

RENK Group AG Half-year Financial Report June 30, 2025

RENK continues successful business development: significant increase in revenue compared to the first half of the previous year, total order backlog increased significantly to the end of previous year

- Revenue grows by 21.5% YoY to € 620 million
- Total order backlog significantly above previous year at € 5.9 billion
- Adjusted EBIT increases significantly to € 89 million
- Annual forecast 2025: The RENK Group continues to expect consolidated revenue > €1.3 billion and adjusted EBIT at € 210-235 million

Content

A Group interim management report

1. Business development in the first half of the year	4	5. Opportunities & risk and expected developments report.....	11
2. Results of operations.....	6		
3. Net assets.....	8		
4. Financial position.....	10		

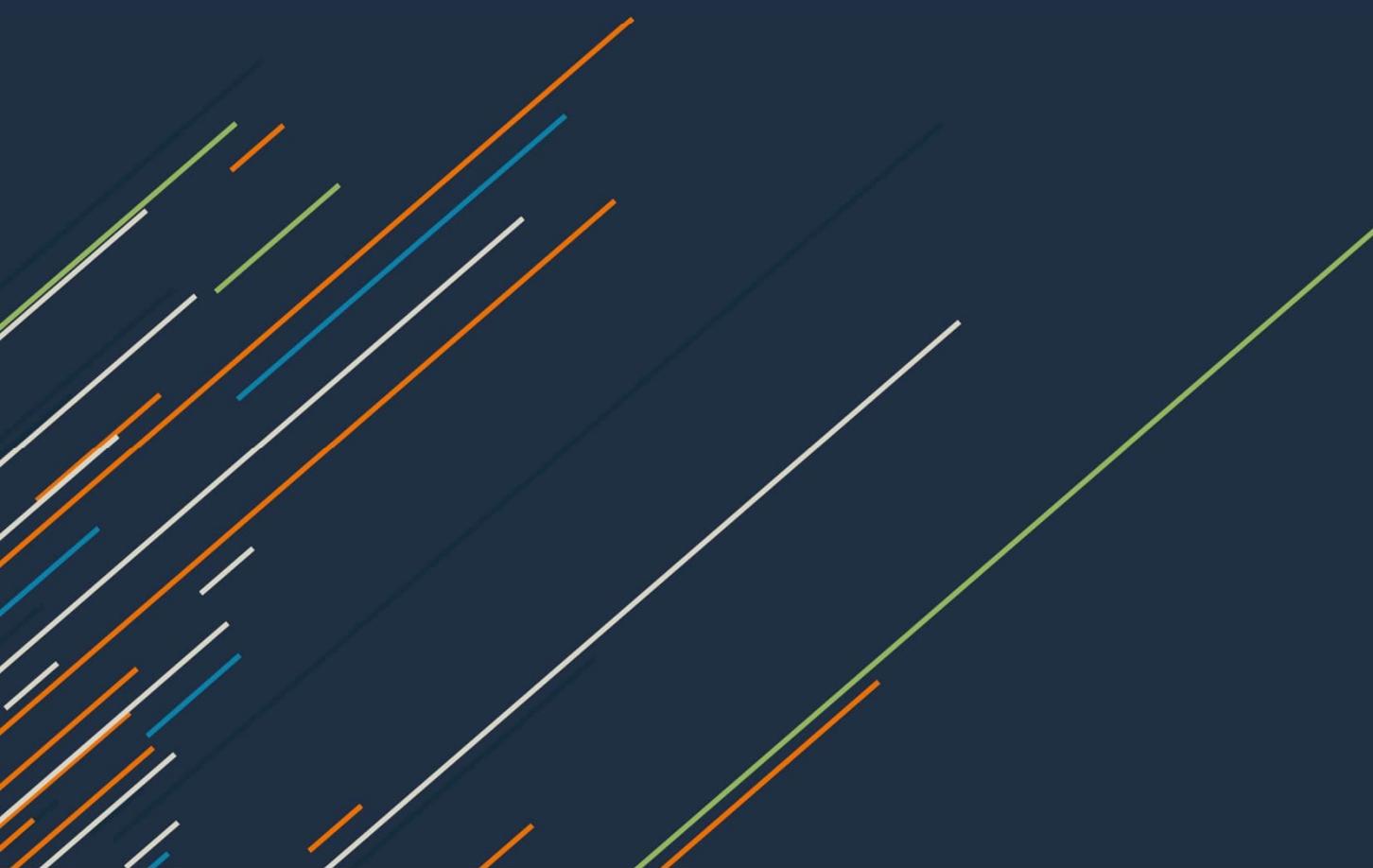
B Half-year consolidated financial statements

Consolidated income statement.....	14	3. Sales revenue.....	25
Consolidated statement of comprehensive income	15	4. Interest expense and other financial result.....	25
Consolidated statement of financial position	16	5. Total equity	26
Consolidated statement of changes in equity	18	6. Financial liabilities	26
Consolidated interim statement of cash flows	19	7. Segment reporting	27
Condensed notes to the consolidated interim financial statements		8. Financial instruments	29
.....	20	9. Related party disclosures	33
1. General principles.....	21	10. Events after the end of the reporting period	34
2. Basis of consolidation and business combination.....	23		

C Additional Information

1 Responsibility statement	37
2 Review Report.....	38
3 Financial calendar.....	39

A. Group Interim Management Report



1. Business development in the first half of the year

1.1 Business performance

Growth

- Sales revenue increased substantially again in the first half of 2025, given a growth rate of 21.5 %. Consolidated across the Group, this means an increase of € 109,841 thousand to € 620,150 thousand (previous year: € 510,309 thousand). The Vehicle Mobility Solutions (VMS) and Marine & Industry (M&I) segments again contributed the largest share with 91.1 % (previous year: 89.4 %) (before reconciliation to the consolidated financial statements). In particular, continuous performance improvements at the locations in Muskegon (MI), USA, and Augsburg contributed to the consistently positive development.
- At the end of the first half of the year 2025, the total order backlog amounts to € 5,930 million (December 31, 2024: € 4,960 million) and has thus increased notably by 19.6 %. In the first half of the year 2025, RENK was able to record incoming orders amounting to € 921,205 thousand (June 30, 2024: € 627,573 thousand), driven by the consistently high demand for military applications.

Profitability

- Thanks to the increase in sales with near constant general administrative costs, the Group recorded strong EBIT growth of 66.5 % to € 59,272 thousand (previous year: € 35,603 thousand). Positive effects were also observed due to economies of scale resulting from the material increased output volumes in the VMS segment, as well as a favorable product mix in the M&I segment.
- In the same manner, the adjusted EBIT increased significantly by 29.4 % from € 68,957 thousand to € 89,217 thousand. VMS once again takes the lead and recorded an outstanding development with € 66,642 thousand (previous year: € 45,865 thousand). Thanks to the positive margin effect of a high share of marine business, M&I was also able to make a remarkable contribution with € 18,841 thousand (previous year: € 16,222 thousand). The adjustments remain unchanged regarding depreciation and amortization on revalued assets as a result of purchase price allocations (PPA effects) as well as consulting services.
- The adjusted EBIT margin amounts to 14.4 % in the first half of 2025, compared to 13.5% in the previous year. While the margins of the VMS and M&I segments increased by 1.6 p.p. and 0.7 p.p. respectively, the Slide Bearings (SB) segment recorded a margin reduction of 1.4 p.p. due to an unfavorable product mix during the reporting period.

Liquidity

- RENK achieved a positive free cash flow amounting to € 11,481 thousand during the reporting period (previous year: € -7,511 thousand). The cause of this is the € 24,255 thousand higher EBITDA of € 97,674 thousand (previous year: € 73,419 thousand) as well as the € 20,215 thousand lower interest payments totaling € 14,398 thousand (previous year: € 34,613 thousand). These effects counterbalanced the increase in net working capital by € 42,200 thousand (previous year: € 31,138 thousand). The investment payments amount to € 10,735 thousand and are thus below the previous year's value of € 12,867 thousand.

1.2 Significant developments and events affecting business performance

In addition to the underlying macroeconomic conditions, RENK's business performance is influenced in large part by the economic situation in the end markets in which the products for military and civilian applications are in demand. Based on a series of global economic shocks, including the prolonged aftereffects of the COVID pandemic and Russia's invasion of Ukraine, as well as a phase of slow growth in 2024, the International Monetary Fund (IMF) has forecast the continuation of recovery trends for the year 2025. However, this slightly positive outlook was accompanied by significant uncertainties. An increasingly protectionist trade policy and geopolitical tensions will be of key importance.

In its update from April 2025, the IMF notes an expansion of these risks with higher probabilities for negative developments in the global economy. A central influencing factor is identified as the tariff regime partially considered and partially already implemented by the Trump administration, which, in the case of full implementation, would have a uniquely negative effect in the economic history of the last 100 years. Based on the recent agreement between the USA and the EU of July 27/28, 2025, most European exports to the USA will be subject to a uniform tariff rate of 15%. At the same time, the EU has committed to exempting imports from the USA from tariffs. The agreement is accompanied by commitments from the EU regarding the import of US-made military goods and gas, as well as a commitment to make significant foreign investments in the USA. If successfully implemented, the agreement signifies a departure from threatened tariff levels of up to 50% on European goods. RENK continues to closely monitor developments in this area and continuously analyzes potential impacts on the Group, which have so far been of a minor nature and within the forecast ranges.

Overall, the IMF is revising its growth forecasts for the global economy in 2025 and 2026 downwards from 3.3% to 2.8% for 2025 and 3.0% for 2026. This downgrade affects both developed and emerging economies equally, but in the case of the established industrialized countries, it is based on significantly lower growth rates. For Germany, the IMF now forecasts zero growth for 2025 and a growth rate of 0.9% for 2026, the latter, however, under the influence of expected government spending by the CDU/CSU and SPD government, also and especially in the area of defense. Nevertheless, in both years, Germany would fall short of the expected average growth in the euro area of 0.8% in 2025 and 1.2% in 2026. In terms of relative importance, the USA leads the development within the established economies during this period with forecast growth of 1.8% and 1.7% respectively. Nevertheless, these values reflect a deterioration in the growth prospects of the USA by 0.9 p.p. and 0.4 p.p. respectively compared to the IMF forecast from January 2025. On the emerging market side, India and China dominate the overall picture. For India, growth is forecast at 6.2% and 6.3% in the years 2025 and 2026 and 4.0% for China in each year. Given the trade tensions between China and the US, China's growth prospects are down 0.6 p.p. and 0.5 p.p. respectively compared to the January forecast, while India's are only half this. In both cases, however, the growth forecasts remain below the long-term average.

For the euro zone, the IMF expects an inflation rate of 2.1% for 2025 and 1.9% for 2026. This would be in line with the inflation target for the euro zone and would not be an indicator of a return to a tighter monetary policy. With the ECB interest rate decision of 25 July, 2025, all reference interest rates were kept constant, currently ranging between 2.0% for the deposit facility and 2.4% for the marginal lending facility. For the USA, the IMF assumes inflation rates of 3.0% and 2.7% in the years in question, which is above the identical inflation target of 2.0%. A more expansive monetary and interest rate policy by the Federal Reserve therefore seems unlikely at present, despite the interests of the Trump administration, due to expected budget deficits.

In line with the global economic framework, the German Machinery and Equipment Manufacturers Association (VDMA) continues to view the economic situation in the mechanical and plant construction sector critically. Uncertainties and the associated reluctance to invest shape the overall picture in Germany. The national and international overall economic development is proceeding slowly and inconsistently. In particular, weak demand in key sales markets such as China continues to affect the order books. While the beginnings of a positive economic dynamic in the United States provide grounds for hope, it remains to be seen to what extent protectionist measures will allow participation for the national mechanical engineering sector. Moreover, the volatile development of energy prices, particularly for electricity and gas, with a focus on the German energy market, represents a significant burden for energy-intensive sub-sectors of the mechanical engineering industry. The VDMA positively assesses a calming of inflation and interest rates in the European internal market, driven by the first interest rate cuts of the European Central Bank. In the overall view, the negative factors currently outweigh the positive factors from the perspective of the VDMA. Revenue growth is not expected until 2026 for a majority of industry members.

For the defense market, geopolitical developments and conflicts such as the Russian invasion of Ukraine, geopolitical tensions such as those between China and Taiwan or the USA, as well as the Middle East conflict, remain of central importance. Against the backdrop of an increasing threat situation and politically influenced by the Trump administration, the majority of NATO member states have agreed on the spending target of 5% of gross domestic product by 2035. Of this, 3.5 p.p. are allocated to capital expenditures for purely military spending and thus to significant markets for RENK. NATO currently estimates approximately € 800 billion in additional total volume. Although no concrete impacts on RENK's business performance can be quantified at this time, these resolutions underscore the persistently positive business prospects of the defense sector, which provide a counterpoint to the deteriorating situation in industrial mechanical engineering.

2. Results of operations

2.1 Order intake and revenue

in € thousands	Order intake				Revenue			
	Jan 01 - Jun 30		Change		Jan 01 - Jun 30		Change	
	2024	2025	in €	in %	2024	2025	in €	in %
VMS	410,297	680,572	270,275	65.9	294,664	388,926	94,262	32.0
M&I	156,808	182,557	25,749	16.4	161,676	175,733	14,057	8.7
SB	70,131	66,294	(3,836)	(5.5)	61,142	62,709	1,568	2.6
Total segments	637,235	929,423	292,188	45.9	517,481	627,367	109,886	21.2
Reconciliation consolidated financial statements	(9,663)	(8,218)	1,445	15.0	(7,172)	(7,217)	(45)	(0.6)
RENK	627,573	921,205	293,633	46.8	510,309	620,150	109,841	21.5

- The Group's order situation is excellent in the first half of 2025. At € 921,205 thousand, order intake (after reconciliation) is 46.8 % above the comparative period (previous year: € 627,573 thousand). In line with the development of the previous quarters, VMS made a significant contribution with an increase of € 270,275 thousand to a total of € 680,572 thousand (previous year: € 410,297 thousand). Order intakes for propulsion systems of ground-based weapon systems shape the overall picture. The M&I segment recorded a significant increase of 16.4 % due to its marine business, reaching € 182,557 thousand in the first half of 2025 (previous year: € 156,808 thousand). The SB segment is moving moderately below the previous year's level with an order intake of € 66,294 thousand (previous year: € 70,131 thousand). Despite a decline of € 3,836 thousand, this corresponds to a solid business development.
- Revenue increased significantly by € 109,841 thousand to during the reporting period € 620,150 thousand (previous year: € 510,309 thousand). VMS again takes the lead, achieving an increase in revenue of € 94,262 thousand to a total of € 388,926 thousand (previous year: € 294,664 thousand). The reason for this is the steadily increasing output volumes thanks to more efficient processes. A significant contribution to the revenue increase of the M&I segment of 8.7 % to € 175,733 thousand (previous year: € 161,676 thousand) was made by the strong marine business.
- As of the reporting date, the aforementioned developments resulted in a book-to-bill ratio of incoming orders to revenue of 1.5x (previous year: 1.2x), which underlines the positive business and sales outlook.

Order backlog

in € millions	Order Backlog		Change	
	Dec 31, 2024	June 30, 2025	in €	in %
Fixed order backlog	2,080	2,372	292	14.0
Frame order backlog	644	716	71	11.1
Soft order backlog	2,236	2,843	607	27.1
Total order backlog	4,960	5,930	970	19.6

- The total order backlog increased substantially compared to the same time last year by 19.6 % to € 5,930 million (December 31, 2024: € 4,960 million). VMS accounted for 88.6% (December 31, 2024: 87.9%), M&I for 10.2% (December 31, 2024: 10.8%) and SB for 1.2% (December 31, 2024: 1.4%). The significant growth primarily relates to customers who require products for military applications. Medium-term order volumes (frame order backlog) derived from framework agreements and previous customer behavior totaled € 716 million (December 31, 2024: € 644 million) at the end of the first half of 2025. Furthermore, our assessments of current contract negotiations, budgeting on the part of our clients, as well as resolutions regarding government military expenditures have led to

an estimated prospective order backlog of € 2,843 million (December 31, 2024: € 2,236 million) for the medium-term planning horizon.

2.2 Profitability

Profitability	Jan 01 - Jun 30		Change	
	2024	2025	in €	in %
in € thousands				
Adjusted EBIT	68,957	89,217	20,260	29.4
VMS	45,865	66,642	20,777	45.3
M&I	16,222	18,841	2,618	16.1
SB	11,015	10,422	(594)	(5.4)
Reconciliation consolidated financial statement	-4,145	(6,687)	(2,542)	(61.3)
Adjusted EBIT Margin	13.5 %	14.4 %	n/a	0.9 p.p.
VMS	15.6 %	17.1 %	n/a	1.6 p.p.
M&I	10.0 %	10.7 %	n/a	0.7 p.p.
SB	18.0 %	16.6 %	n/a	(1.4 p.p.)
Adjustments (refer to separate table)	(33,355)	(29,945)	3,410	10.2
EBIT	35,603	59,272	23,670	66.5
VMS	40,309	64,868	24,559	60.9
M&I	15,335	18,186	2,851	18.6
SB	11,015	10,422	(594)	(5.4)
Reconciliation consolidated financial statement	(31,057)	(34,203)	(3,146)	(10.1)
EBIT Margin	7.0 %	9.6 %	n/a	2.6 p.p.
VMS	13.7 %	16.7 %	n/a	3.0 p.p.
M&I	9.5 %	10.3 %	n/a	0.9 p.p.
SB	18.0 %	16.6 %	n/a	(1.4 p.p.)
Financial result	(15,414)	(28,281)	(12,867)	(83.5)
Profit (+) / loss (-) before tax	20,188	30,991	10,803	53.5
Income taxes	(12,667)	206	12,873	101.6
Adj. net income¹⁾	30,219	51,575	21,356	70.7
Profit (+) / loss (-) after tax	7,521	31,198	23,677	>200,0
Basic earnings per share (€)	0.08	0.31	0.23	>200,0
Diluted earnings per share (€)²⁾	0.08	0.31	0.23	>200,0

¹⁾ The income tax expense included in the adjusted profit after tax was determined based on a planned Group tax rate of 31.95%.

²⁾ The insignificant dilutive effect arises from the accounting of the Long Term Incentive Plan (LTI).

- In comparison to the previous year's period, the adjusted EBIT increased significantly by 29.4 % to € 89,217 thousand (previous year: € 68,957 thousand) in line with the enhanced output volume across the Group. In addition to the revenue development, this increase is primarily attributable to economies of scale in the VMS segment and a favorable product mix in the M&I segment. Furthermore, general and administrative expenses were maintained virtually at previous year's level.
- The VMS segment accounts for an adjusted EBIT amounting to € 66,642 thousand, following € 45,865 thousand the previous year. This strong increase was particularly driven by performance and efficiency improvements at the locations in Muskegon, USA, and Augsburg. As a result, the adjusted EBIT margin of the segment increased substantially to 17.1 % (previous year: 15.6 %). The adjusted EBIT of the M&I segment also increased by € 2,618 thousand to € 18,841 thousand (previous year: € 16,222 thousand). The driving force is the high-margin marine business, which contributed to revenue growth and thus also to improved margin development. The adjusted EBIT margin rose accordingly from 10.0 % in the previous year to 10.7 % at the end of the completed half year. The SB segment, with an adjusted EBIT margin of 16.6 %, contributed to the earnings development with an adjusted EBIT of € 10,422 thousand (previous year: € 11,015 thousand). The margin decline compared to the comparative period is attributable to a less favorable product mix in the reporting period.
- The reconciliation item of the adjusted EBIT includes expenses for corporate functions and their reallocation within the Group.

- Due to the convincing margin increase in the VMS and M&I segments in 2025, the adjusted EBIT margin for the first half of the year amounts to 14.4 %, following 13.5 % in the comparative period.
- The profit before tax increased materially by € 10,803 thousand to € 30,991 thousand (previous year: € 20,188 thousand). The basis for this is the impressive operating performance with an EBIT increase of € 23,670 thousand to € 59,272 thousand (previous year: € 35,603 thousand). The negative financial result amounting to € 28,281 thousand includes, during the reporting period, not only interest payments but also negative currency exchange effects, which contributed to a correspondingly strong increase compared to the previous period. The after-tax result developed very positively and amounted to € 31,198 thousand at the end of the half year. This includes positive tax effects due to deferred taxes on loss carry-forwards.

Adjustments

in € millions	Jan 01 - Jun 30		Change	
	2024	2025	in €	in %
Effects of purchase price allocations	22.1	22.2	0.0	0.2
M&A activity related costs	0.5	1.3	0.8	150.5
Capital market readiness costs	1.6	-	(1.6)	n/a
Costs for implementing efficiency programs	5.7	-	(5.7)	n/a
Consulting costs for refinancing long-term financial liabilities	1.3	-	(1.3)	n/a
Global system improvements	0.7	3.8	3.1	>200,0
Implementation tax compliance standards	0.4	0.2	(0.2)	(46.4)
Other adjustments	0.9	2.5	1.6	>200,0
Adjustments Total	33.4	29.9	(3.4)	(10.2)

- At € 22.2 million (previous year: € 22.1 million), the adjustments primarily relate to the effects of purchase price allocations, which mainly concern depreciation and amortization on revalued fixed assets acquired in business combinations and are assigned to the reconciliation to the consolidated financial statements.
- In addition to costs for M&A activities, which in the reporting period particularly pertained to the acquisition of assets and liabilities from Cincinnati Gearing Systems Inc., Cincinnati (OH), USA & Lee Holdings LLC Wilmington (DE), USA, the focus was primarily on improving Group-wide processes and systems, which resulted in correspondingly high consulting services.
- The other adjustments in the first half of the year 2025 mainly concern consulting services for additional individual items.

3. Net assets

Assets

in € millions	Reporting date		Change	
	Dec 31, 2024	Jun 30, 2025	in €	in %
Total non-current assets	717.2	708.1	(9.2)	(1.3)
of which				
Intangible assets	360.5	332.4	(28.1)	(7.8)
Property, plant and equipment	320.7	330.7	10.0	3.1
Total current assets	872.0	916.0	44.0	5.0
of which				
Inventories	391.2	446.2	54.9	14.0
Trade receivables	163.6	190.7	27.1	16.6
Contract assets	114.9	128.9	13.9	12.1
Cash and cash equivalents	164.3	95.0	(69.3)	(42.2)
Total assets	1,589.2	1,624.0	34.8	2.2

- As of June 30, 2025, RENK reports total assets of € 1,624.0 million (December 31, 2024: € 1,589.2 million), of which 43.6% is attributable to non-current assets.
- The long-term capital is predominantly composed of intangible assets and property, plant and equipment, with a share of 93.7% (December 31, 2024: 95.0%), which is primarily attributable to the acquisition of the former RENK AG and RENK America LLC, based in Muskegon (MI), USA. As part of the purchase price allocations, the difference between the paid purchase price and the acquired book values in previous periods was allocated to goodwill as well as to intangible assets and property, plant and equipment.
At € 446.2 million (December 31, 2024: € 391.2 million), inventories accounted for 48.7% (December 31, 2024: 44.9 %) of short-term capital, whose increase is due to processed orders and expected output quantities. The strong increase in trade receivables of € 27.1 million to € 190.7 million (December 31, 2024: € 163.6 million) is attributable to the revenue development and cut-off effects. Contract assets, which have increased by € 13.9 million to € 128.9 million (12.1 %) also reflect the strong revenue growth in the VMS and M&I segment. Cash and cash equivalents debasement by € 69.3 million to € 95.0 million according to the notes on the financial position. Due to the depreciation of the US dollar against the Euro, there were declining effects on short-term capital employed at the level of US subsidiaries at the end of the reporting period.

Liabilities	Reporting date		Change	
	Dec 31, 2024	Jun 30, 2025	in €	in %
in € millions				
Total equity	446.7	413.8	(32.8)	(7.4)
Total non-current liabilities	663.9	728.2	64.2	9.7
of which				
Non-current financial liabilities	527.2	527.1	(0.1)	(0.0)
Non-current contract liabilities	39.0	106.7	67.7	173.4
Other non-current provisions	12.1	12.2	0.0	0.3
Total current liabilities	478.6	482.1	3.4	0.7
of which				
Trade payables	117.0	138.0	21.0	18.0
Current contract liabilities	231.4	198.4	(33.0)	(14.3)
Other current provisions	40.0	44.6	4.6	11.6
Other current liabilities	51.1	55.1	4.0	7.8
Total liabilities	1,589.2	1,624.0	34.8	2.2

- As of June 30, 2025, total equity amounts to € 413.8 million (December 31, 2024: € 446.7 million) and the equity ratio is 25.5 % (December 31, 2024: 28.1 %). The long-term liabilities represent 44.8 % (December 31, 2024: 41.8 %) of the total assets and are attributable to a long-term, variable-interest loan with a nominal amount of € 525.0 million. The total equity and long-term liabilities thus significantly exceed non-current assets.
- The short-term and long-term contract liabilities amount to € 305.1 million (December 31, 2024: € 270.4 million). The short-term share decreased by € 33.0 million to € 198.4 million (December 31, 2024: € 231.4 million), reflecting the fulfillment of short-term delivery and performance obligations. The long-term contract liabilities increased by € 67.7 million to € 106.7 million due to received customer prepayments.
- The other long- and short-term provisions amounting to € 56.8 million (December 31, 2024: € 52.1 million) primarily relate to the risk provision for warranties as well as costs for employees.

4. Financial position

4.1 Analysis of cash flow and capital expenditures

Free cashflow	First Half Year		Change	
	2024	2025	in €	in %
in € thousands				
EBIT	35,603	59,272	23,669	66.5
Amortization and depreciation of intangible assets and property, plant and equipment (incl. PPA amortization and depreciation)	37,816	38,402	586	1.5
EBITDA	73,419	97,674	24,255	33.0
Interest received ¹⁾	1,014	894	(120)	(11.8)
Interest payments ¹⁾	(34,613)	(14,398)	20,215	(58.4)
Income tax payments	(9,846)	(11,002)	(1,156)	11.7
Change in net working capital²⁾	(31,138)	(42,200)	(11,062)	35.5
Change in inventories	-33,785	-47,582	(13,797)	(40.8)
Change in trade receivables and contract assets	(10,316)	(36,970)	(26,654)	<(200,0)
Change in trade payables	(16,742)	23,653	40,395	>200,0
Changes in contract liabilities	29,705	18,699	(11,006)	(37.1)
Investments in property, plant and equipment and intangible assets (financial CAPEX)³⁾	(12,867)	(10,735)	2,132	16.6
Other ⁴⁾	6,520	(8,751)	(15,271)	<(200,0)
Free cashflow	(7,511)	11,481	18,992	>200,0

¹⁾ Reported net in the comparative period.

²⁾ Additions from acquisitions are not included in the NWC.

³⁾ RENK's operating CAPEX includes investment payments in property, plant and equipment and intangible assets. Not included are right-of-use assets from lease agreements or acquisitions from business combinations within the scope of IFRS 3.

⁴⁾ Other reconciliation items include changes in provisions, other receivables, and liabilities, to the extent that these are not attributable to NWC, as well as other cash and non-cash effects of minor significance.

- The increase in EBITDA by € 24,255 thousand to € 97,674 thousand (previous year: € 73,419 thousand) is primarily shaped by the positive EBIT development.
- Interest payments on long-term debt decreased to € 14,398 thousand following € 34,613 thousand in the comparative period, which included not only ongoing interest payments, some of which deviated from the course of interest expenses, but also prepayment penalties in the context of refinancing long-term debt.
- The net working capital has increased by € 42,200 thousand to € 314,116 thousand compared to the beginning of the fiscal year. In addition to the increase in trade receivables and contract assets as of the reporting date by € 36,970 thousand, the buildup of inventories by € 47,582 thousand to € 446,164 thousand contributed significantly to this. The latter particularly pertains to the VMS segment and reflects the accumulated order backlog as well as planned production requirements. Customer prepayments had a positive cash flow effect, as in the comparative period, which is reflected in an increase in contract liabilities of € 18,699 thousand. The same applies to the increase in trade payables as of the reporting date amounting to € 23,653 thousand.
- The investment cash outflows amounting to € 10,735 thousand (previous year: € 12,867 thousand) are primarily attributable to property, plant and equipment and correspond to approximately 1.7% (previous year: approximately 2.5%) of revenue in the first half of the year.
- Overall, the free cash flow as of June 30, 2025, is positive and amounts to € 11,481 thousand. The free cash flow in the previous year amounting to € -7,511 thousand was negatively impacted by lower EBITDA, higher interest payments, and, as in the reporting period, by an increase in net working capital.
- The cash conversion rate has significantly increased compared to the previous year, amounting to 22.3 % (previous year: -24.9 %) at the end of the first half of the year and is primarily due to the positive development in free cash flow.

4.2 Financing and liquidity analysis

Change in cash and cash equivalents	First Half Year		Change	
	2024	2025	in €	in %
in € thousand				
Cash and cash equivalents at the beginning of reporting period	102,216	164,306	62,090	60.7
Cash flow from operating activities	38,954	35,721	(3,233)	(8.3)
Cash flow from investing activities	(7,662)	(41,467)	(33,805)	<(200,0)
Cash flow from financing activities	(41,031)	(58,568)	(17,537)	(42.7)
Other changes in cash and cash equivalents	1,359	(4,976)	(6,335)	<(200,0)
Change in cash and cash equivalents in reporting period	(8,380)	(69,289)	(60,909)	<(200,0)
Cash and cash equivalents at the end of reporting period	93,836	95,017	1,181	1.3

- In the first half of the year, RENK achieved a positive cash flow from operating activities amounting to € 35,721 thousand (previous year: € 38,954 thousand). The significant decline is primarily due to the accumulation of inventory, in addition to the overall negative cut-off effects.
- The cash flow from investing activities amounted to € -41,467 thousand, following just € -7,662 thousand in the previous year. In addition to the payout for production facilities, the acquisition of assets and liabilities from Cincinnati Gearing Systems Inc., Cincinnati (OH), USA & Lee Holdings LLC Wilmington (DE), USA was particularly decisive.
- Cash flow from financing activities includes interest payments and the dividend for fiscal year 2024 amounting to € -42,665 thousand. In total, this amounts to € -58,568 thousand after € -41,031 thousand in the previous year.
- Cash and cash equivalents increased by € 1,181 thousand to € 95,017 thousand compared to the end of the comparative period.

5. Opportunities & risk and expected developments report

5.1 Opportunities and risk report

For a description of the opportunities and risk management system of the RENK Group AG, we refer to the Group Management Report as of December 31, 2024. In the opinion of the Executive Board, the assessment of the opportunities and risks described therein remains unchanged in the first half of 2025.

5.2 Report on expected developments

In the opinion of the Executive Board, the forecast assumptions as laid out in the annual report 2024 remain unchanged. The company is conforming its forecast and anticipates a consolidated revenue of > € 1.3 billion for the current fiscal year as well as an adjusted EBIT between € 210 million and € 235 million.

The current forecasts for fiscal year 2025 and the current figures are compared in the table below.

Forecast 2025	Actual 2024	Forecast 2025
Consolidated Revenue (in € billion)	1.1	> 1,3
Adjusted EBIT (in € million)	189.2	~ 210-235

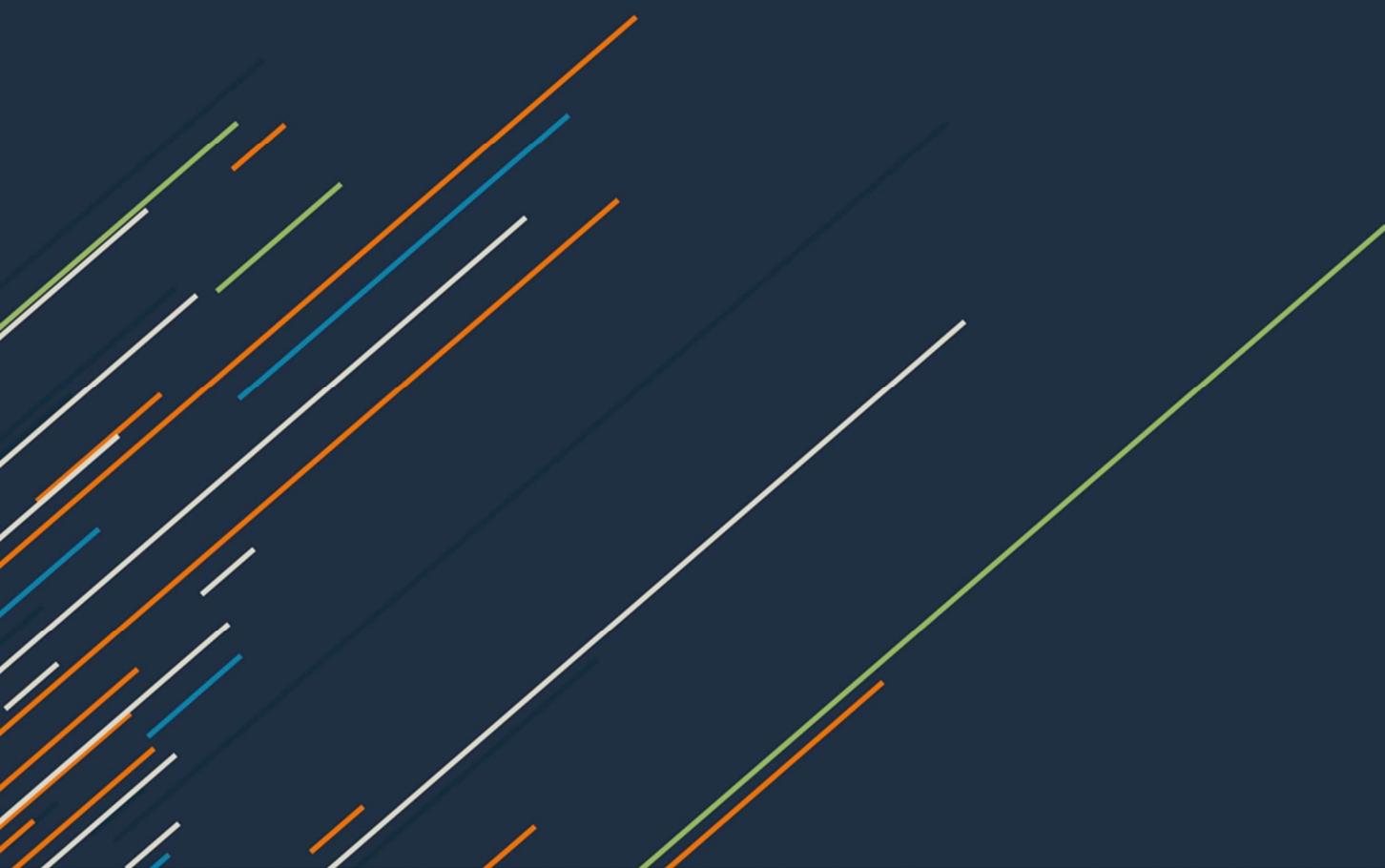
Notes on forward-looking statements

Recordings of the conference calls for journalists, analysts and investors will be made available afterwards. You can download the financial publications from the internet at <https://ir.renk.com/de/publications>. This document contains statements that relate to our future business development and future financial performance as well as to future events or developments concerning RENK Group AG and may constitute forward-looking statements. These statements can be identified by words such as "expect," "want," "anticipate," "intend," "plan," "believe," "seek," "estimate," "will," and "predict" or similar terms. We may also make forward-looking statements in other reports, prospectuses, presentations, materials sent to shareholders and press releases. In addition, from time to time our representatives may make oral forward-looking statements.

Such statements are based on current expectations and certain assumptions made by the management of RENK Group AG, many of which are beyond the control of RENK Group AG. They are therefore subject to a variety of risks, uncertainties, and other factors described in publications - particularly in the chapter on the expected development with its significant opportunities and risks of the annual report and in the half-year financial report, which should be read together with the annual report - but are not limited to such.

Should one or more of these risks or uncertainties materialize, events of force majeure occur, or should it become evident that the underlying expectations, including future events, do not materialize or occur later, or that assumptions have not been fulfilled, the actual results, performance, and achievements of RENK Group AG (both negative and positive) may differ significantly from those results explicitly or implicitly mentioned in the forward-looking statement. RENK Group AG assumes no obligation and does not intend to update these forward-looking statements or to correct them if developments differ from those expected. This document contains supplementary financial measures – not precisely defined in relevant accounting frameworks – which are or may be what are known as alternative performance measures. When assessing the net assets, financial position and results of operations of RENK Group AG, these supplementary financial measures should not be used in isolation or as an alternative to the financial indicators presented in the consolidated financial statements and determined in accordance with the relevant accounting framework. Other companies that present or report alternative performance measures with similar titles may calculate them differently. Due to rounding, individual numbers in this and other reports may not add up exactly to the totals shown and percentages presented may not precisely reflect the absolute values to which they refer. This document is a half-year financial report pursuant to Section 52 of the Stock Exchange Rules of the Frankfurt Stock Exchange.

B. Half-year consolidated financial statements



Consolidated income statement

in € thousands	2024 Jan 01 - Jun 30	2025 Jan 01 - Jun 30
Revenue	510,309	620,150
Cost of sales	(395,577)	(474,026)
Gross profit	114,732	146,124
Distribution expenses	(30,350)	(34,189)
General and administrative expenses	(48,675)	(50,523)
Net allowances on financial assets	540	179
Other income	3,380	11,436
Other expenses	(4,025)	(13,753)
Operating profit	35,603	59,272
Interest expense	(23,186)	(17,431)
Other financial result	7,771	(10,850)
Financial result	(15,414)	(28,281)
Profit / loss before tax	20,188	30,991
Income taxes	(12,667)	206
Profit / loss after tax	7,521	31,198
of which attributable to:		
Profit attributable to non-controlling interests	12	153
Profit attributable to shareholders of RENK Group AG	7,509	31,045
Basic earnings per share (€)	0.08	0.31
Diluted earnings per share (€) ¹	0.08	0.31
Weighted average number of ordinary shares outstanding (basic) (in million)	100.0	100.0
Weighted average number of ordinary shares outstanding (diluted) (in million)	100.1	100.0

¹ An insignificant dilutive effect arose from the accounting of the Long Term Incentive Plan (LTI). For further details, please refer to Note 9. *Related party disclosures*.

The notes to the consolidated interim financial statements are an integral part of the condensed half-yearly consolidated financial statements.

Consolidated statement of comprehensive income

in € thousands	2024 Jan 01 - Jun 30	2025 Jan 01 - Jun 30
Profit (+) / loss (-) after tax	7,521	31,198
Items not reclassified to profit or loss		
Change in the fair value of financial investments	117	-
Remeasurement of defined benefit liability	4,386	7,066
Deferred taxes	(2,376)	(3,192)
	2,128	3,874
Items reclassified to profit or loss in the future		
Currency translation differences	3,384	(30,833)
Cash flow hedges	1,235	(14)
Deferred taxes	(240)	5,181
	4,378	(25,666)
Other comprehensive income for the period	6,506	(21,792)
Total comprehensive income	14,027	9,406
Total comprehensive income attributable to non-controlling interests	12	(518)
Total comprehensive income attributable to shareholders of RENK Group AG	14,015	9,924

The notes to the consolidated interim financial statements are an integral part of the condensed half-yearly consolidated financial statements.

Consolidated statement of financial position

Assets	December 31, 2024	June 30, 2025
in € thousands		
Intangible assets	360,529	332,427
Property, plant and equipment	320,732	330,725
Other and financial investments	817	815
Deferred tax assets	22,392	28,516
Other non-current financial assets	99	284
Other non-current receivables	12,674	15,294
Non-current assets	717,243	708,061
Inventories	391,239	446,164
Trade receivables	163,624	190,711
Contract assets	114,939	128,879
Current income tax receivables	11,960	17,852
Other current financial assets	6,915	7,519
Other current receivables	19,001	29,842
Cash and cash equivalents	164,306	95,017
Currents assets	871,984	915,985
	1,589,227	1,624,045

The notes to the consolidated interim financial statements are an integral part of the condensed half-yearly consolidated financial statements.

Equity and liabilities	December 31, 2024	June 30, 2025
in € thousands		
Share capital	100,000	100,000
Capital reserves	172,674	173,089
Retained earnings	134,914	123,959
Cumulative other comprehensive income	33,326	12,206
Equity attributable to shareholders of RENK Group AG	440,914	409,254
Equity attributable to non-controlling interests	5,753	4,571
of which non-controlling interests in consolidated net income for the year	1,442	153
Equity	446,667	413,825
Non-current financial liabilities	527,164	527,053
Pension provisions	2,657	2,762
Deferred tax liabilities	77,226	73,071
Contract liabilities, non-current	39,032	106,715
Other non-current provisions	12,127	12,167
Other non-current financial liabilities	5,717	5,839
Other non-current liabilities	3	553
Non-current liabilities and provisions	663,927	728,160
Current financial liabilities	6,386	6,304
Income tax liabilities	30,772	35,906
Trade payables	116,956	138,003
Contract liabilities, current	231,376	198,362
Other current provisions	39,989	44,609
Other current financial liabilities	2,024	3,747
Other current liabilities	51,130	55,129
Current liabilities and provisions	478,633	482,060
	1,589,227	1,624,045

The notes to the consolidated interim financial statements are an integral part of the condensed half-yearly consolidated financial statements.

Consolidated statement of changes in equity

in € thousands	Accumulated other equity									Total equity
	Share capital	Capital reserves	Retained earnings	Re-measurement of defined benefit obligations	Financial investment	Cash flow hedge	Currency translation	Equity of the shareholders of RENK Group AG	Equity attributable to non-controlling shareholders	
As of Jan. 01, 2024	100,000	223,787	57,553	14,024	279	-	8,174	403,817	79	403,896
Profit (+) / loss (-) after tax	-	-	7,509	-	-	-	-	7,509	12	7,521
Deposit fiction transaction costs	-	2,781	-	-	-	-	-	2,781	(22)	2,759
Distribution	-	-	(30,000)	-	-	-	-	(30,000)	-	(30,000)
Share-based payments	-	1,035	-	-	-	-	-	1,035	-	1,035
Other changes	-	-	971	2,011	-	1,112	3,384	7,478	(6)	7,472
As of June 30, 2024	100,000	227,603	36,033	16,035	279	1,112	11,558	392,619	63	392,682
As of Jan. 01, 2025	100,000	172,674	134,914	21,446	-	(3,746)	15,626	440,914	5,754	446,668
Profit after tax	-	-	31,045	-	-	-	-	31,045	153	31,198
Distribution	-	-	(42,000)	-	-	-	-	(42,000)	(665)	(42,665)
Share-based payments	-	416	-	-	-	-	-	416	-	416
Accumulated other equity	-	-	-	3,874	-	(12)	(24,982)	(21,120)	(671)	(21,791)
As of June 30, 2025	100,000	173,090	123,959	25,320	-	(3,758)	(9,356)	409,254	4,571	413,825

The notes to the consolidated interim financial statements are an integral part of the condensed half-yearly consolidated financial statements.

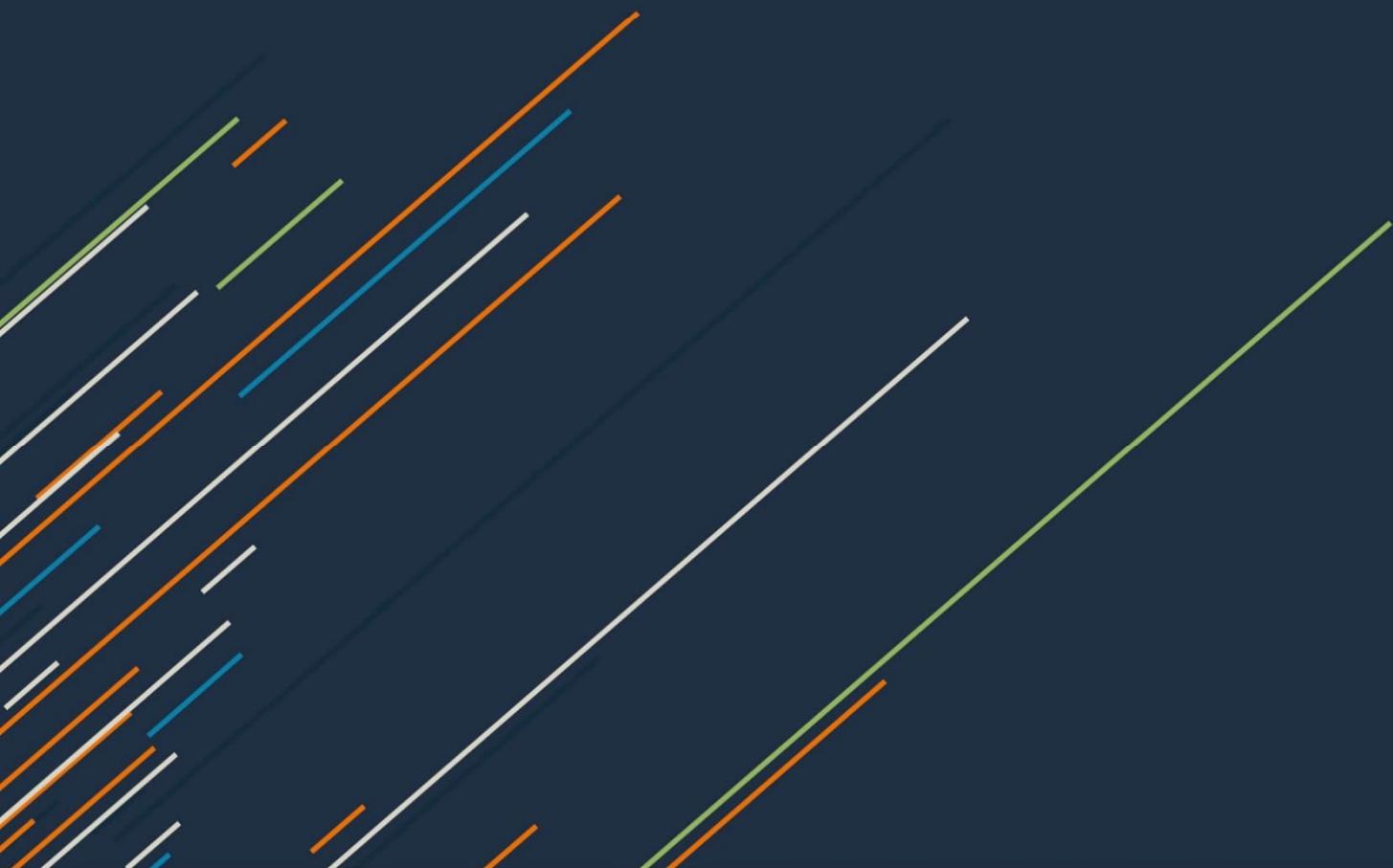
Consolidated statement of cash flows

in € thousands	2024 Jan 01 - Jun 30	2025 Jan 01 - Jun 30
Cash and cash equivalents at beginning of period	102,216	164,306
Profit / loss before tax (including income attributable to non-controlling interests)	20,188	30,991
Income taxes paid	(9,846)	(11,002)
Depreciation, amortization and impairment losses on intangible assets and property, plant and equipment	37,816	38,402
Change in provisions for pension obligations	(69)	3,989
Result from asset disposals	(31)	-
Other non-cash expenses and income	692	(354)
Change in inventories	(33,785)	(47,582)
Change in other assets	(3,957)	(61,822)
Change in (contract-) liabilities	17,950	49,843
Change in other provisions	(5,418)	4,976
Financial result ¹	15,414	28,281
Cash flows from operating activities	38,954	35,721
Payment to acquire property, plant and equipment and intangible assets	(12,867)	(10,735)
Proceeds from asset disposals	53	355
Payments for the acquisition of subsidiaries or other business units less acquired cash and cash equivalents	-	(29,749)
Cash flows from restricted cash	4,138	(2,231)
Interest received	1,014	894
Cash flow from investing activities	(7,662)	(41,467)
Payment from the redemption of bonds	(520,000)	-
Proceeds from the raising of loan liabilities	514,800	-
Payment of dividends to shareholders of RENK Group AG	-	(42,000)
Payment of dividends to non-controlling companies	-	(665)
Equity contributions	2,759	-
Change in cash-pool liabilities	(2,598)	-
Lease payments	(1,379)	(1,505)
Interest payments	(34,613)	(14,398)
Cash flows from financing activities	(41,031)	(58,568)
Effect of exchange rate changes on cash and cash equivalents	319	(4,976)
Change in cash and cash equivalents due to changes in the scope of consolidation	1,040	-
Change in cash and cash equivalents	(8,380)	(69,289)
Cash and cash equivalents at end of period	93,836	95,017
Restricted cash	2,293	3,449
Gross liquidity at end of period	96,129	98,466
Financial liabilities (net of cash-pool liabilities)	(536,275)	(533,357)
Net liquidity at end of period	(440,146)	(434,891)

¹ Financial result including dividend

The notes to the consolidated interim financial statements are an integral part of the condensed half-yearly consolidated financial statements.

Condensed notes to the consolidated interim financial statements



1. General principles

Corporate information

The RENK Group AG, with registered office in Augsburg (Germany) (the Company), is registered with the Local Court ("Amtsgericht") Augsburg under commercial register number HRB 39189. The company acts as a holding in the RENK Group. RENK develops, produces, and distributes high-quality drive technology worldwide and is divided into the segments Vehicle Mobility Solutions (VMS), Marine & Industry (M&I), and Slide Bearings (SB).

The consolidated group of RENK Group AG is referred to hereafter as RENK.

Basis for the preparation of the condensed consolidated interim financial statements.

The condensed consolidated interim financial statements of RENK Group AG for the period from January 1 to June 30, 2025, were prepared in accordance with Section 115 of the Wertpapierhandelsgesetz (WpHG - German Securities Trading Act) as well as IAS 34 "Interim financial reporting" – and consequently in compliance with the International Financial Reporting Standards (IFRS) as applicable in the European Union.

The condensed consolidated interim financial statements do not contain all disclosures that are usually included in the financial statements for a full fiscal year. Accordingly, this report should be read in conjunction with the consolidated financial statements published for fiscal year 2024.

The accounting and valuation principles applied to the condensed consolidated interim financial statements are essentially the same as those applied to the consolidated financial statements as of December 31, 2024.

- The income tax expense for the first half of 2025 corresponds to a tax rate of -0.66% (previous year: 62.7%). This is based on the actual tax expense determined using the average tax rate expected for the entire fiscal year. The change in the tax rate compared to the previous year results in particular from the recognition of deferred tax assets on interest carry-forwards and loss carry-forwards. With regard to the application of the global minimum taxation, RENK does not expect any significant tax expenses based on the financial and tax data for the first half of 2025.
- To calculate the present value of the defined benefit pension obligations in Germany, a discount rate of 3.70% (December 31, 2024: 3.30%) and abroad of 1.30% (December 31, 2024: 1.18%) was applied.
- A monetary item in the form of an outstanding receivable from a foreign business operation, the settlement of which is neither planned nor likely in the foreseeable future, constitutes a net investment in a foreign business operation. This monetary item is a loan receivable from a foreign subsidiary of RENK. Translation differences arising from a monetary item that is part of a net investment in a foreign business operation are recognized in the individual financial statements of the subsidiary in profit or loss. In the consolidated financial statements, these translation differences are recognized in other comprehensive income and are only reclassified from total equity to profit or loss upon disposal of the subsidiary.

In the preparation of the condensed consolidated interim financial statements, assumptions and estimates must be made by RENK. These influence the amount and presentation of the reported figures of assets and liabilities as well as the income and expenses for the reporting period. The amounts actually incurred may differ from these estimates.

The condensed consolidated interim financial statements are prepared in Euro, the functional currency of RENK. Unless stated otherwise, all figures are in thousands of Euro. Minor differences in totals or percentages can occur as a result of the commercial rounding of amounts. In the individual tables, amounts that have been rounded to zero are shown as "0". If the figure is actually zero, it is shown as "-". The fiscal year is the calendar year.

Significant events

On November 24, 2024, the Supervisory Board appointed Board member Dr. Alexander Sagel, Chief Operating Officer (COO) of RENK Group AG, as Chairman of the Executive Board, effective February 1, 2025. Dr. Alexander Sagel thus succeeds Susanne Wiegand, who requested the early termination of her contract by the Supervisory Board on January 31, 2025. Dr. Emmerich Schiller was appointed by the Supervisory Board as a member of the Board effective March 1, 2025, and will take over the global areas of Production, Supply Chain Management, and Human Resources. Dr. Emmerich Schiller had already been responsible for these areas in his role as a member of the management of RENK GmbH since February 1, 2024.

RENK Group AG is the sole shareholder of RENK FinCo GmbH, which in turn is the sole shareholder of RENK GmbH. It is intended to merge RENK FinCo GmbH "downstream" into RENK GmbH and to conclude a domination and profit and loss transfer agreement between RENK Group AG as the controlling company and RENK GmbH as the controlled company. These steps serve to simplify the Group structure and to establish a consolidated tax group. The Annual General Meeting of RENK Group AG approved the conclusion of the domination and profit and loss transfer agreement between RENK Group AG and RENK GmbH on June 4, 2025. The domination and profit and loss transfer agreement came into effect with its registration in the Commercial Register on June 18, 2025. The notarization of the merger of RENK FinCo into RENK GmbH and the application to the Commercial Register took place on July 2, 2025. In this regard, reference is also made to Note 10. *Events after the end of the reporting period.*

Effects of new accounting standards

In the current reporting period, new and amended accounting standards came into effect. RENK applied the following newly listed and revised International Financial Reporting Standards (IFRS) and interpretations in fiscal year 2025.

Standards applied and amendments to existing standards			
Standard/Interpretation	Title	Mandatory application	Material effects on RENK
IAS 21	Amendments to IAS 21 - Lack of Exchangeability	01/01/2025	None

Effects of new accounting standards that have already been adopted by the IASB and IFRS Interpretations Committee and that are not yet mandatory for application in fiscal year 2025

Furthermore, the International Accounting Standards Board (IASB) and the IFRS Interpretations Committee have adopted additional standards, interpretations, and amendments listed below, which are not yet mandatory for application in fiscal year 2025 or have not yet been adopted by the European Union.

As of June 30, 2025, there was no early application of these standards by RENK. The initial application of the standards is planned for the time when they are recognized and adopted by the EU.

Standards and amendments not yet applied			
Standard/Interpretation	Title	Mandatory application	Material effects on RENK
IFRS 9 / IFRS 7	Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments	01/01/2026	None
IFRS 9 / IFRS 7	Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity	01/01/2026	None
IFRS	Annual Improvements - Volume 11	01/01/2026	None
IFRS 18	Presentation and Disclosure in Financial Statements	01/01/2027	assessment ongoing
IFRS 19	Subsidiaries without Public Accountability - Disclosures	01/01/2027	None

IFRS 18 – Presentation and disclosure in financial statements will lead to changes in the presentation in the consolidated income statement as well as the consolidated statement of cash flows and to extended notes.

This includes, in the consolidated income statement, in particular, the introduction of three newly defined categories: "operating", "investing", and "financing". In the consolidated statement of cash flows, changes in the "operating profit or loss" will serve as a mandatory starting point for determining cash flows from operating activities, as well as the elimination of the disclosure options for interest and dividends. Individual questions are currently being analyzed by RENK. A quantification of the impacts and a final assessment of the resulting changes is currently not possible.

2. Basis of consolidation and business combination

In general, the basis of consolidation is unchanged compared to December 31, 2024.

Acquisition of assets of Midwest Gear & Tool Inc., Roseville (MI), USA

With the signing of the contract and coming into economic effect on February 28, 2025, RENK America LLC, Muskegon (MI), USA, has acquired selected assets of Midwest Gear & Tool Inc., Roseville (MI), USA. Midwest Gear & Tool Inc. is a supplier of gear wheels, which RENK America LLC uses as pre-products for the production of transmissions. With this acquisition, RENK also intends to ensure the availability of production-critical pre-products in the future. The acquisition includes selected property, plant and equipment amounting to € 2,871 thousand and inventories amounting to € 3,352 thousand. The purchase price is € 6,223 thousand. The settlement of the purchase price was made through cash and cash equivalents as well as the set-off of previously made advance payments amounting to € 435 thousand. Accordingly, the transaction resulted in a net cash outflow of € 5,788 thousand. A leasing agreement has been concluded with RENK America LLC for the continued use of the production building of Midwest Gear & Tool Inc. The resulting right-of-use asset and the corresponding lease liability amount to € 562 thousand each. The purchase price corresponds to the fair value of the acquired assets. Accordingly, no goodwill was recognized. Acquisition-related costs amounting to € 366 thousand have been incurred and have been recorded in the general and administrative expenses.

Acquisition of assets and liabilities of Cincinnati Gearing Systems Inc., Cincinnati (OH), USA & Lee Holdings LLC Wilmington (DE), USA

By signing the contract on December 24, 2024, RENK America Marine & Industry LLC, Wilmington (DE), USA, newly founded in fiscal year 2024, acquired selected assets and liabilities of Cincinnati Gearing Systems Inc., Cincinnati (OH), USA, and Lee Holdings LLC, Wilmington (DE), USA. Due to regulatory approvals, the completion of the transaction and thus the acquisition took place on April 11, 2025. Cincinnati Gearing Systems Inc. designs and manufactures a wide range of gears for military and civilian end customers, including the US Navy and the Japan Maritime Self-Defense Force, as well as other customers in the shipping, chemical, and automotive industries. With this acquisition, RENK intends to further expand its strategic portfolio in the M&I segment.

The preliminary purchase price amounts to € 23,961 thousand and corresponds to the net cash outflow. The preliminary nature refers to a variable, estimated purchase price element as of the acquisition date, as well as the fair values of the acquired assets and liabilities. The determination of the purchase price and the allocation of the purchase price to the acquired assets and liabilities have not yet been finalized as of June 30, 2025, since certain valuation-relevant information is still not available. Acquisition-related costs amounting to € 2,671 thousand have been incurred and have been recorded in the general and administrative expenses.

The acquired net assets were provisionally valued at a fair value of € 23,252 thousand. Based on the allocation of the preliminary purchase price, a goodwill of € 709 thousand arises, which essentially results from the future sales potentials in the M&I segment. The goodwill is largely deductible for tax purposes. In addition, intangible assets for the order backlog, process expertise and the customer base amounting to € 9,458 thousand as well as property, plant and equipment (mainly land and buildings) amounting to € 15,458 thousand were identified. The transaction gives rise to deferred tax assets amounting to € 243 thousand. The fair value of the non-current assets from the acquisition totals € 25,867 thousand. Current assets were acquired in the amount of € 19,153 thousand, which mainly consist of inventories (€ 14,505 thousand), trade receivables (€ 2,414 thousand) and other current (financial) assets (€ 2,234 thousand). This is offset by liabilities amounting to € 21,060 thousand. These consist mainly of contract liabilities (€ 18,117 thousand), trade payables (€ 2,230 thousand) and other financial liabilities and other provisions (€ 712 thousand).

The fair value of the acquired trade receivables amounts to € 2,414 thousand at the acquisition date.

The consolidated profit or loss as of June 30, 2025 includes sales revenue in the amount of € 3,173 thousand and a loss after tax in the amount of € -1,583 thousand.

Had the acquisition of Cincinnati Gearing Systems Ins., Cincinnati (OH), USA and Lee Holdings LLC Wilmington (DE), USA already taken place on January 1, 2025, sales revenue in the amount of € 10,473 thousand and a loss after tax in the amount of € -2,190 thousand would have contributed to RENK's consolidated profit or loss.

Notes to the Consolidated Income Statement

3. Sales revenue

RENK generates revenue through the sale of goods or services in the field of drive technology in the following geographical regions (by customer location):

Revenue by regions	2024	2025
in € thousands	Jan 01 - Jun 30	Jan 01 - Jun 30
Asia	116,358	180,710
America	103,443	150,587
Germany	136,435	150,477
Other EU countries	88,968	78,677
Other European countries	61,875	52,650
Australia and Oceania	755	4,188
Africa	2,475	2,861
Total	510,309	620,150

The sales revenues for the reporting period amounting to € 620,150 thousand (previous year: € 510,309 thousand) can be allocated to the following countries with a share of more than 10% of total revenues: Germany € 150,477 thousand (previous year: € 136,435 thousand) and USA € 140,002 thousand (previous year: € 91,702 thousand).

The share of sales revenues that were realized over time is 27.6% in the first half of the year 2025 (€ 170,945 thousand; previous year: € 120,265 thousand, 23.6%)

As of June 30, 2025, sales revenues amounting to € 449,205 thousand (previous year: € 390,044 thousand) were recorded at a point in time.

Segment reporting (see Note 7. *Segment reporting*) shows how sales revenue is distributed among the individual segments.

4. Interest expense and other financial result

The decline in the financial result in the first half of 2025 was mainly due to losses from foreign currency valuation, whereas in the first half of the previous year, income from foreign currency valuation was recorded. Interest expenses for the Term Loan B amounted to € 13,705 thousand (previous year: € 13,262 thousand).

The financial result for the first six months of the previous year was mainly impacted by interest expenses for the corporate bond outstanding until February 20, 2024 amounting to € 4,063 thousand, as well as costs for the early redemption of the corporate bond amounting to € 7,478 thousand. In this context, the release of the embedded derivative for the early repayment option of the corporate bond, which was accounted for as of December 31, 2024 in the amount of € 3,554 thousand, had a particularly counteracting effect.

Notes to the Consolidated Statement of Financial Position

5. Total equity

For details, please refer to the Group *statement of changes in equity*.

The subscribed capital of RENK Group AG amounts to € 100,000 thousand as of June 30, 2025, and is fully paid in. It is divided into 100,000,000 no-par value shares, each with a notional value of € 1.00 of the share capital. The shares are bearer shares.

By resolution of the Annual General Meeting on 18 September, 2023, the Executive Board of RENK Group AG was authorized, with the approval of the Supervisory Board, to issue, once or several times, in the period up to 17 September, 2028, warrants or convertible bonds as well as profit participation rights with warrant or conversion rights in the total nominal amount of up to € 50,000,000.00 (in words: fifty million euros) with limited or unlimited term and to grant to the holders or creditors of debt securities warrants or conversion rights up to 50,000,000 new shares of the company with a pro rata amount of the share capital of up to € 1.00 in accordance with the terms and conditions of the warrants or convertible bonds to be determined by Executive Board and/or to grant profit participation rights conditions.

In accordance with the Articles of Association, the Executive Board is authorized to increase the share capital of the company, with the consent of the Supervisory Board, once or several times by up to a total of € 50,000 thousand by issuing up to 50,000,000 new no-par value shares against cash or noncash contribution until September 10, 2028 ("Authorized Capital"). The Executive Board is authorized, with the approval of the Supervisory Board, to exclude shareholders' statutory subscription rights for one or more capital increases within the scope of the authorized capital.

Due to the Long-Term Incentive Plan approved by RENK's Supervisory Board in fiscal year 2024, which is expected to be settled in shares, RENK reported an increase in equity of € 1,911 thousand (December 31, 2024: € 884 thousand) in the capital reserves as of June 30, 2025. In the consolidated statement of changes in equity, the Long-Term Incentive Plan is presented after the already recorded set-off of the resulting opposing deferred taxes (€ 610 thousand).

The Annual General Meeting of June 4, 2025 resolved to use the recognized profit of € 43,803,984.83 shown in the annual financial statements of RENK Group AG for fiscal year 2024 to pay a dividend of € 0.42 per no-par value share entitled to a dividend totaling € 42,000,000, and to carry forward the remaining profit of € 1,803,984.83 to new account. The dividend was paid out on June 9, 2025.

6. Financial liabilities

Financial liabilities	December 31, 2024	June 30, 2025
in € thousands		
Loan liabilities	515,461	511,982
Lease liabilities	11,703	15,071
Non-current financial liabilities	527,164	527,053
Loan liabilities	3,362	2,669
Liabilities from cash pool	115	109
Lease liabilities	2,909	3,526
Current financial liabilities	6,386	6,304
Total	533,550	533,357

Other disclosures

7. Segment reporting

In accordance with the management approach contained in IFRS 8 Operating Segments, the operating segments were identified on the basis of internal reporting and the assessment of business development by the chief operating decision maker (CODM). The management is the chief operating decision maker. Taking this approach into account, the following three operating segments were identified on the basis of product or market/customer logic:

The Vehicle Mobility Solutions (VMS) segment is a global innovation and technology leader, particularly for vehicle transmissions in military tracked and wheeled vehicles. The drive and coupling solutions from the Marine & Industry segment (M&I) are used in commercial shipping, industry and the marine sector. The Slide Bearings (SB) segment is the global market leader in standardized slide bearings (e-bearings) for various industrial applications, civil shipping and the marine industry, and also offers innovative products such as complex special slide bearings.

The operating segments are also considered the reportable segments of the RENK Group; the allocation is unchanged compared to fiscal year 2024. For further information on the segments, please refer to the Consolidated Annual Report.

Segment report from Jan 01 to Jun 30, 2025						
in € thousands	VMS	M&I	SB	Other	Consolidation	Total
Revenue from third parties	388,686	172,147	59,318	-	-	620,150
thereof over time	125,932	45,013	-	-	-	170,945
thereof at point in time	262,753	127,134	59,318	-	-	449,205
Revenue from other segments	240	3,586	3,391	-	(7,217)	-
thereof over time	-	880	486	-	(1,366)	-
thereof at point in time	240	2,706	2,905	-	(5,851)	-
Total revenue	388,926	175,733	62,709	-	(7,217)	620,150
Cost of sales	(284,109)	(131,764)	(43,554)	(21,807)	7,208	(474,026)
Depreciation, amortization and impairment losses (excluding PPA depreciation and amortization)	(9,278)	(5,518)	(955)	132	-	(15,619)
Adjusted EBIT	66,642	18,841	10,422	(6,678)	(9)	89,217
Non-recurring items ¹⁾	(1,774)	(655)	-	(5,326)	-	(7,754)
Purchase price allocation ²⁾	-	-	-	(22,191)	-	(22,191)
EBIT	64,868	18,186	10,422	(34,194)	(9)	59,272
Financial result	-	-	-	-	-	(28,281)
Profit / loss before taxes	-	-	-	-	-	30,991
Income taxes	-	-	-	-	-	206
Profit / loss after tax	-	-	-	-	-	31,198

Segment report from Jan 01 to Jun 30, 2024						
in € thousands	VMS	M&I	SB	Other	Consolidation	Total
Revenue from third parties	293,545	159,036	57,721	-	-	510,302
thereof over time	79,941	40,317	-	-	-	120,258
thereof at point in time	213,603	118,719	57,721	-	-	390,044
Revenue from other segments	1,119	2,639	3,421	-	(7,172)	7
thereof over time	-	341	(203)	-	(132)	7
thereof at point in time	1,119	2,298	3,623	-	(7,041)	-
Total revenue	294,664	161,676	61,142	-	(7,172)	510,309
Cost of sales	(214,289)	(125,361)	(41,488)	(21,666)	7,227	(395,577)
Depreciation, amortization and impairment losses (excluding PPA depreciation and amortization)	(8,604)	(6,192)	(973)	86	-	(15,683)
Adjusted EBIT	45,865	16,222	11,015	(4,193)	48	68,957
Non-recurring items ¹⁾	(5,555)	(887)	-	(4,772)	-	(11,214)
Purchase price allocation ²⁾	-	-	-	(22,141)	-	(22,141)
EBIT	40,309	15,335	11,015	(31,105)	48	35,603
Financial result	-	-	-	-	-	(15,414)
Profit / loss before taxes	-	-	-	-	-	20,188
Income taxes	-	-	-	-	-	(12,667)
Profit / loss after tax	-	-	-	-	-	7,521

¹⁾ Includes expenses for activities to align the Group with the requirements of the capital market as well as other adjustments, which mainly comprise consulting services, costs in connection with refinancing and an efficiency improvement program at RENK America LLC.

²⁾ The purchase price allocation includes PPA depreciation of € 22,191 thousand (€ 22,141 thousand until June 30, 2024) as well as gains/losses from the sale of PPA assets of € 0 thousand (€ 0 thousand as of June 30, 2024).

In the first half of 2025, more than 10% of the sales revenue was generated with a single customer. These revenues amounting to € 101,027 thousand are attributable to the VMS segment. In the comparative period of the previous year, no single customer generated more than 10% of the sales revenue of the RENK Group.

For further information on the sales revenue, please refer to Note 3. *Sales revenue* in the notes to the consolidated income statement.

The company has not allocated its assets to the various operating segments for internal reporting. All non-current assets are located in the following geographic areas:

Non-current assets							
in € thousands	Germany	America	Other EU countries	Asia	Other European countries	Corporate	Total
December 31, 2024	384,754	238,249	8,439	3,356	46,463	35,982	717,243
June 30, 2025	368,095	242,854	7,237	9,332	35,633	44,909	708,061

The geographical disclosures include non-current assets, excluding financial instruments and deferred tax.

Non-current assets amounting to € 575,250 thousand as of June 30, 2025 (€ 582,576 thousand as of December 31, 2024) can be attributed to the following countries with a share of more than 10% of total non-current assets: Germany € 368,095 thousand (€ 384,754 thousand as of December 31, 2024) and the USA € 207,155 thousand (€ 197,822 thousand as of December 31, 2024).

8. Financial instruments

The carrying amounts and fair values of the financial assets and liabilities, including their levels in the fair value hierarchy as defined in the consolidated financial statements, are presented as of June 30, 2025, and December 31, 2024.

Financial assets and liabilities that are measured at fair value or for which a fair value is provided in the selected notes to the consolidated interim financial statements are to be classified into the fair value hierarchy described below. They are allocated to levels of the fair value hierarchy on the basis of inputs used for the measurement:

Level 1:

Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2:

Inputs other than quoted prices included within level 1 that are observable for an asset or liability either directly (as a price) or indirectly (derived from prices). The fair values of level 2 financial instruments are calculated based on the conditions at the end of the reporting period, such as interest rates or exchange rates, and using recognized models such as the discounted cash flow models or option pricing model.

Level 3:

Input data used for the measurement of the asset or liability not based on observable market data (unobservable inputs).

The fair values were calculated based on the market conditions at the end of the reporting period and the valuation methods described. They are the prices that an independent party would pay for the assets or liabilities.

The following table shows the reconciliation of balance sheet items to the categories of financial instruments, broken down by the carrying amount and fair value of the financial instruments as well as the allocation of balance sheet items to the measurement categories:

Reconciliation of balance sheet items to financial instruments categories as of June 30, 2025

in € thousands

	At fair value	At fair value	At amortized cost		Not allocated	IFRS 13 Level
	through profit or loss	through other comprehensive income	Carrying amount	Fair Value	to any IFRS 9 measurement category	
	Carrying amount	Carrying amount	Carrying amount	Fair Value	Carrying amount	
Non-current assets						
Other and financial Investments	-	-	-	-	815	-
Other non-current financial assets						
Loan receivables	-	-	-	-	-	-
Non-current derivative assets	269	-	-	-	-	2
Other non-current financial assets	-	-	14	14	-	2
Current assets						
Trade receivables	-	-	190,711	190,711	-	-
Other current financial assets						
Current derivative assets	1,298	-	-	-	-	2
Other current financial assets	-	-	2,772	2,772	-	-
Restricted cash	-	-	3,449	3,449	-	-
Cash and cash equivalents	-	-	95,017	95,017	-	-
Total assets	1,567	-	291,963	291,963	815	-
Non-current liabilities						
Non-current financial liabilities						
Loan liabilities	-	-	511,982	539,438	-	2
Lease liabilities	-	-	-	-	15,071	-
Other non-current financial liabilities						
Other non-current financial liabilities	-	-	-	-	-	-
Non-current derivative liabilities	49	-	-	-	5,790	2
Current liabilities						
Current financial liabilities						
Loan liabilities	-	-	2,669	2,669	-	-
Liabilities from the Cash-Pool	-	-	109	109	-	-
Short-term lease liabilities	-	-	-	-	3,526	-
Trade payables	-	-	138,003	138,003	-	-
Other current financial liabilities						
Other current financial liabilities	-	-	3,524	3,524	-	-
Current derivative liabilities	223	-	-	-	-	2
Total equity and liabilities	272	-	656,288	683,744	24,387	-

The following table shows the reconciliation of balance sheet items to the categories of financial instruments, broken down by the carrying amount and fair value of the financial instruments as well as the allocation of balance sheet items to the measurement categories:

Reconciliation of balance sheet items to the classes of financial instruments as of December 31, 2024

in € thousands	At fair value through profit or loss	At fair value through other compre- hensive income	At amortized cost		Not assigned to an IFRS 9 measure- ment category	IFRS 13 Level
	Carrying amount	Carrying amount	Carrying amount	Fair Value	Carrying amount	
Non-current assets						
Other and financial Investments	-	-	-	-	817	-
Other non-current financial assets						
Loan liabilities	-	-	-	-	-	-
Loan receivables	-	-	-	-	-	-
Non-current derivative assets	-	-	99	99	-	2
Current assets						
Trade receivables	-	-	163,624	163,624	-	-
Other current financial assets	-	-	-	-	-	-
Current derivative assets	176	-	-	-	-	2
Other current financial assets	-	-	5,521	5,521	-	-
Restricted cash	-	-	1,218	1,218	-	-
Cash and cash equivalents	-	-	164,306	164,306	-	-
Total assets	176	-	334,768	334,768	817	-
Non-current liabilities						
Non-current financial liabilities						
Loan liabilities	-	-	515,461	544,211	-	2
Lease liabilities	-	-	-	-	11,703	-
Other non-current financial liabilities						
Other non-current financial liabilities	-	-	70	70	-	2
Non-current derivative liabilities	139	-	-	-	5,508	2
Current liabilities						
Current financial liabilities						
Loan liabilities	-	-	3,362	3,362	-	-
Liabilities from Cash-Pool	-	-	115	115	-	-
Short-term Lease liabilities	-	-	-	-	2,909	-
Trade payables	-	-	116,956	116,956	-	-
Other current financial liabilities						
Other current financial liabilities	-	-	1,515	1,515	-	-
Current derivative liabilities	508	-	-	-	-	-
Total equity and liabilities	647	-	637,479	666,229	20,120	-

The fair value of the loan is determined using the discounted cash flow method. Future cash flows are calculated using forward interest rates, while the discount rate is determined based on market observable yields of bonds with comparable credit risk and similar term.

The other long-term financial liabilities not allocated to a measurement category of IFRS 9 consist of an interest rate swap that is designated in hedge accounting. RENK uses this to hedge the interest rate risk from the variable-rate term loan. In interest rate swaps, the future variable and thus uncertain interest payments from the variable-rate term loan are economically converted into fixed interest payments. The fair value of the interest rate swaps is determined by discounting the expected cash flows using the market interest rate curve.

Other non-current and current financial assets and other non-current and current financial liabilities measured at fair value through profit or loss are currency derivatives (foreign exchange forwards). To measure fair value, future cash flows are calculated by discounting the forward cash flows on the basis of the spot and forward rates.

In the case of current financial assets and liabilities measured at amortized cost, the carrying amounts as of the end of the reporting period approximately match their fair value due to the short maturities.

Up until June 30 of the 2025 and 2024 reporting periods, there were no reclassifications between level 1 and level 2 and no reclassifications to or from level 3.

9. Related party disclosures

Related parties as defined by IAS 24 are natural persons and companies that can be influenced by RENK Group AG, that can significantly influence RENK Group AG or that are influenced by another related party of RENK Group AG.

Rebecca MidCo S.à r.l., Luxembourg, holds the shares in Rebecca BidCo S.à r.l., Luxembourg. Up until December 31, 2024, the shareholdings of Rebecca BidCo S.à r.l., Luxembourg, amounted to 33.52%. According to the voting rights notification published on March 12, 2025, the direct share fell to 18.33% after several share disposals at the beginning of 2025. Until March 12, 2025, Rebecca BidCo S.à r.l., Luxembourg had significant influence over RENK Group AG and therefore it, and its affiliated companies, were related parties of RENK. Since then, Rebecca BidCo S.à r.l., Luxembourg has had no significant influence over RENK Group AG.

Exchanges of goods and services between RENK and its related parties are conducted as at arm's length.

Until March 12, 2025, transactions were conducted with Rebecca BidCo S.à r.l. to the following extent:

Rebecca BidCo S.à r.l. - Services rendered and received

in € thousands	2024 Jan 01 - Jun 30	2025 Jan 01 - Mar 12
Services rendered (income)	75	-
Services received (expense)	-	-

Rebecca BidCo S.à r.l. - Receivables and liabilities

in € thousands	December 31, 2024	March 12, 2025
Receivables	-	-
Liabilities	-	-

In the current fiscal year, transactions were conducted with non-consolidated companies to the following extent:

Non-consolidated entities - Services rendered and received

in € thousands	2024 Jan 01 - Jun 30	2025 Jan 01 - Jun 30
Services rendered (income)	5,488	-
Services received (expense)	125	191

Non-consolidated entities - Receivables and liabilities

in € thousands	December 31, 2024	June 30, 2025
Receivables	46	-
Liabilities	343	109

Non-consolidated companies include RENK Holding Canada Inc., Brampton, Canada, Modest Tree Media Inc., Halifax, Canada, as well as RENK Transmisyon Sanayi A.S., Istanbul, Turkey.

Besides related entities, related parties of RENK also include persons who can influence or be influenced by RENK Group AG. These are the members of the Executive Board and the management of RENK Group AG and RENK GmbH, as well as key management personnel and their close family members.

As part of RENK's IPO, a long-term variable remuneration instrument (long-term incentive, LTI) in line with the market was designed for the Executive Board members. This LTI directly links the remuneration of the Executive Board to the

long-term business performance by means of financial and non-financial performance indicators. By structuring the plan as a performance share unit (PSU) plan, remuneration is also linked to the share price of RENK.

This additional remuneration component represents a share-based payment in accordance with IFRS 2. As settlement in equity instruments is planned, the PSUs issued under the LTI are recognized in the form of an increase in equity with corresponding personnel expenses under general administrative expenses. The fair value at the grant date was determined using recognized valuation techniques taking into account the share price, the risk-free interest rate and the volatility. As of June 30, 2025, € 1,911 thousand (previous year: € 1,035 thousand) was recorded in the capital reserves for the LTI. In the consolidated statement of changes in equity, the Long-Term Incentive Plan is presented after the already recorded set-off of the resulting opposing deferred taxes (€ 610 thousand).

10. Events after the end of the reporting period

No further reportable events are known beyond the following matters as of the reporting date.

The notarization of the merger of RENK FinCo GmbH into RENK GmbH and the application to the Commercial Register took place on July 2, 2025. This serves to simplify the Group structure and to establish a consolidated tax group between RENK Group AG and RENK GmbH. Reference is also made to Note 1. *General principles*.

On July 11, 2025, the Bundesrat approved the "Law for an immediate tax investment programme to strengthen Germany as a business location". This includes, among other things, the gradual reduction of the corporate tax rate from 15 percent to ten percent in five steps of 1 percentage point each, starting with the assessment period from 2028 to 2032. With the approval of the Bundesrat, the tax rate is deemed to have been adopted in Germany. In this context, the deferred taxes of the German companies of RENK are to be re-evaluated. The balance sheet items as of June 30, 2025, are not affected by this. An estimate of the future tax burden or relief is currently not quantifiable.

The import tariffs sought by the US government and possible counter-reactions from other governments can fundamentally affect all segments and relate, for example, to global supply and value chains, raw material price and exchange rate developments, as well as country-specific and global economic developments including inflation. Despite the agreement on a preliminary trade agreement between the USA and the EU on July 27, 2025, any potential impacts remain not fully foreseeable due to the persistently dynamic developments at the time of reporting. The corresponding risks are continuously monitored and assessed. Furthermore, on July 4, 2025, the "One Big Beautiful Bill Act" (H.R.1) was passed, which provides for a variety of changes to the tax regulations in the United States of America. The impacts on the (deferred) taxes of the American subsidiaries are currently also being analyzed.

Geopolitical developments and conflicts such as the Russian invasion of Ukraine, tensions between China and Taiwan or the USA, and the Middle East conflict significantly influence global security policy. In response to this, as well as to the stance in the foreign and security policy of the Trump administration, many countries worldwide are reacting with national increases in defense budgets. In addition, the majority of NATO member states agreed at the NATO summit in June on the military spending target of 3.5% of gross domestic product for purely military expenditures, including important sales markets for RENK. The implementation of the "ReArm Europe" plan presented by the EU Commission in March 2025 is still open. Demand in the military business remains unchanged at a high level and the market situation continues to gain momentum.

On July 28, 2025, RENK Group AG took note that KNDS N.V., Amerstamd, Netherlands, will acquire 9,166,667 shares in RENK from Rebecca BidCo S.à r.l., Luxembourg.

Augsburg, August 12th, 2025

RENK Group AG

Dr. Alexander Sagel

Chief Executive Officer

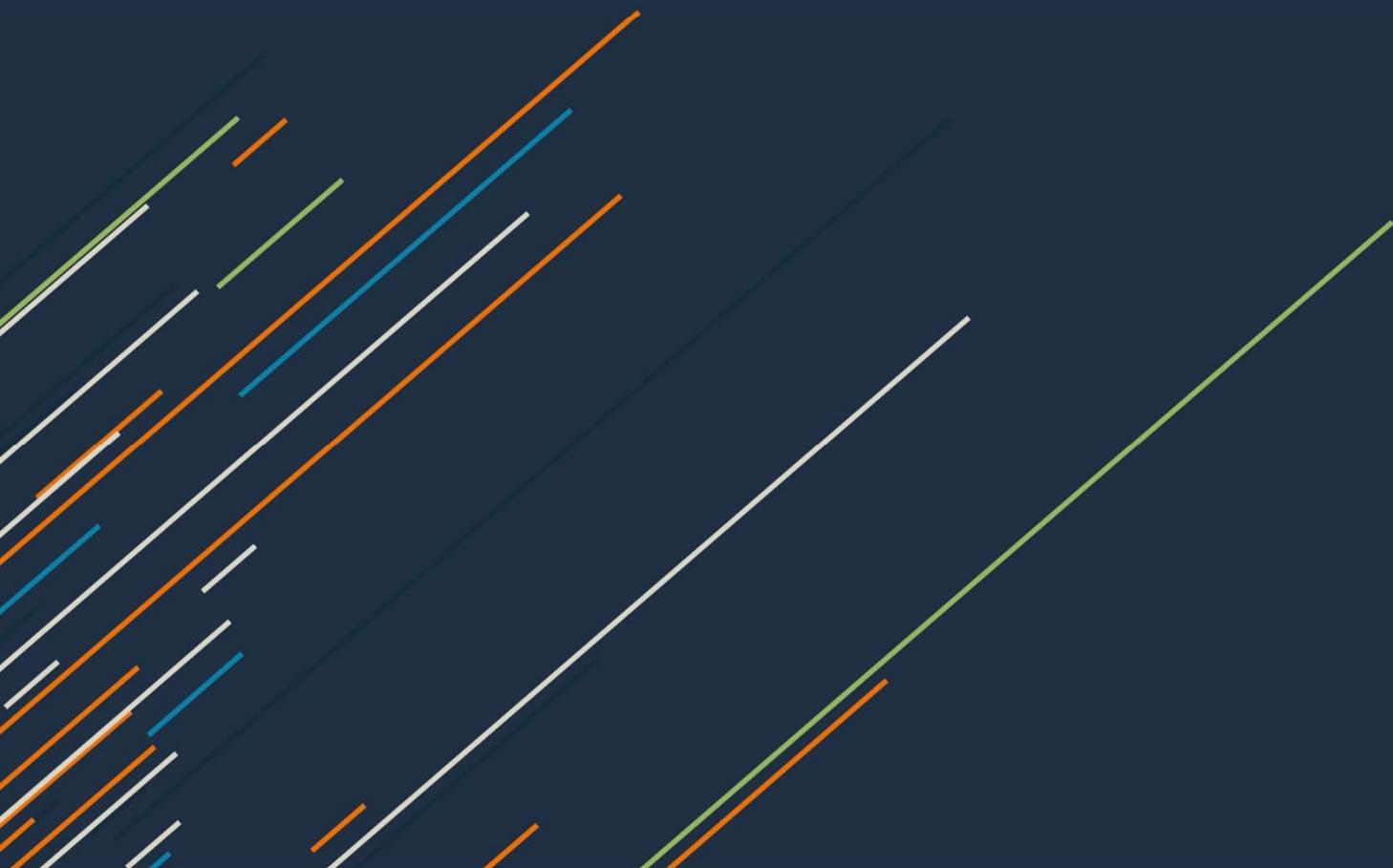
Anja Mänz-Siebjé

Chief Financial Officer

Dr. Emmerich Schiller

Chief Operating Officer

C. Further information



1 Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the consolidated interim financial statements for the period from January 01 to June 30, 2025 give a true and fair view of the net assets, financial position and results of operations of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Augsburg, August 12th, 2025

RENK Group AG
The Executive Board

Dr. Alexander Sagel

Chief Executive Officer

Anja Mänz-Siebjé

Chief Financial Officer

Dr. Emmerich Schiller

Chief Operating Officer

2 Review Report

To RENK Group AG, Augsburg

We have reviewed the condensed consolidated interim financial statements – comprising the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated statement of cash flows and selected explanatory notes – and the interim group management report of RENK Group AG, Augsburg, for the period from 1 January 2025 to 30 June 2025 which are part of the half-year financial report pursuant to § [Article] 115 WpHG ("Wertpapierhandelsgesetz": German Securities Trading Act). The preparation of the condensed consolidated interim financial statements in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and of the interim group management report in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports is the responsibility of the parent Company's executive directors. Our responsibility is to issue a review report on the condensed consolidated interim financial statements and on the interim group management report based on our review.

We conducted our review of the condensed consolidated interim financial statements and the interim group management report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with moderate assurance, that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports. A review is limited primarily to inquiries of company personnel and analytical procedures and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot express an audit opinion.

Based on our review, no matters have come to our attention that cause us to presume that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU nor that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports.

Munich, August 12th, 2025

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Holger Graßnick
Wirtschaftsprüfer
(German Public Auditor)

Dario Nikolic
Wirtschaftsprüfer
(German Public Auditor)

3 Financial calendar

October 23, 2025	Pre Close Call 9M, Augsburg
November 13, 2025	Quarterly statement for September 30, 2025
November 20, 2025	Capital Markets Day, Augsburg



Trusted Partner.

RENK Group AG

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