HOFTEX GROUP
TEXTILE TECHNOLOGIES

Interim Report as of June 30, 2025

HOFTEX GROUP AG – At a glance

Key Group Figures		01.01.2025 to 30.06.2025	1.1.2024 to 30.6.2024
External sales	EUR million	73.6	76.0
Gross revenue	EUR million	75.2	77.0
Cash flows from operating activities	EUR million	-1.7	-0.2
Employees		891	895
Consolidated net income for the period	EUR million	-1.2	0.3
EBITDA	EUR million	4.0	5.5
Total assets as at 30 June (prior year 31 Dec)	EUR million	166.4	168.1
Equity as at 30 June (prior year 31 Dec)	EUR million	99.7	107.3
Equity ratio as at 30 June (prior year 31 Dec)	%	60.0	63.8

About the Hoftex Group

HOFTEX GROUP AG, established in 1853 with its registered office in Hof (Bavaria), is a group of companies operating in the global textile industry. The Hoftex Group is among Europe's largest textile companies with a 170-year history in the global textile trade. During this time, the Group has grown in several stages from a conventional textile manufacturer to a diversified niche supplier of innovative textile products. Activities are organised in the HOFTEX, NEUTEX and TENOWO divisions, which specialise in the development, production and sale of innovative textile products for a wide range of applications. The companies of the Hoftex Group are active on three continents in seven countries at a total of twelve manufacturing and sales locations, offering customers worldwide their services as a trusted partner.

The TENOWO division, with locations in Europe, North America and Asia, is a market leader in the development and manufacture of innovative technical textiles and nonwovens. TENOWO develops and manufactures nonwovens for a variety of automotive applications along with nonwoven textiles for the construction industry, the cable industry, medical applications, the consumer goods sector and the apparel sector.

The NEUTEX division consolidates the segments of sales and customisation of decorative fabrics and interior sun-protective textiles. As a premium systems supplier, NEUTEX delivers decorative fabrics as yard goods as well as made-to-measure, ready-made household textiles. It also supplies innovative textile sun protection solutions to industrial customers for further processing.

The HOFTEX division represents the origins of today's Hoftex Group and offers dyed yarns and threads with a focus on applications for technical fabrics and apparel. HOFTEX dyes both traditional yarns and threads and numerous specialised yarns that are tailored to meet the needs of its customers. The central location of its production facilities in Germany guarantees short lead times and on-schedule deliveries.

The TENOWO, NEUTEX and HOFTEX divisions are structured as follows:

Division **TENOWO**	Division **NEUTEX**	Division **HOFTEX**
Tenowo GmbH	Neutex Home Deco GmbH	Hoftex Färberei GmbH
Tenowo Hof GmbH*)	Neutex Betriebs GmbH**)	
Tenowo Reichenbach GmbH*)	SC Textor S.A.	
Tenowo Mittweida GmbH*)		
Tenowo Inc.		
Tenowo Huzhou New Materials Co. Ltd.		
Tenowo Italia S.r.l.		
Tenowo de Mexico S. de R.L. de C.V.		
Tenowo Hai Phong Company Limited		

*) Merged into Tenowo GmbH effective 1 January 2025
**) Merged into Neutex Home Deco GmbH effective 1 January 2025

HOFTEX GROUP AG is responsible for the Group's strategic direction and performs key tasks across multiple companies through its central functions. It is connected to the key operational subsidiaries through control and profit transfer agreements. This is why the final result of the holding company comprises the primary earnings of HOFTEX GROUP AG and the profit and loss transfers from the subsidiaries. The real estate company Hoftex Immobilien I GmbH manages and performs administrative duties for various properties and real estate assets.

The Hoftex Group share

Hoftex Group shares are traded on the m:access segment of the Munich Stock Exchange. Following the move to the Open Market on 29 June 2009, the Hoftex Group is no longer considered to be "publicly listed" as defined in the German Securities Trading Act (*Wertpapierhandelsgesetz*, or *WpHG*). For this reason, shareholders are no longer subject to the special provisions in the *WpHG* governing the duty to disclose holdings that exceed or fall below certain reporting thresholds. The principal shareholder ERWO Holding AG currently holds 4,616,488 shares. This corresponds to 84.8% of the voting shares.

Share type	No-par value shares, each representing a proportionate amount of the share capital of EUR 2.56 (rounded) per share
Subscribed capital	EUR 13,919,988.69
Number of no-par value shares	5,444,800
Listing	Munich Stock Exchange
Market segment	m:access
Stock exchange symbol	NBH
ISIN	DE0006760002
WKN (German Securities Identification Number)	676000

Share performance		**01.01.2025 to 30.06.2025**	**1.1.2024 to 30.6.2024**
Net earnings per share	EUR	-0.21	0.06
Equity per share on 30 June (prior year 31 Dec)	EUR	18.32	19.70
Opening share price	EUR	5.50	7.70
Year high	EUR	6.00	9.90
Year low	EUR	5.30	7.00
Closing share price	EUR	5.50	7.40
Market capitalisation	EUR million	29,946	40,292

Business development in H1 2025

Economic environment

Global conditions remained volatile in the first half of 2025. Geopolitical uncertainties, particularly regarding US trade policy, continued to weigh on market sentiment.

After contracting by -0.5% in the first quarter, the US economy performed better than expected in the second quarter, with current estimates indicating growth of 3.0%.[1] China posted solid growth, expanding by 5.2% in the second quarter following a 5.4% increase in the first quarter of this year.[2] The European Union's gross domestic product grew by 0.5% in the first quarter of 2025 and by 0.2% in the second quarter compared to the previous quarter.[3] According to the German Federal Statistical Office, Germany's gross domestic product grew slightly by 0.3% in the first quarter of 2025 compared to the previous quarter. In the second quarter, the economy contracted by -0.3%, a decline that was sharper than expected, driven primarily by a drop in industrial output. The modest upturn in the first quarter was largely fuelled by early exports to the US, but this effect faded in the course of the second quarter due to the one-off nature of the advance shipments.[4]

Sector trends

One of our most important sales markets, the automotive industry, remained in a complex situation in the first half of 2025. In recent years, the sector has been exposed to extreme external pressures and is undergoing a fundamental technological transformation, shaped by trends such as e-mobility and connectivity on the one hand, and shifting regional production and sales markets on the other. In the first two quarters of 2025, US tariffs and intense competition, particularly from Chinese manufacturers, put the industry under further pressure. Many German carmakers reported declining revenue and sales volumes compared to the previous year, especially in China and the US, prompting some to revise their forecasts for 2025.[5] As of July 2025, the inventory of new vehicles available in the US was 4% below the prior year's level.[6] During the reporting period, new passenger car registrations in the European Union declined by -1.9% year-on-year.[7] In Germany, new registrations were down by around 5% compared to the same period the previous year and approximately 24% below pre-crisis levels from 2019.[8]

The economic situation in the German textile and apparel industry also remained weak. Ongoing low consumer sentiment, combined with rising production costs and strong competition from abroad, led to a drop in sales compared to the previous year: According to the textil+mode economic report from August 2025, sales in the textile and apparel sectors had declined by -5.3% and -4,3% respectively by June 2025. The number of businesses operating in the textile

[1] https://www.bea.gov/news/glance
[2] https://www.stats.gov.cn/english/PressRelease/202507/t20250728_1960507.html
[3] https://ec.europa.eu/eurostat/web/products-euro-indicators/w/2-14082025-ap
[4] https://www.destatis.de/DE/Presse/Pressemitteilungen/2025/08/PD25_310_811.html
[5] https://www.automobil-produktion.de/management/global-automotive-business/der-absatz-der-autohersteller-im-ueberblick-280912-934.html
[6] https://www.spglobal.com/automotive-insights/en/blogs/2025/08/new-car-inventory-trends
[7] https://www.acea.auto/pc-registrations/new-car-registrations-1-9-in-h1-2025-battery-electric-15-6-market-share/
[8] https://www.vda.de/de/presse/Pressemeldungen/2025/250703_PM_Pkw-Produktion_waechst_im_Juni

sector fell significantly by -6.5% year-on-year, and domestic production showed similarly disappointing results (textiles: -5.1%, apparel: -5.0% compared to the prior year).

Division trends

In the first half of 2025, the TENOWO division generated sales of EUR 67.2 million (prior year: EUR 67.9 million). Revenue and sales volumes in our largest operating division thus remained roughly in line with the prior-year period.

The individual segments performed as follows:

In line with the generally weak trends in the sector, sales in our largest segment, Automotive, stabilised in the first six months of 2025 at the same level as the weaker second half of 2024, as expected.

Our second-largest segment, Consumer Goods, continued its positive growth trajectory compared to the previous year. In the Apparel segment, the general decline in the textile and apparel industry was reflected in lower sales figures year-on-year. As anticipated, the Healthcare segment performed slightly better than in the prior-year period.

The NEUTEX division generated sales of EUR 3.2 million during the reporting period (prior year: EUR 4.4 million). A key contributor to this result was the made-to-measure textiles segment, which posted positive growth rates. Sales from brick-and-mortar retail were weaker than expected due to subdued demand and continued to decline year-on-year.

In our smallest division, the HOFTEX yarn dyeing facility, sales for the first half of 2025 amounted to EUR 2.3 million (prior year: EUR 2.6 million). The persistently weak demand from our customers in the apparel and technical textiles sectors resulted in sales falling significantly short of expectations.

The real estate company recorded a moderate decline in revenue in the first half of 2025 compared to the same period the previous year.

Net assets, financial position and results of operations

Results of operations

As a result of the slight decline in sales across the individual divisions, consolidated sales for the first half of 2025 fell to EUR 73.6 million (prior year: EUR 76.0 million).

Sales (unconsolidated)		01.01.2025 to 30.06.2025	1.1.2024 to 30.6.2024
TENOWO	EUR million	67.2	67.9
NEUTEX	EUR million	3.2	4.4
HOFTEX	EUR million	2.3	2.6
Other	EUR million	3.1	3.5

Gross profit for the reporting period amounted to EUR 40.2 million, below the prior-year figure due to the lower sales level (prior year: EUR 41.8 million). The gross margin stood at 53.5%, slightly below the prior-year figure of 54.3%. This development is also linked to the change in NEUTEX's business model to focus on purchasing fabric, whereas in the prior-year period, the Münchberg site was still producing fabric in-house.

Personnel expenses for the reporting period totalled EUR 21.8 million, below the prior-year figure of EUR 22.9 million. One key driver of this decline was the closure of the Münchberg production site by July 2024. The personnel expense ratio was 29.0%, compared to 29.7% in the previous year.

Other operating expenses amounted to EUR 14.0 million, exceeding the prior-year figure of 13.0 million EUR. This increase was due in part to additional consultancy costs associated with the extension of the syndicated loan agreement. Relative to total output, other operating expenses came to 18.6% (prior year: 16.9%). EBITDA was EUR 4.0 million, down from EUR 5.5 million in the previous year.

Taking into account depreciation and amortisation of EUR 4.0 million (prior year: EUR 4.3 million), the interest result of EUR -1.0 million (prior year: EUR -0.6 million) and income tax of EUR -0.2 million (prior year: EUR -0.3 million), the consolidated net loss for the reporting period amounted to EUR -1.2 million (prior year: EUR 0.3 million). This corresponds to earnings per share of EUR -0.21 (prior year: EUR 0.06).

Financial position

		01.01.2025 to 30.06.2025	1.1.2024 to 30.6.2024
Cash flows from operating activities	EUR thousand	-1,744	-214
Cash flows from investing activities	EUR thousand	-3,916	-4,248
Cash flows from financing activities	EUR thousand	3,699	-936
Balance	EUR thousand	-1,961	-5,397

The negative cash flow from operating activities increased to EUR -1.7 million (prior year: EUR -0.2 million), mainly due to the consolidated net loss, an increase in inventories and a reduction in trade payables.

As in the previous year, negative cash flows from investing activities were almost entirely due to capital expenditure on tangible fixed assets. The positive cash flow from financing activities of EUR 3.7 million (prior year: EUR -0.9 million) reflects both scheduled repayments of the loan taken out under the syndicated loan agreement in December 2021 and the continued drawdown of that facility.

The combined effect of cash inflows and outflows from operating, investing and financing activities during the period under review resulted in cash and cash equivalents of EUR 7.1 million (31 December 2024: EUR 9.3 million).

Net assets

As at 30 June 2025, non-current assets amounted to EUR 99.0 million, slightly below the figure as at the prior-year reporting date (31 December 2024: EUR 100.9 million). During the reporting period, investments in property, plant and equipment and intangible assets totalled EUR 6.6 million (prior year: EUR 3.9 million), while depreciation and amortisation and write-downs dropped to EUR 4.0 million (prior year: EUR 4.3 million).

Current assets stood at EUR 63.8 million as at 30 June 2025, compared to EUR 64.9 million as at 31 December 2024. Receivables and other assets remained unchanged year-on-year at EUR 24.7 million (31 December 2024: EUR 24.7 million). Inventories increased to EUR 32.0 million (31 December 2024: EUR 30.9 million), while cash and cash equivalents came to EUR 7.1 million as at 30 June 2025 (31 December 2024: EUR 9.3 million).

Equity amounted to EUR 99.7 million as at 30 June 2025, down from EUR 107.3 million at year-end 2024. This decline resulted from a consolidated net loss of EUR -1.2 million and currency translation effects of EUR 6.4 million recognised directly in equity. The equity ratio was 60.0% (31 December 2024: 63.8%).

Provisions rose to EUR 14.9 million (31 December 2024: EUR 13.0 million). In contrast, trade payables decreased by EUR 2.1 million year-on-year during the reporting period. Liabilities to banks rose by EUR 5.4 million, while other liabilities increased by EUR 0.6 million. Liabilities on bills accepted and drawn remained almost unchanged year-on-year (EUR -0.1 million). Total liabilities as at the reporting date stood at EUR 51.0 million (31 December 2024: EUR 47.1 million).

In 2021, HOFTEX GROUP AG arranged a group-wide syndicated loan agreement with a total volume of EUR 51.0 million, running until mid-December 2025. To ensure the Group's continued liquidity beyond that date, an amendment agreement was signed in May 2025 with the existing banking syndicate to extend the syndicated loan agreement to 30 June 2028, with a total volume of EUR 43.5 million, thereby securing follow-on financing beyond 15 December 2025.

Overall, the Group's total equity and liabilities amounted to EUR 166.4 million, slightly below the previous year's level (31 December 2024: EUR 168.1 million).

Employees

As at 30 June 2025, the Hoftex Group employed 891 people (prior year: 879). The slight increase in headcount was mainly due to the new TENOWO production site in Vietnam, which was built during 2024.

Risks and opportunities

There have been no significant changes in the assessment of risks and opportunities for the Hoftex Group during the reporting period compared to the statements made in the 2024 Annual Report. Detailed descriptions of the key risks and opportunities associated with our business and risk management are provided on pages 23 to 26 of the 2024 Annual Report.

Outlook

Global growth for 2025 is currently projected at 3.0%.[9] This forecast is slightly higher than in the spring and reflects lower effective tariff rates than initially anticipated, improved financial conditions and expansionary fiscal policies in some key countries. Overall, global trade has so far proved relatively resilient to tariff increases and growing uncertainty in trade policy, although some countries have been more affected than others. Downside risks include the potential for higher tariffs, heightened uncertainty and geopolitical tensions. Restoring trust, predictability and sustainability remains a key political goal.

Persisting global uncertainty continues to weigh on the economic outlook for the Eurozone and Germany in the second half of the year. Following the first two quarters of 2025, moderate growth is projected for the Eurozone as a whole. However, economists forecast a stagnating German economy. The industrial sector in particular is facing declining export revenues, which poses a serious challenge given the prominent role exports play in the German economy.

Falling inflation in key economic regions and the resulting loosening of monetary policy are expected to provide positive stimulus for economic activity. Nonetheless, significant risks remain, stemming from the growing fragmentation of the global economy, protectionist tendencies, volatility in the financial markets and structural weaknesses in certain countries.

The performance of our key target markets – automotive and textiles/apparel – will continue to depend heavily on global economic conditions. We anticipate a further increase in competitive pressure and an ongoing shift in markets, with varying regional developments. Additional challenges include political uncertainty, tighter trade restrictions, ongoing geopolitical

[9] https://www.imf.org/en/Publications/WEO/Issues/2025/07/29/world-economic-outlook-update-july-2025

tensions, volatile raw materials and financial markets, and intense competition. There is particular uncertainty regarding future tariff developments and their potential effects.

Thanks to our international presence and diversification across various customer industries within the TENOWO division, we are in a position to mitigate these risks to a certain extent.

In view of the expected macroeconomic environment, we consider the following outlook for financial year 2025 to be appropriate:

While further sales growth is expected in the Consumer Goods segment in the second half of the year – supported by strategic capacity expansions – no significant recovery is anticipated in the Automotive and Apparel/Textile segments during the same period. As a result, the Management Board announced in its ad hoc disclosure dated 26 August 2025 that the sales and EBITDA targets projected in the 2024 annual report (sales between EUR 150 million and EUR 170 million, EBITDA between EUR 13 million and EUR 15 million) will no longer be achievable. Sales for financial year 2025 are currently expected to range between EUR 140 million and EUR 150 million, with EBITDA projected between EUR 8 million and EUR 10 million.

Hof, August 2025

Manuela Spörl
Chief Executive Officer

Hoftex Group AG – Consolidated balance sheet as at 30 June 2025

A	Assets in EUR thousand Fixed assets	30.06.2025	31.12.2024
I.	Intangible assets	289	317
II.	Tangible fixed assets	98,680	100,540
III.	Long-term financial assets	17	17
		98,986	**100,873**
B	**Current assets**		
I.	Inventories	32,038	30,883
II.	Receivables and other assets	24,640	24,720
III.	Cash and cash equivalents	7,142	9,254
		63,820	**64,857**
C	**Prepaid expenses**	**1,652**	**923**
D	**Deferred tax assets**	**1,903**	**1,465**
	Total assets	**166,361**	**168,118**

A	Equity and liabilities in EUR thousand Equity		
I.	Subscribed capital	13,920	13,920
II.	Capital reserves	41,158	41,158
III.	Retained earnings	57,755	57,755
IV.	Change in equity from currency translation	-6,501	-116
V.	Consolidated net loss	-6,590	-5,430
		99,742	**107,286**
B	**Provisions**	**14,898**	**13,038**
C	**Liabilities**	**51,037**	**47,110**
D	**Deferred tax liabilities**	**684**	**684**
	Total equity and liabilities	**166,361**	**168,118**

HOFTEX AG – Consolidated income statement from 1 January 2025 to 30 June 2025

in EUR thousand	01.01.2025 to 30.06.2025	1.1.2024 to 30.6.2024
Sales	73,573	75,970
Change in inventories	1,646	1,076
Gross revenue	**75,219**	**77,046**
Other operating income	1,413	1,838
Cost of materials	-36,423	-37,072
Gross profit	**40,209**	**41,812**
Personnel expenses	-21,844	-22,887
Depreciation, amortisation and write-downs	-3,977	-4,337
Other operating expenses	-13,987	-13,042
Operating result	**401**	**1,546**
Net interest	-974	-564
Taxes on income	-202	-317
Earnings after taxes	**-775**	**665**
Other taxes	-384	-340
Consolidated net income for the period	**-1,159**	**324**

HOFTEX GROUP

TEXTILE TECHNOLOGIES

HOFTEX GROUP AG
Fabrikzeile 21
95028 Hof
Germany

Phone +49 (0) 9281-49-0
Fax +49 (0) 9281-49-216

vorstand@hoftexgroup.com.
www.hoftexgroup.com