

FRIWO raises full-year forecast for 2022 again thanks to continued dynamic e-mobility growth

- Nine-month sales jump by 90 % to 131.8 million euros
- EBIT improves from minus 4.9 million euros to plus 2.9 million euros despite sharp rise in costs; return to profit after taxes also successful
- High demand momentum with order book of 119.8 million euros and order intake of 138.6 million euros
- Indian e-mobility joint venture successfully launched; very high demand underlines enormous future potential
- Balance sheet quality further improved, equity ratio rises to 23.8%
- Forecast for full year 2022 raised again: Sales expected to rise to at least 170 million euros; slightly positive full-year result is anticipated

Ostbevern, November 10, 2022 – The high demand momentum in the FRIWO Group accelerated again in the third quarter of 2022. The booming e-mobility business, but also positive trends in the other three segments, resulted in quarterly sales increasing by 178% from 21.1 million euros to 58.6 million euros. However, it should be noted that the prior-year quarter was negatively impacted by a Covid-19-related lockdown in Vietnam. After nine months, sales increased by 90% to 131.8 million euros (1-9/2021: 69.3 million euros). This strong upward trend was achieved despite ongoing supply bottlenecks for key electronic components and Covid-19-related logistics problems. Although the resulting significant increase in costs reduced the quality of earnings, it was possible to pass these on to customers in part and in a spirit of partnership. In addition, the first signs of an easing of supply bottlenecks and logistics problems could be felt in the quarter under review, which also had a positive impact. This resulted in FRIWO achieving a quarterly EBIT (earnings before interest and taxes) of 2.8 million euros (Q3/2021: -2.1 million euros). After nine months, the Group reported an operating profit of 2.9 million euros (1-9/2021: -4.9 million euros). After taxes, FRIWO is also in the black at 1.0 million euros, compared with a loss of 6.3 million euros in the previous year.

In view of a high order book, FRIWO is expected to continue the positive trend in the fourth quarter. Accordingly, the Management Board is raising its full-year forecast for sales to at least 170 million euros (previously: growth in the mid double-digit percentage range (2021: 100.5 million euros)). In addition, a slightly positive Group EBIT also remains to be projected.

"Our e-mobility business continues to benefit from dynamic customer demand. We therefore anticipate a jump in sales of at least 70% in 2022 and positive earnings despite ongoing cost pressure. Our joint venture in India is receiving a very positive response. Therefore, we are also cautiously optimistic for the fiscal years from 2023 onwards, despite the current recessionary mood," comments Rolf Schwirz, CEO of FRIWO AG.

Order book remains at a high level of 120 million euros

The sustained high demand for e-mobility solutions is reflected in continued high order intake. As of September 30, 2022, FRIWO recorded an order intake of 138.6 million euros since the end of 2021, an increase of 36% compared to the previous year (102.0 million euros). At 119.8 million euros (9M-2021: 75.9 million euros), the order book was at a very high level. The good business development is also reflected in the strong increase in the number of employees, which rose from 2,182 to 2,695 compared to the end of 2021. Of these, more than 90% are employed in the Far East, primarily Vietnam.

Equity ratio further improved to 23.8%

Since the end of 2021, total assets have increased from 75.7 million euros to 110.6 million euros. The good business performance ensured that the equity ratio improved further compared with the first half of the year from 20.4% to 23.8% (December 31, 2021: 11.9%). The stabilization of the balance sheet and financing initiated in 2021 is thus showing success. Against the backdrop of the aforementioned easing in the supply chain and material prices, the focus will now remain on improving cash flow and working capital until the end of the year.

Foundation of the e-mobility joint venture in India formally completed - New production facilities are to serve the rapidly increasing demand from April 2023

The joint venture (JV) with the UNO MINDA Group for e-mobility drive systems for two- and three-wheeled vehicles has now been formally completed since October 12, 2022. The construction of the production facilities with an area of around 15,000 square meters south of Delhi is proceeding according to plan. As a result, the joint venture is expected to be able to realize its first sales from this production facility from April 2023. This will enable the company to service the orders already on hand for the supply of e-mobility drive solutions for renowned Indian vehicle manufacturers in excess of 50 million euros. Further substantial orders are expected to be signed in the coming quarters. In this context, it is planned to significantly expand production capacities in the coming years. FRIWO will make substantial investments for this purpose in order to seize the opportunity that presents

itself to assume a leading role together with UNO MINDA in the huge market for two- and three-wheelers with electric drives in India. Industry experts put the market volume addressed by the joint venture at around 4.5 million vehicles by 2027. This is based on the assumption that the share of vehicles with electric drive will then be around 15% of the total market potential of up to 30 million two- and three-wheelers.

After the start of production, FRIWO will receive royalty income from the joint venture amounting to 4% of JV sales and income from equity investments equivalent to the JV share of 49.9%. These will still be low in 2023 due to the start-up costs, but in subsequent years, when the planned growth is realized, they will make up an increasing and increasingly substantial part of FRIWO's profit.

Forecast for full year 2022 raised again: Sales expected to increase to at least 170 million euros and earnings to be on the positive side

In view of the high growth momentum in the first nine months and full order books, the FRIWO Management Board is optimistic that it will continue to grow significantly in the final quarter of 2022. Accordingly, the full-year forecast for sales has been raised to at least 170 million euros (previously: growth in the mid double-digit percentage range (2021: 100.5 million euros)). In addition, a slightly positive Group EBIT also remains to be projected. The confidence is also supported by the aforementioned easing in supply chains and in many material prices. If this development continues, e-mobility demand remains at a high level and the Indian business develops as forecast, the quality of earnings and profitability should improve noticeably in subsequent years.

Nevertheless, FRIWO is monitoring developments very closely due to the uncertainties surrounding possible negative effects from the Ukraine crisis, particularly with regard to energy prices, and due to the course of the Covid pandemic. If the business environment in the main sales markets continues to deteriorate noticeably, this could lead to negative effects in the coming fiscal year that cannot be predicted at present.

For more information about the company, visit the website: www.friwo.com/de/about/investor-relations/

FRIWO Group at a Glance

| In million euros | 1-9/2022 | 1-9/2021 | Q3-2022 | Q3-2021 |
|---|----------|----------|---------|---------|
| Revenue | 131.8 | 69.3 | 58.6 | 21.1 |
| Earnings before interest and taxes (EBIT) | 2.9 | -4.9 | 2.8 | -2.1 |
| EBIT margin in percent | 2.2 | -7.0 | 4.8 | -10.0 |
| Profit before tax (PBT) | 1.3 | -6.4 | 2.2 | -2.7 |
| Earnings after taxes | 1.0 | -6.3 | 2.1 | -2.7 |
| Earnings per share in Euro | 0.12 | -0.82 | 0.25 | -0.35 |
| Capital expenditure | 3.5 | 1.4 | 1.3 | 0.4 |
| Order intake | 138.6 | 102.0 | | |
| Order book | 119.8 | 75.9 | | |

| | 09/30/2022 | 12/31/2021 |
|----------------------------------|------------|------------|
| Balance sheet total | 110.6 | 75.7 |
| Equity | 26.3 | 9.0 |
| Equity ratio in percent | 23.8 | 11.9 |
| Employees (as at reporting date) | 2,695 | 2,182 |

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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/>