

HALF-YEAR REPORT

**H1/2025**

## KEY GROUP FIGURES (IFRS)

| € million / as reported               | April 1–June 30, 2025 | April 1–June 30, 2024 | Change   | Jan. 1–June 30, 2025 | Jan. 1–June 30, 2024 | Change   |
|---------------------------------------|-----------------------|-----------------------|----------|----------------------|----------------------|----------|
| <b>Revenue</b>                        | 20.7                  | 31.3                  | -33.9%   | 46.0                 | 61.6                 | -25.3%   |
| thereof GAMING & OFFICE PERIPHERALS   | 14.5                  | 21.1                  | -31.3%   | 33.6                 | 41.7                 | -19.5%   |
| thereof DIGITAL HEALTH & SOLUTIONS    | 5.2                   | 8.3                   | -37.1%   | 10.0                 | 16.2                 | -38.3%   |
| thereof COMPONENTS                    | 1.0                   | 1.9                   | -48.3%   | 2.4                  | 3.6                  | -33.3%   |
| Gross profit II                       | 1.3                   | 10.2                  | -87.6%   | 8.5                  | 20.9                 | -59.3%   |
| Gross profit II margin                | 6.1%                  | 32.7%                 | -26.6 pp | 18.5%                | 34.0%                | -15.5 pp |
| EBITDA                                | -4.1                  | 0.8                   | -612.5%  | -6.4                 | 0.6                  | -1166.7% |
| EBITDA (adjusted) <sup>1</sup>        | -0.2                  | 1.6                   | -112.5%  | -2.3                 | 2.4                  | -195.8%  |
| EBITDA margin                         | -19.9%                | 2.6%                  | -22.5 pp | -14.0%               | 1.1%                 | -15.1 pp |
| EBITDA margin (adjusted) <sup>1</sup> | -1.2%                 | 5.1%                  | -6.3 pp  | -4.9%                | 4.0%                 | -8.9 pp  |
| EBIT                                  | -9.2                  | -1.2                  | -666.7%  | -14.1                | -3.3                 | -327.3%  |
| EBIT (adjusted) <sup>1</sup>          | -1.4                  | -0.4                  | -250.0%  | -4.7                 | -1.5                 | -213.3%  |
| Group net loss                        | -8.6                  | -3.3                  | -160.6%  | -14.4                | -6.6                 | -118.2%  |
| Earnings per share (in €)             | -0.37                 | -0.14                 | -164.3%  | -0.62                | -0.28                | -121.4%  |
| Cash flows from operating activities  | -5.7                  | -2.8                  | -103.6%  | -13.6                | -5.3                 | -156.6%  |
| Cash flows from investing activities  | 9.4                   | -1.6                  | 687.5%   | 8.3                  | -2.7                 | 407.4%   |
| Free cash flow                        | 3.7                   | -4.5                  | 182.2%   | -5.3                 | -8.1                 | 34.6%    |

| € million / as reported                      | June 30, 2025 | Dec. 31, 2024 | Change  |
|--|---------------|---------------|---------|
| Total assets                                 | 135.9         | 168.1         | -19.2%  |
| Cash and cash equivalents                    | 7.9           | 16.4          | -51.8%  |
| Net working capital <sup>2</sup>             | 37.4          | 40.2          | -7.0%   |
| Equity                                       | 61.9          | 77.5          | -20.1%  |
| Equity ratio                                 | 45.6%         | 46.1%         | -0.5 pp |
| Interest bearing bank liabilities            | 25.5          | 26.4          | -3.4%   |
| Net cash I (+) / net debt I (-) <sup>3</sup> | -17.7         | -10.0         | -77.9%  |
| Employees (FTEs)                             | 361           | 372           | -3.0%   |

<sup>1</sup> Adjusted for non-budgeted one-time and/or non-operating items.

<sup>2</sup> Balance of current assets (excluding cash and cash equivalents) and current liabilities (excluding financial debt).

<sup>3</sup> Liabilities to banks less cash and cash equivalents.

### Share

|   |                                       |
|---|---------------------------------------|
| ISIN                                      | DE000A3CRRN9                          |
| WKN                                       | A3CRRN                                |
| Ticker (trading symbol)                   | C3RY                                  |
| Share type                                | Ordinary bearer shares (no par value) |
| First quotation                           | June 29, 2021                         |
| Total number of outstanding shares        | 24,300,000                            |
| thereof: Number of own shares             | 1,110,284                             |
| Stock exchange and segment                | Prime Standard / regulated market FWB |
| Designated sponsor                        | Hauck Aufhäuser Lampe                 |
| Xetra closing price as of June 30, 2025   | € 0.98                                |
| Market capitalization as of June 30, 2025 | € 22.8 million                        |

## FOREWORD BY THE MANAGEMENT BOARD

DEAR SHAREHOLDERS,  
LADIES AND GENTLEMEN,

The first half of 2025 was a period of intensive strategic realignment and ongoing operational adjustments for Cherry SE. We resolutely faced the external conditions and took targeted measures to strengthen our company's resilience and create an improved operational basis for the future.

The global economic situation remained challenging in the first half of the year. Global uncertainties, persistent inflationary pressure, and noticeable consumer restraint, particularly in the consumer goods markets relevant to us, characterized our business environment. This required us to be highly adaptable and act quickly in order to pursue our corporate goals.

Amid these conditions, we focused our efforts on restructuring our financing in order to lay a solid foundation. This step is crucial to keeping CHERRY stable and capable of acting even in a volatile environment. One concrete result of these efforts is the successful conclusion of an extended loan agreement with UniCredit. At the same time, we have implemented targeted measures to actively streamline distribution channels in peripheral areas. This enables us to ensure sustainable price stability for our products.

Closely linked to this is the consistent release of capital from our operating activities. Through tight and efficient inventory management, we have reduced our consolidated inventory by half since summer 2023, from a peak of EUR 82 million to EUR 43 million as of the end of the second quarter of 2025. This has not only contributed significantly to optimizing our working capital, but has also freed up considerable amounts of previously tied-up capital, which had a positive impact on our liquidity. Another important component of this strategy was the sale of the hygiene peripherals business ("Active Key"), which further strengthened our ability to act and contributed to reducing capital commitment.

At the same time, we took significant steps in the first half of the year as part of our restructuring and to optimize our footprint. These include comprehensive adjustments to our sales channels in the Peripherals segment, which are aimed at normalizing inventories and establishing a healthy price structure. These operational measures, including a review and consolidation of production processes, are designed to increase our process efficiency and improve our market presence in a targeted manner. This also includes establishing Auerbach as our new multifunctional logistics hub in the heart of Europe and continuing to work with partners in switch production in China and Slovakia. At the same time, we are placing an even stronger focus on end customers in order to position our products and our brand even more precisely in the market.

The first half of the year was thus clear evidence of our determination and the incipient effectiveness of our initiatives. We are convinced that these fundamental measures will make the company more resilient and enable us to seize future opportunities from a position of strength. In a continuing challenging environment, we are determined to continue the transformation of the Cherry Group.

In this context, we would like to express our special thanks to our employees worldwide. Their tireless dedication, adaptability, and commitment during this challenging phase are invaluable to CHERRY's progress.

We thank Volker Christ, EVP Global Finance & IT, for his valuable engagement, which ended on July 31, 2025. As of September 1, 2025, we expanded the Management Board to three members again. The Supervisory Board of Cherry SE has appointed Jurjen Jongma as the new CFO. We are pleased that Mr. Jongma will actively support and enrich our transformation process with his many years of in-depth financial expertise.

While the Management Board reiterates that there is material uncertainty regarding the company's ability to continue as a going concern, we look forward with confidence to the coming months and the further implementation of our strategic goals.

Munich, September 26, 2025



Oliver Kaltner  
(CEO)



Dr. Udo Streller  
(COO)

## CHERRY ON THE CAPITAL MARKET

Cherry SE [ISIN: DE000A3CRRN9] is an internationally operating manufacturer of computer input devices such as keyboards, mice, and headsets for applications in the worlds of gaming, e-sports, office and hybrid workplaces, industry, and healthcare. Since it was founded in 1953, Cherry has been synonymous with innovative, high-quality products developed specifically to meet the various needs of its customers.

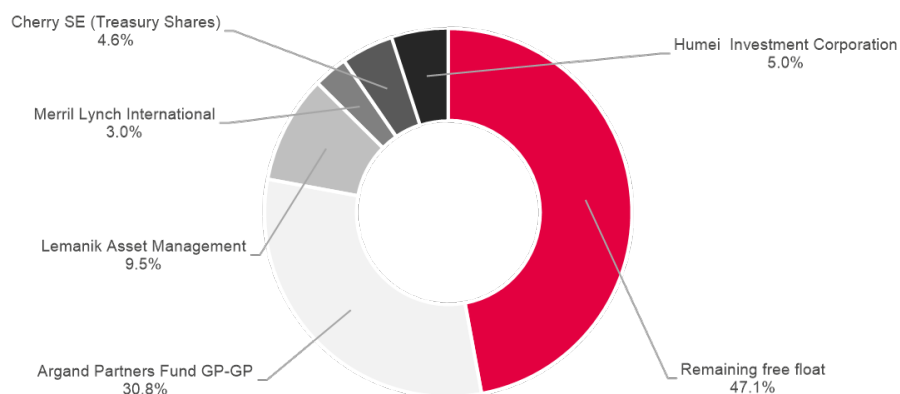
### RELATIVE PERFORMANCE OF THE CHERRY SHARE



### PERFORMANCE OF THE CHERRY SHARE

Since the beginning of the year, CHERRY shares have lost 8.1% of their value. Starting the year at EUR 1.06, they closed on June 30, 2025, at EUR 0.98 with a market capitalization of EUR 22.8 million. On February 7, 2025, the market capitalization of Cherry shares reached its highest point in 2025 at a price of EUR 1.15 and a market value of EUR 26.5 million.

### SHAREHOLDER STRUCTURE



# CHERRY GROUP HALF-YEAR MANAGEMENT REPORT AS OF JUNE 30, 2025

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|   |    |
|---|----|
| Report on economic position                                       | 6  |
| Net assets position, financial position and results of operations | 9  |
| Report on opportunities and risks                                 | 12 |
| Outlook report  | 14 |
| Condensed Interim Consolidated Financial Statements               | 15 |

## 1. REPORT ON ECONOMIC POSITION

### MACROECONOMIC AND SECTOR-SPECIFIC FRAMEWORK CONDITIONS

#### Macroeconomic development

In the first half of 2025, the global economy continued to perform in an environment characterized by uncertainty, geopolitical tensions, and regional disparities. In April, the International Monetary Fund (IMF) significantly lowered its forecast for global economic growth by 0.5 percentage points to 2.8% (World Economic Outlook Update, April 2025).

The main reasons for the slowdown are a shift in political priorities and the noticeable increase in global tariffs, which are largely attributable to the trade conflicts initiated by the US. The IMF sees the US itself as one of the main victims of this policy and reduced its growth forecast for the country by 0.9 percentage points to 1.8%. At the same time, the US dollar lost considerable value: while the EUR/USD exchange rate was still around 1.03 at the beginning of the year, it rose to around 1.17 by the end of June. This development makes imports into the US more expensive, while exports become cheaper. Nevertheless, a robust labor market, stable domestic consumer spending, and moderately declining inflation rates supported economic growth.

In Germany, the economic slowdown continued. Following a 0.2% decline in GDP in 2024, economic output largely stagnated. Industry remained cautious, as evidenced by persistently weak purchasing managers' indices, a below-average ifo business climate index, and a continued negative GfK consumer climate. Structural factors such as high tax and contribution rates, regulatory hurdles, and a shortage of skilled workers remained in place.

In the rest of Europe, too, the investment climate was weighed down by restrictive monetary policy and geopolitical uncertainties. Fiscal stimulus was limited due to high government debt. As a result, the economic recovery was weaker than in other regions. To stabilize the situation, the European Central Bank gradually lowered its key interest rate by a total of 1.0 percentage point in the first half of the year, bringing interest rates back to their pre-2009 financial crisis levels.

The IMF revised its growth forecast for China downwards by 0.6 percentage points to 4.0%. Despite this correction, the country remains above the global average. Growth there is being supported in particular by government-led infrastructure investment and subsidies.

Inflation rates continued to decline worldwide and remained at a level that is not critical for monetary policy. This was due to the easing of pandemic-related supply shocks and falling commodity prices as a result of a certain stabilization in the Ukraine conflict. In many industrialized countries, the monetary policy tightening cycle was therefore ended. Nevertheless, structural cost drivers – in particular wages and geopolitical risks – remain relevant.

#### Industry-related framework conditions

The industry-relevant conditions for the Components, Gaming & Office Peripherals, and Digital Health & Solutions segments remained largely unchanged compared to the 2024 annual report.

#### Components

The global market for mechanical keyboard switches continued to stabilize in the previous fiscal year and remained roughly at pre-COVID levels. This positive development is expected to continue in the coming years. The market volume is expected to roughly double by 2033. This would correspond to an average annual growth rate of around 8.5% from 2026 onwards. (LinkedIn, "Mechanical Keyboard Switches Market Size, Industry Trends, Share & Forecast 2033," 2024). Accordingly, the market is likely to continue growing in 2025. Despite the growth prospects, however, it will remain a highly competitive market. The number of competitors has increased significantly due to expiring patents, lower barriers to market entry, and technological advances in Asia. In the volume segment in particular, there continues to be intense competition, which is now dominated by Chinese suppliers who are operating in the market with aggressive prices due to cost advantages. In addition, there is a clear trend toward ever shorter switch life cycles, which has further increased the demands on innovation and adaptability. In the gaming switch segment, new technologies such as magnetic and inductive multipoint switches with differently configurable trigger points are becoming increasingly popular.

#### Gaming & Office Peripherals

The global market for PC gaming peripherals is estimated at around USD 3.5 billion in 2025 and is expected to grow to over USD 5.3 billion by 2033. This would represent an annual growth rate (CAGR) of around 5.3%. (Business Research Insights, "PC Gaming Peripheral Market Size, Share, Growth, 2033 Trends", 2024). Growth drivers include a growing gaming community and technological advances. The increasing demand is mainly driven by wireless, low-latency devices, professional RGB equipment (colored LED lighting based on the three primary colors red, green, and blue), programmable keys, and VR/AR applications. In addition to the gaming sector, demand is also growing in the office segment. Growth will continue to be supported by hybrid working models and technological developments. Ergonomic and wireless solutions, devices with lighting, customizable and programmable keyboards, and keyboards with quieter switches are currently trending.

**Digital Health & Solutions**

In the first half of 2025, the digitization of the German healthcare system was driven forward with the nationwide introduction of electronic patient records (ePA). Since the end of April, the ePA has been set up automatically for all persons with statutory health insurance (opt-out model). Just a few weeks after launch, around 4 million accesses were recorded daily and processes in the mid double-digit million range were documented. Despite high usage figures, doctors and data protection experts continue to criticize security and interoperability shortcomings. Nevertheless, the high acceptance of digital solutions demonstrates the ongoing market potential for e-health in Germany.

**BUSINESS PERFORMANCE AND KEY INFLUENCING FACTORS****Development of the segments**

The COMPONENTS segment continued to operate in an extremely challenging market environment in the first half of 2025. Segment revenue amounted to EUR 4.3 million (H1 2024: EUR 6.0 million), of which EUR 1.9 million was attributable to intra-group deliveries (H1 2024: EUR 2.4 million). Adjusted EBITDA, at EUR -3.0 million, was also below the previous year's level (H1 2024: EUR 0.6 million), corresponding to an adjusted EBITDA margin of -69.0% (H1 2024: 10.7%).

The main reason for the ongoing impairment of the keyboard switch business is the extremely competitive market environment. In the entry-level and volume segment in particular, the market is currently dominated by Chinese suppliers, who are operating on the market with significantly lower offer prices due to considerable cost advantages, resulting in intense price competition. In addition, product life cycles have shortened considerably due to technological innovations and additional variants, which has had an additional negative impact on demand - particularly for MX2 switches - as most OEMs had already aligned their platforms in the relevant product segments with switches from other providers in the meantime.

Although the relocation of production of the MX2 switch for use in Cherry partner products to a Chinese contract manufacturer, which was completed in the 2024 financial year, resulted in a significant reduction in unit costs and offered the opportunity for more competitive price positioning, the number and volume of individual orders from our international OEM partners and Chinese brands remained at a low level.

For this reason, the Management Board of Cherry SE decided on a further restructuring measure, which was announced to the capital market on April 22, 2025. Switch production at the Auerbach site will be completely discontinued. In future, all keyboard switches will be sourced from Chinese contract manufacturers. As part of the complete relocation of production, 28 jobs (FTE) will be cut in a socially responsible manner and provisions for severance payments of EUR 1.9 million have been recognized. The Auerbach site will be retained and is to be converted into a development, logistics and service center for Europe. Costs of EUR 0.1 million were budgeted for the reclassification of the site, which were also set aside, as well as investments of around EUR 0.3 million for warehouse shelving and technical equipment. The costs associated with the restructuring measure were not adjusted in the result.

The ULP switch cannot be relocated without further ado due to its production complexity and will be discontinued in this context, along with a few other niche products. The introduction of the MX3 switch and new inductive and magnetic switches, which will be manufactured in China from the outset, is intended to restore competitiveness.

The GAMING & OFFICE PERIPHERALS segment was particularly hard hit by the local economic downturn due to its high dependence on the German market. Revenue in the Gaming & Office Peripherals segment was around 19.5% lower in the first half of 2025 at EUR 33.6 million than in the previous year (H1/2024: EUR 41.7 million). Adjusted EBITDA also remained significantly below the previous year at EUR 0.0 million (H1/2024: EUR 5.3 million). The adjusted EBITDA margin amounted to 0.1% (H1/2024: 12.6%).

The developments from the beginning of the year continued almost unchanged in the second quarter. Distributors in Germany in particular continued to have high stock levels, which had a negative impact on the sales potential of Office Peripherals in particular.

Gross margin I from sales was 32.2%, below the previous year's level (H1/2024: 41.4%) and significantly below the historical level of around 45%.

In order to improve the margin quality in the core business, heavily discounted sell-in measures were therefore largely dispensed with and the focus was placed on measures to optimize sell-through and sell-out rates. This was necessary in order to curb the grey market and increase and stabilize market prices in the long term.

This was countered by inventory streamlining measures, which were used to bring ageing inventories onto the market before they become unsaleable.

Adjusted for exchange rate effects, the Asian company's segment sales rose by 0.6% compared to the previous year. This increase is primarily due to strong sales growth of 60.9% in the Office Peripherals segment, which compensated for the 6.9% decline in the high-revenue Gaming Devices segment.

In the US, development largely stagnated, with order intake falling short of the company's own expectations. Geopolitical developments, including the tariff dispute sparked by the US, are expected to have already had a negative impact on business. One advantage is the high level of inventories at the US subsidiary, most of which were imported before the tariff increases took effect.

A number of measures were taken to return the gaming and office peripherals business to a growth path. With the integration of the B2B platform Alibaba in the second quarter of the current financial year, Cherry now has an additional sales channel at its disposal, which offers potential for opening up additional sales regions due to its high international distribution.

As announced in the company announcement on 14 November 2024, the sales organization was also reorganized with effect from 1 January 2025. The marketing and sales activities for all finished products in the gaming and office divisions were merged with the newly established "Sales and Marketing Peripherals" function. This consolidation strengthens the sales strategy and creates a uniform market position, improving brand consistency and enabling partners and end customers to benefit from a clearly structured product portfolio with uniform marketing parameters. The focus of this restructuring was the revision of the exclusive Partner Program 2025 for peripherals, which provides for a significant simplification of contract structures, optimizes processes and makes collaboration more efficient in the future. In particular, the associated adjusted margin and price structure is intended to offer Cherry's sales partners economic advantages and thus improved sales incentives. The new program offers Cherry's reseller partners comprehensive benefits, including financial rebates, extensive marketing support and exclusive, specifically tailored training opportunities. Additional support services, such as a CHERRY Partner Portal, are currently under development.

The DIGITAL HEALTH & SOLUTIONS segment generated consolidated revenue of EUR 10.0 million in the first half of the year, down by around EUR 6.2 million or 38.3% on the same period of the previous year (H1/2024: EUR 16.2 million). The segment thus achieved adjusted EBITDA of EUR 9.9 million (H1/2024: EUR 6.3 million), corresponding to an adjusted EBITDA margin of around 99.1% (H1/2024: 38.9%). EBITDA includes the net proceeds from the sale of the hygiene products business. Excluding net proceeds from the sale, EBITDA for the Digital Health and Solutions segment amounted to EUR 1.0 million, corresponding to an EBITDA margin of 10.1%.

While multiple postponements in connection with the mandatory introduction of the e-prescription and the electronic patient file ("ePA") led to a reluctance to buy among the relevant user groups, which in some cases extended into the first half of 2024, the introduction of the e-prescription in the meantime, and now also the electronic patient file on April 29, 2025, led to a boom in demand from the second quarter of 2024, particularly in the second half of the previous year, due to catch-up effects. However, after the first major wave of implementation, demand for e-health terminals fell again noticeably in the first half of 2025. At EUR 6.0 million, revenue from e-health products was significantly lower than in the same period of the previous year (H1/2024: EUR 7.2 million).

At EUR 0.5 million, sales of hygiene peripherals (formerly: Active Key) were also significantly lower than in the previous year (H1/2024: EUR 6.2 million). In the current financial year, sales revenues were only included for the months of January to May, as the business segment was sold to the Danish peripherals manufacturer Contour Design Nordic A/S. The decline in sales is mainly due to the focus on due diligence and contract negotiations. The contracts were signed on May 8, 2025, with the closing taking place at a later date on May 30, 2025.

The purchase price of EUR 21.0 million is made up as follows:

- Fixed purchase price of EUR 12.5 million at the time of closing on the basis of normalized trade working capital (final after adjustment: EUR 10.3 million).
- Performance-based payment in the form of an earn-out model based on adjusted EBITDA of up to a total of EUR 5.5 million for the remainder of 2025 and 2026.
- A performance payment of EUR 3.0 million after the end of the 2026 calendar year if the underlying plans are met in full.

The net result from the sale of the transaction as at May 30, 2025 amounts to EUR 5.7 million and was recognized net in other operating income. The result is made up of the sales proceeds of EUR 13.2 million, in which the variable and subsequently due purchase price components were measured at fair value in the amount of EUR 2.8 million, and the offsetting derecognition of assets in the amount of EUR 4.4 million, most of which were transferred to the buyer as part of the transaction. In addition, includes the derecognition of goodwill of EUR 3.1 million attributable to the active key business, which was recognized as part of the acquisition in 2020. We consider the probability of the success payment being made for the period after 2026 to be very unlikely, resulting in a fair value of EUR 0,0 million.



The half-year columns in the table refer to the period from January 1 to June 30 of the fiscal year indicated.

| € million/ as reported                | COMPONENTS |         |          | GAMING & OFFICE PERIPHERALS |         |          | DIGITAL HEALTH & SOLUTIONS |         |          | CORPORATE & CONSOLIDATIONS |         |         | GROUP   |         |          |
|---------------------------------------|------------|---------|----------|-----------------------------|---------|----------|----------------------------|---------|----------|----------------------------|---------|---------|---------|---------|----------|
|                                       | H1 2025    | H1 2024 | Change   | H1 2025                     | H1 2024 | Change   | H1 2025                    | H1 2024 | Change   | H1 2025                    | H1 2024 | Change  | H1 2025 | H1 2024 | Change   |
| Segment revenue                       | 4.3        | 6.0     | -28.8%   | 33.6                        | 41.7    | -19.5%   | 10.0                       | 16.2    | -38.3%   | -1.9                       | -2.4    | 20.8%   | 46.0    | 61.6    | -25.3%   |
| External revenue                      | 2.4        | 3.6     | -33.3%   | 33.6                        | 41.7    | -19.5%   | 10.0                       | 16.2    | -38.3%   | 0.0                        | 0.0     | 0.0%    | 46.0    | 61.6    | -25.3%   |
| Intragroup revenue                    | 1.9        | 2.4     | -20.8%   | 0.0                         | 0.0     | 0.0%     | 0.0                        | 0.0     | 0.0%     | -1.9                       | -2.4    | 20.8%   | 0.0     | 0.0     | 0.0%     |
| Gross Profit I (GPI)                  | 2.3        | 3.6     | -37.3%   | 10.8                        | 17.3    | -37.4%   | 5.2                        | 9.9     | -47.6%   | -0.5                       | 0.2     | -415.9% | 17.7    | 30.9    | -42.7%   |
| Gross profit margin I (GPI margin)    | 52.2%      | 59.5%   | -7.3 pp  | 32.2%                       | 41.4%   | -9.2 pp  | 51.7%                      | 60.7%   | -9.0 pp  | N/A                        | N/A     | N/A     | 38.5%   | 50.2%   | -11.7 pp |
| Gross Profit II (GPII)                | -2.1       | 0.4     | -625.0%  | 7.2                         | 12.2    | -41.0%   | 3.8                        | 8.1     | -53.1%   | -0.5                       | 0.2     | -350.0% | 8.5     | 20.9    | -59.3%   |
| Gross profit margin II (GPII margin)  | -48.3%     | 7.2%    | -55.5 pp | 21.5%                       | 29.2%   | -7.7 pp  | 38.3%                      | 50.2%   | -11.9 pp | N/A                        | N/A     | N/A     | 18.5%   | 34.0%   | -15.5 pp |
| EBITDA (adjusted) <sup>1</sup>        | -3.0       | 0.6     | -600.0%  | 0.0                         | 5.3     | -100.0%  | 9.9                        | 6.3     | 57.1%    | -9.2                       | -9.8    | 6.1%    | -2.3    | 2.4     | -195.8%  |
| EBITDA margin (adjusted) <sup>1</sup> | -69.0%     | 10.7%   | -79.7 pp | 0.1%                        | 12.6%   | -12.5 pp | 99.1%                      | 38.9%   | 60.2 pp  | N/A                        | N/A     | N/A     | -4.9%   | 4.0%    | -8.9 pp  |
| EBIT (adjusted) <sup>1</sup>          | -3.0       | -0.3    | -900.0%  | -0.9                        | 3.7     | -124.3%  | 8.8                        | 5.2     | 69.2%    | -9.6                       | -10.2   | 5.9%    | -4.7    | -1.5    | -213.3%  |
| EBIT margin (adjusted) <sup>1</sup>   | -69.6%     | -4.2%   | -65.4 pp | -2.7%                       | 8.9%    | -11.6 pp | 88.2%                      | 32.0%   | 56.2 pp  | N/A                        | N/A     | N/A     | -10.2%  | -2.5%   | -7.7 pp  |

<sup>1</sup> Adjusted for one-time and/or non-operating items.

## 2. NET ASSETS POSITION, FINANCIAL POSITION AND RESULTS OF OPERATIONS OF THE CHERRY GROUP

### EXPLANATORY NOTES TO THE INCOME STATEMENT

Consolidated revenue in the first half of 2025 amounted to EUR 46.0 million, down 25.3% on the previous year (H1/2024: EUR 61.6 million). The decline in sales is primarily attributable to weak business with office peripherals in the German market, which was significantly hampered by high channel inventories and weak economic data. In addition, business with e-health terminals declined slightly compared with the very strong first half of the previous year following a wave of implementations in the previous year, which was driven by the mandatory introduction of e-prescriptions and e-patient records, as well as due to an internal management change.

Gross profit I from sales in the first half of 2025 amounted to EUR 17.7 million, a decrease of EUR 13.2 million compared to the previous year (H1/2024: EUR 30.9 million). The GPI margin amounted to 38.5% (H1/2024: 50.2%). The sharp decline is due in part to higher discount levels in the Gaming & Office Peripherals segment and to special effects in the Digital Health & Solutions segment related to the sale of the hygiene peripherals business. In addition, inventory reduction measures and cost-intensive one-time sell-out programs were implemented together with selected distributors. Furthermore, high channel inventories weighed on new business margins.

Gross profit II amounted to EUR 8.5 million (H1/2024: EUR 20.9 million), resulting in a GPII margin of 18.5% (H1/2024: 34.0%). The disproportionate decline compared to the GPI margin is due to the formation of provisions for severance payments in connection with the complete relocation of production, which amounted to EUR 1.9 million. In addition, margin reductions occurred in connection with inventory reduction, particularly in the Gaming & Office Peripherals segment.

Research and development expenses amounted to EUR 6.8 million, up EUR 3.1 million on the previous year (H1/2024: EUR 3.7 million). The increase is mainly due to the full write-down of the "SmartLink" project in the amount of around EUR 2.7 million. The project was discontinued as a result of changes in regulatory requirements by the German legislature with regard to the technical implementation of the solution. In addition, other special items amounting to EUR 0.7 million, which mainly relate to impairment losses on capitalized development costs as part of the impairment tests carried out (EUR 0.5 million), led to a further cost burden. Capitalized development costs were also below the previous year's level at EUR 1.6 million (H1/2024: EUR 1.8 million). Adjusted for special items, research and development costs were EUR 0.3 million lower than in the previous year.

Marketing and selling expenses amounted to EUR 12.9 million, up by around EUR 0.5 million on the previous year (H1/2024: EUR 12.4 million). The increase is mainly driven by impairment losses on the Cherry brand totaling EUR 1.9 million. The previous year included special items of EUR 0.6 million from consulting services in connection with the strategic realignment of sales. Adjusted for the respective special effects, marketing and sales costs fell by EUR 0.8 million compared to the previous year, mainly due to the implementation of cost-cutting measures.

Administrative expenses amounted to EUR 8.2 million, down by around EUR 0.5 million on the previous year (H1/2024: EUR 8.7 million). This includes non-operating special items of around EUR 1.0 million (H1/2024: EUR 0.6 million), which mainly relate to consulting services in

connection with the restructuring. In addition, active cost management and the initial positive effects of the restructuring program initiated, which is scheduled for completion by December 31, 2025, are key factors in this development.

Other operating income was significantly higher than in the previous year at EUR 5.2 million (H1/2024: EUR 0.5 million), mainly driven by the net gain from the sale of the Active-Key business in the amount of EUR 5.7 million. Further information on the composition of net income can be found in section "2. Significant events and transactions" of the notes to the interim consolidated financial statements. Other operating income mainly includes exchange rate losses and effects from foreign currency hedging in USD amounting to EUR -0.5 million (H1 2024: EUR 0.4 million).

EBITDA amounted to EUR -6.4 million (previous year: EUR 0.6 million). Adjusted EBITDA amounted to EUR -2.3 million (previous year: EUR 2.4 million).

The financial result amounted to EUR -1.3 million (previous year: EUR -1.3 million) and remained virtually unchanged. The financial result is largely attributable to the loan from UniCredit Bank GmbH, which was extended in the previous year with adjusted terms until June 30, 2026.

The net loss for the first half of the year 2025 amounts to EUR -14.4 million (previous year: EUR -6.6 million).

Both EBITDA and EBIT are presented with and without adjustments. The adjustments eliminate unbudgeted special and one-time effects that have no impact on the company's operating earnings performance. This is intended to show the undiluted margin of the operating business.

#### Reconciliation to alternative performance measures (ESMA)<sup>1</sup>

The following table shows the reconciliation of EBIT, EBITDA, adjusted EBIT, and adjusted EBITDA to the Cherry's Group net loss/profit for the first half of the 2025 fiscal year and for the same period of the previous year.

| € thousand  | Jan 1 to June 30, 2025 | Jan 1 to June 30, 2024 |
|---|------------------------|------------------------|
| <b>Group net loss</b>   | <b>-14,417</b>         | <b>-6,600</b>          |
| - Taxes   | -981                   | 1,999                  |
| - Financial result  | 1,278                  | 1,283                  |
| <b>EBIT</b>   | <b>-14,120</b>         | <b>-3,318</b>          |
| +/- Exceptional personnel expenses  | -                      | 92                     |
| +/- Impairment losses on inventories  | -                      | 545                    |
| +/- Other non-recurring exceptional items   | 4,176                  | 1,152                  |
| +/- Impairment losses on intangible assets, property, plant and equipment and right-of-use assets | 5,267                  | -                      |
| <b>Adjusted EBIT</b>  | <b>-4,677</b>          | <b>-1,529</b>          |
| + Depreciation and amortization <sup>2</sup>  | 2,418                  | 3,966                  |
| <b>Adjusted EBITDA</b>  | <b>-2,259</b>          | <b>2,437</b>           |
| <b>EBIT</b>   | <b>-14,120</b>         | <b>-3,318</b>          |
| + Depreciation, amortization and impairment losses <sup>2</sup>                                   | 7,684                  | 3,966                  |
| <b>EBITDA</b>   | <b>-6,436</b>          | <b>648</b>             |

<sup>1</sup> Unaudited

<sup>2</sup> Exclusive depreciation on financial assets amounting to EUR 91 thousand (2025) | Including attribution to current assets in the amount of EUR 101 thousand (2024)

#### EXPLANATORY NOTES TO THE STATEMENT OF FINANCIAL POSITION

The consolidated balance sheet total as of June 30, 2025 amounted to EUR 135.9 million, representing a decrease of EUR 32.2 million compared with December 31, 2024 (EUR 168.1 million).

Current assets amounted to EUR 71.1 million, which is EUR 22.7 million less than the figure as of December 31, 2024 (EUR 93.8 million). Bank balances decreased by EUR 8.5 million to EUR 7.9 million (December 31, 2024: EUR 16.4 million). Short-term trade receivables decreased from EUR 20.1 million to EUR 14.5 million. This is attributable on the one hand to the decline in sales volume and on the other hand to active working capital and receivables management as part of liquidity management. Inventories were reduced by EUR 10.6 million to EUR 43.1 million (December 31, 2024: EUR 53.7 million). This is the result of targeted inventory reduction measures and the disposal of inventories for the hygiene business in connection with the sale of this business segment in the amount of EUR 3.8 million. A counteracting effect results from financial assets in the amount of EUR 1.7 million (December 31, 2024: EUR 0 million), which represent the current portion of the outstanding purchase price receivables from Contour Nordic A/S in connection with the sale of the hygiene business.

Non-current assets decreased by EUR 9.5 million to EUR 64.8 million (December 31, 2024: EUR 74.3 million). This decline is attributable, on the one hand, to impairments recognized in connection with impairment tests with a total effect of EUR 2.6 million. On the other hand, it resulted from impairments on discontinued development projects in the amount of EUR 2.7 million, the derecognition of goodwill attributable to the original Active Key business in the amount of EUR 3.1 million, and other non-current assets disposed of in this context as a result of the sale of the hygiene business in the first half of the current fiscal year. This item also includes the non-current portion of the outstanding purchase price receivable from the aforementioned sale in the amount of EUR 1.2 million (December 31, 2024: EUR 0 million). The remaining decrease is mainly attributable to regular depreciation and amortization.

Current liabilities decreased by EUR 11.6 million to EUR 32.1 million (December 31, 2024: EUR 43.7 million). The main reasons for this were the reduction in current trade payables by EUR 11.8 million to EUR 12.5 million (December 31, 2024: EUR 24.3 million) as a result of the settlement of due supplier invoices, lower income tax liabilities and a reduction in current lease liabilities. This was offset by an increase in other current non-financial liabilities of EUR 2.0 million to EUR 5.2 million (December 31, 2024: EUR 3.2 million), mainly due to provisions of EUR 1.9 million for socially acceptable personnel reductions as part of the ongoing restructuring.

Non-current liabilities decreased by approximately EUR 5.1 million to EUR 41.9 million (December 31, 2024: EUR 47.0 million). The main reasons for this were the payment of the first tranche of EUR 1.0 million to UniCredit Bank GmbH, Munich, as part of the repayment totaling EUR 2.0 million agreed on April 22, 2025, and the decrease in non-current lease liabilities and deferred tax liabilities.

Balance sheet equity decreased by EUR 15.6 million to EUR 61.9 million (December 31, 2024: EUR 77.5 million). This was mainly due to the net loss for the year of EUR -14.4 million and the currency effects recognized in OCI in the amount of EUR -1.4 million. This was slightly offset by the effect of share-based payments amounting to EUR 0.2 million.

## EXPLANATORY NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

Cash flow from operating activities amounted to EUR -13.6 million in the first half of 2025 (H1/2024: EUR -5.3 million). The negative cash flow from operating activities was mainly due to EBITDA of EUR -6.4 million, which includes a cash gain of EUR 5.7 million from a disposal that is not attributable to operating activities. Excluding this effect, operating EBITDA was lower. This was offset by a positive effect from the reduction in working capital of EUR 2.8 million had a positive effect. Compared with the first half of 2024, cash flow from operating activities was mainly impacted by a €12.8 million decline in adjusted EBITDA, excluding income from the sale of the hygiene business.

Cash flow from investing activities amounted to EUR 8.3 million, which was EUR 11.0 million higher than in the same period of the previous year (H1/2024: EUR -2.7 million). This development is mainly attributable to the purchase price payment of EUR 10.4 million already received as of the reporting date for the sale of the hygiene peripherals business to Contour Design Nordic A/S.

Cash flow from financing activities improved by EUR 19.5 million to EUR -3.0 million compared to the previous year (H1/2024: EUR -22.5 million). This development is mainly attributable to a repayment of EUR 20.0 million to UniCredit Bank GmbH in the comparative period, while only EUR 1.0 million was repaid in the current year.

### 3. REPORT ON OPPORTUNITIES AND RISKS

Cherry most recently published its full opportunity and risk report in the Annual Report 2024, which is available for download on the company's website at <https://ir.cherry.de/en/home/publications/#annual-reports>. This report, which is part of the combined management report for the Group and Cherry SE, provides a comprehensive overview of the opportunities and risks identified for the Group.

In the interim report for the first half of 2025, we provide an update on the opportunities and risks newly included in the report as well as an assessment of the potential impact of the identified risks and their estimated probability of occurrence if there have been any changes compared to the status as at the 2024 annual financial statements.

#### OPPORTUNITIES

The opportunities described in the 2024 Annual Report remain unchanged.

#### RISKS

Compared with the 2024 Annual Report, existing and newly identified risks that affect the existing risk profile have been carefully assessed. Where risks affect the risk categories and lead to a change in the risk class, these are presented below.

##### Strategy and market risks

###### Risks arising from the loss of business partners

In order to generate synergy effects and benefit from the expertise of other companies, Cherry enters into medium- and long-term strategic partnerships in various areas. These may relate to the development of hardware and software solutions or to sales and marketing activities. There is a risk that existing business partners may terminate or allow cooperation agreements to expire, for example due to the economic situation of the company. There is also the possibility that Cherry's business partners themselves could get into financial difficulties or even become insolvent. When entering into partnerships, Cherry takes care to ensure that synergies can be exploited without creating excessive dependencies. In some areas of our business, we are dependent on suppliers that we cannot replace at short notice. Despite careful selection of our suppliers, there is a risk that business partners will not be able to fulfill their contractual obligations either on time or in full. In such cases, we have a network of alternative suppliers and business partners who can respond flexibly to short-term requests. In cases where this is not possible or only possible to a limited extent, strategic stockpiling is carried out. If individual suppliers fail to meet their delivery obligations to Cherry, there is still a risk that Cherry will not be able to deliver or fulfill its contractual obligations. Against the backdrop of current economic developments, the risk is assessed as "medium."

##### Operational risks

###### Risks arising from innovations by competitors

Due to social megatrends and developments in IT hardware and learning software (AI), new competitors are increasingly entering the market, particularly in Asia. At the same time, growing competition is also increasing the pressure on competing companies to innovate. In addition to technical innovations, development time is playing an increasingly important role. Cherry is therefore continuously working on the further development of its products, changes to product design, and new products and technologies in order to further strengthen its competitive position. There is an increasing risk that competitors will be the first to bring their product innovations to market and gain unassailable competitive advantages. An increase in the number of competitors also carries the risk of oversupply combined with declining prices and consequently lower margins. Cherry is continuously strengthening its sales by expanding its partner programs. Cherry intends to strengthen its position by maintaining its network and intensifying business with existing customers. The risks associated with ever shorter product life cycles have increased significantly. Compared to the previous year, we now rate the risk as "high" rather than "medium."

##### Financial risks

###### Risk due to reduced liquidity (new)

As a result of the company's deteriorating economic situation, it is becoming increasingly difficult to maintain existing partnerships or conclude contracts with potential new business partners. Due to its reduced creditworthiness, the company runs the risk that trading and cooperation partners will allow contracts to expire or even terminate them. The main reasons for this are our partners' creditworthiness requirements for Cherry and the associated increased risks for our contractual partners. Due to the declining creditworthiness, they may allow contracts to expire, not renew them, terminate them or, in the case of potential new business partners, not conclude them in the first place. Due to the limited liquidity, negative effects on supply relationships cannot be ruled out. We have revised the payment terms with our strategic suppliers in order to improve cash flow. Cherry's business model depends on strong partnerships in many areas. This applies in particular to purchasing, IT, and software, as well as external financing. Cherry develops some of its products in-house, but predominantly

relies on external contract manufacturers for production. If a contract manufacturer were to terminate the business relationship, there would be a risk that certain products would no longer be available. New contracts are made considerably more difficult by a negative credit assessment or may not be concluded in individual cases. In the case of sales, a major distributor could terminate the cooperation, which would have an immediate impact on sales. The risk has been newly included in the risk portfolio and classified as "high" due to recent business developments.

#### Overall assessment of the risk situation

Despite the currently very high level of risk, the company's risk-bearing capacity is considered adequate. Cherry endeavors to prevent existing risks as best as possible and with continuous monitoring, to avoid them where possible, or to reduce their potential damage by taking appropriate countermeasures.

The Management Board assumes that, despite the mitigation measures taken and the company's calculated viability, there may be risks that, individually or in their aggregate, could jeopardize the continued existence of the company (so-called "going concern risk") – in particular due to its dependence on financing from UniCredit Bank GmbH, Munich, in conjunction with the risk of a possible renewed breach of the financial covenants underlying the agreement, as well as from the current earnings and liquidity situation.

For this reason, a comprehensive restructuring plan was drawn up in cooperation with Bachert & Partner in accordance with IDW S6, which confirms the refinancing of the company for the years 2025 to 2027, taking into account the implementation of various short-term, medium-term, long-term and structural measures. Uncertainties in this regard may arise from further business developments, unchanged challenges from macroeconomic and geopolitical effects, and from the implementation and effectiveness of the measures contained in the report. The measures to confirm compliance with the restructuring plan and the company's refinancing were updated in May 2025 and latest in August 2025. This process will be updated as appropriate once further or new information becomes available.

To ensure the best possible implementation of the measures, an external CRO took up his position at Cherry SE with effect from April 7, 2025. His focus is on coordinating and monitoring the implementation of the measures and supporting management in liquidity planning. If necessary, it will assist the Management Board in developing the necessary measures. Due to the missed revenue and earnings forecast for the first half of 2025, additional measures are being coordinated.

The focus of the company and the Management Board is on implementing the restructuring plan and developing any further measures not yet included in the report in order to ensure that the company will continue as a going concern with a high degree of probability.

Despite the material uncertainties related to the Company's liquidity situation, which could raise significant doubts in the Company's ability to continue its business activities (so called "going-concern risk"), the management board of Cherry SE assumes that the Company will continue as going concern due to the restructuring plan prepared together with Bachert & Partner in accordance with IDWS6, the support of an external CRO (Chief Restructuring Officer) and the possibility of defining and implementing of additional measures.

## 4. OUTLOOK REPORT

Cherry SE is lowering its forecast for the current fiscal year 2025. The Management Board is responding to the effects of the restructuring measures implemented in the first half of the year and to continued weak demand in the Components business segment and in the Americas.

Following the adjustment of its forecast, Cherry SE now expects consolidated revenue of EUR 100 to 115 million (previously EUR 105 to 120 million) and an adjusted EBITDA margin of between 0% and 2% (previously between 3% and 6%) for fiscal year 2025. The adjustment is mainly a consequence of the lower sales volume deliberately accepted in the first half of 2025.

This results from strategic measures to streamline distribution channels and sustainably strengthen the price structure in the Peripherals segment.

The strategic realignment to focus on profitable core business areas is being consistently pursued. Evidence of the successful implementation of this strategy is the sale of the hygiene peripherals business (Active Key) in the second quarter, the proceeds of which strengthened the company's liquidity.

# CONDENSED CONSOLIDATED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF JUNE 30, 2025 IN ACCORDANCE WITH IFRS (UNAUDITED)

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| € thousand  | Note | April 1 - June 30,<br>2025 | April 1 - June 30,<br>2024 | Jan. 1 - June 30,<br>2025 | Jan. 1 - June 30,<br>2024 |
|---|------|----------------------------|----------------------------|---------------------------|---------------------------|
| Revenue   | 5.1  | 20,671                     | 31,270                     | 45,998                    | 61,560                    |
| Cost of sales                                     |      | -19,403                    | -21,053                    | -37,504                   | -40,641                   |
| Gross profit                                      |      | 1,268                      | 10,217                     | 8,494                     | 20,919                    |
| Marketing and selling expenses                    |      | -6,122                     | -5,477                     | -12,929                   | -12,385                   |
| Research and development expenses                 |      | -5,215                     | -1,606                     | -6,764                    | -3,665                    |
| Administrative expenses                           |      | -4,292                     | -4,466                     | -8,164                    | -8,650                    |
| Other operating income                            | 2.2  | 6,213                      | 465                        | 6,480                     | 656                       |
| Other operating expenses                          |      | -1,075                     | -339                       | -1,237                    | -193                      |
| Operating result before interest and taxes (EBIT) |      | -9,223                     | -1,206                     | -14,120                   | -3,318                    |
| Financial result                                  | 5.2  | -539                       | -563                       | -1,278                    | -1,283                    |
| Earnings before taxes (EBT)                       |      | -9,762                     | -1,769                     | -15,398                   | -4,601                    |
| Income taxes                                      |      | 1,119                      | -1,513                     | 981                       | -1,999                    |
| <b>Group net loss</b>                             |      | <b>-8,643</b>              | <b>-3,282</b>              | <b>-14,417</b>            | <b>-6,600</b>             |
| Undiluted (basic) earnings per share (in EUR)     | 5.3  | -0.37                      | -0.14                      | -0.62                     | -0.28                     |
| Diluted earnings per share (in EUR)               | 5.3  | -0.37                      | -0.14                      | -0.62                     | -0.28                     |

### Income and expenses not recognized through profit or loss

| € thousand   | April 1 - June 30,<br>2025 | April 1 - June 30,<br>2024 | Jan. 1 - June 30,<br>2025 | Jan. 1 - June 30,<br>2024 |
|--|----------------------------|----------------------------|---------------------------|---------------------------|
| <b>Other comprehensive income that will be reclassified subsequently to profit or loss</b>     | <b>-989</b>                | <b>247</b>                 | <b>-1,362</b>             | <b>243</b>                |
| Foreign currency translation of financial statements of foreign entities                       | -989                       | 247                        | -1,362                    | 243                       |
| <b>Other comprehensive income that will not be reclassified subsequently to profit or loss</b> | <b>-</b>                   | <b>-</b>                   | <b>-</b>                  | <b>-</b>                  |
| Actuarial gains and losses   | -                          | -                          | -                         | -                         |
| Other changes  | -                          | -                          | -                         | -                         |
| <b>Income and expenses not recognized through profit or loss</b>                               | <b>-989</b>                | <b>247</b>                 | <b>-1,362</b>             | <b>243</b>                |
| <b>Total comprehensive income for year</b>   | <b>-9,632</b>              | <b>-3,035</b>              | <b>-15,779</b>            | <b>-6,357</b>             |

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF JUNE 30, 2025 (IFRS/UNAUDITED)

### ASSETS

| € thousand                      | Note | June 30, 2025  | Dec. 31, 2024  |
|---------------------------------|------|----------------|----------------|
| <b>NON-CURRENT ASSETS</b>       |      |                |                |
| Intangible assets               | 3.2  | 53,795         | 62,641         |
| Property, plant and equipment   | 3.1  | 3,410          | 3,944          |
| Right-of-use assets             | 3.3  | 3,535          | 4,072          |
| Financial assets                |      | 1,185          | 87             |
| Other non-financial assets      |      | 51             | 31             |
| Deferred taxes                  |      | 2,871          | 3,523          |
| <b>Total non-current assets</b> |      | <b>64,847</b>  | <b>74,298</b>  |
| <b>CURRENT ASSETS</b>           |      |                |                |
| Inventories                     |      | 43,094         | 53,689         |
| Trade receivables               |      | 14,537         | 20,059         |
| Current income tax receivables  |      | 485            | 399            |
| Financial assets                |      | 1,714          | -              |
| Other non-financial assets      |      | 3,402          | 3,325          |
| Cash and cash equivalents       |      | 7,857          | 16,370         |
| <b>Total current assets</b>     |      | <b>71,089</b>  | <b>93,842</b>  |
| <b>Total assets</b>             |      | <b>135,936</b> | <b>168,140</b> |

### EQUITY AND LIABILITIES

| € thousand                             | Note | June 30, 2025  | Dec. 31, 2024  |
|--|------|----------------|----------------|
| <b>EQUITY</b>                          |      |                |                |
| Subscribed capital                     | 4.1  | 23,190         | 23,190         |
| Capital reserves                       |      | 257,751        | 257,557        |
| Accumulated deficit                    |      | -220,764       | -206,347       |
| Accumulated other comprehensive income |      | 1,754          | 3,116          |
| <b>Total equity</b>                    |      | <b>61,931</b>  | <b>77,516</b>  |
| <b>NON-CURRENT LIABILITIES</b>         |      |                |                |
| Pension provisions                     |      | 178            | 178            |
| Other provisions                       |      | 678            | 784            |
| Financial debt                         | 4.2  | 23,735         | 24,975         |
| Lease liabilities                      |      | 9,999          | 11,917         |
| Other non-financial liabilities        |      | 80             | 85             |
| Deferred tax liabilities               |      | 7,210          | 9,034          |
| <b>Total non-current liabilities</b>   |      | <b>41,880</b>  | <b>46,973</b>  |
| <b>CURRENT LIABILITIES</b>             |      |                |                |
| Other provisions                       |      | 389            | 789            |
| Financial debt                         | 4.2  | 1,813          | 1,377          |
| Lease liabilities                      |      | 4,500          | 5,053          |
| Trade payables                         |      | 12,488         | 24,339         |
| Current income tax liabilities         |      | 290            | 822            |
| Other financial liabilities            |      | 7,405          | 8,058          |
| Other non-financial liabilities        |      | 5,240          | 3,213          |
| <b>Total current liabilities</b>       |      | <b>32,125</b>  | <b>43,651</b>  |
| <b>Total equities and liabilities</b>  |      | <b>135,936</b> | <b>168,140</b> |



## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

### AS OF JUNE 30, 2025 (IFRS/UNAUDITED)

| € thousand   | Note | April 1 – June 30,<br>2025 | April 1 – June 30,<br>2024 | Jan. 1 – June 30,<br>2025 | Jan. 1 – June 30,<br>2024 |
|--|------|----------------------------|----------------------------|---------------------------|---------------------------|
| Net loss for the year  |      | -8,643                     | -3,282                     | -14,417                   | -6,600                    |
| Depreciation, amortization and impairment losses (+) / reversals thereof (-) on fixed assets                 |      | 5,117                      | 2,113                      | 7,775                     | 4,067                     |
| Increase (+) / decrease (-) in provisions  |      | -396                       | 25                         | -507                      | 117                       |
| Other non-cash expenses (+) / income (-)   |      | -6,241                     | 521                        | -6,372                    | 589                       |
| Gains (-) / losses (+) on disposal of fixed assets   |      | -                          | 1                          | 1                         | -2                        |
| Increase (-) / decrease (+) in inventories, trade receivables and other assets                               |      | 7,212                      | -12,123                    | 14,025                    | -372                      |
| Increase (+) decrease (-) in trade payables and other liabilities  |      | -905                       | 8,205                      | -12,285                   | -5,518                    |
| Interest expenses (+) / interest income (-)  | 5.2  | 539                        | 562                        | 1,187                     | 1,283                     |
| Interest paid (-)  |      | -789                       | -179                       | -1,377                    | -622                      |
| Interest received (+)  |      | 1                          | 280                        | 1                         | 384                       |
| Tax expense (+) / tax income (-)   |      | -1,119                     | 1,513                      | -981                      | 1,999                     |
| Income tax paid (+/-)  |      | -459                       | -483                       | -681                      | -671                      |
| <b>Cash flows from operating activities</b>  |      | <b>-5,683</b>              | <b>-2,847</b>              | <b>-13,631</b>            | <b>-5,346</b>             |
| Cash received (+) from disposals of property, plant and equipment  |      | -                          | -                          | -                         | 3                         |
| Cash paid (-) for investments in property, plant and equipment   |      | -130                       | -443                       | -453                      | -917                      |
| Cash paid (-) for investments in intangible assets   |      | -789                       | -1,176                     | -1,613                    | -1,811                    |
| Cash received (+) from sale of an operational unit   | 2.2  | 10,350                     | -                          | 10,350                    | -                         |
| <b>Cash flows from investing activities</b>  |      | <b>9,431</b>               | <b>-1,619</b>              | <b>8,284</b>              | <b>-2,725</b>             |
| Cash paid (-) for other non-current financial debt   |      | -1,133                     | -1,112                     | -2,234                    | -2,371                    |
| Cash paid (-) for repayment of (financial) debt  |      | -1,309                     | -10,097                    | -1,354                    | -20,123                   |
| Cash received (+) from (financial) debt raised   |      | -                          | -                          | 637                       | -                         |
| <b>Cash flows from financing activities</b>  |      | <b>-2,442</b>              | <b>-11,209</b>             | <b>-2,951</b>             | <b>-22,494</b>            |
| Cash-relevant change in cash funds   |      | 1,306                      | -15,675                    | -8,298                    | -30,565                   |
| Changes in cash and cash equivalents due to changes in exchange rates, scope of consolidation, and valuation |      | -148                       | 38                         | -215                      | 49                        |
| <b>Cash funds at beginning of year</b>   |      | <b>6,699</b>               | <b>31,204</b>              | <b>16,370</b>             | <b>46,083</b>             |
| <b>Cash funds at end of year</b>   |      | <b>7,857</b>               | <b>15,567</b>              | <b>7,857</b>              | <b>15,567</b>             |

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD JANUARY 1 TO JUNE 30, 2025 (IFRS/UNAUDITED)

| € thousand   | Subscribed capital | Capital reserves | Accumulated deficit /<br>unappropriated<br>profit | Accumulated other<br>comprehensive<br>income<br>Foreign currency<br>translation of<br>financial statements<br>of foreign entities | Accumulated other<br>comprehensive<br>income<br>Actuarial gains and<br>losses | Total equity |
|--|--------------------|------------------|---|---|---|--------------|
| <b>January 1, 2024</b>   | 23,190             | 257,324          | -160,894  | 2,391   | 98  | 122,109      |
| Group net loss   | -                  | -                | -6,600  | -   | -   | -6,600       |
| Foreign currency translation of<br>financial statements of foreign<br>entities | -                  | -                | -   | 243   | -   | 243          |
| Other comprehensive income   | -                  | -                | -   | 243   | -   | 243          |
| Total comprehensive income   | -                  | -                | -6,600  | 243   | -   | -6,357       |
| Impact of share-based payments   | -                  | 404              | -   | -   | -   | 404          |
| <b>June 30, 2024</b>   | 23,190             | 257,728          | -167,493  | 2,634   | 98  | 116,156      |
| <b>January 1, 2025</b>   | 23,190             | 257,557          | -206,347  | 3,015   | 101   | 77,516       |
| Group net loss   | -                  | -                | -14,417   | -   | -   | -14,417      |
| Foreign currency translation of<br>financial statements of foreign<br>entities | -                  | -                | -   | -1,362  | -   | -1,362       |
| Other comprehensive income   | -                  | -                | -   | -1,362  | -   | -1,362       |
| Total comprehensive income   | -                  | -                | -14,417   | -1,362  | -   | -15,779      |
| Impact of share-based payments   | -                  | 194              | -   | -   | -   | 194          |
| <b>June 30, 2025</b>   | 23,190             | 257,751          | -220,764  | 1,653   | 101   | 61,931       |

## NOTES

### TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2025 IN ACCORDANCE WITH IFRS (UNAUDITED)

#### 1. GENERAL EXPLANATORY COMMENTS

##### 1.1. General information about the Cherry Group

The main business purpose of the Cherry Group, which has its registered office in Munich, Germany, is the development and distribution of mechanical keyboard switches, IT peripherals, security systems, software, the import and export of such items, trading with purchased IT peripherals, security systems, software and the provision of development and service activities in the field of IT, as well as all related business.

The parent company of the Cherry Group is Cherry SE, which is registered in the Commercial Register of the Munich Local Court under HRB 280912. The registered office of the parent company is Rosental 7 in 80331 Munich, Germany.

The condensed interim consolidated financial statements of Cherry SE and its subsidiaries cover the period from January 1 to June 30, 2025. They have not been audited or reviewed by an auditor.

##### 1.2. Basis of preparation of the Consolidated Financial Statements

Cherry SE has prepared its consolidated financial statements as of June 30, 2025 in accordance with International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) and their respective interpretations (IFRIC/SIC) for interim reporting (IAS 34) as applicable in the European Union. Accordingly, the interim report contains all information and disclosures required by IFRS for condensed interim financial statements.

The interim report does not include all disclosures that are normally included in financial statements for a full fiscal year. Accordingly, this interim report should be read in conjunction with the consolidated financial statements of Cherry SE for the fiscal year ending December 31, 2024.

The accounting policies applied are the same as those of the previous fiscal year 2024. In the current period, amendments to IAS 21 "Non-monetary Items" came into effect, but these did not result in any changes to the Group's accounting policies or the need for retrospective adjustments.

In preparing the condensed interim consolidated financial statements in accordance with IAS 34, the Management Board must make judgments and estimates and assumptions that affect the application of accounting policies within the Group and the disclosure of assets and liabilities as well as income and expenses. The actual amounts may differ from these estimates. The results achieved to date in the fiscal year 2025 do not necessarily allow any predictions to be made about the further development of business.

The consolidated financial statements are prepared in euros, the functional currency of the parent company. Unless otherwise stated, all amounts are reported in thousands of euros (EUR k).

For mathematical reasons, rounding differences may occur in tables and references compared to the mathematically exact values (EUR k; percentages (%) etc.).

Due to the earnings and liquidity development and the dependence on the financing agreement with UniCredit Bank GmbH, Munich, in conjunction with the underlying financial covenants, there are currently material uncertainties regarding the continuation of the business activities (so-called "going concern risk"). Based on a restructuring plan prepared in cooperation with Bachert & Partner in accordance with the requirements of IDW S6, the support of an external CRO (Chief Restructuring Officer) in its implementation since April 7, 2025, and the possibility of defining additional measures, the Management Board of Cherry SE assumes that the company will continue as a going concern. More detailed explanations of the existing material uncertainties regarding the company's continued existence and the assumptions made by the Management Board can be found in the opportunities and risks section of the management report and the combined management report in connection with the financial statements as of December 31, 2024.

**1.3. Group reporting entity**

As of June 30, 2025, the Consolidated Financial Statements of Cherry SE include the parent company, Cherry SE, and the following Group entities:

**List of investments**

| <b>Fully consolidated entities:</b>                       | <b>Principal activity</b>       | <b>June 30, 2025</b> | <b>Dec. 31, 2024</b> |
|---|---------------------------------|----------------------|----------------------|
| Cherry Europe GmbH, Auerbach                              | Production, sales and marketing | 100%                 | 100%                 |
| Cherry Digital Health GmbH, Munich                        | Sales and marketing             | 100%                 | 100%                 |
| Cherry Peripherals GmbH, Munich                           | Sales and marketing             | 100%                 | 100%                 |
| Cherry E-Commerce GmbH, Munich                            | Sales and marketing             | 100%                 | 100%                 |
| Cherry Embedded Solutions GmbH, Vienna (Austria)          | Production, sales and marketing | 100%                 | 100%                 |
| Cherry Xtrfy AB, Landskrona (Sweden)                      | Sales and marketing             | 100%                 | 100%                 |
| Zhuhai Cherry Electronics Co. Ltd., Zhuhai City (China)   | Production, sales and marketing | 100%                 | 100%                 |
| Cherry Electronics (Hong Kong) Co Ltd., Hong Kong (China) | Sales and marketing             | 100%                 | 100%                 |
| Cherry Taiwan Electronics Co., Ltd., Taiwan               | Sales and marketing             | 100%                 | 100%                 |
| Cherry Americas LLC, Kenosha (USA)                        | Sales and marketing             | 100%                 | 100%                 |
| Cherry S.A R.L., Paris (France)                           | Sales and marketing             | 100%                 | 100%                 |

## 2. SIGNIFICANT EVENTS AND TRANSACTIONS

### Financing from UniCredit Bank GmbH

On April 22, 2025, Cherry SE reached an agreement with UniCredit Bank GmbH, Munich, on the extension of the loan agreement at adjusted financing conditions. The term of the agreement will be extended by one and a half years to December 31, 2027 (previously: June 30, 2026). In return, the loan amount will be reduced from EUR 25,000k to EUR 23,000k. The repayment totaling EUR 2,000k will be made in two tranches of EUR 1,000k each. The first tranche was paid on June 30, 2025. The second tranche is to be paid on February 28, 2026. The interest rate remains unchanged at EURIBOR plus a margin of 3.75% p.a.

The basis for the extension of the financing was the submission of a comprehensive restructuring concept, which Cherry prepared together with an external expert (Bachert & Partner) and in accordance with the provisions of IDW S 6. The former financial covenants based on the net leverage ratio, which were suspended until March 31, 2025, were deleted in this context. Instead, financial covenants were agreed in the form of a minimum liquidity level that is in line with the planning contained in the S 6 report and ranges between EUR 880k and EUR 8.48 million until December 2027.

### Restructuring measures

As part of the restructuring concept described above, an external CRO ("Chief Restructuring Officer") took up his duties at Cherry SE with effect from April 7, 2025. His main tasks include coordinating and monitoring the measures contained in the restructuring report.

In addition to measures to reduce costs and optimize margins, the restructuring concept includes the complete discontinuation of switch production at the Auerbach site and the relocation to an external contract manufacturing partner in China. As part of the complete relocation of production, 28 jobs (FTE) will be cut in a socially responsible manner and provisions for severance payments amounting to EUR 1,943k have been made. The Auerbach site will be maintained and is to be converted into a development, logistics and service center for Europe. Costs of EUR 0.1 million were budgeted for the reclassification of the site, which were also set aside, as well as investments of around EUR 0.3 million for warehouse shelving and technical equipment.

Due to the failure to meet the half-year targets for both revenue and EBITDA, the Management Board assumes that further measures not defined in the report will be necessary to maintain the positive going concern forecast. Appropriate measures are already being developed under the leadership of the CRO.

### Sale of the hygiene business

On May 8, 2025, Cherry signed a contract to sell its hygienic input device business (formerly Active Key) to Danish peripheral device manufacturer Contour Design Nordic A/S as an asset deal. Effective May 30, 2025 (closing date), this was transferred to the new owner).

The purchase price of EUR 21.000k is made up as follows:

- Fixed purchase price of EUR 12,500k at the time of closing on the basis of normalized trade working capital (final after adjustment: EUR 10.268k).
- Performance-related payment in the form of an earn-out model based on adjusted EBITDA of up to EUR 5,500k for the remainder of 2025 and 2026
- Performance payment of EUR 3,000k after the end of the 2026 calendar year if the underlying plans are met in full.

The net result from the sale of the transaction as of May 30, 2025, amounts to EUR 5,713k and was recognized in other operating income. The result comprises the sales proceeds of EUR 13,166k, in which the variable and deferred purchase price components with a fair value of EUR 2,816k, and the offsetting derecognition of assets in the amount of EUR 4,402k, which were predominantly transferred to the buyer as part of the transaction. In addition, the derecognition of goodwill attributable to the Active Key business in the amount of EUR 3,052k, which was recognized in the balance sheet as part of the acquisition in 2020, has been taken into account. We consider the probability of the success payment being made for the period after 2026 to be very unlikely, resulting in a fair value of EUR 0k.

### Impairment tests

As of March 31, 2025, and June 30, 2025, impairment tests were performed on a case-by-case basis for non-current intangible assets, property, plant, and equipment, and right-of-use assets. This was due to business developments in the first half of 2025 and the planned restructuring measures. The impairment test as of March 31, 2025 resulted in impairments of intangible assets totaling EUR 1,349k, property, plant and equipment totaling EUR 20k, and right-of-use assets totaling EUR 10k. The impairment test as of June 30, 2025 resulted in impairments of intangible assets totaling EUR 1,064k, property, plant and equipment totaling EUR 115k, and right-of-use assets totaling EUR 8k. As a result, impairments of EUR 2,566k were recognized in the first half of 2025 as part of the impairment tests.

**Discontinuation of strategic projects**

In addition, impairments of EUR 2,670k were recognized on individual development projects, as these cannot be operated profitably due to changes in the legal framework in Germany and therefore no future benefits are expected from them.

### 3. EXPLANATORY NOTES TO GROUP ASSETS

#### 3.1. Property, plant and equipment

In the first half of 2025, investments in property, plant, and equipment amounted to EUR 453k (H1/2024: EUR 917k):

| Investments<br>€ thousand | Land, titles to land,<br>buildings including<br>buildings on third-<br>party land | Plant and<br>machinery | Other operational<br>equipment, office<br>equipment | Payments on account<br>and assets under<br>construction | Total |
|---------------------------|---|------------------------|---|---|-------|
| Jan. 1 – June 30, 2025    | -   | 266                    | 60  | 127   | 453   |
| Jan. 1 – June 30, 2024    | 76  | 373                    | 271   | 197   | 917   |

Depreciation on property, plant, and equipment totaled EUR 543k (H1/2024: EUR 1,001k).

In the first half of 2025, impairment losses of EUR 135k were recognized on property, plant, and equipment as a result of the impairment tests described in section “2. Significant events and transactions.” As of March 31, 2025, impairments of EUR 20k were recognized in the Components segment. As of June 30, 2025, impairments of EUR 20k were recognized in the Components segment and EUR 95k in the Gaming Devices segment. The impairments are reported in the statement of comprehensive income under “Cost of sales.”

No impairment was recognized in the same period of the previous year.

#### 3.2. Intangible assets

In the first half of 2025, investments in intangible assets amounted to EUR 1,613k (H1/2024: EUR 1,811k):

| Investments<br>€ thousand | Development costs<br>and internally<br>generated industrial<br>property rights and<br>similar rights and<br>assets | Development<br>costs relating<br>to projects in<br>progress | Industrial<br>property<br>rights,<br>licenses and<br>patents | Customer<br>base | Brands | Goodwill | Payments<br>on account | Total |
|---------------------------|--|---|--|------------------|--------|----------|------------------------|-------|
| Jan. 1 – June 30, 2025    | -  | 1,597   | 16   | -                | -      | -        | -                      | 1,613 |
| Jan. 1 – June 30, 2024    | -  | 1,793   | 18   | -                | -      | -        | -                      | 1,811 |

Total amortization of intangible assets amounted to EUR 1,436k (H1/2024: EUR 2,160k).

The impairment tests described in section “2. Significant events and transactions” resulted in the following value adjustments: As of March 31, 2025, impairments of EUR 1,349k were recognized in the Components segment (of which EUR 1,341k related to the brand and EUR 8k to development costs). As of June 30, 2025, impairment losses of EUR 174k were recognized in the Components segment (of which EUR 152k related to the brand and EUR 22k to development costs) and EUR 890k in the Gaming Devices segment (of which EUR 371k related to the brand and EUR 519k to development costs). The impairments on intangible assets from the impairment tests in the first half of 2025 are reported in the statement of comprehensive income under the following items: EUR 1,865k “Marketing and selling expenses” and EUR 549k “Research and development expenses”.

Furthermore, there were impairments on discontinued development projects amounting to EUR 2,670k in the Digital Health & Solutions segment, which are reported in the statement of comprehensive income under “Research and development expenses”.

No impairment was recognized in the same period of the previous year.

### 3.3. Right-of-use assets

In the first half of 2025, investments in right-of-use assets amounted to EUR 14k (H1/2024: EUR 988k):

| Investments<br>€ thousand     | Right-of-use<br>assets -<br>buildings | Right-of-use<br>assets - plant<br>and machinery | Right-of-use<br>assets - tools | Right-of-use<br>assets - vehicles | Right-of-use<br>assets - other<br>operational and<br>office equipment | Total |
|-------------------------------|---------------------------------------|---|--------------------------------|-----------------------------------|---|-------|
| <b>Jan. 1 - June 30, 2025</b> | 14                                    | -   | -                              | -                                 | -   | 14    |
| <b>Jan. 1 - June 30, 2024</b> | 664                                   | 219   | -                              | 105                               | -   | 988   |

Depreciation on rights of use totaled EUR 469k (H1/2024: EUR 906k).

In the first half of 2025, impairment losses of EUR 18k were recognized on rights of use as part of the impairment tests described in section "2. Significant events and transactions." As of March 31, 2025, impairments of EUR 10k were recognized for the Components segment. As of June 30, 2025, impairments of EUR 8k were recognized for the Components segment. The impairments are reported in the statement of comprehensive income under "Cost of sales".

No impairment was recognized in the same period of the previous year.

## 4. EXPLANATORY NOTES TO GROUP EQUITY AND LIABILITIES

### 4.1. Equity

#### Subscribed capital

The subscribed capital of the parent company amounting to EUR 24,300k (June 30, 2024: EUR 24,300k) is fully paid up. Of this amount EUR 1,110k (June 30, 2024: EUR 1,110k) is held by Cherry SE itself.

On June 9, 2022, the Management Board resolved a share buyback program, which provided for the buyback of up to 2,000,000 treasury shares by June 30, 2023. As of the reporting date of June 30, 2025, 1,344,422 (December 31, 2024: 1,344,422) treasury shares were repurchased at a total value of EUR 9,281k (December 31, 2024: EUR 9,281k). Of these, a total of 234,138 treasury shares were transferred in the first quarter of 2023 as part of the acquisition of the Swedish e-sports specialist Xtrfy.

As of June 30, 2025, the subscribed capital comprises 24,300,000 (December 31, 2024: 24,300,000) ordinary bearer shares with no par value (no-par value shares), of which 1,110,284 (December 31, 2024: 1,110,284) are held by the company itself.

#### Development of the number of shares

| Number of shares   | 2025       | 2024       |
|--|------------|------------|
| <b>Balance as of January 1</b>                                 | 23,189,716 | 23,189,716 |
| Treasury shares used in conjunction with business combinations | -          | -          |
| Repurchased in conjunction with the Share Buyback Program      | -          | -          |
| <b>Balance as of June 30</b>                                   | 23,189,716 | 23,189,716 |

#### Capital reserves

Capital reserves amounted to EUR 257,751k (December 31, 2024: EUR 257,557k).

The capital reserve remained virtually unchanged. The share-based remuneration program for the Management Board and extended management (LTI = Long Term Incentive Program) led to expenses of EUR 194k in the first half of 2025 (H1/2024: EUR 404k), which are to be recognized directly in equity in accordance with IFRS 2 and therefore increased the capital reserve. The measurement of the obligations includes the remuneration entitlements of the Management Board and other members of management.

#### Accumulated other comprehensive income

The change in other accumulated equity for gains and losses from currency differences amounting to EUR -1,362k (H1/2024: EUR 243k) arising on the translation of the financial statements of the foreign subsidiaries into the Group's reporting currency (euro).

Changes in equity during the year under report are shown in the consolidated statement of changes in equity.



#### 4.2. Financial Debt

The Cherry Group's current and non-current financial liabilities mainly relate to liabilities to banks.

Current financial liabilities as of June 30, 2025, include short-term bank loans from foreign subsidiaries amounting to EUR 1,813k (December 31, 2024: EUR 1,377k).

Non-current financial liabilities mainly comprise the credit line with UniCredit Bank GmbH, Munich, which has been drawn down by EUR 24,000k, as a repayment of EUR 1,000k was made in the first half of the current fiscal year.

With regard to the credit facility with UniCredit Bank GmbH, we refer to our comments in section "2. Significant events and transactions".

| € thousand   | June 30, 2025 | Dec. 31, 2024 |
|--------------|---------------|---------------|
| Current      | 1,813         | 1,377         |
| Non-current  | 23,735        | 24,975        |
| <b>Total</b> | <b>25,548</b> | <b>26,352</b> |

### 5. EXPLANATORY NOTES TO THE CONSOLIDATED INCOME STATEMENT

#### 5.1. Revenue

Revenue recognized in accordance with IFRS 15 based on the currently applicable price lists and price discounts break down as follows in accordance with IFRS 15.114:

##### Revenue by product type

| € thousand                           | Jan. 1 - June 30, 2025 | Jan. 1 - June 30, 2024 |
|--------------------------------------|------------------------|------------------------|
| Keyboard Switches                    | 2,435                  | 3,604                  |
| Gaming Devices                       | 12,734                 | 14,711                 |
| Office                               | 17,314                 | 22,332                 |
| Industry                             | 2,531                  | 3,528                  |
| Point of Sales Products              | 996                    | 1,151                  |
| Security                             | 3,441                  | 2,837                  |
| eHealth                              | 6,547                  | 13,397                 |
| <b>Total revenue by product type</b> | <b>45,998</b>          | <b>61,560</b>          |

##### Revenue by region 2025

| € thousand                     | Germany       | USA          | China         | Hong Kong    | Other         | Total         |
|--------------------------------|---------------|--------------|---------------|--------------|---------------|---------------|
| Components                     | 425           | 350          | 610           | 672          | 378           | 2,435         |
| Gaming Devices                 | 38            | 924          | 9,624         | -            | 2,148         | 12,734        |
| Office Peripherals             | 6,875         | 3,839        | 913           | 1,008        | 8,206         | 20,841        |
| Digital Health & Solutions     | 6,063         | 842          | -             | 11           | 3,072         | 9,988         |
| <b>Total revenue by region</b> | <b>13,401</b> | <b>5,955</b> | <b>11,147</b> | <b>1,691</b> | <b>13,804</b> | <b>45,998</b> |

##### Revenue by region 2024

| € thousand                     | Germany       | USA          | China         | Hong Kong    | Other         | Total         |
|--------------------------------|---------------|--------------|---------------|--------------|---------------|---------------|
| Components                     | 417           | 608          | 780           | 1,192        | 607           | 3,604         |
| Gaming Devices                 | 362           | 878          | 10,949        | 11           | 2,511         | 14,711        |
| Office Peripherals             | 11,946        | 4,321        | 1,161         | 9            | 9,574         | 27,011        |
| Digital Health & Solutions     | 12,336        | 846          | -             | 15           | 3,037         | 16,234        |
| <b>Total revenue by region</b> | <b>25,061</b> | <b>6,653</b> | <b>12,890</b> | <b>1,227</b> | <b>15,729</b> | <b>61,560</b> |

**5.2. Financial result**

The financial result comprised the following:

| € thousand   | Jan. 1 - June 30, 2025 | Jan. 1 - June 30, 2024 |
|--|------------------------|------------------------|
| Interest and similar income                              | 1                      | 385                    |
| <b>Total finance income</b>                              | <b>1</b>               | <b>385</b>             |
| Interest and similar expenses                            | -1,185                 | -1,664                 |
| Expenses from discounting and the unwinding of discounts | -3                     | -4                     |
| Other expenses   | -91                    | -                      |
| <b>Total finance expense</b>                             | <b>-1,279</b>          | <b>-1,668</b>          |
| <b>Total</b>   | <b>-1,278</b>          | <b>-1,283</b>          |

The decrease in interest income is mainly due to the decline in term deposits.

Interest expenses and similar expenses mainly comprise interest for the loan taken out from UniCredit Bank GmbH and interest expenses in connection with leasing obligations in the amount of EUR 267k (H1 2024: EUR 307k).

**5.3. Earnings per share**

| Group net loss/profit in € thousand, number of shares in thousand,<br>Earnings per share in EUR                         | Jan. 1 - June 30, 2025 | Jan. 1 - June 30, 2024 |
|---|------------------------|------------------------|
| Group net loss attributable to shareholders of<br>Cherry SE   | -14,417                | -6,600                 |
| Group net loss attributable to shareholders of<br>Cherry SE (for the purpose of calculating diluted earnings per share) | -14,417                | -6,600                 |
| Weighted average number of shares in circulation  | 23,190                 | 23,190                 |
| Dilutive effect of share-based remuneration   | -                      | -                      |
| Weighted average number of shares in circulation (diluted)  | 23,190                 | 23,190                 |
| Undiluted earnings per share  | -0.62                  | -0.28                  |
| <b>Diluted earnings per share</b>   | <b>-0.62</b>           | <b>-0.28</b>           |

## 6. SEGMENT INFORMATION

The operating segments are reported on in a manner consistent with the internal reporting to the chief operating decision maker. As the chief operating decision-maker, the Management Board manages the company at the level of the four operating divisions (or segments) Components, Gaming Devices, Office Devices and Digital Health & Solutions. Due to the joint operational management and the comparability of the Gaming Devices and Office Devices divisions in terms of content and business, these two divisions are combined into one reportable segment, Gaming & Office Peripherals, for external reporting purposes in accordance with the requirements of IFRS 8.

The Management Board assesses the profitability of the business segments on the basis of revenue and gross profit on sales (GPII margin). The Group's earning power is assessed on the basis of consolidated revenue and adjusted earnings before interest, taxes, depreciation and amortization (adjusted EBITDA = adjusted earnings before interest, taxes, depreciation and amortization).

The following table shows the segment information on the reportable segments for the first half of the 2025 financial year as submitted to the Executive Board.

|  | COMPONENTS    | GAMING &<br>OFFICE<br>PERIPHERALS | DIGITAL HEALTH<br>& SOLUTIONS | CORPORATE &<br>CONSOLIDATIONS | Group          |
|--|---------------|-----------------------------------|-------------------------------|-------------------------------|----------------|
| € thousand                                       |               |                                   |                               |                               |                |
| <b>Revenue (segment revenue)</b>                 | <b>4,313</b>  | <b>33,575</b>                     | <b>9,988</b>                  | <b>-1,878</b>                 | <b>45,998</b>  |
| - external revenue                               | 2,435         | 33,575                            | 9,988                         | -                             | 45,998         |
| - intragroup revenue                             | 1,878         | -                                 | -                             | -1,878                        | -              |
| Cost of sales                                    | -6,394        | -26,345                           | -6,162                        | 1,397                         | -37,504        |
| <b>Gross profit/loss</b>                         | <b>-2,081</b> | <b>7,230</b>                      | <b>3,826</b>                  | <b>-481</b>                   | <b>8,494</b>   |
| Marketing and selling expenses                   | -2,387        | -7,652                            | -2,157                        | -733                          | -12,929        |
| Research and development expenses                | -115          | -1,455                            | -4,445                        | -749                          | -6,764         |
| Administrative expenses                          | -             | -                                 | -                             | -8,164                        | -8,164         |
| Other operating income/ expenses, net            | -             | -1                                | 5,713                         | -469                          | 5,243          |
| <b>EBIT</b>                                      | <b>-4,583</b> | <b>-1,878</b>                     | <b>2,937</b>                  | <b>-10,596</b>                | <b>-14,120</b> |
| <b>EBIT (adjusted)<sup>1</sup></b>               | <b>-3,001</b> | <b>-893</b>                       | <b>8,809</b>                  | <b>-9,592</b>                 | <b>-4,677</b>  |
| <b>EBIT margin (adjusted)<sup>1</sup></b>        | <b>-69.6%</b> | <b>-2.7%</b>                      | <b>88.2%</b>                  | <b>N/A</b>                    | <b>-10.2%</b>  |
| Depreciation, amortization and impairment losses | -1,608        | -1,908                            | -3,785                        | -383                          | -7,684         |
| <b>EBITDA</b>                                    | <b>-2,975</b> | <b>30</b>                         | <b>6,722</b>                  | <b>-10,213</b>                | <b>-6,436</b>  |
| <b>EBITDA (adjusted)<sup>1</sup></b>             | <b>-2,975</b> | <b>30</b>                         | <b>9,894</b>                  | <b>-9,208</b>                 | <b>-2,259</b>  |
| <b>EBITDA margin (adjusted)<sup>1</sup></b>      | <b>-69.0%</b> | <b>0.1%</b>                       | <b>99.1%</b>                  | <b>N/A</b>                    | <b>-4.9%</b>   |

The table below shows the segment information for the same period last year from January 1 to June 30, 2024.

|  | COMPONENTS   | GAMING &<br>OFFICE<br>PERIPHERALS | DIGITAL HEALTH<br>& SOLUTIONS | CORPORATE &<br>CONSOLIDATIONS | Group         |
|--|--------------|-----------------------------------|-------------------------------|-------------------------------|---------------|
| € thousand                                       |              |                                   |                               |                               |               |
| <b>Revenue (segment revenue)</b>                 | <b>6,035</b> | <b>41,722</b>                     | <b>16,234</b>                 | <b>-2,431</b>                 | <b>61,560</b> |
| - external revenue                               | 3,604        | 41,722                            | 16,234                        | -                             | 61,560        |
| - intragroup revenue                             | 2,431        | -                                 | -                             | -2,431                        | -             |
| Cost of sales                                    | -5,601       | -29,545                           | -8,089                        | 2,594                         | -40,641       |
| <b>Gross profit/loss</b>                         | <b>434</b>   | <b>12,177</b>                     | <b>8,145</b>                  | <b>163</b>                    | <b>20,919</b> |
| Marketing and selling expenses                   | -349         | -7,423                            | -1,721                        | -2,892                        | -12,385       |
| Research and development expenses                | -881         | -1,012                            | -1,222                        | -550                          | -3,665        |
| Administrative expenses                          | -3           | -45                               | -4                            | -8,598                        | -8,650        |
| Other operating income/ expenses, net            | -            | -                                 | -                             | 463                           | 463           |
| <b>EBIT</b>                                      | <b>-799</b>  | <b>3,697</b>                      | <b>5,198</b>                  | <b>-11,414</b>                | <b>-3,318</b> |
| <b>EBIT (adjusted)<sup>1</sup></b>               | <b>-254</b>  | <b>3,697</b>                      | <b>5,198</b>                  | <b>-10,170</b>                | <b>-1,529</b> |
| <b>EBIT margin (adjusted)<sup>1</sup></b>        | <b>-4.2%</b> | <b>8.9%</b>                       | <b>32.0%</b>                  | <b>N/A</b>                    | <b>-2.5%</b>  |
| Depreciation, amortization and impairment losses | -900         | -1,561                            | -1,119                        | -386                          | -3,966        |
| <b>EBITDA</b>                                    | <b>101</b>   | <b>5,258</b>                      | <b>6,317</b>                  | <b>-11,028</b>                | <b>648</b>    |
| <b>EBITDA (adjusted)<sup>1</sup></b>             | <b>646</b>   | <b>5,258</b>                      | <b>6,317</b>                  | <b>-9,784</b>                 | <b>2,437</b>  |
| <b>EBITDA margin (adjusted)<sup>1</sup></b>      | <b>10.7%</b> | <b>12.6%</b>                      | <b>38.9%</b>                  | <b>N/A</b>                    | <b>4.0%</b>   |

<sup>1</sup> Adjusted for non-budgeted one-off and/or non-operating items

#### Reconciliation of EBIT to the operating result before income taxes:

| € thousand                           | Jan 1 - June 30, 2025 | Jan 1 - June 30, 2024 |
|--------------------------------------|-----------------------|-----------------------|
| Adjusted EBIT of reportable segments | 4,915                 | 8,641                 |
| Corporate & Consolidations           | -9,592                | -10,170               |
| Adjustments                          | -9,443                | -1,789                |
| EBIT                                 | -14,120               | -3,318                |
| Financial result                     | -1,278                | -1,283                |
| <b>Loss before tax</b>               | <b>-15,398</b>        | <b>-4,601</b>         |

The adjustments include one-off, non-operating and unbudgeted special effects in connection with personnel expenses, write-downs on inventories, M&A transactions and other one-off, non-operating special effects and write-downs on intangible assets, property, plant and equipment and right-of-use assets.

The following adjustments were made to EBIT/EBITDA in the respective reporting periods:

| € thousand  | Jan 1 - June 30, 2025 | Jan 1 - June 30, 2024 |
|---|-----------------------|-----------------------|
| Exceptional personnel expenses  | -                     | 92                    |
| Impairment losses on inventories  | -                     | 545                   |
| Other non-recurring exceptional items   | 4,176                 | 1,152                 |
| <b>Total EBITDA adjustments</b>   | <b>4,176</b>          | <b>1,789</b>          |
| Impairment losses on intangible assets, property, plant and equipment and right-of-use assets | 5,267                 | -                     |
| <b>Total EBIT adjustments</b>   | <b>9,443</b>          | <b>1,789</b>          |

## 7. EXPLANATORY NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

The Cherry Group's cash flow statement shows how cash and cash equivalents changed as a result of cash inflows and outflows in the first half of 2025 and in the same period of the previous year, thereby providing information on the sources and use of funds. In addition, cash flows for the second quarter of 2025 and the comparable quarter of 2024 are reported separately to enable a differentiated view of short-term developments. The cash flow statement was prepared in accordance with IAS 7 "Cash Flow Statements" and is divided into cash flows from operating activities, investing activities, and financing activities.

Total cash flow for the first half of 2025 amounted to EUR -8,298k (H1/2024: EUR -30,565k), of which EUR 1,307k was attributable to the second quarter (H1/2024: EUR -15,675k).

Cash flow from operating activities amounted to EUR -13,631k in the first half of 2025 (H1/2024: EUR -5,346k). In the first half of 2025, operating cash flow was mainly impacted by negative EBITDA of EUR -6,436k, which includes a cash flow effective gain from the sale of the hygiene peripherals business in the amount of EUR 5,713k. As this income is not attributable to operating activities and is reported in cash flow from investing activities, operating EBITDA excluding this effect is correspondingly lower. On the other hand, a decline in working capital had a positive effect, in particular due to the reduction in inventories (EUR -10,595k) and current trade receivables (EUR -5,522k).

Cash flow from investing activities includes the purchase price received as of the balance sheet date for the sale of the hygiene peripheral equipment business to Contour Design Nordic A/S in the amount of EUR 10,350k (H1/2024: EUR 0k) and payments for investments in property, plant and equipment (EUR -453k; H1/2024: EUR -917k) and intangible assets (EUR -1,613k; H1/2024: EUR -1,811k).

Cash flow from financing activities includes the raising of loans amounting to EUR 637k (H1/2024: EUR 0k) and the repayment of financial loans (EUR -1,354k; H1/2024: EUR -20,123k) and lease liabilities (EUR -2,234k; H1/2024: EUR -2,371k) at Cherry SE and its domestic and foreign subsidiaries.

The cash fund as of June 30, 2025 consists exclusively of short-term deposits with a remaining term of no more than three months at banks in the amount of EUR 7,857k (June 30, 2024: EUR 15,567k).

## 8. OTHER DISCLOSURES

### 8.1. Disclosures on financial instruments

The following table shows the carrying amounts of the main financial instruments by class:

| € thousand   | June 30, 2025 | Dec. 31, 2024 |
|--|---------------|---------------|
| <b>Assets measured at amortized cost</b>   |               |               |
| Trade receivables  | 14,537        | 20,059        |
| Cash and cash equivalents  | 7,857         | 16,370        |
| <b>Assets measured at fair value</b>   |               |               |
| Current derivative financial instruments   | 1,714         | -             |
| Non-current derivative financial instruments                                     | 1,185         | -             |
| Non-current financial assets (excluding derivative financial instruments)        | -             | 87            |
| <b>Total</b>   | <b>25,293</b> | <b>36,516</b> |
| € thousand   | June 30, 2025 | Dec. 31, 2024 |
| <b>Liabilities measured at amortized cost</b>                                    |               |               |
| Trade payables   | 12,488        | 24,339        |
| Current financial debt   | 1,813         | 1,377         |
| Other current financial liabilities (excluding derivative financial instruments) | 6,798         | 8,058         |
| Non-current financial debt   | 23,735        | 24,975        |
| <b>Liabilities measured at fair value</b>  |               |               |
| Derivative financial instruments   | 607           | -             |
| <b>Total</b>   | <b>45,441</b> | <b>58,749</b> |

The fair value of trade receivables and payables, current financial assets, cash and cash equivalents (liquid funds) and other current financial liabilities and current financial liabilities corresponds to the respective carrying amount due to the short maturities. The loan agreed in June 2021 has a variable interest rate. Movements in the underlying interest rate will result in a variable interest charge in future, so that the carrying amount essentially reflects the fair value (of hierarchy 2). Derivatives in the form of forward exchange contracts are measured at fair value (hierarchy 2). The fair value was determined as the present value of the future cash flows from the forward exchange contract using the corresponding yield curve. The current and non-current derivative financial assets from the variable purchase price receivable from the sale of the hygiene business amounting to EUR 2,899k are measured at fair value (hierarchy 3). Based on the contractual purchase price agreement between Cherry and Contour, we determined the variable purchase price components linked to the achievement of EBITDA targets using the discounted cash flow valuation method, applying a discount rate of 8.96%. This is derived from the weighted average cost of capital (WACC). The WACC was determined on the basis of the current interest rate level in the European Union, taking into account the relevant country risks and an appropriate peer group. The fair value was determined as of May 31, 2025, with no changes occurring between then and June 30, 2025, meaning that the valuation in the first half of 2025 will have no impact on earnings. If the discount rate were to decrease or increase by 1 percentage point, this would result in a change in fair value of EUR 25k or EUR -24k.

According to IFRS 7, financial instruments to be measured at fair value are to be classified in a three-level measurement hierarchy (Level 1: financial instruments whose fair value can be determined directly on the basis of market prices; Level 2: financial instruments whose fair value can be determined directly or indirectly on the basis of observable market data; Level 3: financial instruments whose fair value is calculated using measurement methods that do not include factors directly observable on the active market).

### 8.2. Events after the end of the reporting period

On July 31, 2025, Jurjen Jongma was appointed Chief Financial Officer of the Group by the Supervisory Board with effect from September 1, 2025. He replaces Volker Christ, who previously headed the Finance department as Executive Vice President Global Finance & IT and left the company on July 31, 2025.

Developments relevant to the Group in the import tariff negotiations between the European Union and the USA are emerging; however, due to the continuing uncertainties, no reliable statements can currently be made regarding possible effects.

On September 11, 2025, Cherry announced that the equity value of the legal entity Cherry SE could be assumed to be less than half of the registered share capital. An extraordinary general meeting to inform shareholders will be convened in the near future.

### 8.3. Disclosure pursuant to Section 115 [5] WpHG

These interim consolidated financial statements and the interim Group management report have not been reviewed by an auditor.

#### 8.4. Responsibility Statement by the Legal Representatives

To the best of our knowledge, and in accordance with the applicable reporting principles, the Condensed Interim Consolidated Financial Statements for the period from January 1 to June 30, 2025 give a true and fair view of the assets, liabilities, financial position and result of the Group, and the Interim Group Management Report 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.

Munich, September 26, 2025

Cherry SE



Oliver Kaltner  
CEO



Dr. Udo Streller  
COO

## IMPRINT

Cherry SE  
Rosental 7  
c/o Mindspace  
D-80331 Munich, Germany

**Postal address**

Cherrystrasse 2  
D-91275 Auerbach, Germany

**Investor Relations**

Nicole Schillinger  
T +49 9643 2061 848  
E [ir@cherry.de](mailto:ir@cherry.de)

Design & Photos:  
Cherry