Important Note

The consolidated interim financial information contained in this report for the second quarter and the first half of the financial year 2024/2025 of Nordwest Industrie Group GmbH (“NWI Group GmbH”, and together with its subsidiaries, the “NWI Group”) ended 31 December 2024 is preliminary and subject to change and updating. The final figures for the relevant period may partially deviate from the preliminary figures presented herein. This is in particular due to the appropriate valuation/devaluation of inventories of Mounting Systems GmbH still being clarified, including as part of the audit of the unconsolidated annual financial statements of Mounting Systems GmbH and the consolidated financial statements of NWI Group GmbH for the financial year 2023/2024, which has not yet been completed, and resulting balance sheet effects.

This report contains forward-looking statements, including with respect to the NWI Group’s future performance and future developments in the markets in which the NWI Group operates. By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors because they relate to events and depend on circumstances that may or may not occur in the future. Although NWI Group GmbH considers the expectations expressed or implied in the forward-looking statements contained herein to be realistic, actual future performance and developments may materially differ.

[1] Nordwest Industrie Group - Consolidated

In Q2 24/25, the NWI Group generated sales of € 164.1 million For the same period last year, sales of € 205.3 million could still be generated. Cumulative sales in the current financial year resulted in a LBT of € -9.7 million.

At the end of Q2 24/25, incoming orders amounted to € 165.9 million.

The lower than expected sales were largely attributable to the mounting systems for solar plants sector and primarily due to the postponement of projects and continued weak demand for rooftop solutions, which are discussed in more detail below. There are also significant shortfalls to plan in the systems and ergonomic solutions for office and medical furnishings/agriculture and construction machinery division, especially in agricultural components, largely due to current weaker economic conditions.

As a possible solution to eliminating further cash losses, we are considering the sale or partial sale of our stake in Mounting Systems GmbH and have set up an M&A process for this purpose. We are currently in detailed discussions with several parties.

Due to the increased challenging economic environment, our main task is to consolidate and streamline our business model and we have initiated various measures to this end, which are discussed in more detail in this report. In addition to stabilizing operations in the solar sector and eliminating the loss situation at Mounting Systems GmbH, our measures will focus on reducing the NWI Group debt-equity ratio as of 30 June 2025. In this context, we are already in the process of considering and actively discussing the sale of non-strategic investments.

[2] System and ergonomic solutions for office and medical industry furnishings / system solutions for agriculture and construction machinery

In Q2 24/25, sales in this division amounted to € 93.1 million and incoming orders amounted to € 94.3 million.

From numerous market discussions and research, we are hearing, among other things, that the US market is quite obviously affected by the run-up to the recent presidential election. Investment decisions have been put on hold there as a result and there is an increasing trend towards back-to-office and thus away from working exclusively or predominantly from a home office is being explored further. Here, well-known companies such as AMAZON, JP Morgan and numerous others have announced that they will gradually bring their employees back to the company offices and significantly reduce the proportion of employees working from home. This situation was expected to change gradually after the election, which has now taken place, and demand is expected to pick up over the coming months in line with a generally business-friendly outlook. For example, our largest US customer is forecasting increased order intake in the coming months in its quarterly report. In recent weeks however there have been signs that the new president's policies, more tariffs etc., are having a counterproductive effect on the mood of the US economy. OMT-Veyhl Brazil, on the other hand, was able to close Q2 with incoming orders above expectations. One reason for this is the increasing demand for ergonomic office desks, where the Brazilian market is still at the very beginning of this development and as such a positive trend can be expected for the future. At the same time, business in welded assembly components for agricultural machinery and vehicle construction has also grown significantly and contributed to this recovery.

In October 2024, the leading international trade fair for the office furniture industry ORGATEC took place in Cologne. A total of 729 companies (2022: 686) from 40 countries were represented here on a gross exhibition area of 140,000 m². The proportion of exhibitors from abroad was 76%. The organizer Koelnmesse reported approx. 50,000 trade visitors including estimates for the last day of the fair, and thus a significant increase compared to the previous event. The visitors came from 126 countries, with the proportion of foreign visitors at approx. 56%. Many of our customers were represented here as exhibitors and we were able to hold numerous discussions with them, including specific enquiries on the market situation, as well as assessments and expectations, which we were able to discuss with our business partners. In summary, taking into account the current situation, an overall positive mood and optimistic expectations for the future development of the industry could be determined. It was obvious that visitors' interest in contemporary modern furnishing solutions for offices and properties are increasing in importance again and that ergonomic work tables will continue to play an important role. This also underlined the back-to-office trend in German and European companies, which is leading to a significant increase in compulsory office presence and motivating companies to provide a modern, professional and ergonomically sensible working environment and equipment. This trend is driven by numerous negative experiences within companies with respect to productivity, creativity and social interaction in organizations that were lost in home-office. This seems to be leading to a general re-evaluation, adaptation and change of previous practices.

At the same time, customers speak of the currently challenging market environment and some on-hold circumstances in project business. Overall, our customers are anticipating poor demand due to the negative market situation. Only in the medium to long term is a more positive market development expected. Among other things, reference can be made to the Statista publication, according to which the German office furniture market alone will develop from a market volume of € 4.3 billion in 2024 to € 5 billion by 2029, while assuming that the ergonomic work tables sector will grow accordingly. It is currently estimated that the proportion of ergonomically adjustable work tables in Germany is <50%, which suggests that the renewal of existing work tables will be an equally important demand driver in the future. While in other European markets such as Scandinavia, the proportion of such workplaces is significantly higher and approaching 90%, other parts such as Southern and Western Europe as well as Eastern and Central Europe are well below the 20% threshold. In the USA, industry leaders estimate that the current proportion of ergonomic workstations is between 30% and a maximum of 40%.

Already in Q1, the second fully automated column (table leg) assembly line was handed over for series production at our Hoya site. In addition to personnel cost savings, this measure will result in significantly better scalability of capacity and a further improvement in process and product quality. At the Zwerenberg site, further progress was made in the various sub-projects to automate table leg production in the past quarter, with the last coating phase expected to be completed by the end of April in this area, which will then also mark the completion of the main investment projects.

After a largely positive picture emerged in Q1 at OMT and Veyhl, with slightly above plan profit despite lower sales, this trend could not be continued in Q2. Lower order intake led to an accumulated shortfall by the end of Q2. After numerous discussions with industry representatives, no substantial improvement in order intake is to be expected in this financial year. The economic climate is currently putting a damper on many investment decisions. At the same time, we do not expect substantial new customer business and revenues from new products until next year. For example, we have received the initially still confidential confirmation from a globally operative office furniture manufacturer that we can supply their new sit-stand desk program for the European market, starting in the summer of 2025 with the OMT system 9051. At the same time, Veyhl is entering the market with new gas-spring operated solutions and the Liftec product line within an interesting niche segment.

Due to cost-cutting measures at OMT-Veyhl in the US, particularly in personnel, lower sales could almost be compensated for. Despite the statements and expectations of our largest customer as described above, we do not currently see any substantial improvement in our order intake situation over the coming quarters. Although we are working on promising new customer projects, the corresponding lead times and ramp-up phases mean that no significant effects are expected in this financial year.

With respect to drive systems for medical furniture, supplying our new customers with new series product deliveries got off to a successful start, although the ramp-up phase in Q1 was delayed against planning assumptions and original customer statements. These only notably impacted from Q2 onwards.

Our business in agricultural and construction machinery is once again clearly feeling the effects of the economic situation in the current financial year and was therefore significantly down on plan. Our largest customers had once again unexpectedly reduced their delivery schedules for Q1 and Q2, the fourth time in the last 12 months. It is particularly worth mentioning that the one of our customers production sites in Bavaria was subject to a temporary production shutdown from mid-June 2024 to the beginning of January 2025 and this had been extended several times and therefore no deliveries were made during this entire period. Only part of budgeted sales will then be delivered in Q3 and Q4, but overall it will not be possible to make up these lost sales in FY 24/25. Our customers assessment around 6 months ago, that the market is expected to be static, in our opinion can no longer hold true. On the contrary, the market is showing a reduction of between 30% and 50% for each client over the next two years, which we can only partially compensate for with new business in the short and medium term. We have therefore recently held further management discussions with our top 4 customers, which have led to the overall assessment that a significant improvement and a return to rising sales in existing business cannot be expected until 2026. In the industry one explanation for this is that, among others, significant overstocks of machines were produced between 2021-2023 and that stocks within the entire value chain are now being reduced radically before manufacturers again increase the quantities of new machines to be built. In principle, producer prices are still considered good, for example for dairy farmers and other agricultural businesses, which are an important factor for investment decisions for new agricultural machinery. Our largest customer, has just announced its intention to increase production of machines by approx. 20% as of autumn 2025, and is asking its suppliers to prepare for this. Other customers are also expressing the same trend, but are more moderate in their estimates of between 6% to 8%.

New business gained with customers can currently only compensate lost business to a limited extent, since deliveries here are only just beginning. These will however increase successively over the following years via a ramp-up phase. In the context of a rolling forecast that is easy to plan, we anticipate a significant recovery and sales growth for this area in the coming financial year, taking into account existing delivery plans and new business that is easy to forecast.

[3] System solutions for store and factory fittings

In Q2 24/25, this division generated sales of € 30.3 million and an EBT of € 2.4 million, which was negatively impacted by the delayed implementation of the Warstein and Gummersbach sites merger.

In Q2 24/ 25, incoming orders amounted to € 34.0 million.

We are behind schedule with the merger of our production locations. This is due to management capacities, some of which we currently have to allocate to other priorities and projects. Nevertheless, a small dedicated team is working in the background on the preparations and detailed planning of this measure. The first steps of the new layout are already being implemented in operations at the receiving site and on the data structure of the ERP system (product master data, parts lists, work plans, etc.), which is a prerequisite and is being implemented so that lost time can at least partially be made up for in the active implementation phase. As things stand, partial implementation of measures by the end of the financial year are still realistic; we therefore expect full implementation by the end of September 2025.

Contrary to the general situation, we are continuing to see a stable good investment climate for food retailers and drugstores from customer groups relevant to us in this market, even if there are significant differences depending on the customer. The sales trend with an important customer is pleasing and stable at a high level. We are currently benefiting from its expansion strategy and will continue to do so in 2025, particularly on the Polish market. In addition to this expansion, we are also seeing a permanent modernization of the stores, which we reliably support with Kind4stores. The basis for this long-standing successful cooperation is the high level of service and reliability that Kind4stores offers to this customer in the long term.

While large wholesale companies are continuing to expand, some areas of the food retail sector are struggling in different regions and are reluctant to refurnish their sales areas or are postponing this for the time being. The need and willingness to renew and modernize sales areas in order to increase customer appeal, however, is still fundamentally present due to the intense competition in the food retail sector and after years of good economic performance here. At the same time, a modernization backlog is building up that will have to be cleared sooner or later.

Kind4stores is also focusing, in addition to various other medium-sized potential customers, to acquire new customers and has been able to realize its first smaller projects. The mutual goal is to continue to build up another relevant supplier for their store fitting requirements with Kind4stores.

As part of the tender previously won by a big petrol station operator, ZOK was able to furnish further locations in the past quarter and the rollout will continue throughout the financial year and beyond.

[4] Mounting systems for solar plants

In Q2 24/25, sales in this division amounted to € 44.8 million.

Incoming orders amounted to € 37.6 million in Q2 24/25.

Project business at Mounting Systems in Q1 and Q2 was clearly too weak, as budgeted orders were delayed. The Eekerpolder 1+2 project, worth € 20 million for material deliveries and services, is representative of this and has had the greatest impact. It was originally assumed that construction would begin in Q1, but in the meantime the start of construction has been postponed by several months due to building permit procedures and other reasons within project management on the customer side. In the meantime, order intake was € 13.2 million from this project, where unfortunately the service part (installation) amounting to > € 6 million was not awarded to Mounting Systems. It is pleasing to note that the first orders for the two new solar tracker product solutions totaling > € 3 million have now also been received and the supply pipeline is growing steadily. At the same time, it is becoming apparent that an interesting demand for small tracker systems with an output of up to 1 MW is developing as a near-farm solution at German farms. This is due to interesting feed-in tariffs and simplified approval procedures resulting from Solar Package 1.

At S-Rack in Japan, the backlog in order intake from Q1 was made up in Q2 and is now slightly above plan. At S-Rack in Australia, budgeted order intake was also slightly surpassed. This was however nowhere near enough to compensate for the very weak order intake at Mounting Systems. The pipeline of offers in the project business across the division and regions is well filled and we expect further incoming orders from this, meaning that we are currently sticking to our order intake targets for this division. Nevertheless, there is always a risk of delays in the awarding of and implementation of outdoor projects. Unfortunately, the situation is different in the rooftop segment. In the meantime, we have to confirm that normalization initially expected after the enormous bullwhip effect is considerably delayed.

The development of PV expansion in Germany continues to show a positive overall picture. From 8.1 gigawatts (2022) to approx. 14 gigawatts (2023), > 16 gigawatts were added in 2024. The total installed PV capacity in Germany is therefore around 99 gigawatts. To achieve the political targets for PV expansion in Germany by 2030, 215 gigawatts are still set, which means more than a doubling of the previously installed capacity for the years 2025-2030 and an average annual increase of approx. 19 GW from 2025 onwards.

The PV expansion targets flanked by the political conditions in Europe and at national level, the phase-out of coal-fired power generation and nuclear energy, the constantly growing demand for electrical energy and the desire for self-sufficiency and participation in renewable energy, promise a market that is intact in terms of demand and continues to grow in principle. PV power generation, preferably in conjunction with storage solutions, is a decentralized, flexible and economical solution for covering a significant proportion of electrical energy demand. At the same time, the installation costs for PV systems have fallen significantly in the last 12-18 months, as the price of PV modules in particular has fallen by 40 to 50%. Overall, price increases resulting from supply chain disruptions and the enormous boom in demand between 2021-2023 have leveled off significantly. It can be assumed that the installation of PV systems will remain increasingly economically attractive in the long term, even without subsidy incentives. At the same time, it can be assumed that demand for electrical energy will continue to increase significantly. The areas of electromobility, digitalization, automation and AI applications alone, require a high additional demand for electrical energy.

Based on these facts, we continue to anticipate sustained and rising demand for PV mounting systems in the coming years and see the current situation as a correction to the previously heavily overheated market and the associated bullwhip effect. Our medium and long-term assessment of future developments is in line with that of other market participants, who have roughly come to the same conclusions in different product areas and along the value chain and expect consolidation along the entire value chain.

Nevertheless, this market situation is also leading to changes in the sales structure to the detriment of some of our wholesale customers. Some of the installation companies, which are predominantly project-oriented, are leaving the previous three-stage distribution channel via wholesalers and are trying to bypass it with the aim of purchasing all components, including PV mounting systems, directly from the manufacturer in order to improve their own margins. The sales channel loyalty that Mounting Systems has shown to date is disadvantageous here, so we have to react and, where we are obviously not harming our customers, we will also supply such companies directly in future. This will require a corresponding restructuring of the sales organization and other areas involved, such as technical support. We expect this realignment to have an initial impact on sales during Q4 and, in particular, in the coming financial year.

In the private label sector with one large customer, the market entry in France will start in Q4, after the entire product system has been provided with the required ETN approval certificate. The customer has not yet been represented with our private label product here, despite having an established sales organization. We therefore expect this customer to generate additional sales in the future.

The monthly statistics show a clear change in the proportion of open-roof to roof installations and a clear shift within the roof segment away from the residential rooftop (pitched roof) towards the commercial rooftop (flat roof). Unfortunately, the vast majority of Mounting Systems' products and customers are positioned in the residential rooftop segment, which means that, in addition to the bullwhip effect, this is another reason for the weak order intake. So far, Mounting Systems has also lacked an attractively priced flat roof solution which is currently being developed and will be available as of April 2025. At the same time, this product is essential for addressing project companies and large installation companies via the new sales channel.

In the coming years, solar carports will gradually become mandatory in Germany and the EU. Public parking areas above a certain size (which varies from state to state and country to country and in some cases also for existing areas) must then gradually be equipped with solar carports. We have therefore started to adapt the product solution already successfully established at S-Rack Japan for the European market and will introduce it here. At the same time, the Asian supply chain solution already in place for S-Rack will also be used at least partially at Mounting Systems and the European market and will generate initial sales from Q3 or Q4.

At S-Rack Japan, we have received orders for 45 MW (approx. € 12.4 million) of solar carport systems from one big customer for the AEON project. This means that we have already recorded 65 MW (approx. € 17.9 million) of a total possible and planned 300 MW (approx. € 80 million) of PV power for the roofing of > 90,000 parking spaces in this project across numerous locations in Japan. Overall installation is to take place in stages over 3-4 years. At the same time, we believe that the Japanese PV market is in better shape than in the last two years, which will lead to an upturn in the number of projects and ultimately an increase in incoming orders over the next few years. Furthermore, the pipeline of inquiries for PV carports is growing significantly.

S-Rack Australia closed the first half of the financial year 24/25 ahead of plan in terms of sales, earnings and incoming orders. Following the successful completion of a major project in New Zealand, we expect a significant follow-up project of 190 MW (largest single project ever in New Zealand) in Q3 and Q4, for which final contract negotiations are currently underway.

[5] Special leasing and asset-based financing

Since 30 June 2024 this division has only been included in the NWI Group's consolidated financial statements at equity. As part of this transition from full to equity consolidation of the Maturus Group, the fair value of the equity investment was determined. Hidden reserves and the net asset value calculation of Maturus Finance GmbH (Germany) were included in the calculation. This resulted in an equity value of € 29.9 million.

In this financial year 24/25, income from the equity valuation of € 1.2 million was recognized to date. A distribution payout of € 1.1 million was made in the current financial year, which was taken into account when determining the income from the equity valuation.

New business in the past quarter amounted to approx. € 6.9 million (approx. € 6.6 million from hire purchase and € 0.3 million from leasing).

At the end of the reporting period, a small number of lessees were insolvent. The assets underlying the contracts were valued by experts, who concluded that expected sales proceeds will cover the residual carrying amounts. For reasons of prudence, specific valuation allowances/accruals for impending losses from valuations were also included in the Maturus Group's figures in the financial year.