

FRIWO with jump in sales in Q1 2022 thanks to e-mobility

- Quarterly sales increase by 32% to 29.0 million euro
- EBIT improved to -1.0 million euros, Covid-19-related higher costs burden the result
- Order book almost doubled to more than 100 million euros
- Preparations for the launch of the e-mobility joint venture with UNO MINDA Group in India are proceeding as scheduled
- Equity participation by UNO MINDA likely to increase equity ratio to more than 25%.
- Continued high confidence for full year 2022: low to medium double-digit percentage revenue growth and turnaround to positive earnings expected

Ostbevern, 11th May 2022 – FRIWO-Group has started the 2022 financial year with a dynamic revenue growth as planned. Driven by sustained high demand from the core business area of e-mobility and positive sales developments in the three other business areas, **consolidated sales** in the first quarter increased by 32% from 22.0 million euro to 29.0 million euro. It should be noted that the noticeable supply bottlenecks for important electronic components due to the Covid-19-related logistics problems, especially in China, were preventing growth that is even more significant. The substantial growth in turnover also led to an improvement in profitability. Earnings before interest and taxes (**EBIT**) improved from minus 1.6 million euro to minus 1.0 million euro. This already takes into account the significantly higher material and logistics costs caused by the previously mentioned delivery bottlenecks as well as the upfront costs for further growth. After tax, FRIWO shows a loss of minus 1.6 million euro in the first three months of the financial year (Q1-2021: minus 2.0 million euro). However, this was expected for the historically weakest (first) quarter of the financial year.

“We are delivering on what we promise. In the first quarter of 2022, for example, FRIWO achieved its targeted dynamic sales growth despite difficult conditions. In addition, our e-mobility success story has only just begun. In view of booming sales markets and a very high order backlog in the triple-digit million euro range, we are also very confident of achieving sustainable profitable growth for 2022 as a whole and the following years,” says **Rolf Schwirz, Chairman of the Board of Directors** of FRIWO AG on the development.

A clearly positive trend is also emerging for the coming quarters. Driven by sustained high demand in the e-mobility business, **order intake** as of 31st March 2022 rose to 30.6

million euro from 29.9 million euro as of 31st March 2021 in a quarterly comparison. At 100.4 million euro (Q1-2021: 51.1 million euro), the **order book** exceeded the 100 million euro threshold for the first time in the company's history. FRIWO employed 2,346 people across the Group at the end of the quarter (Q4-2021: 2,182), more than 90% of which were in the Far East, primarily Vietnam.

Expansion of e-mobility business follows tremendous global growth potentials – Preparations for the launch of the e-mobility joint venture with UNO MINDA Group in India are proceeding as scheduled

The e-mobility success story has only just begun: Thus, FRIWO has already become a market and technology leader in recent years by producing more than one million charging systems for e-bikes annually. For the near future, sales are to be ramped up to three million units via the established Asian production sites in Vietnam, China and India. The company's optimism is further fuelled by the joint venture with the Indian UNO MINDA Group signed at the end of 2021. This is expected to have increasingly positive effects from 2023 onwards due to the joint development of the huge e-mobility market for two- and three-wheelers in India. The necessary preparations for the operational business are running according to plan.

Equity participation by UNO MINDA likely to increase equity ratio to more than 25%

FRIWO had already succeeded in improving its equity ratio at the end of 2021 through a capital increase. As of 31st March 2022, the equity ratio was 9.4%. Now that the Indian authorities have approved the joint venture and the participation of the UNO MINDA group in the equity of FRIWO AG, nothing will stand in the planned path of a further capital increase. In the process, the UNO MINDA Group will acquire 448,162 shares or 5.24% of the company. As a result, the company will receive 15 million euro in equity and the equity ratio is expected to increase to more than 25%. This means that the planned future growth is solidly financed, especially since FRIWO is also in advanced talks with the house banks about extending the current credit lines beyond the original financing horizon.

High confidence for full year 2022: low to medium double-digit percentage revenue growth and turnaround to positive earnings expected

Thanks to the high orders on hand and the completed internal improvements in efficiency, the Executive Board of FRIWO AG expects a sustained positive business development in 2022. The strained situation on the international procurements markets, which continued in the first quarter of 2022, the uncertainties regarding possible negative effects from the

Ukraine crisis and the further course of the COVID-19 pandemic are the most important risk factors for the business development of the Group. Assuming that the supply bottlenecks due to the Covid-19-related logistics problems, especially in China, and the effects of the Ukraine crisis do not worsen significantly, an increase in Group sales in the low to medium double-digit percentage range and a slightly positive Group EBIT are expected in the 2022 financial year. FRIWO is also confident of generating sustainably profitable revenue growth in the coming years, especially in view of the expected positive development in the e-mobility sector.

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FRIWO Group development at a glance

in million euro	1-3/2022	1-3/2021
Revenue	29.0	22.0
Earnings before interest and taxes (EBIT)	-1.0	-1.6
EBIT margin in percent	-3.5	-7.4
Profit before income tax (PBT)	-1.6	-2.1
Result after taxes	-1.6	-2.0
Earnings per share in euros	-0.20	-0.26
Capital expenditure	1.0	0.3

	31/03/2022	31/12/2021
Balance-sheet total	79.7	75.7
Equity capital	7.5	9.0
Equity ratio in percent	9.4	11.9
Employees (reporting date)	2,346	2,182

About FRIWO:

The listed FRIWO AG (General Standard, Frankfurt) with its headquarters in Ostbevern/Northrhine Westphalia is an international manufacturer of technically leading power-supply devices and e-drive solutions. FRIWO provides a whole host of applications with tailored systems from a single source. FRIWO, founded in 1971, has transformed itself from a provider of power-supply products to a full line supplier of sophisticated and tailored e-mobility solutions. Today, the product portfolio does not only include premium power supply solutions, but also battery charging solutions for a wide range of applications. Furthermore, all components of a modern electric drive solution are also available: from the display, motor control unit and drive unit to the control software. With modern development centers, manufacturing facilities and sales locations in Europe, Asia and the US, FRIWO is present in all of the world's key markets. FRIWO's key customers are leading brands in their respective markets and have embedded FRIWO products in order to provide superior quality to their customers. Main shareholder of FRIWO AG is a subsidiary of VTC GmbH & Co. KG, Munich. For further information, please visit our website at <https://www.friwo.com/en/>