Year end report

2023

CONSOLIS

YEAR END REPORT 2023

The fourth quarter October to December

• Net sales amounted to € 249 million (321), corresponding to a decrease of 22 percent. Currency effects had a negative impact of 2 percent.

• Operating profit (EBIT) amounted to € -6.7 million (-4.6).

• Adjusted EBITDA amounted to € 14.7 million (21.1), corresponding to a margin of 5.9 percent (6.6). Exchange rates had a positive impact of 1 percent.

• Order book decreased 4 percent to € 542 million, compared to € 565 million at the beginning of the quarter. Order intake in the quarter totaled € 223 million, and the book to bill ratio corresponded to 0.9 (0.6).

• Free cash flow in the quarter amounted to € 32.7 million (45.2), primarily explained by working capital seasonality effects. LTM cash conversion was 66 percent.

Full year 2023

• Net sales amounted to € 1,044 million (1,295), corresponding to a decrease of 19 percent. Currency effects had a negative impact of 4 percent.

• Operating profit (EBIT) amounted to € -4.5 million (18.4).

• Adjusted EBITDA amounted to € 67.4 million (75.9), corresponding to a margin of 6.5 percent (5.9). Exchange rates had a negative impact of 6 percent.

• Free cash flow in the period amounted to € 23.6 million (34.1). LTM cash conversion was 66 percent.

• A sale and leaseback of two plants was completed during the year in Denmark. The proceeds from the sale amounted to € 16.5 million. Due to a repurchase clauses this was not considered to be a sale under IFRS 15. The real estate are kept on the balance sheet, and a financial liability amounting to € 16.5 million was recognized.

• During the year the ongoing restructuring program in East Nordics and West Nordics has adjusted the capacity significantly, with closure of one plant in East Nordics, one in West Nordics and mothballing of an additional plant in West Nordics. In totality we expect the cost range to be as previously communicated €11-13 million of which €11.4 million is booked now.

Key metrics, Consolis Group

	Oct-Dec		Full year	
(€ in million)	2023	2022	2023	2022
Net sales	249	321	1,044	1,295
Adjusted EBITDA	14.7	21.1	67.4	75.9
Adjusted EBITDA %	5.9%	6.6%	6.5%	5.9%
Operating profit (EBIT)	(6.7)	(4.6)	(4.5)	18.4
Free cash flow	32.7	45.2	23.6	34.1
Operating cash flow	35.8	50.6	44.3	48.9
Cash conversion %	244%	240%	66%	64%
Order book (end of period)	542	674	542	674
Order intake	223	188	897	1,070
Book to bill ratio	0.9	0.6	0.9	0.8

The Issuer Compact Bidco B.V. is a private company with limited liability (besloten vennootschap met beperkte aansprakelijkheid) incorporated under the laws of the Netherlands. Compact Bidco B.V. is the direct parent company of Consolis Group. Figures in this report reflect the consolidated accounts of Consolis Holding S.A.S. Refer to p 7 for comparison between Compact Bidco B.V. and Consolis Holding S.A.S. figures

CEO COMMENTS

Consolis delivered a fourth quarter with adjusted EBITDA of € 14.7 million (21.1) corresponding to an adjusted EBITDA margin of 5.9 percent (6.6). The market continued to be challenging and sales declined by 22 percent. Order intake amounted to € 223 million, an increase of 19 percent compared to last year but with a book-to-bill for seventh consecutive quarter below 1, at 0.9 in the quarter. LTM cash conversion by end of 2023 was 66 percent (64).

CHALLENGING MARKET CONDITIONS

During the fourth quarter we saw market conditions deteriorate further as trends seen in previous quarters strengthened. The slowdown in our markets continues to be clearly driven by weak demand for new residential buildings, but since Q3 also a softening in new non-residential buildings.

In the fourth quarter, we brought in € 223 million of new order intake, an improvement by € 36 million compared to last year. Although an improvement, book to bill in Q4 closed below 1.0 at 0.9. This was the seventh consecutive quarter (since Q2 2022) where we have had a book to bill for the group below 1.0 indicating a shrinking business.

As a consequence of the low market and order intake in recent history, we in Q4 continued to see revenues decline, amounting to € 249 million and decreasing by 22 percent or € 72 million compared to same period last year. Consequently we also saw adjusted EBITDA in the quarter drop to € 14.7 million (21.1). While revenue declined significantly, we in the quarter also consumed additional order book as it declined to € 542 million (674), 4 percent down since Q3 and 20 percent down since last year. While we see the tough market environment prevail, we still have good tender activity in many of our markets and we continue to protect our market share in all markets were we operate.

UNBALANCED PERFORMANCE

As seen in group performance, we are currently navigating in a very challenging market environment. However, the impact varies significantly between our markets and regions, with markets exposed to the residential segment being significantly more challenged.

This is most clearly seen in the two Nordic segments (West- and East) and the Netherlands in West Europe that are mainly exposed to the residential market. Net sales in these regions declined by 38, 44 and 14 percent respectively meanwhile Spain as part of West Europe experiencing modest growth. Sales have dropped significantly in these markets during 2023 without any sign of improved order intake. This also impacted the order book that we closed 2023 with in these regions. Comparing to a year ago order book was down 29, 41 and 5 percent in each respective segment. To put this in perspective the total order book delta for these three markets compared to a year ago was minus € 125 million.

The challenging development in order intake, net sales and as a consequence profitability in these regions are also impacting our cash generating ability locally.

SIGNIFICANT ACTIONS FOR RESILIENCE

We have since the first signs of market slowdown taken multiple actions to mitigate the impact on group performance and strengthen the group for a prolonged period of slow market conditions. Comparing with our operational foot-print mid-2022 we have taken out significant capacity in primarily West- and East Nordics. This includes closing of two factories, mothballing of five factories and significant reductions in capacity elsewhere by closing down halls and lines, and with this also adjustments on central support functions. We assess to have taken out some 25-30 percent capacity within the two Nordic regions since last summer.

In the end, cash is what matters in a challenging environment. To keep our resilience also on liquidity we have during 2023 completed one sale and leaseback in Denmark and then an additional transaction during the first days of January 2024 in the Netherlands. These have in total added some € 42 millions of liquidity to the group. But, as the current market environment prolongs we continue to monitor the market for potential additional strategic transactions to strengthen group liquidity.

POSITIONING FOR FUTURE RECOVERY

During 2023, some 30 percent (9) of Consolis total produced volumes was Green Spine Line®. This equals some 1.0 million tons (0.4) of certified products with a direct saving of over 33,000 tons of CO2 (12,000) when compared to regular precast concrete. Green Spine Line® is a high priority for us and we see large potential in this going forward. Because, by prioritizing our Green Spine Line® concept and the area of low carbon concrete also in a downturn market we aim to secure that long-term we are in a place to capitalize on the underlying trend with pent-up demand for residential housing in our major markets, requests for lower carbon dioxide building products and attractive precast industry tailwinds.

Stockholm
22 February, 2024

Mikael Stöhr
President Consolis

CONSOLIS GROUP

Key metrics, Consolis Group

	Oct-Dec			Full year		
(€ in million)	2023	2022	Δ%	2023	2022	Δ%
Net sales	249	321	(22%)	1,044	1,295	(19%)
Adjusted EBITDA	14.7	21.1	(31%)	67.4	75.9	(11%)
Adjusted EBITDA %	5.9%	6.6%		6.5%	5.9%	
Operating profit (EBIT)	(6.7)	(4.6)	45%	(4.5)	18.4	(125%)
Free cash flow	32.7	45.2	(28%)	23.6	34.1	(31%)
Operating cash flow	35.8	50.6	(29%)	44.3	48.9	(9%)
Cash conversion %	244%	240%		66%	64%	
Order book (end of period)	542	674	(20%)	542	674	(20%)
Order intake	223	188	19%	897	1,070	(16%)
Book to bill ratio	0.9	0.6		0.9	0.8	

GROUP DEVELOPMENT

October to December

Net sales amounted to € 249 million (321), corresponding to 22 percent sales decline. FX effect impacted negative by 2 percent. West Nordic, East Nordic and West Europe all declined in sales compared to last year. The main explanation for this is primarily due to ongoing low demand for new residential buildings in West Nordics, East Nordics and within the Netherlands, being part of the West Europe segment, together with a softer non-residential market. East Europe delivered a stable quarter in net sales and Emerging Markets had a strong increase compared to a low Q4 last year as the Egyptian Pound was devaluated during October 2022. As a group we continue to experience a clear decline in net sales due to the low order intake experienced since the beginning of H2 2022.

Order intake amounted to € 223 million (188), up 19 percent vs. very low Q4 last year and corresponding to a book-to-bill ratio of 0.9. Order intake was stable in the quarter but at a low level in totality and scattered across the different regions. East Europe delivered a good quarter in order intake. For the rest of our European segments we saw order intake increase compared to last year in West Europe and West Nordics, and with a moderate decline in East Nordics. However, for all three segments from very low levels. In Emerging Markets order intake declined in the quarter compared to last year. We continue to see order intake for residential buildings being low whereas non-residential order intake was stable, although with some softening in specific markets.

Consolis order book declined 4 percent in the quarter and by end of Q4 order book amounted to € 542 millions worth of sales. Order book continued to shrink in Q4 due to the continuously low order intake together with shorter lead times in many markets. Order book also varies significantly between the regions with West- and East Nordics closing Q4 at low levels whereas East Europe, West Europe and Emerging Markets closed Q4 with a stable order book compared to recent history.

Adjusted EBITDA in Q4 was € 14.7 million (21.1), 31 percent below last year with FX impacting by positive 1 percent. The adjusted EBITDA-margin was 5.9 percent (6.6). Adjusted EBITDA came in lower than last year mainly due to the lower net sales and volumes produced in Q4 compared to a year ago as the low levels of order intake seen throughout 2023 is now fully visible in Adjusted EBITDA with all regions exposed to the residential segment seeing topline and adjusted EBITDA drop compared to last year. In our two Nordic segments we continued to execute on the communicated restructuring program and are seeing effects from this, however the low volumes experienced in these segments are hard to fully compensate with cost reductions. The effect on adjusted EBITDA from the program in the quarter was € 1.2 million each in West- and East Nordics, in total € 2.4 million. In West Europe we also had a drop but still at stable levels, whereas East Europe and Emerging Markets performed well in the quarter. As for net sales, adjusted EBITDA is also under pressure from the low volumes of order intake and we are continuously working to mitigate the impact in a challenging market.

With the ongoing restructuring program we have now adjusted capacity significantly, with closure of one plant in East Nordics, one in West Nordics and mothballing of an additional plant in West Nordics. We have also made significant adjustment to the rest of our capacity in these markets mothballing additional factories and temporary closing halls in factories. We estimate that some 25-30 % of our capacity in West and East Nordics is now permanent or temporary closed vs. end of Q2 2022. During the fourth quarter we booked an additional € 0.9 million provision in relation to this work. In totality we expect the cost range to be as previously communicated € 11-13 million of which € 11.4 million is now booked.

Free cash flow in the quarter amounted to € 32.7 million (45.2) as we saw the annual working capital swing for the group in Q4. Compared to last year this swing was less significant mainly driven by the fact that we have seen improvements in working capital throughout 2023. The capital expenditures in the quarter amounted to € 5.6 million (6.3).

As of December 31, 2023, the Consolis Group's liquidity amounted to € 62.1 million, consisting of € 57.3 million of cash and cash equivalents, and € 5 million available for drawing under the super senior revolving credit facility. As the last day of the quarter was a Sunday some additional headroom was kept at group as we expected some clients pay on first days of January. Due to the variation of performance between segments, as of 31 December 2023, we experienced some unbalance between the group´s different sources of liquidity, and our Nordic liquidity pool was at a level lower than usual.

After the quarter was closed, on January 8, Consolis Dutch subsidiaries Spanbeton Onroerend Goed B.V. and VBI Koudekerk B.V. entered into a sale and leaseback transaction in the Netherlands. VBI group will as part of the transaction invest in a new factory at the property which is the subject of the transaction. The transaction added approximately € 30 million of liquidity to Consolis Group. The annual rent for the property will be € 2.3 million and paid quarterly in advance.

Reconciliation Adjusted EBITDA to result before taxes

	Oct-Dec		Full year	
(€ In million)	2023	2022	2023	2022
Adjusted EBITDA	**14.7**	**21.1**	**67.4**	**75.9**
Depreciation and amortization	(10.4)	(11.6)	(41.9)	(44.1)
Profit/(loss) from sales of fixed assets	(0.1)	(0.4)	1.9	0.7
Impairment (loss) / reversal	(7.6)	(7.6)	(12.3)	(7.4)
Adjustments and restructuring costs	(3.3)	(6.2)	(19.6)	(6.7)
Operating income	**(6.7)**	**(4.6)**	**(4.5)**	**18.4**
Financial items, net	(11.8)	(13.4)	(43.3)	(38.2)
Result before taxes	**(18.6)**	**(18.1)**	**(47.8)**	**(19.8)**

DEVELOPMENT PER SEGMENT

	Net Sales				Adj. EBITDA				Adj. EBITDA %			
	Oct-Dec		Full year		Oct-Dec		Full year		Oct-Dec		Full year	
(€ in million)	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
West Nordic	72	116	330	436	1.5	3.2	7.9	(3.8)	2.0%	2.8%	2.4%	(0.9%)
East Nordic	41	74	188	329	(1.8)	2.4	(2.9)	15.3	(4.4%)	3.2%	(1.5%)	4.6%
Western Europe	73	85	296	310	8.8	11.4	35.8	33.8	12.1%	13.5%	12.1%	10.9%
Eastern Europe	25	23	102	109	1.9	1.8	11.8	12.5	7.7%	7.7%	11.6%	11.4%
Emerging markets	38	29	132	136	4.0	1.2	15.8	20.4	10.7%	4.1%	11.9%	15.0%
Elimination/Unallocated	(1)	(7)	(4)	(25)	0.2	1.1	(1.0)	(2.2)				
Consolis Group	**249**	**321**	**1,044**	**1,295**	**14.7**	**21.1**	**67.4**	**75.9**	**5.9%**	**6.6%**	**6.5%**	**5.9%**

The Company continues to face a challenging market environment in many of its end markets, characterized by low and uncertain order intake, limited and reduced order backlog, inflationary cost pressures (including with respect to wages and energy costs), and an uncertain macroeconomic backdrop. This may cause challenges when it comes to liquidity planning, credit lines and guarantee lines.

January to December

Net sales amounted to € 1,044 million (1,295), corresponding to 19 percent decline in net sales. Exchange rate had a negative impact of 4 percent. The demand for new residential buildings continued to be weak throughout 2023 and explains the main reason for the drop in net sales. We have during 2023 also seen an overall slowdown of the economy in many of Consolis markets also impacting new non-residential building. Order intake during the period amounted to € 897 million (1,070), down 16 percent vs. last year. Order book by end of December amounted to € 542 million (674), down 20 percent and € 132 million compared to FY 2022.

Adjusted EBITDA amounted to € 67.4 million (75.9), a decrease by 11 percent vs. last year, of which the mix of exchange rates had a negative impact of 6 percent. The adjusted EBITDA-margin was 6.5 percent (5.9).

DEVELOPMENT PER SEGMENT

WEST NORDIC

October to December

Net sales in West Nordics amounted to € 72 million (116). Sales decline was 38 percent, of which organic sales decline represented 33 percent and currency effects minus 5 percent. In the quarter sales declined across all three markets was continuously impacted by the low demand of new residential buildings and an overall softer demand for new non-residential buildings across the region. In the quarter Denmark net sales declined slightly less then Sweden and Norway, but still a significant drop across all three markets.

Order intake in the quarter was up 59 percent vs. last year at € 70 million (44) and the order book closed at € 189 million, in line with the third quarter. We continue to see a low order book in the region driven by the low economic sentiment primarily in new residential building and by the impact of shorter lead times. During the fourth quarter we however managed to convert a few larger orders into order intake that had previously been in the tender pipeline for a long period of time. Order book by end of quarter was € 189 million (267), in line with last quarter but down 29 percent and € 79 million vs last year.

The adjusted EBITDA in the quarter was € 1.5 million (3.2), corresponding to an adjusted EBITDA-margin of 2.0 percent (2.8), 0.8 percentage points below last year. Adjusted EBITDA in West Nordics was impacted by € 1.2 million from the ongoing restructuring program that is progressing as per plan. During the fourth quarter we have continued our efforts to align capacity to market demand and have by end of 2023 closed down one factory and mothballed one factory in the region. FX impacted by 2 percent negative on adjusted EBITDA.

January to December

Net sales amounted to € 330 million (436), corresponding to a sales decline of 24 percent. The adjusted EBITDA was € 7.9 million (-3.8) corresponding to an adjusted EBITDA-margin of 2.4 percent (-0.9). Currency effects 5 negative on net sales.

EAST NORDIC

October to December

Net sales in East Nordics amounted to € 41 million (74), corresponding to a sales decline of 44 percent. The continuously low demand for new residential buildings impacting the segment also in Q4 as the low order intake seen in the segment since mid-2022 is driving the sharp decrease in net sales. The proportion of new residential construction has historically been higher in East Nordics and primarily Finland comparing to the rest of Consolis Group. In addition to the decreasing demand for new residential buildings we also continued to experience high competition for volumes in Baltics as capacity previously used to serve the cross border markets in Nordic countries now competes locally due to low demand.

Order intake declined 7 percent vs. last year and amounted to € 26 million in the quarter (29). Trend seen throughout 2023 continued in the fourth quarter with residential order intake being at very low levels, and which historically have been an important segment for especially Finland. We do also see that the sentiment in new residential buildings also are effecting the non-residential market, although with a somewhat more stable development. Order book by end of quarter closed at € 57 million (97), down 21 percent compared to last quarter and down 41 percent and € 40 million compared to end of last year.

The adjusted EBITDA amounted to € -1.8 million (2.4), corresponding to an adjusted EBITDA-margin of -4.4 percent (3.2) impacted by the low volumes in the market and a reflection of the low order intake since mid-2022. During the fourth quarter we maintained our efforts to adjust cost base to the low market conditions. The ongoing restructuring program impacted adjusted EBITDA by € 1.2 million in the quarter. During the third quarter we closed down one factory in the region and we have in the fourth quarter continued to adjust capacity by closing down halls within production facilities amongst other things.

January to December
Net sales amounted to € 188 million (329) corresponding to a sales decline of 43 percent. The adjusted EBITDA amounted to € -2.9 million with an adjusted EBITDA-margin of -1.5 percent (4.6).

WESTERN EUROPE

October to December
Net sales in West Europe amounted to € 73 million (85). Sales decline was 14 percent. In the quarter Spain continued to perform stable whereas the Netherlands was decreasing, primarily impacted by the low demand for new residential buildings in the market. In the Netherlands we also noticed a softening of demand for non-residential buildings in the quarter.

Order intake increased by 3 percent in the quarter vs. last year at € 67 million (65). In the quarter Spain continued to perform well in a challenging market with good non-residential order intake. Order intake in the Netherlands was stable but slightly lower than last year. Order book by end of quarter was € 134 million (141), down 4 percent vs last quarter and 5 percent compared to last year.

The adjusted EBITDA in the quarter was € 8.8 million (11.4) with an adjusted EBITDA-margin of 12.1 percent (13.5). Spain continued to improve vs last year in the quarter whereas we saw the Netherlands decline due to price pressure in the market and by the lower volumes.

January to December
Net sales amounted € 296 million (310), a decline by 5 percent. Adjusted EBITDA amounted € 35.8 million (33.8) with a corresponding adjusted EBITDA margin of 12.1 percent (10.9).

EASTERN EUROPE

October to December
Net sales in East Europe amounted to € 25 million (23), corresponding to 9 percent sales growth, of which organic sales growth represented 3 percent and currency effects 6 percent. In the quarter Hungary performed well, Romania was stable and Poland continued to be challenging due to a slow market seen throughout 2023.

Order intake in the quarter increased by 99 percent vs. last year and amounted to € 38 million (19). Order intake in the quarter was driven by good performance in Hungary were we managed to secure a large project providing good loading for H1 2024. In addition, Romania was stable and Poland managed to improve order intake compared to a low Q4 last year. Order book by end of quarter amounted to € 43 million (33), an increase by 48 percent compared to last quarter and increase by 29 percent vs. same period last year. We continue to see stable demand for our non-residential products in primarily Hungary and Romania.
The adjusted EBITDA for the quarter amounted € 1.9 million (1.8), corresponding to an adjusted EBITDA margin of 7.7 percent, in line with last year. Hungary performed well in the quarter, Romania was stable and the low levels of net sales continued to impact adjusted EBITDA in Poland. FX impacted adjusted EBITDA by 6 percent positivly.

January to December
Net sales amounted to € 102 million (109) with a sales decline of 7 percent. Adjusted EBITDA amounted to € 11.8 million (12.5) corresponding to an adjusted EBITDA-margin of 11.6 percent (11.4). Currency effects was 2 percent positive on net sales and 1 percent positive on adjusted EBITDA.

EMERGING MARKETS

October to December
Net sales in Emerging Markets amounted to € 38 million (29). Sales growth was 28 percent, of which organic growth was 35 percent and currency effects minus 7 percent. Both Egypt and Tunisia continues to perform well and with the devaluation of Egyptian pound happening Q4 2022 we can now also see the solid performance in Egypt in euros comparing to same period last year. France declined slightly compared to last year and Indonesia was stable but at a low levels.

Order intake for the quarter amounted to € 23 million (32) which was stable but lower than last year mainly explained by good order intake in Tunisia during same period last year. Order book by end of Q4 amounted to € 120 million (137), down 12 percent vs. last quarter, as we during Q4 consumed order book in mostly Tunisia and Egypt, but still at a good level comparing to history.

The adjusted EBITDA was € 4.0 million in the quarter (1.2) with an adjusted EBITDA-margin of 10.7 percent (4.1). Expectations are that Emerging Markets segment profitability will be impacted if a potential devaluation of the Egyptian pound is realized which in current market situation is considered to be probable. We continue to see primarily Egypt and Tunisia perform well but the macro-economic environment remains challenging in both countries, especially Egypt.

January to December
Net sales amounted to € 132 million (136), corresponding to a sales decline of 2 percent, of which 16 percent was organic growth and 18 percent decline due to currency effects. The adjusted EBITDA for the period was € 15.8 million (20.4) corresponding to an EBITDA-margin of 11.9 percent (15.0). During the period we have reallocated central costs relating to emerging markets previously within central SG&A. The impact from this was € 3.2 million for the full period.

UNALLOCATED COSTS
In addition to our operating segments, we have unallocated costs and eliminations, which is the mechanism through which the central SG&A costs are charged to the operating segments. The charge rate is set in the budget, and hence there can be some differences if actual costs in the quarter are higher or lower than the charge out in the quarter. In Q4, we had a positive effect in allocated costs of € 0.2 million.

FINANCIAL NET

October to December

Net financial items for the period amounted to € -11.8 million, an improvement of € 1.6 million compared to last year. The interest expenses were higher due to higher interest rates and a larger draw amount of revolving credit facility. In the quarter FX had positive impact of 0.7 million (2.6), mainly explained by Swedish kronor and Egyptian pound. As of December 31, 2023, the Consolis Group's liquidity amounted to € 62.1 million, consisting of € 57.3 million of cash and cash equivalents, and € 5 million available for drawing under the super senior revolving credit facility.

Financial net

	Oct-Dec		Full year	
(€ in million)	2023	2022	2023	2022
FINANCIAL INCOME				
Interest income	0.3	(0.2)	0.8	1.0
Other financial income	1.0	0.7	5.9	2.2
FINANCIAL EXPENSES				
Interest expenses	(12.2)	(8.3)	(42.0)	(30.0)
Currency exchange losses/gains	0.7	(2.6)	(1.0)	(4.7)
Other financial expenses	(1.6)	(2.9)	(7.0)	(6.6)
Financial items, net	**(11.8)**	**(13.4)**	**(43.3)**	**(38.2)**

CASH FLOW

October to December

Free cash flow in the quarter amounted to € 32.7 million (45.2), primarily explained by working capital seasonality effects and the impact of inventory level reduction. Capital expenditures amounted to € 5.6 million (6.3).

Operating Cash flow, cash conversion

	Oct-Dec		Full year	
(€ in million)	2023	2022	2023	2022
Adjusted EBITDA	14.7	21.1	67.4	75.9
Change in NWC	26.7	35.8	(7.6)	(9.9)
Capex	(5.6)	(6.3)	(15.5)	(17.1)
Operating cash flow	**35.8**	**50.6**	**44.3**	**48.9**
Cash conversion	**244%**	**240%**	**66%**	**64%**

Free cash flow

	Oct-Dec		Full year	
(€ in million)	2023	2022	2023	2022
Cash flow from operating activities – continued operations	38.3	51.4	36.5	48.8
Capex	(5.6)	(6.3)	(15.5)	(17.1)
Proceeds from fixed assets	0.0	(0.0)	2.6	2.3
Free cash flow	**32.7**	**45.2**	**23.6**	**34.1**

NET DEBT

The table shows Net Debt and leverage from the Issuers perspective (Compact Bidco). Compact Bidco is the direct parent company of Consolis Group. Net debt for the issuer amounted to € 458.5 million for the quarter ended December 31, 2023, corresponding to a leverage of 6.8. The difference in net debt of the issuer compared to figures in note 6 (Consolis Group) is the Shareholder loan from Compact Bidco to Consolis Holding S.A.S. and subsidiaries, and also accrued interest in Compact Bidco.

During the year we made a change in the table from previous published reports regarding accrued interest. Accrued interest is now presented as a separate item line, earlier the accrued interest was included in Other debt. Accrued interest reflect the total accrued interest at the level of Compact Bidco. Before the part included in net debt reflected the position of long term accrued interest on the level of Consolis holding.

Net Debt

	Dec 31	
(€ in million)	2023	2022
Cash & Cash equivalents	(57.3)	(46.0)
Revolving credit facilities	69.0	15.0
Senior secured notes	300.0	300.0
Total Net senior secured debt of the issuer	**311.7**	**269.0**
Other debt	81.6	80.9
Accrued interest	9.0	8.4
Lease Liabilities	56.2	70.5
Total Net Debt of the issuer	**458.5**	**428.8**
Adjusted EBITDA (LTM)	67.4	75.9
Leverage	**6.8x**	**5.6x**

OTHER INFORMATION

Compact Bidco B.V.

The Issuer is a private company with limited liability (besloten vennootschap met beperkte aansprakelijkheid) incorporated under the laws of the Netherlands, registered with the Kamer van Koophandel with number 67537715 and has its registered office since new year 2023 at JA. van Leeuwenhoekweg 38 D 2, 2408 AN Alphen aan den Rijn, the Netherlands. The Issuer is the direct parent company of Consolis Holding S.A.S. and a holding company with no revenue-generating activities of its own, and no business operations, material assets or liabilities other than those acquired or incurred in connection with its status as a holding company. As per December 31, 2023, the material differences between Compact Bidco and Consolis group were the PIK loan cascaded down from Compact Midco 2 as a equity injection to Compact Bidco, and further down from Compact Bidco to Consolis Holding S.A.S. as a capital injection and shareholder loan. Compact Bidco holds the senior secured notes, cascaded down as shareholder loans.

About Consolis

Consolis is a European leader in precast concrete solutions providing highly engineered and sustainable solutions for the building and utilities sectors. Together with our customers we create beautiful buildings and infrastructure with the qualities to serve local communities for centuries to come. Well-built for Well-being, that is our reason to be.

We believe in responsible industry leadership, and we are committed to lead the sustainable transformation of our industry.

Consolis Holding S.A.S is the parent company of Consolis Group.

Significant risks and uncertainties

Consolis significant risks and uncertainties consist of strategic risks related to changes in market and economic conditions as well as sustainability and operational risks related to customer contracts. For management estimates and accounting estimates for such uncertainties, refer to Note 2 in Annual report 2022. The Group is also exposed to various kinds of financial risks, such as currency, interest and liquidity risks. For further information on financial risks, refer to note 29 Annual report 2022.

The war in Ukraine has had a key impact on the world around us. In addition to the human tragedy for the people the war touches, the situation risks macroeconomic growth in the world. For Consolis this can affect the construction industry through greater uncertainty and cautiousness concerning investments, continued high raw material and energy prices and material shortages and delivery problems. Consolis is continuously following up on risks and mitigating activities to reduce the impacts on the Group. Consolis does not have any revenue derived from Russia or Ukraine.

The Company continues to face a challenging market environment in many of its end markets, characterized by low and uncertain order intake, limited and reduced order backlog, inflationary cost pressures (including with respect to wages and energy costs), and an uncertain macroeconomic backdrop. This may cause challenges when it comes to liquidity planning, credit lines and guarantee lines.

Related party transactions

The related parties of Consolis Group are its shareholders and their subsidiaries and its associates and joint ventures. Significant balances consists of shareholder loans, further described in note 31 in Annual report 2022. All transactions with related parties are executed at arms length.

Seasonal variations

Changes in working capital are impacted by order cycle and manufacturing operations with build-up of working capital typically occurring in the first and second quarters as post-winter holiday production is ramped up in anticipation of higher spring demand and rolling factory holiday and scheduled maintenance closures typically for two to three weeks in July and August in core European markets. Working capital tends to decline in the fourth quarter with the lowest level of working capital expected at year-end due to the winter holiday closures and stepped up cash collection efforts. Occasionally, we may also experience negative working capital as a result of customer advances which we require prior to starting larger projects.

Events after the reporting period

After the period was closed, on January 8, Consolis Dutch subsidiaries Spanbeton Onroerend Goed B.V. and VBI Koudekerk B.V. entered a sale leaseback transaction in the Netherlands. VBI group will as part of the transaction invest in a new factory at the property which is the subject of the transaction. The transaction added approximately € 30 million of liquidity to Consolis Group. The annual rent for the property will be € 2.3 million and paid quarterly in advance.

Review

This report has not been reviewed by the company's auditors.

Confirmation

The CEO confirms that this report provides a fair overview of the Company's business, position and results and describes the significant risks and uncertainties facing the Company and its subsidiaries

Stockholm
February 22, 2024

Mikael Stöhr
CEO Consolis

Contact details

Vilhelm Sund, Director Group planning, analysis & Investor relations
vilhelm.sund@consolis.com

Daniel Warnholtz, Group CFO
daniel.warnholtz@consolis.com

Financial calendar

Annual report and sustainability report on April 25, 2024
Q1 Interim report on May 23 2024
Q2 Interim report in July 19 2024
Q3 Interim report in November 21 2024

CONSOLIDATED STATEMENT OF INCOME

(€ in million)	Notes	Oct-Dec 2023	Oct-Dec 2022	Full year 2023	Full year 2022
Net sales	2)	249	321	1,044	1,295
Cost of goods sold		(199.9)	(258.5)	(844.0)	(1,064.7)
Production overheads		(16.3)	(24.2)	(63.0)	(86.5)
Gross Profit		**32.6**	**38.1**	**137.0**	**144.2**
Sales and marketing expenses		(6.7)	(6.8)	(24.8)	(26.0)
Administrative expenses		(19.7)	(20.6)	(79.0)	(79.9)
Research and development expenses		(2.0)	(1.3)	(7.7)	(6.6)
Other income and expenses	3)	(10.9)	(14.1)	(30.1)	(13.4)
Operating profit		**(6.7)**	**(4.6)**	**(4.5)**	**18.4**
Financial items, net	5)	(11.8)	(13.4)	(43.3)	(38.2)
Profit after financial items		**(18.6)**	**(18.1)**	**(47.8)**	**(19.8)**
Income tax		(2.1)	(3.3)	(8.7)	(10.8)
Net profit/(loss) from continued operations		**(20.6)**	**(21.3)**	**(56.5)**	**(30.6)**
Net profit/(loss) from discontinued operations	4)	-	6.2	-	16.1
Net profit/(loss)		**(20.6)**	**(15.2)**	**(56.5)**	**(14.5)**
Net profit/(loss) for the period attributable to:					
Equity holders of the Parent Company		(19.7)	(14.1)	(57.7)	(17.9)
Non-controlling interest		(0.9)	(1.0)	1.2	3.5

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(€ in million)	Oct-Dec 2023	Oct-Dec 2022	Full year 2023	Full year 2022
From continued operations:				
Net profit/(loss)	**(20.6)**	**(21.3)**	**(56.5)**	**(30.6)**
Other comprehensive income/(loss)				
Items that will not be reclassified to the income statement:				
Remeasurement of defined benefit pension plans	(0.3)	2.9	(0.3)	2.9
Tax	0.1	(0.7)	0.1	(0.7)
Total items that will not be reclassified to the income statement, net of tax	**(0.2)**	**2.2**	**(0.2)**	**2.2**
Items that subsequently may be reclassified to the income statement:				
Currency translation differences	(6.2)	(12.0)	(6.2)	(16.5)
Total items that subsequently may be reclassified to the income statement, net of tax	**(6.2)**	**(12.0)**	**(6.2)**	**(16.5)**
Other comprehensive income, net of tax	**(6.4)**	**(9.8)**	**(6.4)**	**(14.3)**
Total comprehensive income from continued operations	**(27.0)**	**(31.2)**	**(62.9)**	**(44.9)**
From discontinued operations:				
Net profit/(loss)	-	6.2	-	16.1
Total comprehensive income from discontinued operations	**-**	**6.2**	**-**	**16.1**
Total comprehensive income	**(27.0)**	**(25.1)**	**(62.9)**	**(28.8)**
Total comprehensive income attributable to:				
Equity holders of the Parent Company	(23.7)	(22.4)	(61.6)	(27.8)
Non-controlling interest	(3.3)	(2.6)	(1.3)	(0.9)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€ in million)	Notes	Dec 31 2023	Dec 31 2022
ASSETS			
Non-current assets			
Goodwill		184.8	191.1
Other intangible assets		48.3	53.4
Property. plant and equipment		136.7	152.9
Rights-of-use assets		56.8	71.4
Deferred tax assets		3.0	2.3
Other assets		21.3	14.4
Total non current assets		**451.0**	**485.5**
Current assets			
Inventories		45.9	66.0
Accounts receivables		114.0	137.5
Accrued income		44.0	56.5
Current tax receivables		2.3	1.7
Prepaid expenses		10.8	8.2
Other receivables		33.2	40.9
Cash and cash equivalents		57.3	46.0
Assets classified as held for sale	1)	5.5	-
Total current assets		**313.1**	**356.8**
Total assets		**764.1**	**842.2**
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Parent Company		(95.7)	(34.2)
Non-controlling interests		9.3	11.0
Total equity		**(86.5)**	**(23.2)**
Non-current liabilities			
Interest-bearing liabilities	6)	355.8	338.8
Lease liabilities	6)	41.6	53.2
Employee benefit obligations		16.3	16.3
Provisions		12.0	10.7
Deferred tax liabilities		8.6	11.0
Other liabilities		1.1	1.0
Total non current liabilities		**435.4**	**431.1**
Current liabilities			
Interest-bearing liabilities	6)	109.4	66.9
Lease liabilities	6)	14.6	17.3
Accounts payable		107.5	127.2
Advances from customers		61.6	78.7
Provisions		10.8	5.4
Income tax payables		7.5	8.0
Accrued expenses		23.8	35.3
Other liabilities		80.1	95.6
Total current liabilities		**415.2**	**434.4**
Total equity and liabilities		**764.1**	**842.2**

CONSOLIDATED STATEMENT OF CASH FLOWS

	Oct-Dec		Full year	
(€ in million)	2023	2022	2023	2022
Cash flow from operating activities				
Profit after financial items	(18.6)	(18.1)	(47.8)	(19.8)
Non cash items	31.9	34.1	103.5	86.8
Depreciation/amortization and impairment	18.0	19.2	54.2	51.6
Financial items, net	11.8	13.4	43.3	38.2
Other non-cash items	2.1	1.5	6.0	(2.9)
Taxes paid	(1.8)	(0.4)	(11.5)	(8.3)
Cash flow from working capital	26.7	35.8	(7.6)	(9.9)
Cash flow from operating activities – continued operations	**38.3**	**51.4**	**36.5**	**48.8**
Cash flow from operating activities – discontinued operations	-	-	-	(10.1)
Cash flow from operating activities	**38.3**	**51.4**	**36.5**	**38.7**
Investing activities				
Investments in property, plant and equipment	(4.8)	(5.2)	(14.4)	(15.3)
Investments in intangible assets	(0.8)	(1.1)	(1.1)	(1.8)
Sale of non current assets	0.0	(0.0)	2.6	2.3
Divestments of subsidiaries/operations	0.0	0.9	0.0	(8.4)
Other investing activities	(5.1)	0.0	(6.6)	(0.1)
Interest received	0.4	(0.5)	0.8	1.1
Cash flow from investing activities – continued operations	**(10.3)**	**(5.9)**	**(18.6)**	**(22.2)**
Cash flow from investing activities – discontinued operations	-	-	-	(0.1)
Cash flow from investing activities	**(10.3)**	**(5.9)**	**(18.6)**	**(22.3)**
Financing activities				
Proceeds from borrowings	3.2	(1.4)	94.4	121.2
Repayment of borrowings	(0.9)	(23.9)	(27.0)	(77.6)
Repayment of lease liabilities	(4.2)	(5.3)	(19.6)	(20.0)
Net proceeds from factoring	3.5	(4.7)	(11.4)	(4.1)
Change in other financial liabilities	(0.3)	(3.6)	(3.1)	(8.3)
Interests paid	(14.7)	(12.7)	(38.7)	(28.9)
Dividends paid to non-controlling interests	(0.0)	0.6	(0.6)	(2.4)
Cash flow from financing activities – continued operations	**(13.4)**	**(50.8)**	**(5.9)**	**(20.2)**
Cash flow from financing activities – discontinued operations	-	-	-	0.5
Cash flow from financing activities	**(13.4)**	**(50.8)**	**(5.9)**	**(19.7)**
Cash flow for the year	**14.6**	**(5.3)**	**12.0**	**(3.3)**
Cash and cash equivalents at beginning of period	**43.6**	**56.8**	**46.0**	**51.8**
Cash flow for the year – continued operations	14.6	(5.3)	12.0	6.5
Cash flow for the year – discontinued operations	-	-	-	(9.8)
Exchange rate differences on cash and cash equivalent	(0.3)	(2.7)	(1.7)	(3.5)
Bank overdraft	(0.5)	(2.8)	1.0	1.1
Cash and cash equivalents at end of the period	**57.3**	**46.0**	**57.3**	**46.0**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(€ in million)	Equity attributable to equity holders of the Parent Company	Non-controlling interests	Total equity
Opening balance January 1, 2022	**(24.3)**	**17.4**	**(6.9)**
Net profit/(loss)	(17.9)	3.5	(14.5)
Other comprehensive income/(loss)	(9.9)	(4.4)	(14.3)
Total comprehensive income/(loss)	**(27.8)**	**(0.9)**	**(28.8)**
Transaction with owners			
Dividend	-	(5.5)	(5.5)
Capital contribution	18.0	-	18.0
Closing balance December 31, 2022	**(34.2)**	**11.0**	**(23.2)**
Opening balance January 1, 2023	**(34.2)**	**11.0**	**(23.2)**
Net profit/(loss)	(57.7)	1.2	(56.5)
Other comprehensive income/(loss)	(3.9)	(2.4)	(6.3)
Total comprehensive income/(loss)	**(61.6)**	**(1.2)**	**(62.8)**
Transaction with owners			
Dividend	-	(0.5)	(0.5)
Closing balance December 31, 2023	**(95.7)**	**9.3**	**(86.5)**

NOTES

1. ACCOUNTING PRINCIPLES

The consolidated financial statements comprise Consolis Holding S.A.S. and its subsidiaries. The consolidated financial statements of Consolis are prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the EU. The interim report is prepared in accordance with IAS 34 Interim financial reporting. The accounting principles applied in the preparation of this interim report apply to all periods and comply with the accounting principles presented in the Annual report for 2022. No new and revised standards and interpretations effective from January 1, 2023 are considered to have any material impact on the financial statements.

Assets held for sale

As of December 31, 2023 management's assessment is that the carrying amount for certain real estate assets will be recovered through a sale and leaseback transaction rather than through continuing use. These real estate assets have been classified as assets held for sale.

Amounts and dates

Unless otherwise stated, amounts are indicated in million of Euros (€ million) and reflect the continued operations of the group. Order intake, Order book and Net sales are presented without decimal. Comparative figures in this report refer to the corresponding period of the previous year for income statement and cash flow items, and to year end 2022 for balance sheet items. Rounding differences may occur.

2. SEGMENT INFORMATION

Within Consolis, the segments are grouped on a geographical basis, where smaller countries/markets are grouped together with larger countries that share characteristics and/or management. The segments reflect the internal reporting that is used for review by the Chief Executive Officer in his role as CODM for determining the allocation of resources and assessing performance.

West Nordic

Building operations in Sweden, Denmark and Norway. Segment products include hollow core floors, structural elements, stairs, walls and façades. The main activities of the operating segment comprise the design, manufacturing and assembly of non-residential (public buildings, offices, industrial and logistics sites) and residential (multi-family housing) building solutions.

East Nordic

Building operations in Finland and the Baltics. Segment products include hollow core floors, structural elements, stairs, walls and façades. The main activities of the operating segment comprise the design, manufacturing and assembly of non-residential (public buildings, offices, industrial and logistics sites) and residential (multi-family housing) building solutions. There are cross border trade from Baltics to West Nordic segment.

Western Europe

Building operations in the Netherlands, Germany and Spain. Segment products include hollow core floors and structural elements, stairs, walls and façades. The main activities of the operating segment comprise the design, manufacturing (the Netherlands) and assembly of non-residential (public buildings, offices, industrial and logistics sites) building solutions.

Eastern Europe

Building operations in Poland, Romania and Hungary. Segment products include hollow core floors, structural elements, walls and façades. The main activities of the operating segment comprise the design, manufacturing and assembly of non-residential (public buildings, offices, industrial and logistics sites) building solutions.

Emerging Markets

Utilities operations such as pressure pipes used in water supply, irrigation and sewerage systems as well as in power stations. Operations are based in Tunisia, Egypt, Indonesia and France. In Egypt and Indonesia, operations are managed with local partners.

Oct-Dec	West Nordic		East Nordic		Western Europe		Eastern Europe		Emerging Markets		Central and unallocated		Eliminations		Consolis Group	
(€ in million)	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Net sales	72	116	41	74	73	85	25	23	38	29			(1)	(7)	249	321
Adjusted EBITDA	1.5	3.2	(1.8)	2.4	8.8	11.4	1.9	1.8	4.0	1.2	0.2	1.1			14.7	21.1
Depreciation and amortization											(10.4)	(11.6)			(10.4)	(11.6)
Profit (loss) from sales of fixed assets											(0.1)	(0.4)			(0.1)	(0.4)
Impairment											(7.6)	(7.6)			(7.6)	(7.6)
Adjustments and restructuring costs											(3.3)	(6.2)			(3.3)	(6.2)
Operating profit															**(6.7)**	**(4.6)**
Financial items, net											(11.8)	(13.4)			(11.8)	(13.4)
Profit after financial items															**(18.6)**	**(18.1)**
Capex	(0.4)	(0.7)	(0.5)	(0.4)	(3.0)	(2.9)	(0.9)	(1.1)	(0.5)	(0.8)	(0.4)	(0.4)	-	-	(5.6)	(6.3)

Jan - Dec	West Nordic		East Nordic		Western Europe		Eastern Europe		Emerging Markets		Central and unallocated		Eliminations		Consolis Group	
(€ in million)	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Net sales	330	436	188	329	296	310	102	109	132	136			(4)	(25)	1,044	1,295
Adjusted EBITDA	7.9	(3.8)	(2.9)	15.3	35.8	33.8	11.8	12.5	15.8	20.4	(1.0)	(2.2)			67.4	75.9
Depreciation an amortization											(41.9)	(44.1)			(41.9)	(44.1)
Profit (loss) from sales of fixed assets											1.9	0.7			1.9	0.7
Impairment											(12.3)	(7.4)			(12.3)	(7.4)
Adjustments and restructuring costs											(19.6)	(6.7)			(19.6)	(6.7)
Operating profit															**(4.5)**	**18.4**
Financial items, net											(43.3)	(38.2)			(43.3)	(38.2)
Profit after financial items															**(47.8)**	**(19.8)**
Capex	(3.1)	(2.8)	(1.5)	(2.4)	(6.9)	(6.6)	(2.1)	(2.0)	(1.3)	(2.4)	(0.6)	(1.0)	-	-	(15.5)	(17.1)

Quarterly data

(€ in million)	2021				2022				2023			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net sales												
West Nordic	101	108	84	108	108	114	98	116	105	90	63	72
East Nordic	56	62	72	77	83	87	84	74	50	46	50	41
Western Europe	58	69	60	69	70	82	73	85	85	75	63	73
Eastern Europe	17	21	27	23	29	28	29	23	23	27	27	25
Emerging markets	27	28	30	38	33	35	38	29	29	28	38	38
Adjusted EBITDA												
West Nordic	3.9	4.8	0.3	(1.4)	(3.3)	(1.6)	(2.1)	3.2	4.3	3.2	(1.1)	1.5
East Nordic	0.8	2.8	3.8	5.0	5.6	3.5	3.8	2.4	(0.9)	(0.6)	0.5	(1.8)
Western Europe	8.4	11.2	7.3	6.7	6.4	9.7	6.2	11.4	11.5	10.8	4.6	8.8
Eastern Europe	1.3	2.1	2.6	0.8	3.5	3.0	4.2	1.8	2.4	3.8	3.6	1.9
Emerging markets	4.3	3.7	5.5	7.5	6.0	5.8	7.4	1.2	3.8	1.5	6.4	4.0
Adjusted EBITDA %												
West Nordic	3.8%	4.4%	0.4%	(1.3%)	(3.1%)	(1.4%)	(2.1%)	2.8%	4.1%	3.6%	(1.8%)	2.0%
East Nordic	1.4%	4.6%	5.3%	6.6%	6.8%	4.0%	4.5%	3.2%	(1.8%)	(1.4%)	1.1%	(4.4%)
Western Europe	14.4%	16.1%	12.2%	9.6%	9.0%	11.9%	8.4%	13.5%	13.5%	14.5%	7.4%	12.1%
Eastern Europe	7.2%	9.6%	9.7%	3.3%	12.2%	10.9%	13.9%	7.7%	10.8%	14.3%	13.2%	7.7%
Emerging markets	16.2%	13.4%	18.3%	19.8%	18.0%	16.5%	19.7%	4.1%	13.0%	5.5%	17.1%	10.7%
Order book												
West Nordic	318	346	376	391	406	374	335	267	235	203	189	189
East Nordic	122	165	191	210	205	177	145	97	91	96	72	57
Western Europe	132	134	130	137	177	181	161	141	149	139	139	134
Eastern Europe	20	27	31	34	35	39	36	33	33	33	29	43
Emerging markets	133	149	168	178	162	153	155	137	122	129	136	120
Order intake												
West Nordic	113	134	109	121	124	91	57	44	73	58	43	70
East Nordic	60	104	83	92	76	63	52	29	44	48	22	26
Western Europe	79	70	54	75	106	88	51	65	90	67	65	67
Eastern Europe	15	28	32	26	29	34	28	19	21	27	24	38
Emerging markets	50	45	47	44	26	22	35	32	21	36	37	23
Book to bill ratio												
West Nordic	1.1	1.2	1.3	1.1	1.2	0.8	0.6	0.4	0.7	0.6	0.7	1.0
East Nordic	1.1	1.7	1.2	1.2	0.9	0.7	0.6	0.4	0.9	1.0	0.4	0.6
Western Europe	1.4	1.0	0.9	1.1	1.5	1.1	0.7	0.8	1.1	0.9	1.0	0.9
Eastern Europe	0.9	1.3	1.2	1.2	1.0	1.2	0.9	0.8	0.9	1.0	0.9	1.5
Emerging markets	1.9	1.6	1.6	1.2	0.8	0.6	0.9	1.1	0.7	1.3	1.0	0.6

3. OTHER INCOME AND EXPENSES

	Oct-Dec		Full year	
(€ in million)	2023	2022	2023	2022
Profit/(loss) from sale of fixed assets	(0.1)	(0.4)	1.9	0.7
Restructuring costs	(3.1)	(6.2)	(12.4)	(6.7)
Impairment (charge)/reversal	(7.6)	(7.6)	(12.3)	(7.4)
Other items	(0.2)	0.0	(7.2)	(0.0)
Other income and expenses from operations	**(11.0)**	**(14.1)**	**(30.1)**	**(13.4)**

Profit/(loss) from sale of fixed assets
No material sale of fixed assets were made during the fourth quarter.

During the year Consolis divested a real estate asset located in Meiningen, Germany. Proceeds from the sale amounted to € 2.3 million.

Restructuring cost
Restructuring costs during the year mainly comprises charges for the restructuring programs launched in West and East Nordic. The charge amounted to € 11.4 million, whereof € 0.9 million was added during the quarter. Out of the € 11.4 million, € 6.0 are related to personnel, while the rest mainly comprises running expenses for closed factories and costs associated to the operational reorganization in West and East Nordic.

Impairment charge
As a part of the year end closing we performed an impairment test. The methodology was unchanged compared to last year, for further description of applied CGU refer to note 14 in the Annual report for 2022. The outcome of the test indicated a need for impairment on Hungary and Indonesia. An impairment charge was recorded of € 1.4 million for Hungary and € 3.8 million for Indonesia affecting the value on goodwill. Impairment charges in the quarter also includes write down of intangible assets, amounting to € 2.4 million. We have written off the value of a system tool.

Other items
In connection with a system development enabling us to view the project receivables in an even more granular way, certain historical items related to revenue recognition based on percentage of completion were identified. This will not have any cash impact but resulted in a reduction of operating profit of approximately € 5.7 million during 2023. In order to follow the underlying profitability of the group this will be reported as a non recurring cost.

4. DISCONTINUED OPERATIONS

Civil works France disposal
Consolis completed the sale of its Civil Works France business to EIM Capital on January 31, 2022, through the disposal of Bonna Sabla S.A. and its subsidiaries.

	Oct-Dec		Full year	
(€ in million)	2023	2022	2023	2022
Net result from Civil Works France operations	-	-	-	(0.6)
Net gain from Civil Works France divestment	-	6.2	-	16.7
Result from discontinued operations	**-**	**6.2**	**-**	**16.1**

5. FINANCIAL (LOSS)/INCOME

	Oct-Dec		Full year	
(€ in million)	2023	2022	2023	2022
Financial income				
Interest income	0.3	(0.2)	0.8	1.0
Other financial income	1.0	0.7	5.9	2.2
Financial expenses				
Interest expenses	(12.2)	(8.3)	(42.0)	(30.0)
Currency exchange losses	0.7	(2.6)	(1.0)	(4.7)
Other financial expenses	(1.6)	(2.9)	(7.0)	(6.6)
Financial items, net	**(11.8)**	**(13.4)**	**(43.3)**	**(38.2)**

6. INTEREST-BEARING LIABILITIES

	Dec 31	
(€ in million)	2023	2022
Non-current interest-bearing liabilities		
Shareholder loan	305.8	305.8
Lease liabilities	41.6	53.2
Other loans	45.6	33.0
Accrued interests	4.4	(0.0)
Total non-current interest-bearing liabilities	**397.5**	**392.0**
Current interest-bearing liabilities		
Factoring - net liability [1]	33.0	45.5
Accrued interests	5.1	4.7
Revolving credit facilities	69.0	15.0
Current portion of long-term loans	0.2	0.6
Lease liabilities	14.6	17.3
Bank overdrafts	2.1	1.1
Other loans	-	-
Total current interest-bearing liabilities	**124.0**	**84.1**
Total interest-bearing liabilities	**521.4**	**476.1**

[1] Factoring is presented net of guarantee reserve

Factoring
Consolis factoring agreement includes a non-recourse mechanism which offers a protection in case of a non-payment of the receivables that have been assigned to the factor. When the Group considers it has transferred substantially all the associated risks and rewards to the factor, both the receivables that are covered by the credit insurance policy and the corresponding debts are derecognized from the consolidated statement of financial position. Note that advance payments, interim billings and cash withheld for warranty retention cannot be deconsolidated as per the factoring agreement.
As of December 31, 2023, the factoring liability amount is € 62.5 million out of which € 43.5 million were derecognized.

A guarantee fund (to guarantee the repayment of the amounts of which Consolis may become debtor with CALF) was constituted at the beginning of the factoring contract. The guarantee fund is defined as a percentage of the total amount of financed receivables and doesn't generate interest. For the period ended December 31, 2023, the guarantee fund amounted to € 4.1 million with a remaining portion of the guarantee fund netted with the factoring liability of € 3.6 million.

Sale and leaseback
During the year we completed a sale and leaseback of two plants in Denmark. Due to prevalance of certain repurchase clauses this was not considered to be a sale under IFRS 15. The real estates are kept on the balance sheet, and a financial liability amounting to € 16.5 million was recognized. This financial debt is included on the line item Other loans.

7. ALTERNATIVE PERFORMANCE MEASURES

Consolis presents certain financial measures in the interim report that are not defined according to IFRS and qualifies as non-GAAP measures. The Company believes that these measures provide valuable supplemental information to stakeholders and the Company's management as they allow for evaluation of trends and the Company's performance. Since all companies do not calculate financial measures in the same way these are not always comparable to measures used by other companies. These financial measures should therefore not be considered as a replacement for measurements as defined under IFRS.

Metric	Definition	Purpose
Order book	Orders agreed with costumers, not yet delivered	The key figure used to monitor revenues expectation for the coming periods
Order intake	Signed contracts in the period	The key figure used to monitor revenues expectation for the coming periods
Book-to-bill ratio	Ratio between the period's order intake and sales	The key figure used to monitor revenues expectation on evaluation of the order book. A ratio of 1 or more indicates a growing order book, where a ratio below 1 indicates that we "consume" more orders than we take in
Growth (%)	Growth consists of the increase in sales in relation to the comparative period. The period's increase in net sales/Net sales in the period of comparison	This key figure is used to follow up the company's sales increase
Acquired growth (%)	The period's net sales growth from acquisitions/the comparative period's net sales	The key figure used to monitor the proportion of the company's sales growth generated through acquisitions
Foreign exchange (fx) effect on growth (%)	The increase in net sales for the period attributable to change in exchange rates/Net sales in the comparative period	The key figure used to monitor the proportion of the company's sales growth generated through exchange-rate fluctuations
Organic growth (%)	The increase in net sales for the period adjusted for acquisitions, divestments and currency/Net sales in the comparative period	This key figure is used when analysing underlying sales growth driven by comparable operations between different periods
Operating profit (EBIT)	Profit for the period before financial items and tax Total operating income – Operating expenses	The key figure used to monitor the company's profit generated by operating activities. This key figure enables comparisons of profitability between companies/industries
Items affecting comparability	Items related to events in the company's operations that impact comparability with profit during other periods	The key figure of Items affecting comparability is used to achieve a fair comparison of the underlying development of business operations
EBITDA	Operating profit before depreciation, amortization and impairment of intangible and tangible assets Operating profit (EBIT) + Depreciation, amortization and impairment of tangible and intangible assets	The key figure used to follow up the company's profit generated by operating activities. This key figure enables comparisons of profitability between companies/ industries
Adjusted EBITDA	Operating profit before depreciation/amortization and impairment of intangible and tangible assets adjusted for items from such events in the company's operations that affect comparisons with profit from other periods EBITDA + Items affecting comparability	The key figure of Items affecting comparability is used to achieve a fair comparison of the underlying development of business operations
Operating cash flow	Total cash flow from operating activities excluding tax, net financial items and items affecting comparability, as well as cash flow used in investing activities excluding divestments Adjusted EBITDA + Changes in working capital + Cash flow from investing activities excl. acquisitions and divestments of subsidiaries	This key figure shows the cash flow from the company's operations excluding business combinations, company divestments, financing, tax and items affecting comparability and is used to follow up whether the company is able to generate a sufficiently positive cash flow to maintain and expand its operations
Free cash flow	Total cash flow from operating activities and cash flow from investing activities excluding acquisitions and divestments of operations Cash flow from operating activities + Cash flow from investing activities excluding acquisitions and sales of subsidiaries	This key figure shows cash flow from operating activities including cash flow from investing activities excluding acquisitions and divestments of operations and is used because it is a relevant measure for investors to be able to understand the Group's cash flow from operating activities
Cash conversion (%)	Cash conversion as a percentage is defined as operating cash flow divided by adjusted EBITDA Operating cash flow/Adjusted EBITDA	The key figure used as an efficiency measure of the proportion of a company's profit that is converted to cash. Cash conversion is mainly followed on a twelve-month basis
Net debt	The Group's interest-bearing liabilities excluding pension provisions adjusted for cash and cash equivalents Interest-bearing liabilities – cash and cash equivalents	This key figure is a measure of the company's debt/ equity ratio and is used by the company to assess its capacity to meet its financial commitments
Net debt / Adjusted EBITDA LTM	Net debt/Adjusted EBITDA LTM is a measure of the debt/equity ratio defined as the closing balance for net debt in relation to last twelve months adjusted EBITDA	The key figure used to monitor the level of the company's indebtedness

For further information, please contact
Vilhelm Sund, Director Group planning, analysis & Investor relations - vilhelm.sund@consolis.com
Daniel Warnholtz. Group CFO - daniel.warnholtz@consolis.com