

FRIWO enters into a joint venture with the UNO MINDA Group and decides on capital increase via a cash capital increase and contribution in kind

Ostbevern, 10th December 2021 – FRIWO AG entered a Joint Venture with UNO MINDA Group. FRIWO will hold a minority stake of 49.9 percent and will consolidate the income from the Joint Venture through the company's financial result. In addition, the management board and supervisory board of FRIWO AG today passed the necessary resolutions to carry out a capital increase in cash and a capital increase in kind using the authorized capital and excluding pre-emptive rights. As part of the planned cash capital increase, UNO MINDA is likely to have a stake of around 5.24 percent in FRIWO. As part of the capital increase in kind, the main shareholder of FRIWO AG, VTC GmbH & Co. KG, will convert existing loans of around EUR 13.6 million into equity and will receive new shares in the amount of 4.75 percent of the future share capital.

In the framework of the Joint Venture, FRIWO E-Drive-Technologies and UNO MINDA Technologies will combine their technologies and production capabilities. As a result, the combined entity will be able to offer full line e-drive-solutions for the Indian two- and three-wheeler market. The Joint Venture will be supported by UNO MINDA's marketing, sales and support functions based in India. The newly formed Joint Venture will also utilize the state-of-the-art production facilities in India from UNO MINDA. The respective markets promise high growth rates facilitated by governmental initiatives in India.

UNO MINDA plans a 15 million euro investment in FRIWO AG via a capital increase in kind excluding pre-emptive rights in order to strengthen the industrial partnership between the two groups. The planned transaction and the capital measure are subject to regulatory approval, including of the Reserve Bank of India. Hence, it will be finally confirmed in the course of the first quarter of 2022 whether this capital increase can be implemented as intended.

In parallel to the investment of UNO MINDA, FRIWO's main shareholder VTC GmbH & Co. KG through its subsidiary CARDEA will also enhance the financial soundness and balance sheet quality of the company via a debt-equity swap in the amount of 13.6 million euros. In that context, the Management Board, with the approval of the Supervisory Board, has passed a resolution to increase the share capital of FRIWO AG by issuing 406,334 new ordinary shares utilizing the Authorized Capital, excluding pre-emptive rights of existing shareholders. The new shares will be issued at a price of 33.47 euros per share.

Furthermore, the Management Board and the Supervisory Board have passed the necessary resolutions to offer UNO MINDA 448,162 new shares at the same price as stated above. This capital increase for cash of 15 million euros is subject to the approval of the Reserve Bank of India. The new ordinary shares of both transactions represent 9.99 percent of the future registered share capital of FRIWO. After the completion of both transactions, VTC will hold 81.59 percent and UNO MINDA 5.24 percent of the then existing total share capital in FRIWO AG.

Further Information:

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