

FRIWO counters persistently weak demand with high cost efficiency – growth momentum expected from 2025 onwards

- Group revenue falls by 28% to 64.4 million euros after nine months
- EBIT deteriorates only slightly to -2.9 million euros thanks to cost efficiency measures, third quarter slightly positive at 0.1 million euros
- E-mobility joint venture in India with strong growth expected in 2024
- Outlook for 2024 adjusted at the end of October due to continued weak demand

Ostbevern, November 7, 2024 – FRIWO – an international manufacturer of technologically leading chargers and e-drive solutions – did not see the hoped-for recovery in demand in the e-mobility and tools segments in the third quarter of 2024. Even after nine months, the ongoing weakness in demand in the e-mobility, industrial and tools segments in Europe is weighing on the operating performance. Accordingly, Group revenue of 64.4 million euros was reported, down 28% on the same period of the previous year (89.5 million euros). In the third quarter, the drop was around 21%. However, the decline in revenue, expected start-up costs for the Indian joint venture and one-off expenses for the adjustment of production structures were largely mitigated by improved cost efficiency, mainly due to the optimization of the sites in Vietnam and Ostbevern, particularly with regard to personnel costs, and falling material costs. As a result, the EBIT loss (earnings before interest and taxes) was limited to -2.9 million euros (9M-2023: -2.3 million euros). In the third quarter, a small profit of 0.1 million euros was even achieved, and a noticeable improvement compared to the same period of the previous year (-0.7 million euros). After taxes, a loss of -5.7 million euros (9M-2023: -5.3 million euros) was incurred after nine months and a loss of -0.8 million euros (Q3-2023: -1.6 million euros) in the reporting quarter.

On 22 October, FRIWO had already revised its outlook for the full year 2024 downwards (see below for details). However, the company generally confirms the fundamentally positive growth expectations for the Group's e-mobility offerings and services. The joint venture with UNO MINDA in India continues to develop very positively, with an unchanged very good order situation and a doubling of the business volume compared to 2023/2024 expected in the current Indian fiscal year 2024/2025 (31 March). In addition, FRIWO plans to significantly expand its international activities with a focus on the US and Europe excluding the DACH region.

“Unfortunately, the upturn in orders for e-mobility and tools that was forecast at the half-year mark did not materialize to the extent expected. As a result, we have had to adjust our forecast for the year downwards. However, the cost-cutting measures we have initiated have significantly reduced the negative impact on earnings. The continued positive development of our Indian joint venture and indications of a gradual recovery in e-mobility growth make us confident about 2025,” comments Rolf Schwirz, member of the Management Board of FRIWO AG.

Order situation shows little improvement – number of employees adjusted to weak demand

Despite the slight increase in incoming orders from 63.9 to 67.2 million euros, the order backlog as of 30 September 2024 was down year on year, from 54.5 million euros to 46.8 million euros. Excluding the activities no longer included after the separation of activities at the Ostbevern site, the development would have been somewhat more positive. Thanks to the sale of the remaining production activities at the Ostbevern site to an investment company and the acquisition of assets and materials for component production near Saigon by a Hong Kong-based company, FRIWO was able to significantly improve its cost structure. Since then, the buyers have been acting as suppliers for the products and system solutions manufactured by FRIWO. The number of employees fell accordingly from 1,701 at the end of 2023 to 1,138.

As of 30 September 2024, total assets of the FRIWO Group amounted to 66.9 million euros, compared to 74.3 million euros as of 31 December 2023. The equity ratio decreased from 17.1% to 10.1%. Thanks to the extension of the existing syndicated loan and the shareholder loans until the end of 2025, which were agreed in the previous year, FRIWO is solidly financed and in close contact with its principal banks.

Outlook for 2024 adjusted due to continued weak order intake

On October 22, 2024, in view of the ongoing weak order situation in e-mobility and tools in Europe, the Management Board of FRIWO AG adjusted its annual forecast for 2024 downwards. The Management Board now expects full-year sales of between 90 and 95 million euros (previously between 100 and 120 million euros). By contrast, the extensive cost efficiency measures introduced by FRIWO and the easing of material and energy costs are having a noticeably positive effect. Therefore, the revenue shortfall for the year as a whole will only result in a minor adjustment to the earnings targets for fiscal year 2024. Instead of the previously forecast roughly balanced consolidated EBIT (earnings before

interest and taxes), a slight EBIT loss is now expected. FRIWO continues to see a fundamentally positive trend in demand for its products and a return to sustainably profitable growth from 2025 onwards.

Further information on the company can be found on FRIWO's investor relations pages at: <https://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 for electromobility. 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	1-9/2024	1-9/2023	Q3-2024	Q3-2023
Revenue	64.4	89.5	23.7	29.9
Earnings before interest and taxes (EBIT)	-2.9	-2.3	0.1	-0.7
EBIT margin in percent	-4.5	-2.6	0.3	-2.2
Profit before tax (PBT)	-5.5	-4.9	-0.8	-1.6
Earnings after taxes	-5.7	-5.3	-0.8	-1.6
Earnings per share in euros	-0.66	-0.62	-0.09	-0.19
Capital expenditure	1.0	3.1	0.5	0.5

Balance sheet	30/09/2024	31/12/2023
Balance sheet total	66.9	74.3
Equity	6.8	12.7
Equity ratio in percent	10.1	17.1
Employees (as at reporting date)	1,138	1,701