensed with in most companies in favour of a uniform regulation. As a result, interest and dividends paid must be declared in the financing cash flow in the future, while interest and dividends received must be declared in the investment cash flow. The starting point for the indirect method of cash flow determination is exclusively the operating earnings in accordance with the corresponding subtotal in the modified presentation of the profit and loss account. Furthermore, IFRS 18 also results in selective amendments to other IFRS regulations, particularly IAS 33 Earnings per Share and IAS 34 Interim Financial Statements. The EU endorsement is currently still outstanding. A final appraisal of the effects by the company is not yet available.

*To be applied as of 01 January 2027 (earlier application permissible)*

#### **Introduction of IFRS 19 ("Subsidiaries without Public Accountability")**

Overview of the amendments due to IFRS 19

IFRS 19 introduces significant easements for authorised subsidiaries, which permit them to apply the recognition, valuation and reporting regulations of "full IFRS" with significantly reduced declaration obligations in the individual or partial group financial statements. As a result, authorised subsidiaries can basically comply with both their obligation to present individual financial statements and internal reporting for consolidation purposes with unified recognition and valuation methods and therefore, comply with the requirements of the parent company and the users of financial statements without having to use different accounting systems.

An authorised subsidiary is a subsidiary that is not subject to its own public accountability and with a top or intermediate parent company that publishes full IFRS consolidated financial statements. A subsidiary (as defined by IFRS 10 Consolidated Financial Statements) is subject to public accountability if its equity or debt instruments are traded on a public market, it is in the act of issuing such instruments for trading on a public market or it keeps assets on a trust basis for a wide group of outsiders as one of its main lines of business.

This will not have any implications on the group, as German companies that are subject to public accountability must compile German Commercial Code financial statements and the immediate and exclusive use of "full IFRS" in the individual financial statements is not being considered here.

The EU endorsement is currently still outstanding. The group does not expect any changes as a result

*To be applied as of 01 January 2027*

#### **Amendments to IFRS 10, Consolidated Financial Statements and IAS 28, Investments in Associates.**

The amendments affect the conflict between IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" in conjunction with a loss of

## Notes to the consolidated financial statements: 1. General disclosures

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control over a subsidiary that is sold or ceded to an associate or joint venture.

The amendments clarify that a full profit or loss is to be recognised if the transfer to an associate or joint venture includes a business as defined by IFRS 3, "Business Combinations". In contrast, profit or loss from the sale or ceding assets that do not constitute a business are only recognised to the scope to which non-affiliated investors hold shares in the associate or joint venture.

### Transitional provisions

The amendments must be applied prospectively. Early application is permissible and must be disclosed.

### Effects

The amendments are intended to remedy differences in practical application and provide compilers of financial statements with unified principles. However, the application of the definition of a business requires discretionary decisions and companies must check this definition carefully for corresponding transactions.

The EU endorsement is still outstanding.

The group does not expect any changes.

The mandatory date of application is still outstanding.

FORTEC is continuously analysing the amendments and does not currently anticipate any impact on the group.

## Notes to the consolidated financial statements: 2. Accounting and significant valuation principles

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### 2.1 Individually acquired intangible assets (without goodwill) and tangible assets

Tangible and acquired intangible assets are valued at acquisition cost less accumulated depreciation and amortised over their expected useful lives.

The useful life was set at 3-5 years for software, 10-25 years for buildings, 3-6 years for vehicles, 3-4 years for tools, 3-5 years for office equipment and 4-10 years for fixtures and fittings. Repair costs were charged as expenses.

As of the balance sheet date, the recoverable amount of tangible assets had not fallen below its book value.

Only straight-line depreciation is used as the depreciation method. Additions are depreciated pro rata temporis.

The book values are reviewed on each balance sheet date for any objective indications of impairment. Tangible assets are derecognised either upon disposal or when no further economic benefit is expected from the continued use or sale of the recognised asset. Gains or losses arising from derecognition of the asset are valued as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in the income statement in the period the asset is derecognised.

The asset additions from initial consolidation were reported with their gross values under asset additions or addition value adjustments from initial consolidation for reasons of simplicity.

## 2.2 Stocks

Stocks are valued at the lower of acquisition or production cost and net realisable value. The acquisition and production costs for goods are evaluated according to the FiFo principle in the power supplies area and by the moving average in the data visualisation area.

The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to realise the sale, except when goods are produced to order. Financing costs are not capitalised.

Furthermore, depreciations according to storage duration are performed as an indicator for inventories that are obsolete or no longer current. Defective inventories are also depreciated completely.

## 2.3 Cash

Cash and cash equivalents are valued at their nominal value.

## 2.4 Embedded derivatives

FORTEC concludes both sales and purchase contracts with customers and suppliers in currencies that differ from the functional currencies of both parties. The agreed currencies are US dollars. Foreign currency derivatives exist. However, these do not have to be separated if the currency used is the currency that is normally used for these transactions. The company did not identify any transactions subject to separation.

## 2.5 Discontinued operations

Non-current assets or disposal groups comprising assets and liabilities are classified as *held for sale* or held for distribution if

it is highly probable that they will be realised principally through sale or distribution rather than through continued use.

Tangible and intangible assets are no longer depreciated and any equity-accounted investee is no longer accounted for using the equity method once they are classified as held for sale or held for distribution. FORTEC does not currently have any "discontinued operations".

## 2.6 Provisions

Provisions are realised in accordance with the principle of the best possible estimate pursuant to IAS 37 at the amounts that the company is expected to call upon. Any necessary discounting has been carried out.

### Warranty provisions

FORTEC provides warranties as required by law to remedy defects that existed at the time of sale. Provisions for these warranties are implemented at the time of sale of the underlying products to the customer. Initial recognition is based on past experience. The estimate of costs related to warranties is reviewed annually.

## 2.7 Taxes

Current tax assets and liabilities are valued at the amount expected to be recovered or paid. The calculation of the amount is based on the tax rates and tax laws that have been enacted or substantively enacted by the reporting date in the countries where the Group operates and generates income subject to taxation.

Current taxes relating to items recognised directly in equity capital are not recognised on the income statement but in the equity capital. The Management Board regularly assesses

## Notes to the consolidated financial statements: 2. Accounting and significant valuation principles

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individual tax matters to determine whether there is room for interpretation in light of applicable tax regulations. Tax provisions are applied if a need is identified.

Deferred taxes (tax assets or liabilities) are recognised for all taxable temporary differences except for differences arising on the initial recognition of goodwill that does not affect taxable profit and temporary differences associated with investments in subsidiaries, associated companies or interests in joint arrangements where FORTEC can control the timing of the reversal of the temporary differences and the temporary differences will not reverse in the foreseeable future. Deferred tax assets on losses carried forwards are recognised to the extent that it is probable that sufficient taxable profit will be available in the future.

Deferred tax assets and liabilities are offset only when FORTEC has a legally enforceable right to offset current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority either against the same taxable entity or against different taxable entities that intend, in each future period in which they are expected to settle or recover significant amounts of deferred tax liabilities or assets, either to settle the current tax liabilities and assets on a net basis or to settle the liabilities simultaneously with the realisation of the assets. An expected future average income tax burden (corporation tax, solidarity surcharge and profit tax) of between 17 % and 30.5 % depending on the tax regulations of the country of origin was used as a basis (previous year: between 17 % and 30.2 %).

### Value added tax

Assets (e.g. inventories) are recognised net of VAT. Receivables and liabilities from deliveries and services are an exception.

## 2.8 Currency conversion

### Currency conversion in the group

The functional currency of the foreign subsidiaries is the local currency in each case, as the companies conduct their business independently in financial, economic and organisational terms.

Assets and liabilities are therefore converted at the closing rate on the balance sheet date, and costs and income at the average rate for the year (modified closing rate method). Goodwill arising in conjunction with the acquisition of a foreign operation and adjustments to the carrying amounts acquired are treated as assets and liabilities of the foreign operation and are also converted at the closing rate.

### Foreign currency transactions and balances

Transactions in *foreign currencies* are converted into euros at the exchange rate applicable on the date of the transaction. Monetary assets and liabilities in foreign currencies existing at the balance sheet date are converted into euros at the exchange rate applicable on the balance sheet date. Exchange differences are recognised in profit or loss. Non-monetary items that are valued at historical cost in a foreign currency are converted using the exchange rate applicable on the date of the transaction; those that are recognised at fair value in a foreign currency are converted using the exchange rate on the date when the fair value was determined. The accounting system applied to the profit or loss on conversion of non-monetary items valued at fair value is based on the recognition of the profit or loss on the change in fair value of the item.

## 2.9 Classification rules

The IAS classification rules have been carried over from the previous year, with the exception of the presentation of other financial assets and liabilities, which are now presented separately in accordance with IAS 1.54.

### Classification as current and non-current

Assets and liabilities are considered current if they fall due within one year. Receivables and liabilities from deliveries and services, as well as inventories are generally classified as current.

Deferred tax assets or liabilities are generally presented as non-current in accordance with IAS 1.56.

The preparation of the consolidated financial statements in compliance with IFRS requires that discretionary decisions are made and estimates used which have an effect on the amount of the book value of the assets and liabilities shown in the balance sheet, the income and expenses and the contingent liabilities. In individual cases, the actual values may differ from the discretionary decisions and estimates made. Changes are recognised in profit or loss as soon as better information is available.

## 2.10 Revenues from contracts with customers

FORTEC is active in the business fields of data visualisation and power supplies, and primarily provides related product deliveries and services, whereby the products are partly adapted to the customer's requirements.

Sales are recognised when control of the goods is transferred to the customer, irrespective of the payment date. Sales revenue is recognised in the amount of the consideration that FORTEC expects to receive in exchange for the goods. Interest income is recognised on a time-proportionate basis.

FORTEC considers itself to be the principal in all transactions. This is because FORTEC bears the inventory risk and price risk before the goods are transferred to the customer.

### Variable consideration

If a contractual consideration contains a variable component, the Group determines the amount of consideration to which it is entitled in exchange for the transfer of the goods to

the customer. The Group grants some customers rebates in the form of bonus credits as soon as the value purchased during the period exceeds a certain sales level. In such contractual constellations, the Group estimates the probability of receiving the variable consideration at the beginning of the contractual relationship and only includes the variable consideration in the transaction price if it is highly probable that it will receive the full consideration. In addition, quantity discounts are granted in the form of price scales, which are, however, only applied to the respective individual order. Sales deductions from discounts, bonuses and rebates are deducted from sales revenue.

### Warranty obligations

FORTEC typically provides warranties as required by law to remedy defects that existed at the time of sale. These so-called "assurance-type" warranties are recorded as warranty provisions. Details regarding the accounting method for warranty provisions can be found in section 17 "Provisions". Furthermore, FORTEC offers separate options to extend the statutory warranty as "Service Type" warranties. These warranties are recognised on a pro rata basis over the warranty period and are initially recognised as a contract liability.

### Receivables from deliveries and services

FORTEC recognises receivables from deliveries and services when these have an unconditional right to settlement by the customer. The payment periods are normally between 14 days and 60 days. The accounting methods for financial assets are explained in subsection 2.16 "Financial instruments - initial recognition and subsequent evaluation".

### Contract liabilities (other liability, advance payment received)

A contract liability is recognised when the customer makes payment or payment falls due before the Group transfers the related goods or services to the customer. Contract liabilities are recognised as revenues when the Group fulfils its contractual obligations.

# Notes to the consolidated financial statements: 2. Accounting and significant valuation principles

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*Borrowing costs* incurred during the financial year are recognised as an expense because the criteria for capitalisation are not met.

## 2.11 Government grants

Government grants are recognised when there is reasonable assurance that the grants will be received and the entity will comply with the conditions attached to them. Expense-related grants are recognised as income over the period in which the related costs for which they are intended to compensate are incurred.

## 2.12 Development costs

Development costs of an individual project are only capitalised as an intangible asset if the Group can demonstrate the following:

- The technical feasibility of completing the intangible asset so that it will be available for internal use or sale
- The intention to complete the intangible asset and the ability and intention to use or sell it
- The manner in which the asset will generate future economic benefits
- The availability of resources for the purpose of completing the asset
- The ability to reliably value the costs attributable to the intangible asset during its development.

The criteria listed are currently not satisfied in relation to FORTEC's developments. As such, development costs are currently all recognised as costs in the period in which they are incurred (personnel expenses and other operating costs).

## 2.13 Assumptions and estimation uncertainties

The estimation uncertainties primarily relate to the recognition and valuation of assets and liabilities that may involve a significant risk in the coming financial years. These are included in the following items.

- Valuation of the allowance based on expected credit losses for receivables from deliveries and services, and contract assets: Key assumptions in determining the weighted average loss rate.
- Inventories are valued at the lower of acquisition or production cost and net realisable value. To ensure that inventories are valued at the lower of cost and net realisable value, FORTEC determines net realisable values using discounts based on experience and consumption of inventory items. In addition to the standardised approach, FORTEC carries out a case-by-case assessment for inventories. Depreciation is typically realised for lack of marketability due to low consumption and sales volumes in the past.
- Recognition of deferred tax assets: Availability of future taxable profits against which deductible temporary differences and tax loss carry forwards can be utilised, as well as applicable tax rates.
- Impairment test of intangible assets and goodwill: key assumptions underlying the determination of the recoverable amount (value in use). A discounted cash flow method is used to calculate the value in use. The cash flows are derived from the financial plan for the next five years. The recoverable amount depends on the discount rate used in the discounted cash flow method, as well as the expected future cash inflows and the growth rate used for extrapolation purposes. These estimates are most relevant for goodwill.
- Recognition and valuation of provisions and contingent assets and liabilities: significant assumptions regarding

the probability and extent of the inflow or outflow of benefits. The value of provisions for warranty obligations is determined based on an estimate of the expected costs and the probability of occurrence. In doing so, historical values as well as ongoing processes are reviewed.

- Acquisition of subsidiaries: Determination of the fair value of the consideration transferred (including contingent consideration) and preliminary determination of the fair values of the identifiable assets acquired and liabilities assumed.
- Determination of the term of leases with renewal and termination options where FORTEC is the lessee. FORTEC has entered into several lease agreements that contain renewal and termination options. FORTEC makes judgements when assessing whether there is reasonable certainty that the option to renew or terminate the lease will or will not be exercised. Factors that provide an economic incentive for FORTEC to exercise the renewal or termination option are considered. After the date of provision, the Group re-determines the lease term if a significant event or change in circumstances occurs that is within its control and affects whether or not it will exercise the option to renew or terminate the lease (e.g. making a material leasehold improvement or material adjustment to the underlying asset).
- Estimation of the incremental borrowing rate:  
FORTEC cannot readily determine the interest rate underlying the lease. Therefore, FORTEC uses the estimated incremental borrowing rate to value lease liabilities. The incremental borrowing rate is the interest rate that FORTEC would potentially have to pay if FORTEC borrowed the funds for a comparable term with comparable security, rather than leasing.

## 2.14 Determining fair values for financial and non-financial assets and liabilities.

When determining the fair value of an asset or liability, the Group uses observable market data insofar as is possible. Based on the inputs used in the valuation techniques, fair values are categorised into different levels in the fair value hierarchy:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities
- Level 2: Valuation inputs other than quoted prices included within Level 1, but observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: Valuation parameters for assets or liabilities that are not based on observable market data

If the inputs used to measure the fair value of an asset or liability can be categorised into different levels of the fair value hierarchy, the fair value measurement is categorised in its entirety within the level of the fair value hierarchy that corresponds to the lowest level input that is significant to the valuation as a whole. The Group recognises reclassifications between levels of the fair value hierarchy at the end of the reporting period in which the change occurs.

## 2.15 Impairment of non-financial assets

At the end of the financial year, FORTEC analyses whether there is any indication of impairment of non-financial assets. If any such indication exists, or when annual impairment testing for an asset is required, FORTEC formulates an estimate of the asset's recoverable amount. The recoverable amount of an asset is the higher of an asset's or a cash-generating unit's fair value less costs to sell and its value in use.

## Notes to the consolidated financial statements: 2. Accounting and significant valuation principles

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If the book value of an asset or a cash-generating unit exceeds its recoverable amount, the asset is impaired and written down to its recoverable amount. To determine the value in use, the expected future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. To the extent possible, recent market transactions are used to determine the fair value less costs to sell.

If no active markets exist, an appropriate valuation model (e.g. discounted cash flow method for goodwill impairment testing) is applied. The group bases its impairment assessment on the most recent budget and forecast calculations, which are prepared separately for each of the Group's cash-generating units to which individual assets are allocated. Such budget and forecast calculations usually cover one year in the detailed planning and three more years in a forecast calculation. From the fifth year, a long-term growth rate is determined and applied to forecast future cash flows.

Impairment losses of continuing operations are recognised in profit or loss in the cost categories consistent with the function of the impaired asset in the company. This does not apply to previously revalued assets, provided the increases in value from the revaluation were recognised in other comprehensive income. In these cases, the impairment is also recognised in other comprehensive income up to the amount from a previous revaluation.

The group assesses the extent to which climate-related risks could significantly influence or affect business operations (e.g. the introduction of regulations to reduce emissions may result in higher production costs). These risks are included as material assumptions if they have a material impact on the measurement of the recoverable amount. The assumptions were taken into account when determining the values in use using cash flow forecasts.

### 2.16 Financial assets and financial debts.

The following assessments have been made based on the facts and circumstances that existed on the date of initial application:

- Determination of the business model under which a financial asset is held
- Determination of certain equity investments held as financial assets, which are not held for trading purposes as FVOCI (Fair Value through Other Comprehensive Income)

#### Financial assets

##### Initial recognition and evaluation

IFRS 9 provides the following three categories for classification of financial assets:

- At amortised cost
- At fair value through other comprehensive income (FVOCI) (recognised directly in equity) with reclassification of accumulated gains and losses (debt instruments)
- At fair value through other comprehensive income (FVOCI) (recognised directly in equity) without reclassification of accumulated gains and losses (equity instruments)
- At fair value through profit or loss with changes in value recognised in profit or loss (FVTPL) (recognised in profit or loss)

The group determined the classification of its financial assets at initial recognition.



Financial assets are valued at fair value on initial recognition. In the case of investments that are not classified at fair value through profit or loss, transactions that are directly attributable to the acquisition of the assets are also taken into account.

The Group's financial assets include cash and short-term deposits, receivables from deliveries and services and other receivables, as well as equity investments.

#### Subsequent evaluation

The Group makes the subsequent evaluation of financial assets dependent on their classification:

#### Financial assets at FVtPL (Fair Value through Profit and Loss)

The Group has not classified any financial assets in this category.

#### Financial assets at amortised cost

Receivables from deliveries and services and other financial assets with the exception of equity instruments are classified at amortised cost. Profits and losses are recognised in the profit or loss when the asset is derecognised, modified or its value is impaired.

Loans and receivables are non-derivative financial instruments with fixed or determinable payments that are not quoted in an active market. Following initial recognition, such financial assets are subsequently valued at fair value. Impairment losses are recognised in the statement of comprehensive income under financial expenses.

#### Financial assets at FVOCI (Fair Value through Other Comprehensive Income)

##### Equity investments

The Group has classified its assets held as equity investments (participations), which the Group intends to hold on a long-term basis for strategic reasons, under this item. In accordance with

IFRS 9, the Group has designated these investments as FVOCI on the date of initial application.

Following initial evaluation, equity investments are carried at fair value in subsequent periods. Dividends are recognised as income in the profit or loss unless the dividend is apparently a recovery of part of the cost of the investment. Other net gains or losses are recognised in other comprehensive income and are never reclassified to profit or loss.

The group does not have any assets that are valued at fair value through profit or loss or that are valued at fair value through other comprehensive income with reclassification of the profits and losses on derecognition.

#### Impairment of financial assets

On each balance sheet date, the Group assesses whether there is objective evidence that a financial asset or group of financial assets is impaired.

If there is objective evidence of impairment, the amount of the impairment loss is valued as the difference between the asset's carrying amount and the present cash value of estimated future cash flows.

#### Financial liabilities

IFRS 9 applies to financial assets valued at amortised cost, contract assets and debt instruments valued at FVOCI, but not to equity investments held as financial assets.

IFRS 9 provides the following classifications for financial liabilities:

- Financial liabilities valued at fair value through profit or loss
- Financial liabilities valued at amortised cost (loans)

## Notes to the consolidated financial statements: 2. Accounting and significant valuation principles

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The group determined the classification of its financial liabilities at initial recognition. All financial liabilities are initially recognised at fair value.

The group's financial liabilities include bank loans, liabilities from deliveries and services, lease liabilities and other financial liabilities.

### Subsequent evaluation

The Group makes the subsequent evaluation of financial liabilities dependent on their classification.

### Financial liabilities valued at fair value through profit or loss

The Group has not classified any financial liabilities as at fair value through profit or loss.

### Loans and liabilities

Loans and liabilities are non-derivative financial instruments with fixed or determinable payments that are not quoted in an active market. Following initial recognition, such financial liabilities are subsequently measured at amortised cost less any increase in value.

### Debiting

A financial liability is derecognised when the underlying obligation is satisfied, cancelled or expires.

## 2.17 Leases

At the start of a contract, the group assesses whether a contract creates or contains a lease. This is the case if the contract gives the right to control the use of an identified asset for a certain period of time in return for a fee.

From 1 July 2019, leases are recognised as a right-of-use asset and the corresponding lease liability at the time the leased asset is available for use by the Group.

### The Group as a lessee

The Group recognises and values all leases (other than short-term leases and leases where the underlying asset is of low value) in accordance with a single model. The Group recognises liabilities to make lease payments and right-of-use payments for the right to use the underlying asset.

### Rights of use

The Group recognises rights of use on the date of provision, i.e. the date on which the underlying leased property or item is available for use. Rights-of-use assets are valued at cost less all accumulated depreciation and all accumulated impairment losses, adjusted for any revaluation of the lease liability. The cost of right-of-use assets includes the recognised lease liability, initial direct costs incurred and lease payments made on or before the date of provision, less any lease incentives received.

Leases for premises are generally agreed for fixed periods of 5-10 years and for vehicles for fixed periods of 36-48 months.

Rights of use are amortised on a straight-line basis over the shorter of the useful life and the term of the underlying lease contract. If exercising a purchase option is reasonably certain from the Group's perspective, the asset is depreciated over the useful life of the underlying asset.

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost includes the exercise

of a purchase option, depreciation is determined based on the expected useful life of the leased asset. Furthermore, right-of-use assets are reviewed for impairment.

#### Leasing liabilities

On the date of provision, the Group recognises the lease liability at the present value of the lease payments to be made over the lease term. Lease payments include fixed payments (including de facto fixed payments) less any lease incentives to be received, variable lease payments linked to an index or (interest) rate, and amounts expected to be paid under residual value guarantees. Furthermore, lease payments also include the exercise price of a purchase option if there is reasonable assurance that the Group will exercise this, and penalties for termination of the lease if the term reflects that the Group will exercise the termination option.

Variable lease payments that are not linked to an index or (interest) rate are applied in the period in which the event or condition giving rise to the payment occurs. The Group determines the lease term based on the basic term of the lease that cannot be cancelled, and including the periods resulting from an option to renew the lease if it is reasonably certain that this option will be exercised, or the periods resulting from an option to terminate the lease if it is reasonably certain that this option will not be exercised. Significant judgement on the part of management is required when assessing whether exercising these renewal and termination options is reasonably certain (see section 3).

#### Short-term leases and leases with an underlying asset of low value

FORTEC applies the short-term lease exemptions in the case of leases with a term of less than twelve months from the date of provision and without an option to purchase. Furthermore, such an exemption is also applied to leases that are of low value such

as printers or other office equipment. Lease payments for short-term leases or leases of low value are recognised as an expense on a straight-line basis over the lease term.

## 2.18 Business combinations

The group accounts for business combinations using the purchase method in accordance with IFRS 3 as soon as the group obtains control. The acquisition costs are determined from the consideration transferred in the acquisition, which is measured at fair value on the acquisition date, and the fair value of the non-controlling interest if less than 100 % of a company is acquired. Costs incurred in a business combination are recognised as an expense and reported under other operating expense.

The identifiable net assets acquired are generally measured at fair value. A gain on an acquisition at a price below fair value is recognised immediately in the consolidated statement of comprehensive income. Transaction costs are recognised immediately as an expense.

In the case of FORTEC Power GmbH, the difference was attributable to hidden reserves in fixed assets, creditable corporation tax and goodwill. In the case of FORTEC Switzerland AG, hidden reserves in fixed assets and goodwill had to be reported within the framework of the acquisition.

In the case of the acquisition of the Data Display sub-group, the difference was attributable to goodwill and to hidden reserves in stocks and orders on hand. With the acquisition of Display Solutions Ltd, the difference was attributable to goodwill and hidden reserves in orders on hand.

## Notes to the consolidated financial statements: 2. Accounting and significant valuation principles

The differences resulting from the capital consolidation - insofar as they do not relate to hidden reserves - are shown as goodwill (section 5) in the fixed assets. Goodwill is recognised as an asset and subjected to an annual impairment test. Any impairment is immediately recognised in profit or loss. Any contingent consideration obligation is measured at fair value on the acquisition date.

If the contingent consideration is classified as equity capital, it is not revalued and a settlement is accounted for in the equity capital. Otherwise, other contingent consideration is valued at fair value on each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

## Notes to the consolidated financial statements: 3. Scope of consolidation

In addition to the parent company, the following subsidiaries are also included in these consolidated financial statements:

Name, registered office of the company	Direct shareholding/ voting rights	Previous year
FORTEC Power GmbH (formerly Emtron electronic GmbH) <sup>1)</sup> Riedstadt-Wolfskehlen, Germany	100 %	100 %
ROTEC technology GmbH i.L. <sup>1)</sup> Muggensturm, Germany	100 %	100 %
AUTRONIC Steuer- und Regeltechnik GmbH <sup>1)</sup> Sachsenheim, Germany	100 %	100 %
FORTEC Integrated GmbH (formerly DISTEC GmbH Vertrieb von elektronischen Bauelementen) <sup>1)</sup> Germering, Germany	100 %	100 %
Data Display Solution GmbH & Co. KG Hörselberg-Hainich, Germany	100 %	100 %
Data Display Solution Verwaltung GmbH <sup>1)</sup> Hörselberg-Hainich, Germany	100 %	100 %
FORTEC Switzerland AG (formerly ALTRAC AG) Würenlos, Switzerland	100 %	100 %
FORTEC United States Corp. (formerly Apollo Display Technologies Corp.) Ronkonkoma, USA	100 %	100 %
FORTEC Technology UK Ltd (formerly Display Technology Ltd.) Huntingdon, UK	100 %	100 %

Name, registered office of the company	Indirect shareholding/ voting rights	Previous year
FORTEC Czech Republic s.r.o. (formerly Alltronic elektronické stavební skupiny a komponenty, spol. s.r.o.) Dýšina, Czech Republic	100 %	100 %
aushang.online GmbH Germering, Germany	55 %	55 %
FORTEC electronic Design & Solutions Egypt SMLC Giza, Egypt	100 %	100 %

1) These companies utilise the exemption of section 264, paragraph 3 of the German Commercial Code.

FORTEC Aktiengesellschaft holds 100 % of the shares in each of these companies, directly holds the majority of the voting rights and therefore exercises control in accordance with IFRS 10.6.

The financial statements of the subsidiaries are included in the consolidated financial statements from the date on which control commences. The individual financial statements of the material subsidiaries that are significant for the Group have been prepared on the reporting date of the consolidated financial statements and have been audited by independent auditors who have issued unqualified auditor's reports.

FORTEC Czech Republic s.r.o., Dýšina is 100 % held by AUTRONIC Steuer- und Regeltechnik GmbH.

aushang.online GmbH i.L. is a subsidiary of FORTEC Integrated GmbH. It holds 55 % of aushang.online GmbH i.L.

FORTEC electronic Design & Solutions Egypt SMLC, Giza is a 100 % subsidiary of FORTEC Integrated GmbH.

Advantec Electronics B.V., Prinsenbeek has been appraised as an associated company according to IAS since the 2021/2022 financial year, as FORTEC Elektronik Aktiengesellschaft is able to exert its influence at shareholder meetings due to its shareholding.

Advantec Electronics B.V. reported equity of EUR 247 thousand on the balance sheet date 31 December 2024 (previous year: EUR 320 thousand). The annual result for the 2024 financial year was EUR 18 thousand (previous year: EUR 110 thousand).

FORTEC United States Corp. holds 100 % of Apollo Ronkonkoma Inc. Apollo Ronkonkoma Inc. is not consolidated due to its minor importance for the Group in accordance with IAS 1.15 and 1.30. This applies to both qualitative factors (such as special risk) and the significance for the net assets, financial position and results of operations.

# Notes to the consolidated financial statements: 4. Consolidation principles

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In accordance with the statutory regulations, the financial statements of the individual companies are prepared uniformly for inclusion in the consolidated financial statements in accordance with the accounting and valuation methods applicable to FORTEC Elektronik Aktiengesellschaft, or adjusted to these principles for consolidation. Similar items have been combined.

Control exists when the Group has exposure, or rights, to variable returns as a result of its involvement with the investee and has the ability to use its power over the investee to influence those returns.

In particular, FORTEC controls an investee when it possesses all of the following characteristics:

- Power of disposition over the investee (i.e. FORTEC has the ability, based on rights existing at that time, to direct those activities of the investee that have a significant effect on its returns)
- Exposure to, or rights to, variable returns arising due to its involvement with the investee
- The ability to use its power over the investee to influence the investee's returns

FORTEC generally assumes that a majority of the voting rights results in control. To support this assumption, and when FORTEC does not have a majority of the voting rights or equivalent rights in an investee, during the assessment, FORTEC considers whether FORTEC generally assumes that a majority of the voting rights results in control. To support this assumption, and when FORTEC does not have a majority of the voting rights or equivalent rights in an investee, FORTEC considers all relevant facts and circumstances in assessing whether FORTEC has power over that investee.

The consolidation of a subsidiary begins on the date on which the group obtains control of the subsidiary, and ends when the Group loses control over the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the reporting period are recognised in the consolidated financial statements from the date the group obtains control of the subsidiary until the date that control ceases.

Profit or loss and any component of other comprehensive income are attributed to ordinary equity holders of the parent company after deducting minority interests. If necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those of the group.

All inter-company assets and liabilities, equity, income and expenses, and cash flows arising from transactions that take place between group companies are eliminated in full on consolidation.

If the ownership interest in a subsidiary changes without loss of control, the transaction is accounted for as an equity transaction.

If the group loses control of the subsidiary, the related assets (including goodwill), liabilities, non-controlling interests and other equity components are derecognised. Any resulting gain or loss is taken into consideration in the income statement. Any retained interest is recognised at fair value.

If the contingent consideration is classified as equity capital, it is not revalued and a settlement is accounted for in the equity capital. Otherwise, other contingent consideration is valued at fair value on each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

## Notes to the consolidated financial statements: 4. Consolidation principles

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### Notes to the individual balance sheet items

In accordance with IAS 1, the consolidated balance sheet is classified into current and non-current assets and liabilities.

Assets and liabilities that fall due within one year are considered current. In accordance with IAS 1.56, deferred taxes are reported as non-current assets and liabilities.

## Notes to the consolidated financial statements: 5. Acquired goodwill

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As in the previous year, the *goodwill* is to be allocated to the cash-generating units (CGU) identified in the form of the two segments "data visualisation" and "power supplies" for the 2024/2025 financial year (section 31).

The book value of the goodwill for *power supplies* changes from EUR 2,947 thousand to EUR 3,008 thousand.

The book value of the goodwill for *data visualisation* changes from EUR 3,556 thousand to EUR 2,806 thousand.

Instead of scheduled depreciation of the goodwill resulting from the capital consolidation, a possible lower value is determined exclusively on the basis of an impairment test in accordance with IAS 36 in conjunction with IFRS 3.

The annual impairment test is carried out as required, although no later than at the end of the fourth quarter of the financial year, on the basis of the cash-generating units power supplies and data visualisation.

The impairment test for goodwill was carried out per 30 June 2025. In accordance with IAS 36.10 (a), the book value was compared to the recoverable amount in the form of the value in use of the CGU.

The plans are based on past experience and business results as well as the best possible estimate of the future development of individual influencing factors. In our estimation, the currency influences on turnover will be offset in the following years.

### Cash-generating unit Power Supplies

The recoverable amount of the cash-generating unit Power Supplies is determined on the basis of a value-in-use calculation using cash flow projections based on financial budgets prepared by the management covering a four-year period. The pre-tax discount rate used for the cash flow projections is 12.18 % (previous year: 13.18 %). Cash flows after the four-year period are extrapolated using a growth rate of 1.5 % (previous year: 1.5 %). This growth rate corresponds to the expected long-term average growth rate in the power supplies sector. The analyses showed that the value in use is higher than the current carrying amount of the cash-generating unit.

Within the framework of sensitivity analyses (increase of interest rate by 5 % and decrease of cash flows by 5 % in perpetual annuity), there was no requirement for impairment for the power supplies cash-generating unit.

### Data visualisation cash-generating unit

The recoverable amount of the cash-generating unit Data Visualisation is likewise determined on the basis of a value-in-use calculation using cash flow projections based on financial budgets prepared by the management covering a four-year period. The projected cash flows have been updated based on current business expectations. The pre-tax discount rate used for the projections is 12.15 % (previous year: 13.25 %). Cash flows after the four-year period are extrapolated using a growth rate of 1.5 % (previous year: 1.5 %). The review showed

# Notes to the consolidated financial statements: 5. Acquired goodwill

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that the fair value less costs to sell was lower than the value in use. As a result of this analysis, the management recognised an impairment loss of EUR 740 thousand in the financial year compared to the value recognised as at 30 June 2024. This is reported under depreciation and amortisation. The main reason for the impairments was the increased discount rate and lower revenue growth in subsequent years.

The recoverable amount is essentially determined by the final value (perpetual annuity), which reacts sensitively to changes in the growth rate assumption as well as the discount factor. Within the framework of sensitivity analyses (increase of interest rate by 5 % and decrease of cash flows by 5 % in perpetual annuity), there would be a further requirement for impairment for the data visualisation cash-generating unit.

Basic assumptions for the calculation of the value in use and sensitivity analysis to assumptions made:

*For the following assumptions applied in the calculation of the value in use of the two CGUs Data Visualisation and Power Supplies, the largest estimation uncertainties exist in the following areas:*

- Gross profit margins
- Discount rates

## Gross profit margins

Gross profit margins are determined using the average values achieved in the previous financial years before the start of the budget period. In the data visualisation segment, the value is

around 33 % (previous year: 35 %). For the power supplies cash-generating unit, the value is approx. 29 % (previous year: 30 %). A growth rate of 4–11 % p.a. (previous year: 4 to 13 % p.a.) in the data visualisation segment and 4–10 % p.a. (previous year: 4 to 13% p.a.) in the power supplies segment was included in the sales revenues in the planning period. The gross margin is kept constant within the perpetual annuity and the business cost is increased by (2–3 % p.a.) (previous year: 3–9 % p.a.) in both segments.

## Discount rates

The discount rates represent current market assessments of the risks specific to each cash-generating unit, taking into account the interest effect and the risks specific to the assets for which the estimated future cash flows have not been adjusted. The calculation of the discount rate takes into account the specific circumstances of the Group and its business segments and is based on its weighted average cost of capital (WACC). The weighted average cost of capital takes into account both debt and equity. The cost of equity is derived from the expected return on equity of the Group's equity investors. The cost of debt is based on the interest-bearing debt for which the Group has to service the debt. The segment-specific risk is included by applying individual beta factors. The beta factors are determined annually on the basis of publicly available market data. To determine a pre-tax discount rate, the discount rate is adjusted for the corresponding amount and timing of future tax cash flows.



The goodwill has developed as follows:

In thousand EUR	2024/2025	2023/2024
Goodwill on 01 July	6,503	6,448
Additions	0	0
Deductions	0	0
Depreciation	-740	0
Exchange differences	51	55
Goodwill on 30 June	5,814	6,503

## Notes to the consolidated financial statements: 6. Intangible and tangible assets

The development of fixed assets at historical cost and depreciation for the financial year is shown in the consolidated statement of changes in fixed assets.

Intangible assets (there are no internally generated assets that can be capitalised) and tangible assets are recognised at acquisition cost less scheduled depreciation.

### The useful life is as follows:

→ Software	3 to 5 years
→ Vehicles	3 to 6 years
→ Tools	2 to 4 years
→ Office equipment	3 to 5 years
→ Operating and business equipment	4 to 10 years
→ Buildings	10 to 25 years

Only the straight-line depreciation method is applied.

Low-value assets are depreciated in the year of acquisition for reasons of simplification.

The amortisation of intangible assets and depreciation of tangible assets are reported in the consolidated statement of comprehensive income under item 6 Depreciation. Depreciation methods, useful lives and residual values are reviewed on each reporting date and adjusted if necessary.

Any gain or loss on the disposal of assets is recognised in the statement of comprehensive income.

The group assets analysis includes an additional column for currency conversion differences, which represent exchange rate fluctuations for fixed assets that are not held in euro.

# Notes to the consolidated financial statements: Consolidated statement of changes

In thousand EUR	Historical acquisition costs							As at 30/06/2025
	As at 01/07/2024	Additions 2024/2025	Additions Revaluation 2024/2025	Additions to the scope of consolidation 2024/2025	Deductions 2024/2025	Repostings 2024/2025	Exchange rate differences Transfers 2024/2025	
<b>Intangible assets</b>								
Goodwill	13,190	-	-	-	-	-	217	13,407
Business partner relationships	118	-	-	-	-	-	-1	117
Software incl. quantity	1,069	579	-	-	-56	-	-3	1,589
<b>Total intangible fixed assets</b>	<b>14,377</b>	<b>579</b>	<b>-</b>	<b>-</b>	<b>-56</b>	<b>-</b>	<b>213</b>	<b>15,113</b>
<b>Tangible assets</b>								
Properties	548	-	-	-	-	-	-	548
Buildings incl. adv. payments made	3,448	-	-	-	-	-	-	3,448
Other structures	42	-	-	-	-	-	-	42
External facilities	176	-	-	-	-	-	-	176
Vehicles	77	-	-	-	-34	-	-	43
Tools	186	12	-	-	-2	-	-	196
Technical plant/machinery	1,292	18	-	-	-20	-	-11	1,278
Office equipment/IT	727	38	-	-	-67	-	-5	693
Operating and business equipment	1,773	73	-	-	-67	-	-14	1,765
Low-value assets	173	20	-	-	-37	-	-	157
<b>Total tangible assets</b>	<b>8,442</b>	<b>161</b>	<b>-</b>	<b>-</b>	<b>-227</b>	<b>-</b>	<b>-30</b>	<b>8,346</b>
Rights of use	8,082	208	2,295	-	-104	-	-57	10,424
<b>Total fixed assets</b>	<b>30,901</b>	<b>948</b>	<b>2,295</b>	<b>-</b>	<b>-387</b>	<b>-</b>	<b>126</b>	<b>33,884</b>
for reporting only: Dev. previous year's values	01/07/2023	2023/2024	2023/2024	2023/2024	2023/2024	2023/2024	2023/2024	30/06/2024
Intangible assets	14,111	124	-	-	-	-	142	14,377
Tangible assets	8,136	417	-	-	-101	-	-11	8,442
Rights of use	8,594	985	162	-	-1,679	-	20	8,082
Total fixed assets	30,841	1,527	162	-	-1,779	-	151	30,901

# Notes to the consolidated financial statements: Consolidated statement of changes

Depreciation						Book values	
As at 01/07/2024	Additions 2024/2025	Additions to the scope of consolidation 2024/2025	Deductions 2024/2025	Exchange rate differences Transfers 2024/2025	As at 30/06/2025	As at 01/07/2024	As at 30/06/2025
6,687	740	-	-	166	7,593	6,503	5,814
85	15	-	-	-1	99	33	18
771	94	-	-56	-2	806	298	783
<b>7,543</b>	<b>848</b>	<b>-</b>	<b>-56</b>	<b>163</b>	<b>8,498</b>	<b>6,834</b>	<b>6,615</b>
-	-	-	-	-	-	548	548
690	138	-	-	-	828	2,759	2,621
10	2	-	-	-	13	31	29
90	18	-	-	-	109	86	67
77	-	-	-34	-	43	-	-
162	15	-	-2	-	174	24	21
1,074	121	-	-20	-8	1,167	217	111
543	48	-	-57	-3	532	184	162
1,141	158	-	-67	-13	1,220	632	546
173	20	-	-37	-	157	-	-
<b>3,961</b>	<b>520</b>	<b>-</b>	<b>-216</b>	<b>-24</b>	<b>4,242</b>	<b>4,481</b>	<b>4,105</b>
3,253	1,075	-	-104	-18	4,205	4,830	6,219
<b>14,756</b>	<b>2,443</b>	<b>-</b>	<b>-375</b>	<b>121</b>	<b>16,945</b>	<b>16,145</b>	<b>16,939</b>
01/07/2023	2023/2024	2023/2024	2023/2024	2023/2024	30/06/2024	01/07/2023	30/06/2024
7,351	106	-	-	86	7,543	6,760	6,834
3,600	470	-	-99	-10	3,961	4,536	4,481
3,749	1,163	-	-1,667	8	3,253	4,845	4,830
14,699	1,739	-	-1,765	83	14,756	16,142	16,145

## Notes to the consolidated financial statements: 7. Leases

FORTEC has entered into lease agreements for various items of operating and business equipment, motor vehicles and buildings that are used for operational purposes.

Lease agreements for motor vehicles generally have terms of between 36 and 48 months. The lease agreements for premises usually have fixed terms between 5 and 10 years. Furthermore, some of the premises leases contain renewal options and annual fixed price adjustments. The fixed price adjustments are considered in the right of use and the lease liability. In the previous year, there were still rental contracts with variable increases that were linked to the development of a price index. The group's obligations under its lease agreements are secured by the lessor's title to the leased assets.

FORTEC has also entered into lease agreements for office equipment of minor value and company bikes. In the case of these lease agreements, FORTEC applies the practical expedients applicable to short-term leases and lease agreements based on an asset of low value.

The group does not act as lessor.

The following tables show the book values of the right-of-use assets and lease liabilities recognised on the balance sheet, as well as the changes and amounts recognised on the P&L account during the reporting period:

### a) Amounts recognised on the balance sheet

The following items are recognised on the balance sheet in connection with leases:

Rights of use in thousand EUR	30/06/2025	30/06/2024
Buildings	5,759	4,379
Motor vehicles	354	318
Miscellaneous	106	132
<b>Total</b>	<b>6,219</b>	<b>4,830</b>

Additions to the rights of use during the 2024/2025 financial year amounted to EUR 2,503 thousand including revaluation and contract modification. The disposals amounted to EUR 104 thousand.

Lease liabilities in thousand EUR	30/06/2025	30/06/2024
Buildings	5,829	4,569
Motor vehicles	352	309
Miscellaneous	109	135
<b>Total</b>	<b>6,291</b>	<b>5,013</b>

The deferred tax assets on leases at the end of the financial year amount to EUR 19 thousand (previous year: EUR 60 thousand).

## b) Amounts recognised on the consolidated statement of comprehensive income

The consolidated statement of comprehensive income shows the following amounts in connection with leases:

Depreciations on rights of use in thousand EUR	2024/2025	2023/2024
Buildings	875	973
Motor vehicles	160	152
Miscellaneous	39	38
<b>Total</b>	<b>1,075</b>	<b>1,163</b>

In thousand EUR	2024/2025	2023/2024
Interest expenses (included in the finance costs)	164	109
Expenses related to short-term leases (recognised in cost of goods sold and administrative expenses)	0	0
Expenses related to leases of low-value assets not included in the short-term leases above (included in administrative expenses)	61	62
Expenses related to variable lease payments not included in lease liabilities (included in administrative expenses)	0	0
<b>Total</b>	<b>224</b>	<b>171</b>

Total lease payments in 2024/2025 amounted to EUR 1,156 thousand (previous year: EUR 1,253 thousand).  
The maturity analysis of lease liabilities is presented in section 20.

## Notes to the consolidated financial statements: 8. Financial assets balanced according to the equity method

The following table contains summarised financial information on the Group's investment in Advantec Electronics B.V.

The table also shows a reconciliation of the summarised financial information to the carrying amount of the Group's

interest in Advantec. The information for the financial year shown in the table includes the period from 1 January 2024 to 31 December 2024 for the latest available financial statements of Advantec Electronic B.V. The financial year corresponds to the calendar year for Advantec Electronic B.V.

## Notes to the consolidated financial statements: 8. Financial assets balanced according to the equity method

In thousand EUR	31/12/2024	31/12/2023
Current assets	308	342
Non-current assets	0	3
Current liabilities	-63	-26
Non-current liabilities	0	0
<b>Net assets 100 %</b>	<b>246</b>	<b>320</b>
Group shares in the net assets: 36.6 % (previous year: 36.6 %)	90	117
Distribution	0	-33
<b>Book value of the shares in the associated company (*)</b>	<b>90</b>	<b>84</b>
Sales revenues	713	1,392
Result from the operation to be continued	18	110
<b>Group share of the result 36.6 % (previous year: 36.6 %)</b>	<b>6</b>	<b>40</b>

\* The participation was not appraised according to at equity in the previous year. The participation was reported in the non-current financial assets. The revenue was reported as income from investments in the profit and loss account.

## Notes to the consolidated financial statements: 9. Financial assets

The financial assets break down as follows on 30 June 2024:

In thousand EUR	30/06/2025	30/06/2024
Security deposits	75	77
<b>Total non-current financial assets</b>	<b>75</b>	<b>77</b>
Current financial assets	303	236
<b>Total financial assets</b>	<b>378</b>	<b>313</b>

The non-current financial assets concern rental deposits paid for the FORTEC Integrated office in Cologne (EUR 3 thousand), the FORTEC USA offices (EUR 23 thousand) and the Data Display Solution in Hörselberg-Hainich (EUR 49 thousand).

Current financial assets include down payments and advances (EUR 82 thousand), claims for compensation (EUR 75 thousand), creditors with debit balances (EUR 32 thousand), accrued interest receivables (EUR 24 thousand), social security receivables (EUR 24 thousand) and other receivables (EUR 65 thousand).

## Notes to the consolidated financial statements: 10. Inventories

The stocks broke down as follows as at 30 June 2025:

In thousand EUR	30/06/2025	30/06/2024
Goods/raw materials, auxiliary and operating substances	17,800	19,285
Finished/unfinished goods	2,976	2,702
Advance payments made	470	303
<b>Total stocks</b>	<b>21,246</b>	<b>22,290</b>

Goods/raw materials, auxiliary and operating substances are recognised at acquisition cost, taking into account ancillary acquisition costs. Weighted average prices are used as a basis for this. Insofar as necessary, depreciation to the lower fair value – which corresponds to the net realisable value – has taken place. All recognisable risks have been taken into account by means of appropriate deductions.

Finished/unfinished goods are recognised at production cost, whereby directly attributable costs (such as production wages and material costs) as well as fixed and variable production overheads (production and material overheads) are taken into account. Costs in accordance with IAS 2.16 are not included. For information on impairment, refer to section 24 "Cost of materials".

## Notes to the consolidated financial statements: 11. Receivables from deliveries and services, tax refund entitlements and other current assets

Receivables from deliveries and services, tax refund claims and other assets broke down as follows as at 30 June 2025:

In thousand EUR	30/06/2025	30/06/2024
Receivables from deliveries and services	11,921	14,795
Tax refund entitlements	2,129	2,100
Other assets	459	351
<b>Total receivables</b>	<b>14,508</b>	<b>17,246</b>

## Notes to the consolidated financial statements: 11. Receivables from deliveries and services, tax refund entitlements and other current assets

The receivables from deliveries and services and other assets reported here have a remaining term of less than one year.

Details regarding the default risk and value adjustments can be found in section 16.

Other assets in the Group primarily consist of prepaid expenses in the amount of EUR 459 thousand (previous year: EUR 351 thousand).

Receivables from deliveries and services and loan receivables represent financial instruments according to IFRS 9 and are classified in the category "Amortised costs", because they are held in a business model to collect cash flows. They are measured at amortised cost.

## Notes to the consolidated financial statements: 12. Cash and cash equivalents

The cash and cash equivalents broke down as follows as at 30 June 2025:

In thousand EUR	30/06/2025	30/06/2024
Cash in hand	5	7
Bank balances	19,198	22,252
<b>Cash</b>	<b>19,203</b>	<b>22,259</b>

Bank balances denominated in US dollars, Swiss francs, British pounds and Czech koruna were valued in the consolidated financial statements at the mean exchange rate on the balance sheet date. No bank balances were held in other foreign currencies. The change in cash and cash equivalents corresponds

to the explanations given in section 33. The reported value of cash and cash equivalents corresponds to the market value. All cash and cash equivalents can be disposed of without restriction.

According to IFRS 9, these assets are classified in the category "Amortised costs".



## Notes to the consolidated financial statements: 13. Subscribed capital

The share capital of FORTEC Elektronik Aktiengesellschaft on the balance sheet date was EUR 3,250,436 (previous year: EUR 3,250,436). The company's shares are divided into 3,250,436 no-par value shares (security identification number 577410/ISIN DE 0005774103) with a notional value of EUR 1.00.

The AGM of 15 February 2023 authorised the Management Board, with the approval of the Supervisory Board, to increase the company's share capital by up to EUR 1,625,218.00 by issuing up to 1,625,218 no-par value bearer shares on one or more occasions against cash and/or non-cash contributions by 14 February 2028 (Authorised Capital I).

The Management Board was also authorised, with the consent of the Supervisory Board, to exclude shareholders' subscription

rights in the following cases: (i) for fractional amounts; (ii) for capital increases against contributions in kind; (iii) in the case of cash contributions up to an amount not exceeding 10 percent of the share capital existing at the time this authorisation becomes effective or - if this value is lower - at the time this authorisation is exercised, provided that the issue price of the shares is not significantly lower than the stock exchange price of the already listed shares of the company at the time the issue price is finally determined.

The authorised capital on 15 February 2023 (Authorised Capital 2023/I) amounts to EUR 1,625,218.00 on the balance sheet date.

## Notes to the consolidated financial statements: 14. Equity capital

The equity in the Group attributable to the owners of the parent company developed in the reporting year as follows:

In thousand EUR	The interests attributable to the owners of the parent company				Non-controlling interests	Total
	Subscribed capital	Capital reserve	Currency conversion differences	Other reserves/ consolidated annual surplus		
As at 01/07/2022	3,250	14,481	1,819	30,297	6	55,055
Consolidated annual surplus				5,315	-11	5,303
Other earnings			216		0	216
Dividend payments				-2,763	0	-2,763
As at 01/07/2023	3,250	14,481	1,907	38,128	-5	55,762
Other earnings			-241		0	-242
Dividend payments				-2,763	0	-2,763
Consolidated annual surplus				1,349	-1	1,348
As at 30/06/2024	3,250	14,481	1,666	36,715	-6	56,106

## Notes to the consolidated financial statements: 14. Equity capital

The capital reserve developed from 1 July 1998 in the amount of EUR 256 thousand plus a premium in 1999 of EUR 5,233 thousand less conversions of the capital reserve and increases due to exercising conditional capital to EUR 8,689 thousand. During the 2018/2019 financial year, the capital reserve increased by EUR 5,792 thousand to EUR 14,481 thousand due to the issue of new shares (share premium).

The *conversion differences (OCI)* include all foreign currency differences due to the conversion of financial statements of foreign subsidiaries as well as conversion differences from capital consolidation.

*Other reserves* show accumulated profits.

The company has consistently pursued the strict principle of building up its business on the basis of a high level of equity financing and aims for balance sheet equity ratios of  $\geq 50\%$  after dividend distributions. As in previous years, hybrid forms of equity are not included in the definition of equity.

## Notes to the consolidated financial statements: 15. Financial instruments – fair value

The following table shows the book values and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the book value is a reasonable approximation of fair value.

The financial instruments relate in detail to the following financial assets in accordance with IFRS 7.6 ff:

30/06/2025 In thousand EUR	Book value			Fair value		
	Not measured at fair value	Measured at fair value	Total	Level 1	Level 2	Level 3
Non-current financial assets	75		75	-	-	-
Previous year	77		77	-	-	-
Receivables from deliveries and services	11,921		11,921	-	-	-
Previous year	14,795		14,795	-	-	-
Current financial assets	303		303	-	-	-
Previous year	236		236	-	-	-
Cash and cash equivalents	19,203		19,203	-	-	-
Previous year	22,259		22,259	-	-	-
<b>Total</b>	<b>31,501</b>		<b>31,501</b>	-	-	-
Previous year	37,367		37,367	-	-	-

The book value is compared with the fair value in accordance with IFRS 7.8:

In thousand EUR	Valuation category IFRS 9	Book value 30/06/2025	Fair value 30/06/2025
Non-current receivables Previous year	Amortised costs	75 77	75 77
Receivables from deliveries and services Previous year	Amortised costs	11,921 14,795	11,921 14,795
Other financial assets Previous year	Amortised costs	303 236	303 236
Cash and cash equivalents Previous year	Amortised costs	19,203 22,259	19,203 22,259
<b>Total</b> Previous year		<b>31,501</b> 37,367	<b>31,501</b> 37,367

There were no reclassifications in the financial year.

The financial liabilities break down as follows:

30/06/2025 In thousand EUR	Book value			Fair value		
	Not measured at fair value	Measured at fair value	Total	Level 1	Level 2	Level 3
Liabilities to credit institutes Previous year	944 1,278	- -	944 1,278	- -	944 1,236	- -
Receivables from deliveries and services Previous year	4,398 6,321	- -	4,398 6,321	- -	- -	- -
Other financial liabilities Previous year	1,158 1,362	- -	1,158 1,362	- -	- -	- -
<b>Total</b> Previous year	<b>6,501</b> 8,961	- -	<b>6,501</b> 8,961	- -	<b>944</b> 1,236	- -

FORTEC has determined that the fair values of cash and short-term deposits, receivables from deliveries and services, liabilities from deliveries and services, bank overdrafts and other current financial liabilities are close to their book values primarily due to the short maturities of these instruments. Furthermore, the lease liabilities are measured in accordance with IFRS 16.

## Notes to the consolidated financial statements: 15. Financial instruments – fair value

FORTEC has determined that the fair values of cash and short-term deposits, receivables from deliveries and services, liabilities from deliveries and services, bank overdrafts and other current financial liabilities are close to their book values primarily due to the short maturities of these instruments. Furthermore, the lease liabilities are measured in accordance with IFRS 16.

The following methods and assumptions are used to determine the fair values:

The fair values of FORTEC's interest-bearing loans are determined using the discounted cash flow method. This is based on a discount rate that reflects FORTEC's borrowing rate at the end of the reporting period. The own non-performance risk was classified as low on 30 June 2025.

The comparison of book value and fair value does not lead to any changes:

In thousand EUR	Valuation category IFRS 9	Book value 30/06/2025	Fair value 30/06/2025
Liabilities to credit institutes Previous year	At amortised cost	944 1,278	916 1,236
Liabilities from deliveries and services Previous year	At amortised cost	4,398 6,321	4,398 6,321
Other financial liabilities Previous year	At amortised cost	1,158 1,362	1,158 1,362
<b>Total</b> Previous year		<b>6,501</b> 8,961	<b>6,472</b> 8,919

The liabilities due were settled at the time of balance sheet preparation, within the payment period granted (IFRS 7.39). The effects on the consolidated statement of comprehensive income in accordance with IFRS 7.20 are as follows:

In thousand EUR	Attribution 2024/2025	Value adjustments 2024/2025	Depreciation 2024/2025
Financial assets Previous year	0 0	0 0	0 0
Non-current receivables Previous year	0 0	0 0	0 0
Receivables from deliveries and services Previous year	0 0	84 67	0 0
Other financial assets Previous year	0 0	0 0	0 0
Cash and cash equivalents Previous year	0 0	0 0	0 0
<b>Total</b> Previous year	<b>0</b> 0	<b>84</b> 67	<b>0</b> 0

## Notes to the consolidated financial statements: 16. Financial risk management

The group's most important financial liabilities include liabilities from deliveries and services, loans, lease liabilities and other liabilities. The main purpose of these financial liabilities is to finance FORTEC's short-term operations. The group's most significant financial assets are receivables from deliveries and services, cash and short-term deposits resulting directly from operating activities. FORTEC has invested to a very limited extent in equity instruments. During the course of its operating activities, FORTEC is exposed to various financial risks, including market risk, default risk and liquidity risk. The management of these risks is the responsibility of the Management Board. The Group manages the risks through a credit check, fixed-interest loans and forward-looking liquidity planning. The Group deliberately avoids the use of derivative financial instruments.

### Default risk

Default risk is the risk of financial loss if a customer or a contracting party to a financial instrument fails to meet their contractual obligations. A default risk generally arises from the Group's receivables due to deliveries and services, as well as debt securities held as financial investments.

As a general rule, the Group checks the creditworthiness of the customer relationship with a trade credit insurer for all new customers and otherwise on an annual basis. As at 30 June 2025, 72 % were secured by letters of credit and other forms of credit protection. Uninsured relationships are individually assessed and entered into through bank guarantees, other hedges or advance payment. Accounts receivable are constantly monitored and known risks are reflected in value adjustments. Further to this, no significant default risks exist from current business activities.

For receivables from deliveries and services, the Group determines the expected credit losses (ECL) based on the age distribution of the outstanding receivables. It is assumed that receivables that are overdue by more than 90 days and for which no specific bad debt allowance has yet been created for a specific reason will default. The expected credit losses as at 30 June 2025 amount to EUR 21 thousand (previous year: EUR 62 thousand).

Figures In thousand EUR	Receivables from deliveries and services					
	Overdue in days					Total
	Not overdue	1 to 30 days overdue	31 to 60 days overdue	61 to 90 days overdue	> 90 days overdue	
Expected credit default rate	0.05 %	0.10 %	1.00 %	2.00 %	10.00 %	
Total gross book value previous year	9,569	1,469	683	148	51	11,921
Expected credit loss	5	1	7	3	5	21

## Notes to the consolidated financial statements: 16. Financial risk management

In thousand EUR	2024/2025	2023/2024
Value adjustments on 1 July	162	89
Additions	33	85
Consumption/release	-124	-12
<b>Value adjustments on 30.06.</b>	<b>71</b>	<b>162</b>

As at 30 June 2025, further impairments exist of EUR 50 thousand (previous year: EUR 94 thousand) for receivables from deliveries and services, which did not affect the calculated default rate.

The receivables from deliveries and services and other assets reported here have a remaining term of less than one year.

Receivables from deliveries and services and loan receivables represent financial instruments according to IFRS 9 and are classified in the category "Amortised costs", because they are held in a business model to collect cash flows. They are measured at amortised cost.

### Cash and deposits with banks

The risk of default on balances with banks and financial institutions is managed in accordance with the Group's guidelines. Cluster risks are taken into account by spreading the investments over several banks.

### Liquidity risk

The liquidity risk is the risk that the Group may not be able to meet its financial obligations as contractually required by delivering cash or other financial assets. The purpose of managing the Group's liquidity is to ensure, insofar as possible, that sufficient cash is always available to meet payment obligations as they fall due, under both normal and strained conditions, without incurring unacceptable losses or damaging the Group's reputation.

### Risk concentration

A mix of overdraft facilities, bank loans and finance leases is used to provide the Group with sufficient liquidity. The basis for the decision regarding the financing strategy is Group-wide cash management and corresponding planning of the financial requirements.

In accordance with IFRS 7.39 a, liquidity risk exists in full for liabilities due to deliveries and services as on the balance sheet date. At the time the balance sheet was prepared, the liabilities from deliveries and services had already been repaid and the liquidity risk no longer existed.

Both the default risk and the liquidity risk can be a burden on the operating business; however, they cannot become a threat to the existence of the company.

The contractual residual terms of the financial liabilities on the balance sheet date are set out in thousand EUR in the following. The information is based on the contractual, undiscounted payments.

30/06/2025 In thousand EUR	Up to 12 months	1 to 5 years	> 5 years	Total
Bank loans	344	619	-	962
Previous year	348	962	-	1,310
Liabilities from deliveries and services	4,398	-	-	4,398
Previous year	6,321	-	-	6,321
Leasing liabilities	1,131	2,917	3,425	7,474
Previous year	1,137	3,318	866	5,320
Other financial liabilities	1,060	98	-	1,158
Previous year	1,275	87	-	1,362
<b>Total</b>	<b>6,933</b>	<b>3,634</b>	<b>3,425</b>	<b>13,992</b>
Previous year	9,081	4,367	866	14,313

Liabilities with a remaining term of more than 5 years relate exclusively to liabilities from lease agreements. Liabilities with a term of between 1 and 5 years relate to liabilities to banks, liabilities from lease agreements, contractual liabilities, as well as liabilities from a finance purchase. All other liabilities have a remaining term of less than 1 year.

#### Foreign currency risk

The Group is exposed to foreign currency risks insofar as the quotations of currencies in which sales and purchase transactions as well as receivables and credit transactions are carried out do not match the functional currency of the Group companies. A significant proportion of the Group's business is conducted in US dollars because use of the US dollar is common in the electronics sector.

Further to this, business is also conducted in GBP, CHF, CZK and JPY. The existing exchange rate risks in business transactions when transactions are conducted in a currency other than the functional currency of the national company can usually be covered by sale or purchase transactions performed in the same currency.

#### Sensitivity analysis to changes in exchange rates

The following illustrations show the sensitivity to a possible change in the exchange rate of the US dollar, the British pound, the Swiss franc and the Czech koruna. All other variables remain constant. The impact on the Group's profit or loss before tax is due to changes in the fair value of monetary assets and liabilities.

30/06/2025 Effects In thousand EUR	Profit or loss		Equity capital after tax	
	Strengthening of the foreign currency against the EUR	Weakening of the foreign currency against the EUR	Strengthening of the foreign currency against the EUR	Weakening of the foreign currency against the EUR
USD (10 % movement)	139	(110)	(1,030)	(1,030)
GBP (10 % movement)	(57)	47	562	562
CHF (10 % movement)	3	(3)	(27)	(27)
CZK (10 % movement)	0	(0)	(35)	(35)

## Notes to the consolidated financial statements: 17. Provisions

The group provisions broke down as follows as at 30 June 2025:

Provisions in thousand EUR	Warranty provisions	Other provisions	Total
<b>01/07/2024</b>	<b>532</b>	<b>155</b>	<b>688</b>
Additions	486	434	920
Utilisation	-268	-401	-669
Release	-57	-57	-115
Currency conversion	-4	-2	-5
<b>30/06/2025</b>	<b>688</b>	<b>167</b>	<b>854</b>
- of which current	493	5	498
- of which non-current	194	162	356

Other provisions were realised in accordance with IAS 37, taking into account all recognisable obligations at their probable settlement value. Required discounts were discounted using a pre-tax interest rate that reflects current market expectations. Non-current provisions include the amounts set aside (years 2-10) for the legal obligation to keep business records and for obligations arising from warranties.

The remaining provisions are current provisions (term: <1 year). Reimbursement claims are not specified. Current provisions

mainly concern provisions for warranties that are highly likely to be paid out, both in terms of amount and timing. Estimates from past experience were applied for the recognition and valuation of provisions for warranties.

An individual warranty provision of EUR 301 thousand was implemented for three open warranty cases in the current year. The additions to non-current provisions include an interest portion of EUR 0 thousand (previous year: EUR 3 thousand).

## Notes to the consolidated financial statements: 18. Liabilities

The liabilities broke down as follows as at 30 June 2025:

In thousand EUR	30/06/2025	30/06/2024
Liabilities to credit institutes	944	1,278
Liabilities from deliveries and services	4,398	6,321
Leasing liabilities	6,291	5,014
Tax liabilities	1,579	4,408
Other financial liabilities	1,158	1,362
Other liabilities	1,470	1,619
<b>Total liabilities</b>	<b>15,840</b>	<b>20,001</b>



The liabilities are valued at amortised cost. The bank loans were valued at EUR 944 thousand as at 30 June 2025 (previous year: EUR 1,278 thousand).

In thousand EUR	Currency	Nominal interest rate (%)	Maturity year	30/06/2025		30/06/2024	
				Nominal value	Book value	Nominal value	Book value
Secured bank loans	EUR	1.29 %	2028	944	944	1,278	1,278
<b>Interest-bearing financial bank liabilities</b>				<b>962</b>	<b>962</b>	<b>1,611</b>	<b>1,611</b>

The tax liabilities relate to taxes for the current year in the amount of EUR 1,075 thousand (previous year: EUR 2,298 thousand), of which income tax EUR 261 thousand (previous year: 1,094), of which VAT at EUR 673 thousand (previous year: EUR 1,054 thousand ), wage tax EUR 142 thousand (previous year: EUR 151 thousand) and property tax EUR 0 thousand (previous year: EUR 0 thousand). EUR 504 thousand (previous year: EUR 1,966 thousand) relate to income tax back payments for previous years and correspond to the tax returns submitted.

Other liabilities include advance payments received in the amount of EUR 779 thousand (previous year: EUR 796 thousand), accrued liabilities for obligations in kind in the amount of EUR 664 thousand (previous year: EUR 722 thousand) as well as obligations to

employees such as holiday days not taken in the amount of EUR 500 thousand (previous year: EUR 516 thousand). Furthermore, the other liabilities of EUR 27 thousand (previous year: EUR 94 thousand) include contractual liabilities for extended warranties. Thereof, EUR 7 thousand (previous year: EUR 24 thousand) are non-current and EUR 20 thousand (previous year: EUR 70 thousand) are current.

The other financial liabilities include accrued liabilities for payments to be made in the amount of EUR 1,158 thousand (previous year: EUR 1,362 thousand). This includes obligations to employees of EUR 571 thousand (previous year: EUR 915 thousand). Of this amount, non-current liabilities owing to personnel account for EUR 96 thousand (previous year: EUR 87 thousand).

## Notes to the consolidated financial statements: 19. Deferred taxes

Deferred taxes are accrued, according to the "temporary differences concept" of IAS 12, on temporary accounting and valuation differences between the valuations in the tax balance sheet and the corresponding valuations in the balance sheet according to IFRS. Deferred taxes have been calculated using the tax rates expected to apply at the time of realisation, based on the legal regulations valid on the balance sheet date.

For the purpose of forming deferred taxes, the average income tax burden (corporation tax, solidarity surcharge and tax on profit)

was estimated at 30 % (previous year: 30 %). The calculation of deferred taxes for profits of FORTEC Switzerland AG (Switzerland) was based on an income tax burden of 17 % (previous year: 17 %). The calculation of deferred taxes for profits of FORTEC Technology UK Ltd (UK) was based on an income tax burden of 25 % (previous year: 25 %). The calculation of deferred taxes for profits of FORTEC United States Corp. (US) was based on an income tax burden of 21.0 % (previous year: 21.3 %).

## Notes to the consolidated financial statements: 19. Deferred taxes

Deferred taxes due to valuation differences arose for the following balance sheet items:

In thousand EUR	30/06/2025		30/06/2024	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Intangible assets	0	0	0	0
From rights of use (gross)	1,774	0	1,344	0
Tangible assets (incl. low-value assets)	6	111	6	112
Financial assets	55	18	72	0
Inventories	45	276	192	137
Receivables	11	14	17	20
Losses carried forwards	618	0	26	0
Provisions	36	15	48	74
Leasing liabilities	0	1,756	0	1,283
Liabilities	106	27	31	1
	<b>2,650</b>	<b>2,217</b>	<b>1,738</b>	<b>1,628</b>
Balancing according to balancing regulations	-1,756	-1,756	-1,283	-1,283
<b>Balance sheet recognition</b>	<b>894</b>	<b>461</b>	<b>454</b>	<b>345</b>

As at 30 June 2025, trade tax loss carry-forwards not yet utilised of EUR 1,676 thousand exist, as well as corporation tax loss carry-forwards of EUR 1,352 thousand domestically. Foreign loss carry-forwards of business tax not yet utilised of EUR 901 thousand (previous year: EUR 634 thousand).

For tax-deductible goodwill (outside basis differences), for which no deferred tax asset is recognised on the IFRS balance sheet, EUR 205 thousand (previous year: EUR 345 thousand) is deductible until 2027.

## Notes to the consolidated financial statements: 20. Other financial liabilities

In thousand EUR	30/06/2025	30/06/2024
Up to 1 year	55	71
1 to 5 years	69	54
More than 5 years	0	0
<b>Total</b>	<b>125</b>	<b>216</b>

On the balance sheet date, liabilities existed from operating lease agreements that were not recognised or not to be recognised as lease liabilities in accordance with IFRS 16 due to the simplification option for low-value leases.

### Notes to the statement of comprehensive income

All information relates to continuing operations. There are no discontinued operations in the current financial year or in the previous year.

# Notes to the consolidated financial statements: 21. Sales revenues

The Group classifies its sales revenues according to the two segments: data visualisation and power supplies. While the power supplies segment offers the entire product range for power supplies and DC/DC converters, the data visualisation sales comprise the product areas of Display Technology and Embedded Computer Technology. No turnover greater than 10 % is realised with any customer.

Revenues are recognised less sales deductions and price reductions such as rebates, discounts, bonuses and returned goods.

The breakdown by geographical segments before consolidation results in the following:

Group revenues in thousand EUR for 2024/2025	Data visualisation	Power supplies	Unassigned operations	Total
<b>Domestic</b>	22,574	25,930	3,250	51,754
Internal group revenues	-636	-232	-3,239	-4,118
	<b>21,938</b>	<b>25,698</b>	<b>10</b>	<b>47,647</b>
<b>Foreign</b>	24,251	11,436	393	36,080
Internal group revenues	-2,047	-1,569	-393	-4,009
	<b>22,214</b>	<b>9,867</b>	<b>0</b>	<b>32,071</b>
<b>Total</b>	<b>46,825</b>	<b>37,366</b>	<b>3,643</b>	<b>87,834</b>
Internal group revenues	-2,683	-1,801	-3,643	-8,126
	<b>44,142</b>	<b>35,565</b>	<b>10</b>	<b>79,717</b>
Of which, revenue from balances that were contained in the contractual liabilities at the start of the period	56	0	0	56

Group revenues in thousand EUR for 2023/2024	Data visualisation	Power supplies	Unassigned operations	Total
<b>Domestic</b>	29,040	27,254	3,962	60,256
Internal group revenues	-261	-91	-3,959	-4,310
	<b>28,779</b>	<b>27,163</b>	<b>4</b>	<b>55,946</b>
<b>Foreign</b>	30,232	12,578	387	43,196
Internal group revenues	-2,297	-1,930	-387	-4,613
	<b>27,935</b>	<b>10,648</b>	<b>0</b>	<b>38,583</b>
<b>Total</b>	<b>59,271</b>	<b>39,832</b>	<b>4,349</b>	<b>103,452</b>
Internal group revenues	-2,558	-2,020	-4,345	-8,923
	<b>56,714</b>	<b>37,811</b>	<b>4</b>	<b>94,529</b>
Of which, revenue from balances that were contained in the contractual liabilities at the start of the period	51	0	0	51

## Notes to the consolidated financial statements: 21. Sales revenues

The sales revenues relate in part to contract manufacturing, in which goods are manufactured according to the customer's specifications and delivered to the customer. Further to this, the Group acts purely as a dealer of equipment.

Furthermore, the other liabilities of EUR 27 thousand (previous year: EUR 94 thousand) include contractual liabilities for extended warranties (service type: warranties). For this, part of the consideration is accrued as a contract liability and recognised over the period of the warranty. Thereof, EUR 7 thousand (previous year: EUR 24 thousand) are non-current and EUR 20 thousand (previous year: EUR 70 thousand) are current. All remaining performance obligations to customers are fulfilled within a year.

## Notes to the consolidated financial statements: 22. Change in inventories of unfinished/finished goods

This is the change in inventories of unfinished/finished goods from the data visualisation and power supply segments. The decline is due to the increased consumption and sales of finished goods, as well as the strained situation on the procurement market.

## Notes to the consolidated financial statements: 23. Other operating income

Other operating income breaks down as follows:

In thousand EUR	2024/2025	2023/2024
Income from the disposal of assets	12	16
Reduction IVA/ECL	44	2
Release of provisions	57	83
Benefits in kind	79	86
Income from exchange differences	1,130	831
Revenue from financial asset attribution	6	7
Other ordinary income	640	170
<b>Other operating income</b>	<b>1,968</b>	<b>1,196</b>

The other ordinary income includes income from compensation of EUR 241 thousand (previous year EUR 71 thousand).

## Notes to the consolidated financial statements: 24. Cost of materials

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The cost of materials includes outlay for the purchase of materials/goods and services for contract manufacturing. The cost of materials amounts to EUR 53,678 thousand (previous year: EUR 61,739 thousand).

Impairment of inventories, which are recognised as an expense in the period, amounts to EUR 329 thousand (previous year: EUR 384 thousand).

## Notes to the consolidated financial statements: 25. Personnel expenses

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Personnel expenses break down as follows:

In thousand EUR	2024/2025	2023/2024
Wages and salaries	13,311	14,069
Social security payments	2,134	2,053
Pension costs (defined contributions plans)	437	444
<b>Personnel expenses</b>	<b>15,881</b>	<b>16,566</b>

## Notes to the consolidated financial statements: 26. Depreciation

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Depreciation for the financial year breaks down as follows:

In thousand EUR	2024/2025	2023/2024
Intangible assets	108	106
Tangible assets and low-value assets	521	470
Goodwill CGU Power Supplies	740	0
Rights of use	1,075	1,163
<b>Depreciation</b>	<b>2,444</b>	<b>1,739</b>

## Notes to the consolidated financial statements: 27. Other operating costs

Other operating expenses break down as follows:

In thousand EUR	2024/2025	2023/2024
Currency losses	1,642	818
IT costs	1,195	1,542
Procured services, interim management, consultation	925	1,044
Costs of delivery of goods	916	852
Advertising and travel costs	820	804
Room costs, ancillary room costs and cleaning	801	688
Insurance cover and premiums	466	551
Personnel acquisition, training and other ancillary personnel costs	300	359
Financial statement and auditing costs	263	276
Communication costs	219	220
Vehicle costs	164	175
Other operating costs	758	1,061
<b>Other operating costs</b>	<b>8,470</b>	<b>8,391</b>

The costs of delivery of goods include additions to warranty provisions in the amount of EUR 486 thousand (previous year: EUR 179 thousand).

Procured services includes EUR 177 thousand in personnel leasing costs in various locations.

The ancillary personnel costs include EUR 189 thousand for personnel acquisition. The expenses arising due to currency conversion differences relate to the expenses of EUR 1,642 thousand (previous year: EUR 818 thousand (previous year: EUR 1,902 thousand) realised in the respective financial year upon payment and unrealised expenses from the reporting date evaluation.

## Notes to the consolidated financial statements: 28. Research and development costs

Research and development costs are included in the Group income statement at EUR 1,965 thousand in the financial year (previous year: EUR 2,570 thousand). The expenses are primarily included in the personnel expenses and other operating expenses.

## Notes to the consolidated financial statements: 29. Interest result (net profits and losses from financial instruments)

The interest result consists of the balance of interest income from financial assets that are kept for liquidity management and that amount to EUR 273 thousand (previous year: EUR 149 thousand), and interest expenses that amount to EUR 181 thousand (previous year: EUR 134 thousand). The interest expenses contain EUR 164 thousand (previous year: EUR 109 thousand) interest for lease liabilities and EUR 15 thousand (previous year: EUR 19 thousand) for finance costs for financial liabilities.

## Notes to the consolidated financial statements: 30. Taxes on income and earnings

Corporation tax, solidarity surcharge and trade tax as well as income taxes for Switzerland, Great Britain and the USA are reported in the consolidated financial statements at the tax rates applicable on the balance sheet date.

The Group income tax burden amounts to 30.8 % (previous year: 25.4 %) and includes corporation tax and trade tax charges.

The income taxes are broken down according to origin as set out in the following (in thousand EUR):

In thousand EUR	2024/2025	2023/2024
Taxes paid or owing		
- Germany	542	1,570
- Abroad (CH, GB, USA, CZ)	418	462
	960	2,032
Deferred taxes		
- From timing differences/ consolidation	(361) 0	2 -231
- From losses carried forwards		
	-361	-229
<b>Income tax</b>	<b>599</b>	<b>1,803</b>

The actual tax expense in the FORTEC Group of EUR 599 thousand (previous year: EUR 1,803 thousand) is EUR 28 thousand (previous year: EUR 179 thousand) above the theoretical tax expense resulting from applying an expected Group tax rate of 29.33 % to the pre-tax Group result.

Reconciliation of the theoretically expected tax expense to the actual tax expense reported in the consolidated statement of comprehensive income is shown below (in thousand EUR):

In thousand EUR	2024/2025	2023/2024
Result before income taxes	1,948	7,106
Nominal income tax rate incl. trade tax	29.33 %	29.30 %
Forecast income tax expense with uni. tax burden	571	2,082
Increase/decrease in income tax burden due to:		
- Low tax burden abroad	-8	-27
- Use of unrecognised losses carried forwards	-22	-302
- Non-deductible operating expenses	104	15
- Group-internal income (dividends)	51	35
- Tax payments for previous years	-4	38
- Unrecognised deferred taxes on losses from previous years	-333	0
- Goodwill amortisation in the group	217	0
- Other deviations	23	-38
Reported income tax burden	599	1,803
<b>Effective income tax rate</b>	<b>30.78 %</b>	<b>25.37 %</b>

## Notes to the consolidated financial statements: 31. Segment reporting

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The Group is active in the areas of data visualisation and power supplies and has defined these areas as business segments for the purpose of internal management, as they are largely autonomous and managed separately within the Group. The customer and cost structures lead to the following breakdown in accordance with IFRS 8:

The "Data visualisation" business segment combines two of the product areas "Display Technology" and "Embedded Computer Technology" into one data visualisation system. With this, FORTEC offers complex solutions for an innovative market. The fields of competence range from the delivery of system-tested standard kits, to support services in the area of hardware and software for the sale of standard devices, e.g. for professional display systems for industry or digital signage as well as complete monitors. Furthermore, the FORTEC portfolio also includes customer-specific product solutions with access to TFT controller and drive solutions developed in-house, as well as the latest generation of optical bonding technology.

In the power supplies segment, FORTEC covers the complete product range of power supplies and DC/DC converters, from standard products from the Far East, through series devices modified in Germany, right to customer-specific developments for niche markets. The operating results of the segments are each monitored by the Management Board, the responsible company body, to facilitate making decisions about the allocation of resources and to determine the profitability of the units.

The development of the segments is assessed on the basis of the result and evaluated in accordance with the result in the consolidated financial statements. The segment reporting was adjusted to the revised summary of the operations, designed to control the company. The previous year is shown in comparable figures.



2024/2025 In thousand EUR	Data visualisation	Power supplies	Remaining	Sum	Reconciliation	Total
External revenues	44,141	35,565	10	79,717	-	79,717
Revenues between the segments	2,694	1,801	3,632	8,127	-8,127	-
<b>Total revenues</b>	<b>46,835</b>	<b>37,366</b>	<b>3,643</b>	<b>87,844</b>	<b>-8,127</b>	<b>79,717</b>
Gross profit or loss	15,476	11,562	3,642	30,680	-3,996	26,683
Cost of sales	31,463	25,978	1	57,442	-4,130	53,311
Personnel expenses	9,287	5,004	1,590	15,881	-	15,881
Depreciation	1,164	428	113	1,704	740	2,444
EBIT	2	2,484	90	2,577	-721	1,856
External orders received	40,733	36,338	-	77,072	-	77,072
Internal orders received	2,304	465	-	2,769	-2,769	-
<b>Total orders received</b>	<b>43,038</b>	<b>36,804</b>	<b>-</b>	<b>79,841</b>	<b>-2,769</b>	<b>77,072</b>
External order backlog	31,694	19,014	-	50,708	-	49,965
Internal order backlog	637	107	-	744	-744	-
<b>Total order backlog</b>	<b>31,694</b>	<b>19,014</b>	<b>-</b>	<b>50,708</b>	<b>-744</b>	<b>49,965</b>
Inventories	11,750	9,565	-	21,315	-69	21,246

2023/2024 In thousand EUR	Data visualisation	Power supplies	Remaining	Sum	Reconciliation	Total
External revenues	56,714	37,811	4	94,529	-	94,529
Revenues between the segments	2,558	2,020	4,345	8,923	-8,923	-
<b>Total revenues</b>	<b>59,371</b>	<b>39,832</b>	<b>4,349</b>	<b>103,452</b>	<b>-8,923</b>	<b>94,529</b>
Gross profit or loss	20,713	12,017	3,842	36,571	-4,013	32,558
Cost of sales	38,285	27,874	507	66,666	-4,923	61,744
Personnel expenses	9,842	5,061	1,664	16,556	-	16,566
Depreciation	1,125	527	88	1,739	-	1,739
EBIT	3,575	2,990	332	6,898	130	7,058
External orders received	39,689	25,221	-	64,910	-	64,910
Internal orders received	1,392	272	-	1,665	-1,665	-
<b>Total orders received</b>	<b>41,082</b>	<b>25,493</b>	<b>-</b>	<b>66,574</b>	<b>-1,665</b>	<b>64,910</b>
External order backlog	35,028	18,391	-	53,419	-	53,419
Internal order backlog	598	129	-	727	-727	-
<b>Total order backlog</b>	<b>35,626</b>	<b>18,520</b>	<b>-</b>	<b>54,146</b>	<b>-727</b>	<b>53,419</b>
Inventories	12,223	10,160	-	22,382	-92	22,290

## Notes to the consolidated financial statements: 31. Segment reporting

The valuation bases and accounting principles for the segments correspond to the valuation bases and accounting principles of the company and the group.

The power supplies segment result includes EUR 8 thousand (previous year: EUR 24 thousand) and the data visualisation segment result includes EUR 49 thousand (previous year: 59 EUR thousand) from the reversal of provisions.

The power supplies segment result includes EUR 8 thousand (previous year: EUR 8 thousand) and the data visualisation segment result includes EUR 49 thousand (previous year: EUR 0 thousand) from the release of warranty provisions that were formed in the previous year and were not required.

The group's profit or loss before tax is derived as follows:

In thousand EUR	2024/2025	2023/2024
Total of segment results EBIT	2,577	6,898
Group management and consolidation intermediate results	721	160
EBIT	1,856	7,058
Revenue from participations	0	33
Interest result	92	15
<b>Result before taxes</b>	<b>1,948</b>	<b>7,106</b>

## Information on geographical areas

### Sales revenues

The breakdown of domestic and foreign revenue for the segments can be found in section 21.

### Non-current assets

Non-current assets and investments break down as follows:

In thousand EUR	Domestic	Foreign
Goodwill Data Visualisation	1,819	987
Previous year	2,559	997
Goodwill Power Supplies	236	2,772
Previous year	236	2,710
<b>Goodwill</b>	<b>2,056</b>	<b>3,758</b>
Previous year	2,796	3,707
Intangible assets	777	24
Previous year	282	49
Tangible fixed assets	3,958	147
Previous year	4,283	197
Rights of use	5,600	618
Previous year	3,923	906
<b>Total</b>	<b>12,391</b>	<b>4,548</b>
Previous year	11,285	4,860
<b>Investments</b>	<b>849</b>	<b>89</b>
Previous year	786	134

## Notes to the consolidated financial statements: 32. Currency conversion

The total equity capital included EUR 1,907 thousand (previous year: EUR 1,691 thousand) of currency conversion differences from the conversion of foreign currency transactions. These have developed (in thousand EUR) as follows:

In thousand EUR	
As at 01/07/2023	1,691
Addition 2023/2024	216
As at 30/06/2024	1,907
Addition 2024/2025	-241
As at 30/06/2025	1,666

The addition primarily results from the continued development of the currency conversion from the recognition of the goodwill of FORTEC Switzerland AG at the closing rate as well as from the conversion of the equity of the foreign subsidiaries FORTEC United States Corp. (US), FORTEC Switzerland AG (CH), FORTEC Technology UK Ltd. (UK), FORTEC Czech Republic s.r.o (CZ) and FORTEC Electronic Design and Solutions Egypt SMLC (EG).

In the statement of comprehensive income, EUR -241 thousand (previous year: EUR 216 thousand) from currency conversions is recognised as an expense (income less expenses).

## Notes to the consolidated financial statements: 33. Notes to the cash flow statement

The Group cash flow statement distinguishes between cash flow from operating activities (indirect method), from investments and from financing (direct method in each case).

Cash and cash equivalents (liquid funds) include cash on hand and bank balances. The composition of cash on hand and bank balances is shown in section 14. The cash and cash equivalents are not subject to any restraints on disposal.

The cash flow from financing activities includes repayments from rental and leasing contracts in the financial year amounting to EUR 1,021 thousand (previous year: EUR 1,144 thousand). Interest payments for rental and leasing relationships in the amount of EUR 109 thousand (previous year: EUR 109 thousand) are included in the operative items. The Group has been granted credit lines of EUR 8,000 thousand. Credit lines in the amount of EUR 7,633 thousand can be used in the short term (IAS 7.50b).

The changes in liabilities from financing activities are as follows:

In thousand EUR	01/07/2024	Cash-effective	Exchange rate changes	Changes to fair value	New lease agreements	Other changes	30/06/2025
Current interest-bearing loans	333	(333)	-	-	-	333	333
Previous year	333	(333)	-	-	-	333	333
Current leasing liabilities	1,040	(992)	(18)	(125)	59	959	922
Previous year	1,052	(1,144)	4	-	320	808	1,040
Non-current interest-bearing loans	944	-	-	-	-	(333)	611
Previous year	1,278	-	-	-	-	(333)	944
Non-current leasing liabilities	3,973	-	(22)	-	2,407	(990)	5,368
Previous year	3,957	-	8	-	8	(808)	3,973
<b>Total liabilities from financing activities</b>	<b>6,291</b>	<b>(1,326)</b>	<b>(40)</b>	<b>2,129</b>	<b>211</b>	<b>(32)</b>	<b>7,235</b>
<b>Previous year</b>	<b>6,621</b>	<b>(1,478)</b>	<b>12</b>	<b>-</b>	<b>1,137</b>	<b>0</b>	<b>6,291</b>

## Notes to the consolidated financial statements: 34. Capital management

The Group's objective is to sustain a strong capital base in order to maintain investor, market and creditor confidence. The objective of capital management is to ensure that business operations are based on a high level of equity financing. To maintain or adjust the capital structure, the Group may make adjustments to dividend payments and share buybacks, and issue new shares.

The group monitors capital using a ratio of equity to net financial debt (capital controlling indicator). The capital tax ratio should be above four. Net financial debt includes all debts according to the balance sheet less cash and cash equivalents. The equity capital comprises the equity capital shown in the balance sheet.

In thousand EUR	30/06/2025	30/06/2024
Total debts	17,152	21,041
Less cash and cash equivalents	(19,203)	(22,259)
Net debt	0	0
Equity capital	56,106	57,762
<b>Capital controlling indicator</b>	<b>-</b>	<b>-</b>

## Notes to the consolidated financial statements: 34. Capital management

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At the end of the 2024/2025 financial year, the FORTEC Group does not have any net financial debts, as the cash and cash equivalents exceed the total debts. Calculating the capital controlling indicator is therefore not possible.

The FORTEC group defines the net financial assets as a further liquidity protection amount 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 18.3 million (previous year: EUR 21.0 million).

## Notes to the consolidated financial statements: 35. Supervisory Board

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Members of the supervisory board in the financial year were:

### Christoph Schubert

Chairman

Dortmund, accountant | auditor

Mr Christoph Schubert is also a member of the following control boards:

Müller – Die lila Logistik AG, Besigheim

Kath. St. Paulus GmbH, Dortmund (until 08 April 2025)

Cardiac Research Gesellschaft für medizin-biotechnologische Forschung mbH, Dortmund

### Dr Andreas Bastin

Deputy chairman

Hamm, Dr. Ing. Mechanical Engineering

Deputy chairman Dr Andreas Bastin is also a member of the following control board:

Montanhydraulik GmbH, Holzwickede

### Christina Sicheneder

Employee representative

Grafrath, Dipl. Kffr. (MBA in wholesale and foreign trade)

The total remuneration of the members of the Supervisory Board as related parties amounted to EUR 113 thousand in the reporting year (previous year: EUR 90 thousand). Of this amount, outstanding liabilities as at 30 June 2025 amounted to EUR 76 thousand (previous year: EUR 62 thousand).

## Notes to the consolidated financial statements: 36. Transactions with related companies and people

Together, JotWe GmbH and die FloJulCosMar GmbH hold 25.07 % of the shares in FORTEC Elektronik Aktiengesellschaft. Based on quorum presence majorities in the past, JotWe GmbH and FloJulCosMar GmbH could possibly control FORTEC Elektronik Aktiengesellschaft and would then be classified as a controlling party. However, FORTEC Elektronik Aktiengesellschaft has no knowledge of any actual control to date.

Transactions with other related parties are as follows:

In thousand EUR	Values of business transactions		Balances outstanding as at 30.06.	
	2024/2025	2023/2024	2025	2024
Sale of goods and services to - to participations/associated companies	114	254	9	0
Services - of other related parties	5	5	0	0
Income from investments by Advantec B.V.	0	33	0	0
Dividends to - Associated companies (JotWe GmbH and FloJulCosMar GmbH)	708	708	0	0

### Conditions of transactions with related companies and persons

The sales and purchases of goods are in line with standard market conditions. The services relate to a person closely associated with a former member of the Executive Board. The consulting services are the subject of a compliance violation.

At the end of the financial year, there were outstanding balances of EUR 9 thousand (previous year: EUR 0 thousand).

## Notes to the consolidated financial statements:

### 37. Remuneration of key management personnel

The group establishes the Management Board members as key management personnel. In the current year, personnel costs were as follows:

In thousand EUR	2024/2025	2023/2024
Short-term employee benefits	599	734
Post-employment benefits	0	0
Other benefits due	10	39
Termination benefits	0	0
Share-based remuneration	0	0
	609	773

The total remuneration of the Management Board of FORTEC amounts to EUR 609 thousand (previous year: EUR 773 thousand), which includes performance-related remuneration in the amount of EUR 58 thousand (previous year: EUR 233 thousand). The total remuneration also includes ancillary services, which are assessed according to the monetary benefit for tax purposes.

## Notes to the consolidated financial statements: 38. Auditor's fees

The total fees of the auditor for the services rendered by the auditors of the consolidated financial statements, Rödl & Partner GmbH, Wirtschaftsprüfungsgesellschaft, Munich, are shown in the table below:

In thousand EUR	2023/2024	2022/2023
Audits of financial statements	144	139
Accountancy services	0	0
Other auditing services	0	1
	144	140

The fees for audits include the fees for the audit of the consolidated financial statements, including the domestic subsidiaries, and the audit of the financial statements of FORTEC Elektronik Aktiengesellschaft.



## Notes to the consolidated financial statements: 39. Other regulations according to stock corporation law

The following notifications were submitted by the company in accordance with sections 33/34 in conjunction with 40, paragraph 1 of the Securities Trading Act (formerly sections 21 in conjunction with 26, paragraph 1 of the Securities Trading Act) in the previous financial years up to the time of preparation:

Notifiable company	Reporting date of the notification	Share of voting rights on the reporting date	Reaching the notification thresholds
TRM Beteiligungsgesellschaft mbH	31/08/2012 15/09/2023 17/05/2024	31.41 % 5.16 % 0.00 %	3 %; 5 %; 10 %; 15 %; 20 %; 25 %; 30 % 10 % 5 %, 3 %)
Scherzer Co KG (formerly Scherzer & Co. AG)	09/11/2012 10/01/2013 26/02/2013 18/07/2013 20/02/2014	3.05 % 5.07 % 2.82 % 3.38 % 2.18 %	3 % 5 % 5 %; 3 % 3 % 3 %
KR Fonds Investmentgesellschaft mit variablem Kapital (SICAV)	13/10/2016 15/04/2021	4.41 % 2.17 %	3 % 3 %
GS&P Kapitalanlagegesellschaft Luxemburg	17/07/2018 26/07/2018	3.077 % 2.93 %	3 % 3 %
Schüchl GmbH	09/02/2022 23/02/2022	3.08 % 5.20 %	3 % 5 %
Joachim Wiegand and Nikolaus Wiegand	11/09/2023 15/09/2023	25.07 %	25 %;
JotWe GmbH <sup>1)</sup> FloJulCosMar GmbH <sup>1)</sup>		10.06 % 15.01 %	

1) Joachim Wiegand and Nikolaus Wiegand announced that the share of voting rights in FORTEC Elektronik Aktiengesellschaft was increased on 11 September 2023 by means of a purchase agreement and pool agreement and amounted to 25.07 % (corresponding to 815,000 voting rights) on that day. In a purchase agreement, JotWe GmbH agreed to acquire 488,000 shares and FloJulCosMar GmbH agreed to acquire 327,000 shares from TRM Beteiligungsgesellschaft mbH. JotWe GmbH and FloJulCosMar GmbH have agreed on the subsequent acquisition with shares from the purchase agreement as well as the exercise of voting rights from the shares to be acquired and have thus coordinated their activity by means of a corresponding agreement.

JotWe GmbH announced that the share of voting rights in FORTEC Elektronik Aktiengesellschaft was increased on 15 September 2023, and that the figure on that date amounted to 25.07 %.

FloJulCosMar GmbH announced that the share of voting rights in FORTEC Elektronik Aktiengesellschaft was increased on 15 September 2023, and that the figure on that date amounted to 25.07 %.

JotWe GmbH (share: 488,000 shares) and FloJulCosMar GmbH (share: 327,000 shares) have agreed on the exercise of the voting rights from the shares held by them and have therefore coordinated their activity through a corresponding agreement.

## Notes to the consolidated financial statements:

### 40. Other disclosures

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In the financial year, the Group employed an average of 236 (previous year: 243) employees, of which 2 are temporary staff (previous year: 2). On average, there were 3 trainees in various locations over the course of the year.

FORTEC Elektronik Aktiengesellschaft had the following board members during the financial year:

**Sandra Maile, Dipl. Kffr.**

Management Board (Chair) until 6 October 2025  
Ludwigsburg

**Ulrich Ermel, Dipl. Ing. (FH)**

Management Board  
Maisach

We refer to No. 41 for any events after the balance sheet date.

The Management Board and the Supervisory Board have issued the declaration on the application of the Corporate Governance Code required by section 161 of the German Stock Corporation Act (AktG) and made it permanently available to shareholders on the Internet at: (<https://www.fortecag.de/investor-relations/corporate-governance/>)

(sections 285 no. 16 and 314 (1) no. 8 of the German Commercial Code).

The Management Board proposes a total dividend of EUR 1,300,174.40 (previous year: EUR 2,762,870.60). A total of 3,250,436 no-par value shares with a nominal value of EUR 0.40 each (previous year: EUR 0.85) are entitled to a dividend payment. EUR 62 thousand of deferred tax assets are subject to the payout block in accordance with section 268, paragraph 8 of the German Commercial Code. The excess amount of EUR 13,855,626.84 is to be carried forward as the profit carried forward to the new accounts.

The earnings per share amount to EUR 0.41 (previous year: EUR 1.63).

The following ad hoc announcement was published prior to the preparation of the consolidated financial statements.

**07/02/2025**

FORTEC Elektronik AG: Adjustment to the turnover and earnings forecast for the 2024/2025 financial year

## Notes to the consolidated financial statements: 41. Events following the balance sheet date

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On 11 July 2025, FORTEC Elektronik Aktiengesellschaft acquired 100 percent of the shares and voting rights in Nottrott B.V. in the Netherlands from Coro II B.V. and therefore took over control of the company. Identifiable assets and debts acquired at the time of acquisition are inputs (tangible assets, inventories and customer relationships), as well as production processes and include an organised workforce. FORTEC therefore concludes that the acquired inputs and processes together contribute to the capability of achieving income. FORTEC came to the conclusion that the acquired Dutch company is an asset-holding operation as defined by IFRS 3.

The transaction provides FORTEC with the opportunity to expand its product range. Furthermore, we expect that the acquisition of

Nottrott B.V. in the data visualisation segment of the FORTEC group will provide access to customers in the maritime market. FORTEC also expects cost reductions due to the effects of synergies.

In the 2024/2025 financial year, Nottrott B.V. did not contribute sales revenues nor profit to the group's results. The preliminary consideration transferred at the time of acquisition is EUR 7.47 million in cash and cash equivalents.

FORTEC incurred transaction costs of EUR 134 thousand at the balance sheet date. These costs are included in the other operating expenses.

The recognised amounts of the acquired assets and the assumed debts at the time of acquisition are summarised below.

In thousand EUR	
Tangible assets	22
Intangible assets	1,455
Inventories	939
Receivables from deliveries and services	443
Other assets	587
Cash and cash equivalents	1,074
Financial liabilities	-33
Liabilities from deliveries and services	-62
Provisions	-83
Tax liabilities	-568
Other liabilities	-2
Deferred tax liabilities	-375
<b>Total identifiable acquired net assets</b>	<b>3,398</b>

If new information on facts and circumstances comes to light within one year of the time of acquisition, which existed at the time of acquisition and would have caused the aforementioned

amounts to be corrected or would have caused additional provisions, the company's accounting will be adjusted.

The preliminary goodwill is determined as follows:

In thousand EUR	
Consideration transferred (preliminary)	7,466
Fair value of the identifiable net assets	3,398
<b>Goodwill</b>	<b>4,068</b>

The goodwill mainly results from the market knowledge, the capabilities and the specialist qualifications of Nottrot, as well as the expected synergies from integrating the company into the

FORTEC group. The recognised, preliminary goodwill is not expected to be tax-deductible.

## Notes to the consolidated financial statements: 41. Events following the balance sheet date

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On 13 October 2025, FORTEC Elektronik AG acquired 63.3 percent of the shares in Advantec Electronics B.V. in the Netherlands. FORTEC Elektronik AG now holds 100 percent of the shares and voting rights and has gained control of the company. Advantec Electronics B.V. operates in the power supply segment. The consideration transferred at the time of acquisition amounts to EUR 305 thousand in cash. The net assets acquired as of 30 June 2025, amount to EUR 246 thousand. The main assets are bank balances amounting to EUR 226 thousand. Due to the low materiality, the Group has not yet carried out a preliminary purchase price allocation.

On 6 October 2025, the Supervisory Board of FORTEC decided for good cause to revoke the appointment of Ms Sandra Maile as a member of the Executive Board and to revoke her appointment as Chair of the Executive Board of the company, both with immediate effect. The revocation is also related to a compliance violation with regard to consulting services provided by a person close to the former member of the Executive Board.

The former member of the Executive Board has taken legal action against the dismissal, and FORTEC believes, based on legal advice, that it has a good chance of successfully defending itself against the lawsuit.

On 10 November 2025, the Supervisory Board appointed an interim manager to support the Management Board, who will act in an advisory capacity and take over the duties of Ms Maile.

On 30 September 2025, Mr Ulrich Ermel informed the Supervisory Board that he would not be available for another term of office and intended to step down from the FORTEC Executive Board by 30 June 2026 at the latest.

## Notes to the consolidated financial statements: 42. Release for publication

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The consolidated statements were prepared and authorised for issue by the Management Board on 17 November 2025.

Germering, 17 November 2025  
FORTEC Elektronik Aktiengesellschaft

**Ulrich Ermel**  
Management Board

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# Responsibility statement

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I state that, to the best of my knowledge and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Company.

Germering, 17 November 2025  
FORTEC Elektronik AG

Ulrich Ermel  
Vorstand

## Independent Auditor's Report

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### Auditor's opinions

We have audited the consolidated financial statements of FORTEC Elektronik Aktiengesellschaft, Germering, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 30 June 2025, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the financial year from 01 July 2024 to 30 June 2025, and notes to the consolidated financial statements, including significant information regarding the accounting methods. We have also audited the group management report of FORTEC Elektronik Aktiengesellschaft, Germering, for the financial year from 01 July 2024 to 30 June 2025. In accordance with German legal requirements, we have not reviewed the content of the components of the group management report referred to in the section 'Other information' of our auditor's report.

Based on the findings of our audit, it is our opinion that

→ the accompanying consolidated financial statements comply in all material respects with the IFRS Accounting Standards issued by the International Accounting Standards Board (subsequently referred to as "IFRS Accounting Standards") as adopted by the EU and the additional requirements of German law in accordance with section 315e, paragraph 1 of the

German Commercial Code and give a true and fair view of the financial position of the Group as at 30 June 2025 and of its financial performance for the financial year from 01 July 2024 to 30 June 2025 in accordance with these requirements;

→ the accompanying group management report as a whole provides a suitable view of the Group's position. This group management report is consistent in all material respects with the consolidated financial statements, complies with German legal requirements, and accurately presents the opportunities and risks of future development.

In accordance with section 322, paragraph 3 clause 1 of the German Commercial Code, we hereby declare that our audit has not led to any reservations concerning the correctness of the consolidated financial statements and the group management report.

### Basis for the audit opinions

We conducted our audit of the consolidated financial statements and the group management report in accordance with section 317 of the German Commercial Code and the EU Statutory Audit Regulation (No. 537/2014; hereinafter "EU-AuditReg") and with consideration to the generally accepted German standards for the audit of financial statements promulgated by the IDW (institute of German auditors). Our responsibility according to

these regulations and principles is further described in the section "Auditor's responsibility for the audit of the consolidated financial statements and the group management report" contained in our auditor's report. We are independent of the Group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities pursuant to those requirements. Furthermore, pursuant to Article 10 section 2 lit. (f) EU-AuditReg, we declare that we have not performed any prohibited non-audit services pursuant to Article 5 section 1 EU-AuditReg. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and the group management report.

#### Audit matters of particular significance in the audit of the consolidated financial statements

Audit matters of particular significance are those matters that, in our professional judgement, were of most significance to our audit of the consolidated financial statements for the financial year from 1 July 2024 to 30 June 2025. These matters were considered in the context of our audit of the consolidated financial statements as a whole, and in forming our auditor's opinion accordingly; we do not provide a separate opinion on these matters.

## Impairment of goodwill

#### Reasons for designation as an audit matter of particular significance

Goodwill totalling EUR 5,814 thousand (10.36 % of equity) is recognised in the consolidated financial statements of the company. Goodwill is subjected to an impairment test by the company once a year - or on an ad hoc basis - in order to determine a possible need for depreciation. The impairment test is conducted at the level of the groups of cash-generating units to which the respective goodwill is allocated. Within the framework of the impairment test, the book value of the respective goodwill is compared with the corresponding recoverable amount. The recoverable amount is generally determined on the basis of the value of use. The basis for

the valuation is regularly the present value of future cash flows of the respective group of cash-generating units. The cash values are determined using discounted cash flow models, whereby the starting point is the Group's medium-term plan; this is updated with assumptions about long-term growth rates. Expectations regarding future market development and assumptions about the development of macroeconomic factors are also taken into account. Discounting is carried out using the weighted average cost of capital of the respective group of cash-generating units. The impairment test led to an impairment of goodwill totalling EUR 740 thousand.

The result of this valuation is highly dependent on the assessment of the legal representatives concerning the future cash inflows of the respective group of cash-generating units, the discount rate used and other assumptions, and is therefore subject to considerable uncertainty. Against this background and due to the complexity of the valuation, this matter was of particular significance in the context of our audit.

#### Our audit procedures

Within the framework of our audit, we verified such aspects as the methodical process for conducting the impairment test. After comparing the future cash inflows used in the calculation with the Group's approved mid-term planning, we assessed the appropriateness of the calculation - in particular by reconciling it with general and industry-specific market expectations based on analyst comments. Furthermore, we also assessed the appropriate consideration of the costs of Group functions. Knowing that even relatively small changes in the discount rate used can have a significant impact on the company value determined in this way, we intensely scrutinised the parameters used in determining the discount rate and gained an understanding of the calculation scheme. We have reproduced the sensitivity analyses prepared by the company, in order to take into account the existing forecast uncertainties.

#### Reference to related disclosures

The Company's disclosures regarding impairment testing and goodwill are included in section 2, subsection 2.13 "Assumptions and estimates" and section 5 "Acquired goodwill" of the notes to the consolidated financial statements.

# Independent Auditor's Report

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## Valuation of stocks

### Reasons for designation as an audit matter of particular significance

The consolidated financial statements of the company contain an amount of EUR 21,246 thousand, reported under the balance sheet item "Inventories", which consists primarily of merchandise and finished goods. This item represents 29 % of the balance sheet total. To ensure the ability to deliver, FORTEC procures and stores significant quantities of various hardware components, some of which are subject to a sales risk due to general technical developments. Finished goods and merchandise are valued at acquisition and production cost using the cost formula method or at net realisable value if this is lower than the acquisition and production cost. In order to ensure an accurate valuation, FORTEC reviews the value of the inventories on a regular basis. The basis for the value adjustments are estimation routines regarding the usability of the stocks due to declining marketability, too high a range and too low a realisable sales price. The Management reviews the plausibility of the devaluations determined in this way and subjects them to a further devaluation analysis and adjusts them manually if necessary. The determination of the applied devaluation rates is based on assumptions from past experience and is therefore subject to the discretion of the company's legal representatives.

### Our audit procedures

Taking into account the knowledge that there is an increased risk of misstatement in the financial statements due to the estimates and assumptions to be made, we reviewed the valuation procedures established by FORTEC and satisfied ourselves of their consistent application of the parameters for impairment testing. We also satisfied ourselves that manual valuation adjustments were reasonable based on the information available on the reporting date. Furthermore, we recalculated the devaluation amounts determined by the company on a sample basis and compared the deposited valuation prices with the most recently achieved sales prices for selected items, and also performed further plausibility assessments on the basis of analytical audit procedures (margin analysis).

We obtained confirmation from the sub-division auditors that the valuation of the inventories for the foreign subsidiaries was correct.

### Reference to related disclosures

Further information regarding the valuation of stocks can be found in subsection 2.13 "Assumptions and estimation uncertainties" and in subsection 2.2 "Stocks" under section 2 "Accounting and significant valuation principles" and in section 10 "Inventories" in the notes to the balance sheet in the notes to the consolidated financial statements of the company.

### Other information

The legal representatives or the Supervisory Board are responsible for the other information. The other information comprises:

- The declaration of the company's corporate governance that is referred to in the "Declaration on Corporate Governance in accordance with section 315d of the German Commercial Code" in the group management report and that is published on the company's website
- The details regarding the dependency report according to stock corporation law in accordance with section 312, paragraph 3, clause 3 of the German Stock Corporation Act (AktG), which were provided in the "Final declaration on the report regarding relationships with affiliated companies" section of the group management report
- The declaration pursuant to section 161 of the AktG concerning the German Corporate Governance Code, which is referred to in section "40. Other disclosures" in the notes to the consolidated financial statements
- The assurances of the legal representatives in accordance with section 297, paragraph 2, clause 4 and section 315, paragraph 1, clause 5 of the German Commercial Code regarding the annual financial statements and the group management report
- the sustainability report of FORTEC Elektronik Aktiengesellschaft, which is referred to in the section 'Non-financial reporting' in the group management report.



- The report of the Supervisory Board
- The further parts of the annual report, with the exception of the audited consolidated financial statements and the group management report, as well as our auditor's report.

The Supervisory Board is responsible for the supervisory board report. The legal representatives and the supervisory board are responsible for the declaration pursuant to section 161 of the AktG concerning the German Corporate Governance Code, which is part of the group corporate governance declaration. Furthermore, the legal representatives are responsible for the other information.

Our auditor's opinions on the consolidated financial statements and the group management report do not extend to the other information and, as such, we do not express an opinion or any other form of conclusion in relation to this information.

With regards to our audit of the consolidated financial statements, our responsibility is to read the above-mentioned other information and, in doing so, consider whether the other information is

- materially inconsistent with the consolidated financial statements, the content of the audited group management report or our knowledge obtained in the audit or
- apparently otherwise materially misstated.

If, as a result of the work we have performed, we conclude that there is a material misstatement of such other information, we are required to report this. We have nothing to report in this regard.

#### **Responsibility of the legal representatives and the Supervisory Board for the consolidated financial statements and the group management report**

The legal representatives are responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the IFRS Accounting Standards as adopted by the EU and the additional requirements of German law in accordance with section 315e, paragraph 1 of the German Commerci-

al Code and for such internal control as the legal representatives determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. In addition, the management is responsible for such internal control as they deem necessary in order to permit the preparation of consolidated annual financial statements that are free from material misstatement, whether due to fraudulent actions (i.e. manipulation of the accounting system or misstatement of assets) or error.

In preparing the consolidated financial statements, the legal representatives are responsible for assessing the Group's ability to continue as a going concern. Further to the above, the legal representatives are also responsible for disclosing matters related to going concern, insofar as these are relevant. The legal representatives are additionally responsible for accounting on a going concern basis, unless there is an intention to liquidate the group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the legal representatives are responsible for the preparation of the group management report, which as a whole provides a suitable view of the Group's position, is consistent in all material respects with the consolidated financial statements, complies with German legal requirements, and suitably presents the opportunities and risks of future development. Additionally, the legal representatives are responsible for implementing the provisions and measures (systems) that it has determined are necessary to enable the preparation of a group management report in accordance with the applicable German legal requirements and for providing sufficient appropriate evidence for the statements made in the group management report.

The Supervisory Board is responsible for overseeing the Group's accounting process for the preparation of the consolidated financial statements and the Group management report.

#### **Auditor's responsibility for the audit of the consolidated financial statements and the group management report**

Our objectives are to obtain reasonable assurance as to whether the annual financial statements as a whole are free from materi-

# Independent Auditor's Report

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al misstatement, whether due to fraudulent actions or error, and whether the management report as a whole provides an appropriate view of the Group's position and is consistent in all material respects with the consolidated annual financial statements and the knowledge obtained in the audit, complies with German legal provisions and appropriately presents the opportunities and risks of future developments, as well as to issue an auditor's report that includes our audit opinions on the consolidated annual financial statement and Group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with section 317 of the German Commercial Code, EU-AuditReg and the generally accepted German standards for the audit of financial statements promulgated by the institute of German auditors (IDW) will always detect a material misstatement. Misstatements may arise from fraudulent actions or errors and are considered material if they could individually or mutually be reasonably expected to influence the economic decisions of users taken on the basis of these consolidated annual financial statements and this Group management report.

During the audit, we exercise professional judgement and maintain a critical attitude. Furthermore, we

- identify and assess the risks of material misstatements in the consolidated annual financial statements and the Group management report, whether due to fraudulent actions or errors, plan and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of failing to detect a material misstatement resulting from fraud is higher than the risk of failing to detect a material misstatement resulting from errors, as fraud may involve collusion, forgery, intentional omissions, misleading representations or the override of internal controls.
- obtain an understanding of internal checks relevant to the audit of the consolidated financial statements and of arrangements and actions relevant to the audit of the group management report, in order to plan audit procedures that are appropriate under the circumstances, but not for the purpose

of expressing an opinion on the effectiveness of the group's internal checks or these arrangements and actions.

- evaluate the appropriateness of accounting policies employed and the reasonableness of the accounting estimates and related disclosures made by the legal representatives.
- draw conclusions on the appropriateness of the going concern basis of accounting employed by the legal representatives and, based on the audit evidence obtained, also on whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, in our auditor's report we are required to draw attention to the related disclosures in the consolidated financial statements and the group management report or, if such disclosures are inadequate, to modify our respective auditor's opinions. We draw our conclusions on the basis of the audit evidence obtained up to the date on which our auditor's report is formulated. Despite this, future events or conditions may nonetheless cause the Group to cease to continue as a going concern.
- evaluate the presentation, structure and content of the consolidated financial statements as a whole, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events such that the consolidated financial statements provide a true and fair view of the assets, financial position and results of operations of the Group in accordance with IFRS Accounting Standards as adopted by the EU and the additional requirements of German law in accordance with section 315e, paragraph 1 of the German Commercial Code.
- obtain sufficient appropriate audit evidence regarding the accounting information of the companies or business activities within the Group to express opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We bear sole responsibility for our auditor's opinions.
- evaluate the consistency of the group management report with the consolidated financial statements, its compliance with laws and regulations, and the understanding of the Group's position as conveyed by the group management report.

→ perform audit procedures on the forward-looking statements in the group management report as presented by the legal representatives. On the basis of sufficient appropriate audit evidence, we evaluate, in particular, the significant assumptions used by the management as a basis for its forward-looking statements, and evaluate the proper derivation of the forward-looking statements from these assumptions. We do not express an independent auditor's opinion regarding the forward-looking statements or the underlying assumptions. A significant unavoidable risk exists whereby future events may materially differ from the forward-looking statements.

We engage in discussions with the persons responsible for governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in the internal control system that we identify during our audit.

We also provide the persons responsible for governance with a statement confirming that we have complied with the relevant independence requirements, and discuss with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, the actions taken or safeguards implemented to address independence threats.

On the basis of the matters discussed with those responsible for governance, we determine those matters that were of particular significance to the consolidated financial statements of the current period and that are therefore the audit matters of particular significance. We describe these matters in the auditor's report unless law or regulation precludes public disclosure of the respective matter.

## Other statutory and other legal requirements

**Note regarding the audit of the electronic reproductions of the consolidated financial statements and the group management report prepared for disclosure purposes in accordance with section 317, paragraph 3a of the German Commercial Code**

### Auditor's opinion

In accordance with section 317, paragraph 3a of the German Commercial Code, we have performed a reasonable assurance engagement to determine whether the reproductions of the consolidated financial statements and the group management report (hereinafter also referred to as "ESEF documents") contained in the file "FORTEC\_KAP\_2025.zip" (SHA-256 Hashwert: 2f41fe0e4d1cc579d0032562378fb24a1fa273e9e321e24cdace1bd3e085ffd5) and prepared for the purpose of disclosure comply in all material respects with the requirements of section 328 paragraph 1 of the German Commercial Code regarding the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this audit only covers the transfer of the information from the consolidated financial statements and the management report into ESEF format and therefore neither the information contained in these reproductions nor any other information contained in the aforementioned file.

In our opinion, the reproductions of the consolidated financial statements and the group management report contained in the aforementioned file and prepared for the purpose of disclosure comply, in all material respects, with the requirements of § 328 section 1 HGB regarding the electronic reporting format. We do not express any auditor's opinion regarding the information contained in these reproductions or on the other information contained in the aforementioned file beyond this opinion and our opinions on the accompanying consolidated financial statements and the accompanying group management report for the financial year from 1 July 2024 to 30 June 2025 contained in the preceding "Report on the audit of the consolidated financial statements and the group management report".

### Basis for the auditor's opinion

We conducted our audit of the reproductions of the consolidated financial statements and the group management report contained in the aforementioned file in accordance with section 317, paragraph 3a of the German Commercial Code and the draft IDW auditing standard: Audit of electronic reproductions of financial statements and management reports prepared for disclosure purposes in accordance with section 317, paragraph 3a of the German Commercial Code (IDW PS 410 (06.2022)). Our associated

# Independent Auditor's Report

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responsibility is further described in the section "Auditor's responsibility for the audit of the ESEF documents". Our auditing practice has complied with the quality management system requirements of the IDW quality management standard: Requirements for quality management in the auditing practice (IDW QMS 1 (09.2022)).

## Responsibility of the legal representatives and the Supervisory Board for the ESEF documents

The legal representatives of the company are responsible for preparation of the ESEF documents with the electronic reproductions of the consolidated financial statements and the group management report in accordance with section 328, paragraph 1 clause 4, no. 1 of the German Commercial Code and for issuance of the consolidated financial statements in accordance with section 328, paragraph 1 clause 4, no. 2 of the German Commercial Code.

Furthermore, the legal representatives of the company are responsible for such internal controls as they deem necessary to enable preparation of the ESEF documents free from material non-compliance, be it due to fraud or error, with the electronic reporting format requirements in accordance with section 328, paragraph 1 of the German Commercial Code.

The Supervisory Board is responsible for overseeing the process of preparing the ESEF documents as part of the financial reporting process.

## Auditor's responsibility for the audit of the ESEF documents

Our objective is to obtain reasonable assurance as to whether the ESEF documents are free from material non-compliance, be it due to fraud or error, with the requirements of section 328, paragraph 1 of the German Commercial Code. During the audit, we exercise professional judgement and maintain a critical attitude. Furthermore, we

- identify and assess the risks of material non-compliance with the requirements of section 328, paragraph 1 of the German Commercial Code – be it due to fraud or error – plan and perform audit procedures in response to those risks, and obtain

audit evidence that is sufficient and appropriate to serve as a basis for our auditor's opinion.

- obtain an understanding of internal control relevant to the audit of the ESEF documents, in order to plan audit procedures that are appropriate in the given circumstances, but not for the purpose of expressing an auditor's opinion on the effectiveness of those controls.
- evaluate the technical validity of the ESEF documents, i.e. whether the file containing the ESEF documents complies with the technical specification for that file mentioned above as set out in Delegated Regulation (EU) 2019/815 as applicable on the reporting date.
- assess whether the ESEF documents provide a consistent XHTML representation of the audited consolidated financial statements and the audited group management report.
- assess whether the inline XBRL (iXBRL) issuance of the ESEF documentation provides an adequate and complete machine-readable XBRL copy of the XHTML reproduction of the version applicable on the reporting date in accordance with Articles 4 and 6 of Delegated Regulation (EU) 2019/815.

## Other information according to Article 10 EU-AuditReg

We were elected as auditors of the consolidated financial statements by the AGM on 13 February 2025. We were appointed by the Supervisory Board on 24 April 2025. We have served as auditors of the consolidated financial statements of FORTEC Elektronik Aktiengesellschaft, Germering, since the 2020/2021 financial year.

We herewith declare that the audit opinions contained in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 EU-AuditReg (audit report).

## Other matter - use of the auditor's report

Our auditor's report is always to be read in conjunction with the audited consolidated financial statements and the audited group management report, as well as the audited ESEF documents. The consolidated financial statements and the group management report provided in ESEF format, including the versions to

be entered in the company register, are only electronic reproductions of the audited consolidated financial statements and the audited group management report. In particular, the ESEF remark and our audit opinion contained therein may only be used in conjunction with the audited ESEF documents provided in electronic form.

#### Auditor responsible

The auditor responsible for the audit is Felix Haendel.

Munich, 25 October 2025

#### Rödl Audit GmbH

Auditors

Hager

Auditor

Haendel

Auditor

# Legal Notice

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