

FRIWO still affected by declining demand in Europe – positive momentum expected for 2024 and subsequent years

- Nine-month turnover falls to 89.5 million euros
- EBIT slips into the red at -2.3 million euros – earnings impacted by start-up costs for Indian joint venture and negative currency effects
- Outlook 2023: Group revenue of around 110 million euros and EBIT loss in the mid single-digit million euro range expected
- Positive momentum for 2024 due to expected market recovery in Europe and substantial earnings contributions from e-mobility joint venture in India
- Confidence for subsequent years thanks to the unbroken trend towards more e-mobility

Ostbevern, 9 November 2023 – FRIWO – an international manufacturer of technologically leading chargers and e-drive solutions – continues to struggle with persistently weak demand and order cancellations in Europe in the e-mobility, industrial and tools segments. Only the medical segment is developing solidly in line with planning. At 29.9 million euros, Group revenue in the third quarter of 2023 was well below the previous year’s figure of 58.6 million euros. After nine months, FRIWO reported revenue of 89.5 million euros after 131.8 million euros (9M-2022). Due to improved cost efficiency and immediately implemented personnel adjustments, earnings before interest and taxes (EBIT) only deteriorated to -0.6 million euros (Q3-2022: 2.8 million euros) despite the strong decline in sales. A cumulative loss of -2.3 million euros was reported for the first three quarters (9M-2022: 2.9 million euros). This includes high up-front costs for the Indian joint venture and negative currency effects totaling 0.4 million euros. After taxes, there was a loss of 5.3 million euros, following a profit of 1.0 million euros in the same period of the previous year.

As no turnaround is expected for the final quarter of the year either, FRIWO reduced its full-year outlook for 2023 on 20 October 2023 to turnover of around 110 million euros and an EBIT loss in the mid single-digit million euro range. This does not include any burdens from cost efficiency measures that may still be necessary in 2023.

“After the record year 2022, the course of business in 2023 was characterized by a massive weakness in demand and the cancellation of existing orders in Europe. However, our e-mobility joint venture in India remains on a dynamic growth trajectory, which will have a

positive impact on our earnings from 2024 onwards,” comments Rolf Schwirz, CEO of FRIWO AG, on the development.

Number of employees adjusted to market demand

The negative trend in 2023, which was primarily caused by the market saturation for electric bicycles in Europe, is also reflected in the sharp decline in order intake, which amounted to just 63.9 million euros as at 30 September 2023 (30 September 2022: 138.6 million euros), and in the order backlog of 54.5 million euros (comparable prior-year figure: 119.8 million euros). FRIWO has responded to the market weakness and adjusted the number of employees, more than 80% of whom are employed in Vietnam, from 2,501 at the end of 2022 to 1,860 by 30 September 2023.

Balance sheet quality remains sound, focus on working capital management

The business performance also led to a significant decrease in total assets from 105.0 million euros at the end of 2022 to 82.1 million euros. The equity ratio remained almost stable at 23.4% (31 December 2022: 23.7%) and working capital was reduced to 34.4 million euros. The FRIWO Executive Board is in close contact with the principal banks to extend the existing financing framework.

Expected upturn in 2024 will be driven primarily by substantial earnings contributions from the e-mobility joint venture in India

The Executive Board of FRIWO AG is confident of returning to a growth trajectory in 2024 due to an expected recovery in demand in Europe, but above all due to the substantial earnings contributions expected from the e-mobility joint venture in India and the new US business set up in 2023. Production at the site near New Delhi, which is operated jointly with the Indian UNO MINDA Group, started at the end of June and is gradually being ramped up as planned. This is based on incoming orders and letters of intent in the mid three-digit million euro range for e-drive solutions from Indian and now also three Japanese two- and three-wheeler manufacturers. The joint venture – in which FRIWO holds a 49.9% stake – is expected to receive its first orders from India’s neighboring countries as early as 2023. UNO MINDA and FRIWO are therefore well on the way to achieving the market-leading position they are aiming for in the booming Indian e-mobility market for two- and three-wheeled vehicles. Industry experts estimate the targeted market volume at around 4.5 million vehicles by 2027.

Further information on the company can be found on FRIWO's investor relations pages at:
www.friwo.com/de/about/investor-relations/

Contact investor relations and media

FRIWO AG
Ina Klassen
+49 (0) 2532 81 869
ir@friwo.com

Peter Dietz
+49 (0) 69 97 12 47 33
dietz@gfd-finanzkommunikation.de

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/>

FRIWO Group at a Glance

| In million euros | 1-9/2023 | 1-9/2022 | Q3-2023 | Q3-2022 |
|------------------------------------|----------|----------|---------|---------|
| Revenue | 89.5 | 131.8 | 29.9 | 58.6 |
| Earnings before interest and taxes | -2.3 | 2.9 | -0.6 | 2.8 |
| EBIT margin in percent | -2.6 | 2.2 | -2.2 | 4.8 |
| Profit before tax (PBT) | -4.9 | 1.3 | -1.6 | 2.2 |
| Earnings after taxes | -5.3 | 1.0 | -1.6 | 2.1 |
| Earnings per share in euros | -0.62 | 0.12 | -0.19 | 0.25 |
| Capital expenditure | 3.1 | 3.5 | 0.5 | 1.3 |

| | 30/09/2023 | 31/12/2022 |
|----------------------------------|------------|------------|
| Balance sheet total | 82.1 | 105.0 |
| Equity | 19.2 | 24.9 |
| Equity ratio in percent | 23.4 | 23.7 |
| Employees (as at reporting date) | 1,860 | 2,501 |