

FRIWO's new strategic direction shows first positive effects – revenue and earnings improvements expected for the coming years

- Financial and strategic realignment proceeding according to plan
- Financial year 2025 will be a year of transformation, with slight improvements in revenue and earnings and high extraordinary income
- Medium-term revenue growth in the high single-digit percentage range and a sustainable EBIT margin of more than 5% planned
- Consolidated revenue of 93.0 million euros and EBIT of -3.6 million euros in 2024 within the forecast range

Ostbevern, April 24, 2025 – FRIWO – an international product and system provider of power supplies, charging technology, and digitally controllable drive solutions – is consistently implementing the strategic and financial realignment it began in the first quarter of 2025. This should primarily show initial positive effects in this financial year thanks to successful cost efficiency measures and lead to an improvement in earnings to a balanced consolidated operating EBIT. Consolidated revenue is expected to be between 75 and 90 million euros. Within this range, the two divestments e-drives and the DIN rail business are only included until June 30, 2025. The transactions are also expected to have a significant one-time impact on earnings.

The two divestments will result in a cash inflow of around 30 million euros upon closing. This will be used for financial consolidation by reducing a large portion of the debt owed to the principal banks in Germany and Vietnam. In addition, investments will be made in future expansion and in strengthening the company's position as a leading system provider of power supply solutions. This should enable the company to achieve annual revenue growth in the higher single-digit percentage range until the 2030 financial year and a sustainable EBIT margin of over 5%.

Focus on implementing the reorganization and developing a platform strategy for 2025

The growth strategy is based on the internationalization of all activities and the expansion of the value chain through innovative product and service offerings in the five newly defined core business areas: E-Mobility, Transportation & Logistics, Medical & Healthcare Solutions, Industrial Applications, Specialized Tools & Equipment and Lifestyle Solutions. All segments are expected to contribute to the aforementioned medium-term growth. To this end, efforts are also underway to develop a platform strategy for improving efficiency. The

necessary changes to the sales structure have already been initiated in order to be able to respond to market and customer requirements worldwide. In addition, initial measures to improve operational excellence have been defined, for example, to reduce delivery times and time-to-market and to increase efficiency in logistics.

2024 marked by weak demand in Europe – upturn in order intake

In the 2024 financial year, FRIWO generated consolidated sales of 93.0 million euros within the communicated target range of 90 to 95 million euros. Due to the ongoing weakness in demand in Europe, this was significantly below the previous year's figure of 111.1 million euros. The largest decline was recorded in the Medical & Healthcare Solutions and Industrial Applications segments, while the Specialized Tools & Equipment and E-Mobility, Transportation & Logistics segments only recorded slight declines. Thanks to the optimization of the sites in Vietnam and Ostbevern and in view of an easing in material costs, EBIT (earnings before interest and taxes) improved to -3.6 million euros (2023: -7.4 million euros). The number of employees fell from 1,701 to 1,206 in the last twelve months, with more than 80% of the workforce still employed at production sites in Vietnam. The renewed loss was based on the significant decline in sales, start-up costs for the joint venture in India, and one-off expenses for the adjustment of production structures and the disposal of the minority interest in the joint venture in India and large parts of the industrial business announced at the end of 2024 and beginning of 2025. Profit before tax amounted to -7.1 million euros (2023: -11.1 million euros). After taxes, the Group reported earnings of -6.2 million euros (2023: -11.5 million euros) and earnings per share of -0.73 euros (2023: -1.35 euros).

The positive momentum for 2025 is reflected in an increase in order intake from 80.7 million euros to 88.2 million euros; the order backlog remains at a low level at 43.7 million euros (end of 2023: 49.6 million euros).

Equity ratio expected to rise sharply by the end of 2025 thanks to anticipated cash inflows

The decline in business also led to a reduction in total assets from 71.2 million euros to 63.7 million euros. Working capital was reduced from 27.9 million euros to 16.7 million euros. The equity ratio fell from 13.5% to a very low 5.3% as of December 31, 2024. This underscores the urgent need to sell the DIN rail business and the stake in the Indian joint venture. Based on the expected cash inflow following the closing of both transactions, the Management Board anticipates that the equity ratio will recover to over 30%.

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

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About FRIWO:

FRIWO AG, listed in the General Standard of the Frankfurt Stock Exchange and headquartered in Ostbevern/Westphalia, is an international manufacturer of technically leading chargers and e-drive solutions. FRIWO offers a whole range of applications with customized systems from a single source. Founded in 1971, the company has evolved from a supplier of power supply products to a full-range provider of sophisticated and customized solutions in the five business segments E-Mobility, Transportation & Logistics, Medical & Healthcare Solutions, Industrial Applications, Specialized Tools & Equipment and Lifestyle Solutions . Today, the product portfolio includes not only high-quality power supply solutions, but also battery charging solutions for a wide range of applications. In addition, all components of a modern electric drive solution are also available: from the display to the motor control and drive unit to the control software. With modern development centres, production facilities and sales locations in Europe, Asia and the USA, FRIWO is present in all the world's major markets. FRIWO's most important customers are leading brands in their respective markets and rely on FRIWO products to provide their customers with the highest quality. The main shareholder of FRIWO AG is a subsidiary of VTC GmbH & Co. KG, Munich. For more information, please visit our website at <https://www.friwo.com>.

FRIWO Group at a Glance

in million euros	2024	2023
Revenue	93.0	111.1
Earnings before interest and taxes (EBIT)	-3.6	-7.4
EBIT margin in percent	-3.9	-6.6
Profit before tax (PBT)	-7.1	-11.1
Earnings after taxes	-6.2	-11.5
Earnings per share in euros	-0.73	-1.35
Capital expenditure	1.4	4.0
Order intake	88.2	80.7
Order backlog	43.7	49.6

	12/31/2024	12/31/2023
Balance sheet total	63.7	71.2
Equity	3.3	9.6
Equity ratio in percent	5.3	13.5
Employees (as at reporting date)	1,206	1,701