Interim report

Q2 2023

CONSOLIS

INTERIM REPORT Q2 2023

The second quarter April to June

• Net sales amounted to € 265 million (338), corresponding to a decrease of 22 percent. Currency effects had a negative impact of 4.4 percent.

• Operating profit (EBIT) amounted to € 8.8 million (10.0)

• Adjusted EBITDA amounted to € 17.8 million (20.2), corresponding to a margin of 6.7 percent (6.0). Exchange rates had a negative impact of 5.2 percent.

• Order book decreased 5 percent to € 600 million, compared to € 630 million at the beginning of the quarter. Order intake in the quarter totaled € 235 million, and the book to bill ratio corresponded to 0.9.

• Free cash flow in the quarter amounted to € -0.6 million (2.5), primarily explained by working capital seasonality effects and the impact of inventory level reduction. LTM cash conversion was 72 percent.

• The group divested one non-operational real estate asset in Germany with a one-time cash inflow of € 2.3 million received during the quarter.

The first half year January to June

• Net sales amounted to € 555 million (657), corresponding to a decrease of 16 percent. Currency effects had a negative impact of 4.2 percent.

• Operating profit (EBIT) amounted to € 10.5 million (16.7)

• Adjusted EBITDA amounted to € 38.2 million (37.0), corresponding to a margin of 6.9 percent (5.6). Exchange rates had a negative impact of 6.8 percent

• Free cash flow in the half year amounted to € -10.9 million (-8.3), primarily explained by working capital seasonality effects. LTM cash conversion was 72 percent.

Events after the reporting period

We are accelerating the adjustment of our operations to lower market demand of residential buildings in the Nordics. To address this we intend to, pursuant to consultations with relevant unions in local markets, launch a restructuring program addressing East- and West Nordics. We have the intention to book a one-time restructuring charge of € 11-13 million of were some 4.5 MEUR will be relating to write down of IFRS16 leasing contracts and majority of the rest will be related to reduction of direct and indirect costs, including personnel. We plan to close one factory and two offices permanently, to mothball one factory, and to reduce personnel cost (both direct and indirect). We estimate the effect on EBITDA for 2023 to be in range of € 4-5 million, the cash out effect 2023 at € 5-6 million and with a full year EBITDA effect of € 5-6 million.

Key metrics. Consolis Group

	Apr-Jun		Jan-Jun		Full year	
(€ in million)	2023	2022	2023	2022	LTM	2022
Net sales	265	338	555	657	1,193	1,295
Adjusted EBITDA	17.8	20.2	38.2	37.0	77.1	75.9
Adjusted EBITDA %	6.7%	6.0%	6.9%	5.6%	6.5%	5.9%
Operating profit (EBIT)	8.8	10.0	10.5	16.7	12.2	18.4
Free cash flow	(0.6)	2.5	(10.9)	(8.3)	31.5	34.1
Operating cash flow	3.8	7.7	4.1	(2.6)	55.6	48.9
Cash conversion %	21%	38%	11%	(7%)	72%	64%
Order book (end of period)	600	914	600	914	600	674
Order intake	235	296	483	660	894	1,070
Book to bill ratio	0.9	0.9	0.9	1.0	0.7	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 second quarter with adjusted EBITDA of € 17.8 million, continuing to show resilience in a challenging market environment. During the quarter sales decline by 22 percent compared to same quarter last year but with improved adjusted EBITDA margin by 0.7 percentage points to 6.7% margin compared to same period last year. Book-to-bill ratio for the quarter was 0.9 (0.9) and we are experiencing a weak demand for residential buildings. We continue to put efforts in our Green Spine Line® product line. During the first half of 2023 some 30 percent of Consolis total produced volume was Green Spine Line® products.

TURBULENT MARKET CONDITIONS

Order intake in the second quarter amounted € 235 million, corresponding to a book to bill of 0.9.

We continue to experience similar market conditions as in recent quarters with a stable demand in the non-residential segment across our regions whereas we see less demand for residential buildings. During the second quarter residential order intake stabilized, but at a lower level than historically. We now have 12 percent of our order intake coming from residential, which in the past has been 30 percent of Consolis new orders.

The slowdown of order intake in residential is also visible in our operating segments. Emerging Markets and East Europe had stable order intake in the quarter. In West Europe, West- and East Nordic we have historically had a larger portion of residential order intake and are impacted by the lower volumes.

The slow down in residential orders also impacted the order book. By end of Q2 we had € 600 million (914) worth of sales in our order book. We continue to be firm on commercial terms for new orders building the order book and continue to have a high quality order book.

We don't foresee a recovery of the residential market in the short term, as we are not yet seeing signs of a shift in sentiment. Accordingly, we are accelerating our efforts to adjust our operations to the current lower level of residential order intake. Long term, we believe that the underlying growth drivers of our market are strong, with growing pent-up demand for residential housing in our core geographies and attractive precast industry tailwinds.

RESILIENCE

In the second quarter Consolis net sales amounted € 265 million (338). Adjusted EBITDA amounted to 17.8 million, corresponding to 6.7 (6.0) percent in adjusted EBITDA margin. Free cash flow amounted to € -0.6 million (2.5). During the quarter the group divested one non-operational real estate asset in Germany with a one-time cash inflow of € 2.3 million.

During the quarter we improved our Adj. EBITDA margin compared to same quarter last year in a challenging environment where we simultaneously saw net sales drop by 74 million corresponding to 22 percent (of which -4.4 percent was currency effects). We also saw that our efforts in West Nordics continue to pay off as the segment delivered an adjusted EBITDA margin of 3.6 percent which was 5.0 percentage points better than last year, but impacted by lower volumes. Net sales in the segment dropped € 23.6 million equaling -21 percent year on year of which currency effect was -8 percent.

We are accelerating the adjustment of our operations to lower market demand of residential buildings in the Nordics. To address this we intend to, pursuant to consultations with relevant unions in local markets, launch a restructuring program addressing West- and East Nordics. We have the intention to book a one-time restructuring charge of € 11-13 million of were some 4.5 MEUR will be relating to write down of IFRS16 leasing contracts and majority of the rest will be related to reduction of direct and indirect costs, including personnel. We plan to close one factory and two offices permanently, to mothball one factory, and to reduce personnel cost (both direct and indirect). We estimate the effect on EBITDA for 2023 to be in range of € 4-5 million, the cash out effect 2023 at € 5-6 million and with a full year EBITDA effect of € 5-6 million.

TAKING THE LEAD IN LOW CARBON CONCRETE AS A COMPETITIVE ADVANTAGE

During first half 2023, some 30 percent of Consolis total produced volume was Green Spine Line® products. This equals some 535,000 tons certified products with a direct saving of over 17,200 tons carbon dioxide emissions when compared to regular precast concrete. We have during the second half of 2022 fully certified our Netherlands business for Green Spine Line® adding good growth in 2023. We continue to see a good increase of the proportion of our produced volume under the Green Spine Line®, as well as corresponding gradual increase in sales as we grow this offer in our more mature markets. Material part of relevant geographies and products are now certified.

During the quarter, our Finnish subsidiary Consolis Parma and material technology company Betolar disclosed the results of an extensive testing program for research and development of low-carbon hollow-core slabs. The results showcased the ability to produce hollow-core slabs with ~75 percent lower emissions than Finnish standard precast hollow-core slabs. The low-carbon hollow-core slab development program is now transitioning from the laboratory and factory testing phase to piloting of low-carbon hollow-core slabs in real test sites. YIT, a large Finnish construction company, have expressed interested in testing the new slabs.

In Norway we participated in the launch of the world's first machine-readable EPD (Environmental Product Declaration), complying with the format ISO 22057. The ISO-certified EPD contains data on product materials and their life cycle analyses (LCA) and is now machine-readable and easy to interpret. With access to this data, the machine can automatically find the most efficient LCA solutions.

We are confident that our efforts in the area of low carbon concrete is the way forward and continue to prioritize this to secure that we long-term are in a place to capitalize from the unquestionable demand for low carbon precast concrete elements.

Stockholm
21 July, 2023

Mikael Stöhr
President Consolis

CONSOLIS GROUP

Key metrics, Consolis Group

	Apr-Jun			Jan-Jun			Full year		
(€ In million)	2023	2022	Δ%	2023	2022	Δ%	LTM	2022	Δ%
Net sales	265	338	(22%)	555	657	(16%)	1,193	1,295	(8%)
Adjusted EBITDA	17.8	20.2	(12%)	38.2	37.0	3%	77.1	75.9	2%
Adjusted EBITDA %	6.7%	6.0%		6.9%	5.6%		6.5%	5.9%	
Operating profit (EBIT)	8.8	10.0	(12%)	10.5	16.7	(37%)	12.2	18.4	(33%)
Free cash flow	(0.6)	2.5	(122%)	(10.9)	(8.3)	31%	31.5	34.1	(7%)
Operating cash flow	3.8	7.7	(50%)	4.1	(2.6)	(259%)	55.6	48.9	14%
Cash conversion %	21%	38%		11%	(7%)		72%	64%	
Order book (end of period)	600	914	(34%)	600	914	(34%)	600	674	(11%)
Order intake	235	296	(21%)	483	660	(27%)	894	1,070	(16%)
Book to bill ratio	0.9	0.9		0.9	1.0		0.7	0.8	

GROUP DEVELOPMENT

April to June

Net sales amounted to € 265 million (338), corresponding to 22 percent sales decline. All our segments declined on top line compared to same quarter last year. In West- and East Europe this decline was moderate and explained by a strong quarter last year, in Emerging Markets we are impacted by the currency effects and in West- and East Nordic segments we see a lower demand for residential buildings now materializing in lower top line. Overall exchange rate had a negative impact of 4.4 percent on Group sales growth, primarily in Egypt, Sweden and Norway.

Order intake amounted to € 235 million, down 21 percent vs. last year and corresponding to a book-to-bill ratio of 0.9. Non-residential continues to hold up well during the quarter, whereas the low volumes on residential remained. Consolis order book declined 5 percent in the quarter and by end of Q2 order book amounted € 600 million worth of sales. We are experiencing shorter lead times in most markets from order placement to production as decision making takes longer, but order book continues to give us good visibility for H2.

Adjusted EBITDA for Q2 was € 17.8 million (20.2), 11.7% below last year. The adjusted EBITDA-margin was 6.7 percent (6.0) helped by continued improvement in West Nordics compared to same quarter last year and good margin development in West- and East Europe. East Nordics continue to be challenged by the lower volumes from residential and we are accelerating efforts to align cost base with this situation.

Free cash flow in the quarter amounted to € -0.6 million (2.5), due to working capital seasonality and offset by divestment of a German non-operational real estate adding € 2.3 million. Capital expenditures amounted to € 3.1 million (3.1).

As of June 30, 2023, the Consolis Group's liquidity amounted to €55.8 million, consisting of €40.8 million of cash and cash equivalents, and €15.0 million available for drawing under the super senior revolving credit facility. Consolis is exploring actions to further improve liquidity short-term to create further operational flexibility, including for example continuing optimization of working capital, as well as potentially financing backed by limited un-pledged existing owned properties and/or sale and lease back thereof.

We are accelerating the adjustment of our operations to lower market demand of residential buildings in the Nordics. To address this we intend to, pursuant to consultations with relevant unions in local markets, launch a restructuring program addressing West- and East Nordics. We have the intention to book a one-time restructuring charge of € 11-13 million of were some 4.5 MEUR will be relating to write down of IFRS16 leasing contracts and majority of the rest will be related to reduction of direct and indirect costs, including personnel. We plan to close one factory and two offices permanently, to mothball one factory, and to reduce personnel cost (both direct and indirect). We estimate the effect on EBITDA for 2023 to be in range of € 4-5 million, the cash effect 2023 at € 5-6 million and with a full year EBITDA effect of € 5-6 million.

January to June

Net sales amounted to € 555 million (657), corresponding to 16 percent decline in sales. Exchange rates had a negative impact of 4.2 percent. The year on year decline is primarily explained by the decrease in demand for residential buildings but also an overall slowdown in the economy. Order intake for first half year 2023 amounted to € 483 million (660), down 27 percent vs. last year.

Adjusted EBITDA amounted € 38.2 million (37.0), an increase by 3.2 percent vs. last year, of which the mix of exchange rates had a negative impact of 6.8 percent. The adjusted EBITDA-margin was 6.9 percent (5.6).

DEVELOPMENT PER SEGMENT

Reconciliation Adjusted EBITDA to result before taxes

	Apr-Jun		Jan-Jun		Full year	
(€ In million)	2023	2022	2023	2022	LTM	2022
Adjusted EBITDA	**17.8**	**20.2**	**38.2**	**37.0**	**77.1**	**75.9**
Depreciation and amortization	(10.5)	(10.5)	(21.3)	(21.2)	(44.2)	(44.2)
Profit/(loss) from sales of fixed assets	1.9	0.0	1.9	0.7	2.0	0.7
Impairment (loss) / reversal	-	0.2	-	0.2	(7.6)	(7.4)
Adjustments and restructuring costs	(0.4)	0.1	(8.3)	(0.1)	(15.0)	(6.7)
Operating income	**8.8**	**10.0**	**10.5**	**16.7**	**12.2**	**18.4**
Financial items, net	(11.2)	(6.9)	(19.9)	(16.4)	(41.7)	(38.2)
Result before taxes	**(2.5)**	**3.1**	**(9.4)**	**0.3**	**(29.5)**	**(19.8)**

DEVELOPMENT PER SEGMENT

	Net Sales				Adj. EBITDA				Adj. EBITDA %			
	Apr-Jun		Full year		Apr-Jun		Full year		Apr-Jun		Full year	
(€ in million)	2023	2022	LTM	2022	2023	2022	LTM	2022	2023	2022	LTM	2022
West Nordic	90	114	410	436	3.2	(1.6)	8.8	(3.8)	3.6%	(1.4%)	5.2%	(0.9%)
East Nordic	46	87	255	329	(0.6)	3.5	4.6	15.3	(1.4%)	4.0%	(2.3%)	4.6%
Western Europe	75	82	318	310	10.8	9.7	40.0	33.8	14.5%	11.9%	14.3%	10.9%
Eastern Europe	27	28	102	109	3.8	3.0	12.2	12.5	14.3%	10.9%	12.5%	11.4%
Emerging markets	28	35	124	136	1.5	5.8	13.9	20.4	5.5%	16.5%	7.2%	15.0%
Elimination/Unallocated	(1)	(7)	(16)	(25)	(0.9)	(0.2)	(2.4)	(2.2)				
Consolis Group	**265**	**338**	**1,193**	**1,295**	**17.8**	**20.2**	**77.1**	**75.9**	**6.7%**	**6.0%**	**6.5%**	**5.9%**

WEST NORDIC

April to June

Net sales in West Nordics amounted to € 90 million (114). Sales decline was 21 percent, of which organic sales decline represented 13 percent and currency effects 8 percent. In the quarter sales declined across all three markets with a slightly higher decline in Norway due to high comparable driven by one larger project during Q2 2022, but with a significant sales decline also in Sweden and Denmark.

Order intake in the quarter was down 36 percent vs. last year and the order book closed at € 203 million, down 14 percent vs. last quarter. All three markets are experiencing the contraction on residential demand. The shorter lead times from order intake to production and delivery is also visible in all three markets impacting the order book size slightly.

The adjusted EBITDA-margin in the quarter was 3.6 percent (-1,4), 5.0 percentage points above same period last year. We continue to see margin recovery in West Nordics with Sweden improving its EBITDA margin from Q1 2023, Denmark dropping slightly due to lower volumes and Norway being at break even for the quarter.

To further accelerate the protection of our profitability we are intending to use part of the additional restructuring charge, pursuant to consultations with relevant unions in local markets, to lower our operational and overhead costs in the segment which will amongst other actions include mothballing of one plant.

January to June

Net sales amounted to € 196 million (222), corresponding to a sales decline of 12 percent. The adjusted EBITDA-margin in the period was 3.9 percent (-2.2). Currency effects were 6 percent negative on net sales.

EAST NORDIC

April to June

Net sales in East Nordics amounted to € 46 million (87) corresponding to sales decline of 47 percent. In Finland the drop in residential sales, which historically have been a higher proportion of sales in Finland compared to Group, is now materializing further in net sales. In Baltics we also experience a drop driven by the increased local competition as previous cross border sales from Baltics to Nordics has decreased in competitiveness (primarily FX and transportation costs) keeping more capacity in local markets.

Order intake declined 24 percent vs. last year. As for Q1 2023 we continue to experience a low demand on residential which historically have been a strong segment for Finland while Baltics continue to be stable but at low levels. Order book by end of Q2 amounted € 96 million, a moderate growth of 5 percent vs last quarter. We are seeing demand flattening out at this low level which is seen in the flat order book development quarter over quarter.

The adjusted EBITDA-margin in the quarter was -1.4 percent (4.0), due to the drop in demand for residential buildings. We are planning to, in addition to West Nordics, accelerate the adjustment of our cost base by permanently closing down one factory in Finland and some additional initiatives relating to this.

January to June

Net sales amounted to € 96 million (171) corresponding to a sales decline of 44 percent. The adjusted EBITDA-margin in the period was -1.6 percent (5.3).

WESTERN EUROPE

April to June

Net sales in Western Europe amounted to € 75 million (82). Sales decline was 8 percent. Spain continues to perform well whereas rest of markets are below same quarter last year.

Order intake declined by 23 percent in the quarter vs. last year at € 67 million, primarily due to lower order intake in our Netherlands business and the residential segment there. Order book by end of quarter was at € 139 million, a decline by 6 percent vs last quarter but in line with historical levels.

The adjusted EBITDA-margin in the quarter was 14.5 percent (11.9), with both the Netherlands and Spain continuing to showcase resilience in a challenging market environment.

January to June

Net Sales amounted to € 160 million (152) with a sales growth of 5 percent. Adjusted EBITDA-margin in the period was 14.0 percent (10.6).

EASTERN EUROPE

April to June

Net sales in Eastern Europe amounted to € 27 million (28), corresponding to 3 percent sales decline, of which organic negative sales decline represented minus 5 percent and currency effects positive 2 percent. Compared to same quarter last year sales declined in Poland, Hungary was unchanged and Romania grew net sales.

Order intake in the quarter declined by 22 percent vs. last year and amount to € 27 million in the quarter. Order book by end of Q2 2023 amounted € 33 million, an increase by 2 percent compared to last quarter and decline by 15 percent compared to a higher than historical order book last year. We continue to experience a positive demand for our products in especially Romania and Hungary and for now do not experience a slowdown similar to what is seen in other European segments.

The adjusted EBITDA-margin was 14.3 percent (10.9), 3.3 percentage points above last year driven by a very good performance with high operational leverage during the quarter in Romania.

January to June

Net sales amounted to € 49 million (56), corresponding to a sales decline of 13 percent, of which 12 percent organic and 1 percent currency effects. The adjusted EBITDA-margin in the period was 12.7 percent (11.6). Currency effects impacted adjusted EBITDA with 1 percent negative.

EMERGING MARKETS

April to June

Net sales in Emerging markets amounted to € 28 million (35). Sales decline was 20 percent, of which organic decline was 1 percent and currency effects minus 20 percent. In local currencies both Egypt and Tunisia increased their topline compared to same quarter last year whereas we had an expected drop in Indonesia due to the project cyclical nature of business.

Order intake came in at € 36 million (22) driven by a few larger orders received in Egypt during the quarter. Order book by end of Q2 closed at € 129 million, up 6 percent vs. last quarter, and in line with historical levels.

The adjusted EBITDA-margin was 5.5 percent (16.5) continuously challenged by the devaluation of the Egyptian pound which impacts our margins in Euro but also have an impact on local business environment. The macro-economic environment remains challenging, especially in Egypt and a bit more stable in Tunisia. During Q2 we have updated our allocation key for central SG&A and re-allocated central costs directly related to Emerging Markets towards this segment impacting the quarterly performance of the segment. Costs attributed are personnel working with Emerging Markets segment but where cost previously have been incurred in central structure. The adjustment has been done on a year to date basis meaning that costs for Q1 is fully visible in this quarter performance. In total this reallocation is € 1.4 million of which approx. half relates to Q1. Note that this does not have any impact on group results but is an internal change in reporting to showcase full performance of this segment.

January to June

Net sales amounted to € 57 million (68), corresponding to sales decline of 17 percent, of which 2 percent was organic growth and 19 percent decline due to currency effects. The adjusted EBITDA-margin in the period was 9.3 percent (17.2) and currency had a negative effect of 26 percent.

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 Q2, we had a negative effect in allocated costs of € 0.9 million. During Q2 overhead costs related to emerging markets previously sitting within central SG&A was reallocated to the Emerging Markets segment. This adjustment was done on a year to date basis giving a positive YTD effect of € 0.7 million in the quarter relating to Emerging Markets during Q1.

FINANCIAL NET

April to June

Net financial items for the period amounted to € -11.2 million, a increased loss of € 4.4 million compared to last year. The interest expenses were higher due to the term loan of € 30 million, that was fully drawn the entire period. In the quarter FX had negative impact of 0.8 million (0.1), mainly explained by Swedish kronor and Egyptian pound. Consolis Group's liquidity amounted to €55.8 million, consisting of €40.8 million of cash and cash equivalents, and €15.0 million available for drawing under the super senior revolving credit facility.

Financial net

	Apr-Jun		Jan-Jun		Full year	
(€ in million)	2023	2022	2023	2022	LTM	2022
FINANCIAL INCOME						
Interest income	0.4	0.5	0.7	0.7	0.9	1.0
Other financial income	0.9	0.4	4.0	1.0	5.2	2.2
FINANCIAL EXPENSES						
Interest expenses	(9.9)	(6.5)	(19.4)	(13.1)	(36.3)	(30.0)
Currency exchange losses/ gains	(0.8)	0.1	(1.2)	(2.2)	(3.6)	(4.7)
Other financial expenses	(1.8)	(1.4)	(4.0)	(2.7)	(7.9)	(6.6)
Financial loss	**(11.2)**	**(6.9)**	**(19.9)**	**(16.4)**	**(41.7)**	**(38.2)**

CASH FLOW

April to June

Free cash flow in the quarter amounted to € -0.6 million (2.5), primarily explained by working capital seasonality effects and the impact of inventory level reduction. Capital expenditures amounted to € 3.1 million (3.1), while the divestment of a non-operational real estate asset in Germany generated a cash inflow of € 2.3 million.

Operating Cash flow, cash conversion

	Apr-Jun		Jan-Jun		Full year	
(€ in million)	2023	2022	2023	2022	LTM	2022
Adjusted EBITDA	17.8	20.2	38.2	37.0	77.1	75.9
Change in NWC	(10.9)	(9.4)	(27.9)	(32.2)	(5.6)	(9.9)
Capex	(3.1)	(3.1)	(6.1)	(7.4)	(15.9)	(17.1)
Operating cash flow	**3.8**	**7.7**	**4.1**	**(2.6)**	**55.6**	**48.9**
Cash conversion	**21%**	**38%**	**11%**	**(7%)**	**72%**	**64%**

Free cash flow

	Apr-Jun		Jan-Jun		Full year	
(€ in million)	2023	2022	2023	2022	LTM	2022
Cash flow from operating activities – continued operations	0.3	5.6	(7.2)	(2.2)	43.9	48.8
Capex	(3.1)	(3.1)	(6.1)	(7.4)	(15.9)	(17.1)
Proceeds from fixed assets	2.3	0.0	2.4	1.2	3.5	2.3
Free cash flow	**(0.6)**	**2.5**	**(10.9)**	**(8.3)**	**31.5**	**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 € 450.0 million for the quarter ended June 30, 2023, corresponding to a leverage of 5.8. 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.

Net Debt

	Jun 30		Dec 31
(€ in million)	2023	2022	2022
Cash & Cash equivalents	(40.8)	(59.9)	(46.0)
Revolving credit facilities	60.0	57.0	15.0
Senior secured notes	300.0	300.0	300.0
Total Net senior secured debt of the issuer	**319.2**	**297.1**	**269.0**
Other debt	70.6	64.0	80.2
Lease Liabilities	60.2	64.4	70.5
Total Net Debt of the issuer	**450.0**	**425.6**	**419.6**
Adjusted EBITDA (LTM)	77.1	77.2	75.9
Leverage	**5.8x**	**5.5x**	**5.5x**

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 June 30, 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.

During 2022 Consolis have faced an inflationary environment in most markets, together with increased interest levels. In the majority of new contracts, index clauses have been included to pass on cost increase to the costumers. While the majority of the financing (senior secured notes) are fixed at 5.75 the interest risk is somewhat levered due to the new term loan that was entered during 2022, as this is based on EURIBOR 6m.

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.

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
July 21, 2023

Mikael Stöhr
CEO Consolis

Contact details

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Financial calendar
Q3 Interim report on November 16, 2023
Year end report on February 22, 2024

CONSOLIDATED STATEMENT OF INCOME

		Apr-Jun		Jan-Jun		Full year	
(€ in million)	Notes	2023	2022	2023	2022	LTM	2022
Net sales	2)	265	338	555	657	1.193	1.295
Cost of goods sold		(212.9)	(278.6)	(450.0)	(542.0)	(972.6)	(1 064.7)
Production overheads		(13.0)	(23.9)	(30.8)	(44.2)	(73.2)	(86.5)
Gross Profit		**38.7**	**36.0**	**74.5**	**71.1**	**147.6**	**144.2**
Sales and marketing expenses		(6.4)	(6.1)	(12.7)	(13.7)	(25.0)	(26.0)
Administrative expenses		(22.8)	(18.5)	(40.8)	(37.9)	(82.7)	(79.9)
Research and development expenses		(2.1)	(1.8)	(4.0)	(3.6)	(6.9)	(6.6)
Other income and expenses	3)	1.5	0.3	(6.4)	0.9	(20.6)	(13.4)
Operating profit		**8.8**	**10.0**	**10.5**	**16.7**	**12.2**	**18.4**
Financial items, net	5)	(11.2)	(6.9)	(19.9)	(16.4)	(41.7)	(38.2)
Profit after financial items		**(2.5)**	**3.1**	**(9.4)**	**0.3**	**(29.5)**	**(19.8)**
Income tax		(3.2)	(3.5)	(4.1)	(5.1)	(9.8)	(10.8)
Net profit/(loss) from continued operations		**(5.7)**	**(0.4)**	**(13.5)**	**(4.8)**	**(39.3)**	**(30.6)**
Net profit/(loss) from discontinued operations	4)	-	-	-	10.0	6.2	16.1
Net profit/(loss)		**(5.7)**	**(0.4)**	**(13.5)**	**5.2**	**(33.1)**	**(14.5)**
Net profit/(loss) for the period attributable to:							
Equity holders of the Parent Company		(5.9)	(1.7)	(14.1)	2.4	(34.5)	(17.9)
Non-controlling interest		0.2	1.3	0.6	2.8	1.4	3.5

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Apr-Jun		Jan-Jun		Full year	
(€ in million)	2023	2022	2023	2022	LTM	2022
From continued operations:						
Net profit/(loss)	**(5.7)**	**(0.4)**	**(13.5)**	**(4.8)**	**(39.3)**	**(30.6)**
Other comprehensive income/(loss)						
Items that will not be reclassified to the income statement:						
Remeasurement of defined benefit pension plans	-	-	-	-	2.9	2.9
Tax	-	-	-	-	(0.7)	(0.7)
Total items that will not be reclassified to the income statement, net of tax	**-**	**-**	**-**	**-**	**2.2**	**2.2**
Items that subsequently may be reclassified to the income statement:						
Currency translation differences	(0.6)	(0.7)	(4.7)	(4.3)	(16.9)	(16.5)
Total items that subsequently may be reclassified to the income statement, net of tax	**(0.6)**	**(0.7)**	**(4.7)**	**(4.3)**	**(16.9)**	**(16.5)**
Other comprehensive income, net of tax	**(0.6)**	**(0.7)**	**(4.7)**	**(4.3)**	**(14.7)**	**(14.3)**
Total comprehensive income from continued operations	**(6.3)**	**(1.1)**	**(18.2)**	**(9.1)**	**(54.0)**	**(44.9)**
From discontinued operations:						
Net profit/(loss)	-	-	-	10.0	6.2	16.1
Total comprehensive income from discontinued operations	**-**	**-**	**-**	**10.0**	**6.2**	**16.1**
Total comprehensive income	**(6.3)**	**(1.1)**	**(18.2)**	**0.9**	**(47.8)**	**(28.8)**
Total comprehensive income attributable to:						
Equity holders of the Parent Company	(6.4)	(1.5)	(16.8)	(0.4)	(44.2)	(27.8)
Non-controlling interest	0.2	0.4	(1.3)	1.3	(3.5)	(0.9)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		Jun 30		Dec 31
(€ in million)	Notes	2023	2022	2022
ASSETS				
Non-current assets				
Goodwill		187.5	201.2	191.1
Other intangible assets		51.5	56.2	53.4
Property, plant and equipment		138.4	159.7	152.9
Rights-of-use assets		62.8	64.6	71.4
Deferred tax assets		1.6	4.3	2.3
Other assets		14.5	14.7	14.4
Total non current assets		**456.1**	**500.7**	**485.5**
Current assets				
Inventories		55.7	82.6	66.0
Accounts receivables		139.8	168.2	137.5
Accrued income		46.8	76.3	56.5
Current tax receivables		3.0	1.8	1.7
Prepaid expenses		8.2	13.0	8.2
Other receivables		39.5	57.2	40.9
Cash and cash equivalents		40.8	59.9	46.0
Assets classified as held for sale	1)	6.8	-	-
Total current assets		**340.6**	**459.0**	**356.8**
Total assets		**796.7**	**959.7**	**842.2**
EQUITY AND LIABILITIES				
Equity attributable to equity holders of the Parent Company		(51.0)	(7.4)	(34.2)
Non-controlling interests		9.3	16.5	11.0
Total equity		**(41.8)**	**9.1**	**(23.2)**
Non-current liabilities				
Interest-bearing liabilities	6)	337.2	309.7	338.8
Lease liabilities	6)	45.1	50.0	53.2
Employee benefit obligations		16.4	20.6	16.3
Provisions		10.3	10.4	10.7
Deferred tax liabilities		10.9	11.9	11.0
Other liabilities		1.1	1.0	1.0
Total non current liabilities		**420.9**	**403.6**	**431.1**
Current liabilities				
Interest-bearing liabilities	6)	104.1	122.2	66.9
Lease liabilities	6)	15.1	14.5	17.3
Accounts payable		112.9	152.9	127.2
Advances from customers		57.6	80.9	78.7
Provisions		3.1	4.6	5.4
Income tax payables		5.4	4.8	8.0
Accrued expenses		29.6	38.1	35.3
Other liabilities		89.7	128.9	95.6
Total current liabilities		**417.6**	**547.0**	**434.4**
Total equity and liabilities		**796.7**	**959.7**	**842.2**

CONSOLIDATED STATEMENT OF CASH FLOWS

	Apr-Jun		Jan-Jun		Full year	
(€ in million)	2023	2022	2023	2022	LTM	2022
Cash flow from operating activities						
Profit after financial items	(2.5)	3.1	(9.4)	0.3	(29.5)	(19.8)
Non cash items	18.7	16.5	36.7	35.2	88.4	86.8
Depreciation/amortization and impairment	10.5	10.5	21.3	21.2	51.9	51.6
Financial items, net	11.2	6.9	19.9	16.4	41.7	38.2
Other non-cash items	(3.1)	(0.7)	(4.5)	(2.2)	(5.2)	(2.9)
Taxes paid	(5.1)	(4.5)	(6.6)	(5.4)	(9.4)	(8.3)
Cash flow from working capital	(10.9)	(9.4)	(27.9)	(32.2)	(5.6)	(9.9)
Cash flow from operating activities – continued operations	**0.3**	**5.6**	**(7.2)**	**(2.2)**	**43.9**	**48.8**
Cash flow from operating activities – discontinued operations	-	-	-	(10.1)	-	(10.1)
Cash flow from operating activities	**0.3**	**5.6**	**(7.2)**	**(12.3)**	**43.9**	**38.7**
Investing activities						
Investments in property, plant and equipment	(3.0)	(2.9)	(5.9)	(6.6)	(14.6)	(15.3)
Investments in intangible assets	(0.1)	(0.2)	(0.2)	(0.7)	(1.3)	(1.8)
Sale of non current assets	2.3	0.0	2.4	1.2	3.5	2.3
Divestments of subsidiaries/operations	-	(1.0)	0.0	(2.7)	(5.7)	(8.4)
Interest received	0.4	0.7	0.6	0.9	0.8	1.0
Cash flow from investing activities – continued operations	**(0.4)**	**(3.4)**	**(3.1)**	**(8.0)**	**(17.3)**	**(22.2)**
Cash flow from investing activities – discontinued operations	-	-	-	(0.1)	-	(0.1)
Cash flow from investing activities	**(0.4)**	**(3.4)**	**(3.1)**	**(8.1)**	**(17.3)**	**(22.3)**
Financing activities						
Proceeds from borrowings	17.9	14.9	62.0	90.6	92.7	121.3
Repayment of borrowings	(1.6)	(11.3)	(14.7)	(33.5)	(62.7)	(81.5)
Repayment of lease liabilities	(4.5)	(4.8)	(9.1)	(9.0)	(16.4)	(16.2)
Net proceeds from factoring	(2.3)	10.0	(9.7)	7.4	(21.2)	(4.1)
Change in other financial liabilities	(3.6)	(1.5)	(3.8)	(3.0)	(9.1)	(8.3)
Interests paid	(13.6)	(11.8)	(18.5)	(13.3)	(34.1)	(28.9)
Dividends paid to non-controlling interests	(0.4)	(2.7)	(0.6)	(2.8)	(0.2)	(2.4)
Cash flow from financing activities – continued operations	**(8.0)**	**(7.4)**	**5.8**	**36.4**	**(50.9)**	**(20.2)**
Cash flow from financing activities – discontinued operations	-	-	-	0.5	-	0.5
Cash flow from financing activities	**(8.0)**	**(7.4)**	**5.8**	**36.8**	**(50.7)**	**(19.7)**
Cash flow for the year	**(8.3)**	**(5.2)**	**(4.6)**	**16.4**	**(24.3)**	**(3.3)**
Cash and cash equivalents at beginning of period	**47.8**	**64.7**	**46.0**	**51.8**	**59.9**	**51.8**
Cash flow for the year – continued operations	(8.3)	(5.2)	(4.6)	26.2	(24.3)	6.5
Cash flow for the year – discontinued operations	-	-	-	(9.8)	(0.0)	(9.8)
Cash classified as held for sale	-	-	-	(10.6)	10.6	-
Exchange rate differences on cash and cash equivalent	0.0	0.3	(1.3)	(0.8)	(4.0)	(3.5)
Bank overdraft	1.3	(0.0)	0.7	3.1	(1.3)	1.1
Cash and cash equivalents at end of the period	**40.8**	**59.9**	**40.8**	**59.9**	**40.8**	**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)	(14.1)	0.6	(13.5)
Other comprehensive income/(loss)	(2.7)	(2.0)	(4.7)
Total comprehensive income/(loss)	**(16.8)**	**(1.3)**	**(18.2)**
Transaction with owners			
Dividend		(0.4)	(0.4)
Closing balance June 30, 2023	**(51.0)**	**9.3**	**(41.8)**

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 June 30, 2023 management's assessment is that the carrying amount for certain real estate assets will be recovered principally through a sale transaction rather than through continuing use. These real estate assets have been classified as assets held for sale and the existing mortgage loan have been classified as short term as it is likely to be repaid within 12 months.

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.

Apr - Jun	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	90	114	46	87	75	82	27	28	28	35			(1)	(7)	265	338
Adjusted EBITDA	3.2	(1.6)	(0.6)	3.5	10.8	9.7	3.8	3.0	1.5	5.8	(0.9)	(0.2)			17.8	20.2
Depreciation ans amortization											(10.5)	(10.5)			(10.5)	(10.5)
Profit (loss) from sales of fixed assets											1.9	0.0			1.9	0
Impairment											-	0.2			-	0.2
Adjustments and restructuring costs											(0.4)	0.1			(0.4)	0.1
Operating profit															**8.8**	**10.0**
Financial items, net											(11.2)	(6.9)			(11.2)	(6.9)
Profit after financial items															**(2.5)**	**3.1**
Capex	(0.6)	(0.9)	(0.5)	(0.7)	(0.8)	(0.8)	(0.7)	(0.2)	(0.3)	(0.4)	(0.1)	(0.2)	-	-	(3.1)	(3.1)

Jan - Jun	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	196	222	96	171	160	152	49	56	57	68			(3)	(12)	555	657
Adjusted EBITDA	7.6	(4.9)	(1.6)	9.1	22.3	16.1	6.2	6.5	5.3	11.7	(1.7)	(1.5)			38.2	37.0
Depreciation ans amortization											(21.3)	(21.2)			(21.3)	(21.2)
Profit (loss) from sales of fixed assets											1.9	0.7			1.9	0.7
Impairment											-	0.2			-	0.2
Adjustments and restructuring costs											(8.3)	0.1			(8.3)	0.1
Operating profit															**10.5**	**16.7**
Financial items, net											(19.9)	(16.4)			(19.9)	(16.4)
Profit after financial items															**(9.4)**	**0.3**
Capex	(2.2)	(1.8)	(0.8)	(1.3)	(1.8)	(2.4)	(0.9)	(0.4)	(0.3)	(0.8)	(0.2)	(0.7)	-	-	(6.1)	(7.4)

Quarterly data

(€ in million)	2021				2022				2023	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Net sales										
West Nordic	101	108	84	108	108	114	98	116	105	90
East Nordic	56	62	72	77	83	87	84	74	50	46
Western Europe	58	69	60	69	70	82	73	85	85	75
Eastern Europe	17	21	27	23	29	28	29	23	23	27
Emerging markets	27	28	30	38	33	35	38	29	29	28
Adjusted EBITDA										
West Nordic	3.9	4.8	0.3	(1.4)	(3.3)	(1.6)	(2.1)	3.2	4.3	3.2
East Nordic	0.8	2.8	3.8	5.0	5.6	3.5	3.8	2.3	(0.9)	(0.6)
Western Europe	8.4	11.2	7.3	6.7	6.4	9.7	6.2	11.4	11.5	10.8
Eastern Europe	1.3	2.1	2.6	0.8	3.5	3.0	4.2	1.8	2.4	3.8
Emerging markets	4.3	3.7	5.5	7.5	6.0	5.8	7.4	1.2	3.8	1.5
Adjusted EBITDA %										
West Nordic	3.8%	4.4%	0.4%	(1.3%)	(3.1%)	(1.4%)	(2.1%)	2.8%	4.1%	3.6%
East Nordic	1.4%	4.6%	5.3%	6.6%	6.8%	4.0%	4.5%	3.2%	(1.8%)	(1.4%)
Western Europe	14.4%	16.1%	12.2%	9.6%	9.0%	11.9%	8.4%	13.5%	13.5%	14.5%
Eastern Europe	7.2%	9.6%	9.7%	3.3%	12.2%	10.9%	13.9%	7.7%	10.8%	14.3%
Emerging markets	16.2%	13.4%	18.3%	19.8%	18.0%	16.5%	19.7%	4.1%	13.0%	5.5%
Order book										
West Nordic	318	346	376	391	406	374	335	267	235	203
East Nordic	122	165	191	210	205	177	145	97	91	96
Western Europe	132	134	130	137	177	181	161	141	149	139
Eastern Europe	20	27	31	34	35	39	36	33	33	33
Emerging markets	133	149	168	178	162	153	155	137	122	129
Order intake										
West Nordic	113	134	109	121	124	91	57	44	73	58
East Nordic	60	104	83	92	76	63	52	29	44	48
Western Europe	79	70	54	75	106	88	51	65	90	67
Eastern Europe	15	28	32	26	29	34	28	19	21	27
Emerging markets	50	45	47	44	26	22	35	32	21	36
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
East Nordic	1.1	1.7	1.2	1.2	0.9	0.7	0.6	0.4	0.9	1.0
Western Europe	1.4	1.0	0.9	1.1	1.5	1.1	0.7	0.8	1.1	0.9
Eastern Europe	0.9	1.3	1.2	1.2	1.0	1.2	0.9	0.8	0.9	1.0
Emerging markets	1.9	1.6	1.6	1.2	0.8	0.6	0.9	1.1	0.7	1.3

3. OTHER INCOME AND EXPENSES

	Apr-Jun		Jan-Jun		Full year	
(€ in million)	2023	2022	2023	2022	LTM	2022
Profit/(loss) from sale of fixed assets	1.9	0.0	1.9	0.7	2.0	0.7
Restructuring costs	(0.4)	0.0	(1.2)	(0.0)	(7.9)	(6.7)
Impairment (charge)/ reversal	-	0.2	-	0.2	(7.6)	(7.4)
Other items	(0.0)	0.0	(7.1)	(0.0)	(7.1)	(0.0)
Other income and expenses from operations	**1.5**	**0.3**	**(6.4)**	**0.9**	**(20.6)**	**(13.4)**

Profit/(loss) from sale of fixed assets
During the quarter Consolis divested a real estate asset located in Meiningen, Germany. Proceeds from the sale amounted to € 2.3 million.

Restructuring cost
Recorded restructuring cost mainly comprises the restructuring charge related to the previously mentioned restructuring program in West Nordic, which is now fully charged.

Impairment charge
No impairment charge has been recorded in the quarter.

As part of year end closing 2022 we performed an impairment test. The methodology was unchanged compared to previous 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 in Norway and France. An impairment charge was recorded of € 5.4 million in Norway and € 0.5 million on France, affecting the value on goodwill. Apart from this we have also recorded an impairment charge amounting to € 1.7 million related to other intangible assets, where we have written off the value for an internally developed tool for optimizing hollow core design. The triggering event was that the Netherlands decided to not roll out the application, which changed the business case significantly.

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 will result in a reduction of operating profit of approximately € 5.7 million in 2023. In order to follow the underlying profitability of the group this will be reported as a non recurring cost.

During Q1 a premature termination of a lease agreement in Finland rendered in a loss of € 1.4 million related to rights-of -use assets.

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.

	Apr-Jun		Jan-Jun		Full year	
(€ in million)	2023	2022	2023	2022	LTM	2022
Net result from Civil Works France operations	-	-	-	(0.6)	-	(0.6)
Net gain from Civil Works France divestment	-	-	-	10.6	6.2	16.7
Result from discontinued operations	**-**	**-**	**-**	**10.0**	**6.2**	**16.1**

5. FINANCIAL (LOSS)/INCOME

	Apr-Jun		Jan-Jun		Full year	
(€ in million)	2023	2022	2023	2022	LTM	2022
Financial income						
Interest income	0.4	0.5	0.7	0.7	0.9	1.0
Other financial income	0.9	0.4	4.0	1.0	5.2	2.2
Financial expenses						
Interest expenses	(9.9)	(6.5)	(19.4)	(13.1)	(36.3)	(30.0)
Currency exchange losses	(0.8)	0.1	(1.2)	(2.2)	(3.6)	(4.7)
Other financial expenses	(1.8)	(1.4)	(4.0)	(2.7)	(7.9)	(6.6)
Financial items, net	**(11.2)**	**(6.9)**	**(19.9)**	**(16.4)**	**(41.7)**	**(38.2)**

6. INTEREST-BEARING LIABILITIES

	Jun 30		Dec 31
(€ in million)	2023	2022	2022
Non-current interest-bearing liabilities			
Shareholder loan	306.1	306.8	305.8
Lease liabilities	45.1	50.0	53.2
Other loans	31.1	2.9	33.0
Total non-current interest-bearing liabilities	**382.2**	**359.7**	**392.0**
Current interest-bearing liabilities			
Factoring - net liability [1]	33.7	56.7	45.5
Accrued interests	5.0	4.1	4.7
Revolving credit facilities	60.0	57.0	15.0
Current portion of long-term loans	3.6	0.6	0.6
Lease liabilities	15.1	14.5	17.3
Bank overdrafts	1.8	3.1	1.1
Other loans	-	0.7	-
Total current interest-bearing liabilities	**119.2**	**136.7**	**84.1**
Total interest-bearing liabilities	**501.4**	**496.4**	**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 June 30, 2023, the factoring liability amount is €82.8 million out of which € 49.0 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 June 30, 2023, the guarantee fund amounted to €4.7 million with a remaining portion of the guarantee fund netted with the factoring liability of €4.2 million.

Current portion of long-term loan
As of June 30, 2023 the entire existing mortage loan in is classified as short term debt, as it is likely to be repaid within 12 months.

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

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