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Important notes:
English translation for convenience purposes only
General data format is "TEUR" (Euro thousands),
i.e. TEUR 1.000 = EUR 1.000.000 or EUR 1 million

MS INDUSTRIE AG

Extracts from the Group´s Interim Management Report as of June 30, 2025

Consolidated Financial Statements as of June 30, 2025 - Overview of key figures

MS Industrie-Group, according to German GAAP, unaudited, in TEUR

Balance sheet key figures	31.12.2024	30.06.2025
Total assets	137.609	136.128
Total equity	60.512	59.276
Equity ratio (%)	44,0%	43,5%
Trade receivables	9.754	12.255
Liquid funds (Cash and cash equivalents ./. Current accounts)	-4.028	-4.775
Net working capital (Inventories + Trade receivab. ./. Trade payables)	11.057	11.568

Cashflow key figures	1. Hj. 2024	1. Hj. 2025
Cashflow from operating activities	8.966	3.215
Cashflow from investing activities	-9.872	-240
Cashflow from financing activities	5.367	-3.722

Income statement key figures	1. Hj. 2024	1. Hj. 2025
Revenues	109.182	75.233
Gross profit	56.832	31.409
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	7.904	4.216
Operating Profit (EBIT)	2.782	532
Profit before income tax (EBT)	350	-902
Profit for the period after tax (EAT)	1.985	-1.378
Consolidated earnings per share in EUR	0,07	-0,05

Income statement key figures (prev. years period adjusted for discontinued operations)	1. Hj. 2024	1. Hj. 2025
Revenues	78.403	75.233
Gross profit	32.316	31.409
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	5.188	4.216
Operating Profit (EBIT)	1.776	532
Profit before income tax (EBT)	460	-902
Profit for the period after tax (EAT)	824	-1.378
Consolidated earnings per share in EUR	0,03	-0,05

MS Industrie AG, Munich

Consolidated balance sheet as at 30 June 2025 (unaudited)

	30 June 2025	31 December 2024
	TEUR	TEUR
Assets	136,128	137,609
A. Fixed assets	82,893	85,656
I. Intangible assets	21	38
1. Self-created industrial property rights and similar rights and values	-	-
2. Industrial property rights and similar rights and assets acquired for consideration	21	38
II. Tangible assets	64,129	66,956
1. Land, land rights and buildings	16,413	17,091
2. Technical equipment and machinery	31,031	32,280
3. Other equipment, operating and office equipment	12,803	13,200
4. Advance payments and assets under construction	3,882	4,385
III. Financial assets	18,743	18,662
1. Investments in associated companies	17,355	17,355
2. Investments	1,318	1,237
3. Loans to companies in which a participating interest is held	70	70
B. Current assets	44,127	42,761
I. Inventories	20,202	18,170
1. Raw materials, consumables and supplies	15,713	13,722
2. Work in progress, unfinished services	2,892	2,596
3. Finished goods and merchandise	1,597	1,852
II. Receivables and other assets	23,359	22,304
1. Trade receivables	12,255	9,754
2. Receivables from companies with which there is a participating interest	3,694	3,860
3. Other assets	7,410	8,690
III. Cash on hand and bank balances	566	2,287
C. Accrued expenses and deferred income	1,408	1,052
D. Deferred tax assets	7,332	7,810
E. Positive difference from asset offsetting	368	330
Liabilities	136,128	137,609
A. Equity	59,276	60,512
I. Subscribed capital (30.0 million less the calculated value of treasury shares)	29,728	29,728
II. Capital reserve	7,585	7,585
III. Retained earnings	4,272	4,272
1. Statutory reserve	439	439
2. Other retained earnings	3,833	3,833
IV. Consolidated net profit	17,257	18,635
V. Equity difference from currency translation	434	229
B. Special items for investment grants for fixed assets	266	277
C. Provisions	12,553	14,683
1. Provisions for pensions and similar obligations	1,124	1,124
2. Tax provisions	5,763	5,783
3. Other provisions	5,666	7,776
D. Liabilities	63,919	62,022
1. Liabilities to banks	9,540	11,914
2. Advance payments received on orders	330	63
3. Trade payables	20,888	16,867
4. Liabilities to companies with which there is a participating interest	709	16
5. Other liabilities (of which bonds TEUR 8,650)	32,452	33,162
E. Accruals and deferred income	114	115

MS Industrie AG, Munich

Consolidated income statement for the first half of 2025, cumulative in TEUR, HGB, unaudited

		1 January - 30 June 2025 (1st half of 2025)	1. January - 30 June 2024 (1st half of 2024)
	1. Revenue	**75,233**	**109,182**
2.	Change in inventories of finished goods and work in progress	41	-1,315
3.	Other capitalised own work	86	1,553
4.	Other operating income	1,497	1,722
5.	Cost of materials		
	a) Expenses for raw materials, consumables and supplies and for purchased goods	42,541	50,740
	b) Expenses for purchased services	2,907	3,570
6.	Personnel expenses		
	a) Wages and salaries	11,750	25,542
	b) Social security contributions and expenses for pension plans and other benefits	2,334	5,078
7.	Amortisation of intangible fixed assets and depreciation of property, plant and equipment	3,685	5,123
8.	Other operating expenses	13,100	18,302
9.	Income from investments		
	a) Income from investments in associated companies	0	-111
	b) Other income from investments	48	0
10.	Other interest and similar income	59	223
11.	Interest and similar expenses	1,540	2,544
12.	**Profit from ordinary activities**	**-893**	**356**
13a.	Income taxes	44	177
13b.	Tax expense due to changes in deferred taxes	433	-1,812
14.	Other taxes	9	6
15.	**Consolidated net income for the period after taxes**	**-1,378**	**1,985**

MS Industrie AG, Munich

Consolidated income statement for the second quarter of 2025 in TEUR, HGB, unaudited

		1 April - 30 June 2025 (Q2-25)	1 April - 30 June 2024 (Q2-24)
1.	**Revenue**	**39,068**	**55,072**
2.	Change in inventories of finished goods and work in progress	453	-2,592
3.	Other capitalised own work	40	1,144
4.	Other operating income	825	877
5.	Cost of materials		
	a) Expenses for raw materials, consumables and supplies and for purchased goods	22,344	24,687
	b) Expenses for purchased services	1,449	1,927
6.	Personnel expenses		
	a) Wages and salaries	6,010	12,650
	b) Social security contributions and expenses for pensions and support	1,192	2,577
7.	Amortisation of intangible fixed assets and depreciation of property, plant and equipment	1,848	2,628
8.	Other operating expenses	6,689	9,358
9.	Income from investments		
	a) Income from investments in associated companies	0	0
	b) Other income from investments	48	0
10.	Other interest and similar income	52	218
11.	Interest and similar expenses	885	1,355
	Profit from ordinary activities	**69**	**-574**
13a.	Income taxes	28	40
13b.	Tax expense due to changes in deferred taxes	154	-2,004
14.	Other taxes	0	-25
15.	**Consolidated net income after taxes**	**-112**	**1,415**

MS Industrie AG, Munich

Consolidated cash flow statement for the first half of 2025 in TEUR, unaudited

	1st half 2025 TEUR	1st half 2024 TEUR
Consolidated net income	-1,378	1,985
+/- Amortisation/write-ups of intangible assets and property, plant and equipment	3,621	5,123
+/- Increase/decrease in provisions	-2,131	-1,532
+/- Decrease/increase in inventories, trade receivables and other assets not classified as non-current assets financing activities	-3,444	2,336
+/- Increase/decrease in trade payables, services and other liabilities not attributable to investing or financing activities financing activities	5,697	307
-/+ Gains/losses from the disposal of property, plant and equipment and intangible assets	-118	0
+/- Interest expense/interest income including income from loans classified as financial assets	1,385	2,321
- Result from investments in associated companies	0	111
- Other income from investments	-48	0
+/- Income tax expense/income	477	-1.635
-/+ Income tax payments	-127	-50
Cash flow from operating activities	**3,215**	**8,966**
- Payments for investments in intangible assets	-14	0
+ Proceeds from disposals of property, plant and equipment	1,370	0
- Payments for investments in property, plant and equipment	-1,623	-10,151
+ Deposits from distributions received	0	111
+ Interest received	27	168
Cash flow from investing activities	**-240**	**-9,872**
+ Proceeds from the issue of bonds	301	730
+ Proceeds from the raising of loans and other financial credits	0	9,500
- Payments from the repayment of loans and other financial credits	-1,400	-2,505
+ Proceeds from finance lease transactions	1,247	0
- Payments from finance lease transactions	-2,621	0
- Interest paid	-1,249	-2,358
Cash flow from financing activities	**-3,722**	**5,367**
Net decrease in liquid funds	**-747**	**4,461**
+/- Liquid funds at the beginning of the period	-4,028	-26,880
Liquid funds at the end of the period	**-4,775**	**-22,419**

MS Industrie AG, Munich

Interim group management report for the first half of 2025

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1. Highlights of the first half of the year

Dear shareholders, employees, and business partners,

While the first six months of fiscal year 2024 for the MS Industrie Group were marked by weak order intake and declining sales, the first half of 2025 was characterized by signs of a slight economic recovery despite the continuing gloomy economic conditions. In the MS XTEC division, orders from truck customers in particular recovered noticeably compared with the plan.

As of the interim balance sheet date of June 30, 2025, the MS Industrie Group operated primarily in the industrial and service sectors with the following business activities:

a) Industry

MS XTEC GmbH and subsidiaries (" MS XTEC"): Core competence in highly automated metalworking and assembly: TIER 1 supplier of systems and components for heavy-duty combustion engines (valve trains, rocker arms, transmission housings, etc.), particularly for commercial vehicles, followed by the construction machinery industry and other heavy-duty applications, including stationary power generation, parts for hybrid and electric drive systems (**Drive Technology division – "MS XTEC")** and

MS Ultraschall Technologie GmbH and subsidiaries ("MS UTG"): Development, manufacture, and sale of industrial ultrasonic welding technology, special-purpose machines and series machines, systems for packaging materials, and components **(Ultrasonic Technology Division – "MS Ultrasonic")** (**minority interest – "consolidated at equity" since July 5, 2024).**

b) Services

Long-term assets of GCI BridgeCapital GmbH: acquisition, management, and leasing of commercial real estate, MS Land & Buildings LLC., USA, and MS Powertec GmbH: acquisition, management, and leasing of commercial real estate, machinery, and equipment, as well as

MS Industrie AG, MS Industrie Verwaltungs GmbH: management consulting.

Since the sale of 51% of the shares in MS Ultraschall Technologie GmbH, Spaichingen, on July 5, 2024, the "Ultrasonic Technology" segment has been fully consolidated in the buyer's balance sheet. The remaining 49% minority interest in the MS Industrie Group has since been valued using the equity method. This strategic measure reduced the MS Industrie Group's annual revenue by around EUR 70 million per year.

After the Ultrasonic Technology segment is fully consolidated in the majority owner's balance sheet from the third quarter of 2024, the following statements in the 2025 interim management report will relate primarily to the business of the **Drive Technology** division, which will continue to be fully consolidated, also referred to as **"MS XTEC"** for short**.**

In the **"Drive Technology"** operating division, also known as **"MS XTEC"** for short**,** sales development in the first half of the year was marked by signs of a slight economic recovery. At the end of the first half of 2025, sales in the **MS** XTEC division were down slightly on the previous year at around -4%. Sales in the **MS** XTEC division contributed 100% (previous year: 72%) to consolidated Group sales in the first half of the year.

At the end of June 2025, order backlogs totaled approximately EUR 115 million (previous year: EUR 107 million), up slightly by around +7.4% on the order backlogs as of June 30 of the previous year. This figure breaks down into around EUR 79 million (previous year: EUR 69 million) (+14.1%) for the **"MS XTEC"** division and around EUR 36 million (previous year: EUR 38 million) (-4.8%) for the "**MS Ultrasonic"** division. However, it should be noted that, in accordance with Group consolidation principles, only the realized orders of the **MS XTEC** division are ultimately reported as revenue.

In the following, the key figures for the first half of 2025 are compared with the prior-year figures from the "continuing operations" (excluding the "MS Ultrasonic" division) since 2024, as the Management Board believes that this is the only way to make a meaningful comparison between the periods.

Unfortunately, the earnings situation in the first half of the current 2025 fiscal year was even weaker than in the previous year in terms of the key earnings figures, in particular earnings before financial results, taxes, and depreciation and amortization (**EBITDA**), operating earnings before financial results and taxes (**EBIT)** and earnings after taxes (**EAT**).

The European market ("EFTA") for **heavy commercial vehicles over 16 tons** declined across Europe with a significant drop in registrations of -18.2% (including a significant decline in registrations in Germany: -26.**7%**) in the first half of 2025 compared to the same period last year – and thus developed similarly to the heavy commercial vehicle sector in the EU ("EFTA") as a whole (source: "ACEA" - "Association des Constructeurs Européens d'Automobiles," Brussels, as of July 30, 2025).

In the first half of 2025, diesel trucks continued to dominate the registration statistics, accounting for 93.6% of new registrations in the EU, which corresponds to a decline of -15.4% compared to the same period last year. Electric trucks increased their market share to 3.6%, compared to 2.1% last year.

As the market for heavy commercial vehicles over 16 tons is the relevant sales market for the MS Industrie Group's "Drive Technology" division, these figures are generally modest; the Management Board does not expect a significant increase in truck registrations in the heavy-duty segment until 2026.

Against this backdrop, consolidated sales in **the MS XTEC** division in the first half of 2025 did not yet reach the cumulative level of the first half of 2024; however, sales in the second quarter of 2025 are already slightly above the sales of the same quarter of the previous year. Consolidated total revenue for the first half of 2025 amounted to around EUR 75.2 million (previous year: EUR 78.4 million), which is slightly down by around 4.0% on the revenue for the same period of the previous year.

At the end of the first half of the year, earnings before interest, taxes, depreciation, and amortization (EBITDA) were significantly lower at EUR 4.2 million (previous year: EUR 5.2 million) and a significantly worse operating result before financial result and taxes (EBIT) of EUR 0.5 million (previous year: EUR 1.8 million). Consolidated earnings after income taxes (EAT) amounted to EUR -1.4 million in the first half of 2025 (previous year: EUR 0.8 million), which is EUR 2.2 million lower than in the same period of the previous year. (Note: Prior-year comparative figures exclude the MS Ultrasonic division).

Cash and cash equivalents in the Group decreased in the reporting period from EUR 2.3 million at the beginning of the first half of 2025 to EUR 0.6 million as of June 30, 2025. The decline of EUR 1.7 million in the first half of 2025 is primarily attributable to negative cash flows from investing and financing activities.

The **second quarter of 2025** was significantly better than the first quarter, with EBITDA at EUR 2.7 million (first quarter of 2025: EUR 1.5 million), earnings before interest and taxes (EBIT) also significantly higher at EUR 0.9 million (first quarter of 2025: EUR -0.3 million), and significantly improved earnings after taxes (EAT) of EUR -0.1 million (Q1 2025: EUR -1.3 million).

MS Industrie AG's industrial focus is concentrated on the MS XTEC business segment, whose core competence lies in high-precision and flexibly automated metalworking for a wide range of customer industries. In the current year, the Management Board expects MS XTEC to generate sales of around EUR 150 million, with steady increases in the coming years backed by orders spanning several years. The cash inflow from the partial sale of MS Ultrasonic in the amount of EUR 45 million in total was used in the previous year 2024 to repay all bank liabilities of the MS Ultrasonic Technology Group in Germany and the USA as well as the bank liabilities of MS XTEC GmbH, Trossingen, for the most part.

2. Economic report

2.a. General conditions and business performance in the first half of 2025

Due to the delayed start at the beginning of the year, business in the industrial sector remained subdued overall. At the time of preparing the interim group management report, the financial position is orderly. However, business performance in the first half of 2025 was in line with expectations at all subsidiaries. In summary, it can be stated that the economic situation of the MS Industrie Group and thus also of MS Industrie AG is stable as of the interim balance sheet date and the date of preparation of the interim financial statements and continues to offer extremely positive prospects.

2.b. Position of the Group as of June 30, 2025

Earnings situation

This section presents the significant changes in the earnings situation in the first half of 2025 compared with the same period of the previous year.

	January 1 to June 30, 2025		**January 1 to June 30, 2024**		Changes	
	TEUR	%	TEUR	%	TEUR	%
Revenue	**75.233**	**100.0**	**109.182**	**100**	**-33.949**	**-31.1**
Other operating income	1.497	2.0	1.722	1.6	-225	-13.1
Cost of materials (including changes in inventories)	45.321	60.2	54.072	49.5	-8.751	-16.2
Gross profit	**31.409**	**41.7**	**56.832**	**52.1**	**-25.423**	**-44.7**
Personnel expenses	14.084	18.7	30.620	28.0	-16.536	-54.0
Other operating expenses	13.109	17.4	18.308	16.8	-5.198	-28.4
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	**4.216**	**5.6**	**7.904**	**7.2**	**-3.689**	**-46.7**
Depreciation	3.685	4.9	5.123	4.7	-1.439	-28.1
Earnings before interest and taxes (EBIT)	**532**	**0.7**	**2.782**	**2.5**	**-2.251**	**-80.9**
Financial result	-1.433	-1.9	-2.321	-2.1	888	38.3
Income from associated companies	0	0.0	-111	-0.1	111	-100.0
Consolidated earnings before income taxes (EBT)	**-902**	**-1.2**	**350**	**0.3**	**-1.252**	**-357.6**
Income taxes (expense +, income -)	477	0.6	-1.635	-1.5	2.112	129.2
Consolidated net income (EAT)	**-1.378**	**-1.8**	**1.985**	**1.8**	**-3.363**	**-169.4**

In the reporting period and in the prior-year comparison period, the earnings figures (with the exception of the direct and indirect effects of the war in Russia/Ukraine and the conflict in the Middle East, which cannot be quantified precisely) were not significantly influenced by extraordinary items, so that no adjustment was necessary.

However, the prior-year comparative figures also include the discontinued MS Ultrasonic business segment, which was sold for the most part with effect from July 5, 2024.

After adjusting the previous year's figures for the "MS Ultrasonic" business unit, the table is as follows:

Previous year adjusted for MS Ultrasonic segment:	January 1 to June 30, 2025		Continuing operations only January 1 to June 30, 2024		Changes	
	TEUR	%	TEUR	%	TEUR	%
Revenue	**75.233**	**100.0**	**78.403**	**100.0**	**-3.170**	**-4.0**
Other operating income	1.497	2.0	1.344	1.7	153	11.4
Cost of materials (including changes in inventories)	45.321	60.2	47.431	60.5	-2.110	-4.4
Gross profit	**31.409**	**41.7**	**32.316**	**41.2**	**-907**	**-2.8**
Personnel expenses	14.084	18.7	14.537	18.5	-453	-3.1
Other operating expenses and other taxes	13.109	17.4	12.591	16.1	518	4.1
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	**4.216**	**5.6**	**5.188**	**6.6**	**-972**	**-18.7**
Depreciation	3.685	4.9	3.412	4.4	273	8.0
Operating result (EBIT)	**532**	**0.7**	**1.776**	**2.3**	**-1.245**	**-70.1**
Financial result	-1.433	-1.9	-1.316	-1.7	-117	-8.9
Consolidated earnings before income taxes (EBT)	**-902**	**-1,2**	**460**	**0.6**	**-1.362**	**-296.0**
Income taxes (expense +, income -)	477	0.6	-364	-0.5	841	231.0
Consolidated net income (EAT)	**-1.378**	**-1.8**	**824**	**1.1**	**-2.202**	**-267.3**

In the first half of 2025, sales in the MS XTEC division were slightly below the previous year's level, at around -4.0%. The slight decline in sales is mainly attributable to the decline in customer call-offs in the first quarter.

In the US/Canada ("North America") sales market, total revenue of EUR 8.2 million (previous year: EUR 17.9 million) was generated in the first half of 2025. This means that around 10.8% (previous year: 16.4%) of the consolidated total sales of the MS Industrie Group were generated in the North American market in the first half of 2025.

We are not satisfied with the revenue performance for the first half of the year as a whole and in all regions. Indeed, the operating performance at the various earnings levels is not yet in line with our expectations.

At the end of June, the order backlog in the "MS XTEC" segment was EUR 79,2 million across all product groups, up around+ 14.1% and once again significantly above the order backlog as of June 30 of the previous year.

The key figures for the first half of 2025 are compared below with the prior-year figures from the continuing operations (excluding the MS Ultrasonic division), as this allows for a more meaningful comparison.

Personnel expenses in the first half of the year decreased slightly by around -3.1% compared to the same period last year in the continuing operations, mainly due to a slight decrease of around -4.6% in the average number of employees, with an average headcount of 397 permanent employees (previous year: 416 employees in the continuing operations).

After a slight increase in other operating expenses, which rose by a total of EUR 0.5 million to EUR 13.1 million, earnings before interest, taxes, depreciation, and amortization (EBITDA) were significantly lower at around EUR 4.2 million (previous year: EUR 5.2 million).

After depreciation and amortization, earnings before interest and taxes (EBIT) for the first half of 2025 were significantly lower at EUR 0.5 million (previous year: EUR 1.8 million). Consolidated earnings before income taxes (EBT) also deteriorated significantly in the first half of the year to EUR -0.9 million (previous year: EUR +0.5 million).

Consolidated earnings after income taxes (EAT) amounted to around EUR -1.4 million (previous year: EUR +0.8 million).

Cash Situation

	H1 2025 TEUR	H1 2024 TEUR
Cash flow from operating activities	3.215	8.966
Cash flow from investing activities	-240	-9.872
Cash flow from financing activities	-3.772	5
Change in liquid funds	**-747**	**4.461**
Liquid funds at the beginning of the period	-4.028	-26.880
Liquid funds at the end of the period	**-4.775**	**-22.419**

As of June 30, 2025, cash and cash equivalents amounted to EUR 0.6 million (December 31, 2024: EUR 2.3 million).

Liquid funds amounted to EUR -4.8 million as of June 30, 2025 (December 31, 2024: EUR -4.0 million), representing a significant deterioration of EUR -0.7 million compared to December 31, 2024. The decline in cash and cash equivalents is primarily attributable to negative cash flow from investing and financing activities in the first half of the year.

Net assets

The following table shows the significant changes in the Group's net assets in the first half of 2025 compared with the previous year's period balance sheet date:

	June 30, 2025		Dec. 31, 2024		Changes	
	TEUR		TEUR	%	TEUR	%
ASSETS						
Deferred tax assets	7.332	5.4	7.810	5.7	-478	-6.1
Fixed assets	82.893	60.9	85.656	62.2	-2.763	-3.2
Current assets / ARAP	45.903	33.7	44.143	32.1	1.760	4.0
Total assets	**136.128**	**100**	**137.609**	**100.0**	**-1.481**	**-1.1**

	June 30. 2025		Dec. 31. 2024		Changes	
	TEUR	%	TEUR	%	TEUR	%
LIABILITIES						
Equity	59.276	43.5	60.512	44.0	-1.236	-2.0
Special items for investment grants for fixed assets	266	0.2	277	0.2	-	-4.1
Debt capital / PRAP	76.586	56.3	76.820	55.8	-234	-0.3
Total liabilities	**136.128**	**100.0**	**137.609**	**100.0**	**-1.481**	**-1.1**

The Group's fixed assets declined by around -3.2% in the first half of the year and remained largely unchanged at around 60.9% of total assets. The main reason for the slight decrease is scheduled depreciation and amortization, net of scheduled investments in fixed assets, amounting to around EUR 0.7 million.

The slight increase in current assets and ARAP of around +4.0% is due to slightly higher inventories and slightly higher trade receivables, offset by a slight decrease in cash and cash equivalents. In relation to total assets, the percentage share of current assets and ARAP remained virtually unchanged at around 33.7% at the end of the first half of the year.

The equity ratio in the Group declined slightly compared with December 31, 2024, due to the negative consolidated result, despite the slight decrease in total assets of around -1.1% in the first half of the year, and amounted to 43.5% as of June 30, 2025 (December 31, 2024: 44.0%). In absolute terms, equity fell slightly by a total of EUR 1.2 million to EUR 59.3 million (December 31, 2024: EUR 60.5 million) due to the negative consolidated result in the first half of the year.

Mainly due to the reduction in bank liabilities, debt capital/PRAP declined slightly in absolute terms within the Group, but remained virtually unchanged as a percentage of the slightly higher total assets.

The Group's net debt ratio (short- and long-term net financial liabilities/equity) improved slightly from 68.6% at the end of 2024 to 67.5% at the end of the first half of the year.

Overall assessment of the business development and economic situation of the Group

Overall, business for the MS Industry Group remained subdued in the first half of 2025. The MS XTEC division was still affected by relatively weak demand from truck manufacturers. However, thanks to stable capacity utilization, the Management Board is confident about the rest of the current year.

3. Opportunities and risks

The general comments on opportunities and risks in the Group management report as of December 31, 2024, remain largely unchanged; we refer to the detailed presentation in the 2024 annual financial report, which is available on the company's website at https://www.ms-industrie.de/investor-relations/finanzberichte/.

The organic growth still planned in the "MS XTEC" division regularly presents our Group with typical new challenges, such as recruiting qualified young talent, change management, adapting (IT) structures, etc. Based on the experience we have gained in the past, we are attempting to overcome these typical challenges in the development of a company.

Opportunities exist in particular in the market potential of foreign markets and in the generation of further synergy effects within the Group, especially due to the upcoming rejuvenation of truck fleets in Germany and worldwide. Between 2019 and 2024, the average age of truck fleets in the EU increased from 12.4 to 14.2 years. This indicates a greater need for replacement in the coming years.

Through the consistent expansion of its own global sales activities, the MS Industrie Group is also in a position to acquire and serve additional major global customers in the machining market environment.

An important milestone for the internationalization of MS XTEC GmbH was achieved with the relocation to North America. The new headquarters in the US and the new MS XTEC production facility are located in Charlotte, North Carolina/USA. The lease agreement for a suitable building with around 1,600 square meters of floor space was signed in November 2023. The first orders in the commercial vehicle and industrial sectors will be transferred from the Trossingen site to Charlotte in the course of 2025. Further growth potential is seen in the area of complex and automated 5-axis machining for small to medium batch sizes. The MS XTEC Group will expand its production at the new location. Future target markets will be in the medical, aviation, spare parts, defense, and industrial sectors. This will make the American market one of the MS XTEC Group's main growth areas in the future and further reduce its dependence on the automotive sector. With projected annual sales of around USD 30.0 million, the new location in the US will play a central role alongside the headquarters in Germany. The attractiveness of the US location is based in particular on the high degree of business friendliness towards industry. This is reflected in easier market entry, significantly more attractive energy prices, and the provision of subsidies, as well as joint, efficient, and goal-oriented cooperation between all parties involved at the Charlotte, North Carolina, USA, location.

4. Forecast

Since the publication of the 2024 annual financial report at the beginning of May 2025, there has been continued general uncertainty about the future global economic development against the backdrop of the predominantly indirect effects of the ongoing war in Russia/Ukraine and the conflict in the Middle East. The extent to which the latent global economic crisis will continue to affect the German real economy in the future cannot be predicted at this time.

Assuming that the global economy remains largely stable, the Management Board continues to anticipate a stable order situation for the 2025 financial year as a whole, with a slight improvement in the remaining MS XTEC segment compared with the previous year, and expects the Group to post a slight positive result for the year with expected sales of EUR 150 million.

The originally planned investment volume for 2025 (including carryover effects of around EUR 3.0 million from the previous year) totals around EUR 5.1 million for the MS XTEC Group. Around 45% (EUR 2.3 million) of the planned investment volume for 2025 was invested in the first half of 2025.

The focus for 2025 will be on ramping up production for orders newly acquired in previous years (TRATON, Liebherr, etc.), continuing the flexible automation strategy, and starting production in the US.

Based on the current market situation, the total volume of all long-term contracts in the MS XTEC segment amounts to at least approximately **EUR 1.1 billion** for the coming contract years up to and including 2031. Based on the information available as of the interim balance sheet date, MS Ultraschall Technologie GmbH is expected to generate consolidated revenue of over EUR 64 million (previous year: EUR 68 million) in the current fiscal year 2025.

This interim group management report contains forward-looking statements and information, i.e., statements about events that lie in the future and not in the past. These forward-looking statements are identifiable by terms such as "expect," "assume," "strive," or similar expressions. Such forward-looking statements are based on our current expectations and certain assumptions. They therefore involve a number of risks and uncertainties. A variety of factors, many of which are beyond the control of MS Industrie AG, influence the business activities, success, business strategy, and results of MS Industrie AG. These factors could cause the actual results, performance, and achievements of MS Industrie AG to differ materially from the results, performance, and achievements expressed or implied in the forward-looking statements.

Munich, August 25, 2025

MS Industrie AG - The Executive Board

Dr. Andreas Aufschnaiter
(Spokesman of the Executive Board)

Armin Distel

Development of intangible assets, property, plant and equipment and financial assets in the first half of 2025, in TEUR, unaudited

	Acquisition and production costs						Accumulated depreciation/impairment losses						Carrying amounts	
A. Fixed assets	01.01.2025	Currency differences	Additions	Disposals	Trans Entries	30.062025	01.01.2025	Currency differences	Scheduled Additions	Disposals	Additions Write-ups	30.06.2025	30.06.2025	31.12.2024
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
I. Intangible assets														
1. Self-created industrial property rights and similar rights and values	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2.Industrial property rights and similar rights and values acquired for consideration	3,392	0	14	40	0	3,366	3,354	0	31	40	0	3,345	21	38
Total intangible assets	**3,392**	**0**	**14**	**40**	**0**	**3,366**	**3,354**	**0**	**31**	**40**	**0**	**3,345**	**21**	**38**
II. Property, plant and equipment														
1. Land, land rights and buildings	22,831	./. 1,096	47	0	300	22,082	5,740	./. 349	279	0	0	5,670	16,413	17,091
2. Technical equipment and machinery	82,844	0	1,574	4,420	723	80,721	50,564	0	2,350	3,224	0	49,690	31,031	32,280
3. Other equipment, operating and office equipment	29,720	./.	372	255	197	30,033	16,520	./. 2	1,024	247	./. 64	17,231	12,802	13,200
4. Advance payments and assets under construction	4,385	./.	849	4	./. 1,220	3,883	0	0	0	0	0	0	3,883	4,385
Total property, plant and equipment	**139,780**	**./. 1,179**	**2,842**	**4,724**	**0**	**136,719**	**72,824**	**./. 351**	**3,653**	**3,471**	**./. 64**	**72,591**	**64,129**	**66,956**
III. Financial assets														
1. Investments in associated companies	17,355	0	0	0	0	17,355	0	0	0	0	0	0	17,355	17,355
2. Investments	1,649	0	81	0	0	1,730	412	0	0	0	0	412	1,318	1,237
3. Loans to companies with which a equity interest is held	70	0	0	0	0	70	0	0	0	0	0	0	70	70
Total financial assets	**19,074**	**0**	**81**	**0**	**0**	**19,155**	**412**	**0**	**0**	**0**	**0**	**412**	**18,743**	**18,662**
Total fixed assets	**162,246**	**./. 1,179**	**2,937**	**4,764**	**0**	**159,240**	**76,590**	**./. 351**	**3,684**	**3,511**	**./. 64**	**76,348**	**82,893**	**85,656**

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