

Indian UNO MINDA Group takes stake in FRIWO – Milestone for the joint development of the Indian e-mobility market

- Indian regulators approve participation
- UNO MINDA Group will be investing 15 million euro for 5.24% of the equity of FRIWO AG
- Capital increase expected to be completed in Q2 2022
- Equity ratio of FRIWO is expected to rise to more than 25%
- Preparations for joint venture to open up the huge Indian two- and three-wheeler market have begun – market-leading position is targeted

Ostbevern, 6th May 2022 – Following the approval by the responsible Indian supervisory authorities there are no further obstacles to the participation of UNO MINDA Group in FRIWO AG. UNO MINDA Group – a leading Indian supplier of proprietary automotive solutions to OEMs – invests 15 million euro for the acquisition of 5.24% of the equity of FRIWO AG – an international manufacturer of innovative power supply and e-mobility solutions. The cash capital increase and issuance of 448,162 new shares of FRIWO AG required for this purpose is expected to be completed by the beginning of June 2022, excluding subscription rights.

Start of joint venture for the production of two- and three-wheelers with electric drives

This transaction is an important milestone for the planned joint development of the huge Indian two- and three-wheeler market. It was also part of the signing of a joint venture agreement between the two ventures announced in December 2021. FRIWO will hold a minority stake of 49.9% and will participate in the economic success of the joint venture by means of licensing income for FRIWO-technology and investment income. FRIWO expects the first substantial profit and cash flow contributions from these revenues from the 2023 financial year.

Under the joint venture, FRIWO and UNO MINDA will merge their technologies and production capacities on the Indian subcontinent. This will enable the combined company to offer complete e-drive system solutions for the Indian market, combining extremely robust hardware and superior software architecture.

Huge market potential: Two- and three-wheelers with electric drive in India

The respective markets promise very high growth rates, also due to initiatives to increase the use of e-mobility drive solutions by the Indian government, up to a possible ban on combustion engines (<250 cm³). Industry experts see a market potential of up to 30 million two- and three-wheelers in India in 2027. The share of vehicles with electric drives could increase to around 15%. Currently, this share is still marginal. The joint venture of UNO MINDA and FRIWO is aiming for a substantial market share and a market-leading position in this dynamically growing environment. In addition to supplying the Indian market, further sales opportunities outside India could arise for FRIWO through the joint venture's cooperation with well-known global two-wheeler manufacturers. Initial talks regarding joint projects in India are already taking place.

“We are delighted to have UNO MINDA not only as a new strategic anchor shareholder on board, but also as the ideal partner for jointly developing the huge Indian two- and three-wheeler market with electric drive. Preparations for our joint venture have already begun and we are confident of generating substantial earnings and cash flow contributions from the collaboration from 2023 onwards”, comments Rolf Schwirz, Chairman of the Board of FRIWO AG.

Equity ratio of FRIWO expected to jump to >25% thanks to participation of UNO MINDA

FRIWO had already succeeded in improving the equity ratio through a capital increase at the end of 2021. Following the successful completion of the participation of the UNO MINDA-Group in the equity of FRIWO AG, 15 million euro in equity capital will flow into the company and the equity ratio is expected to increase to more than 25%. This means that the planned future growth is solidly financed.

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About FRIWO:

The listed FRIWO AG (General Standard, Frankfurt) with its headquarters in Ostbevern/Northrhine Westphalia is an international manufacturer of technically leading power-supply devices and e-drive solutions. FRIWO provides a whole host of applications with tailored systems from a single source. FRIWO, founded in 1971, has transformed itself from a provider of power-supply products to a full line supplier of sophisticated and tailored e-mobility solutions. Today, the product portfolio does not only include premium power supply solutions, but also battery charging solutions for a wide range of applications. Furthermore, all components of a modern electric drive solution are also available: from the display, motor control unit and drive unit to the control software. With modern development centers, manufacturing facilities and sales locations in Europe, Asia and the US, FRIWO is present in all of the world's key markets. FRIWO's key customers are leading brands in their respective markets and have embedded FRIWO products in order to provide superior quality to their customers. Main shareholder of FRIWO AG is a subsidiary of VTC GmbH & Co. KG, Munich. For further information, please visit our website at <https://www.friwo.com/en/>