

E-mobility joint venture in India in full swing, promising talks on market development in neighboring countries

- Six of the world's seven largest two- and three-wheeler manufacturers are already customers
- New FAME III funding program from the Indian government expected
- Promising talks about first customer orders and production in Indonesia and Vietnam
- FRIWO anticipates a significant increase in license and investment income

Ostbevern, June 12, 2024 – The joint venture between FRIWO and the Indian UNO MINDA Group for electric drive solutions for two- and three-wheeled vehicles in India, which was launched two years ago, is running at full speed following the start of production in 2023 at the joint production facility south of New Delhi. Six of the seven most important producers of two- and three-wheelers are currently customers of the joint venture. These include the largest motorcycle manufacturers from Japan as well as India. Mass production for electronic components and e-mobility solutions has already begun for three of these customers, while the parties are still working on development projects for a further three, which are also set to go into mass production in the near future. In addition, further talks are underway, some of which are at an advanced stage, regarding orders that could significantly increase the sales potential for subsequent years. In this case, an expansion of the existing production area of around 15,000 square meters has already been discussed. UNO MINDA holds 50.1% and FRIWO 49.9% of the joint venture.

New Indian government support program could generate additional demand

The joint venture can also hope for extensive support from the Indian government. The existing government program to promote electric vehicles, FAME (Faster Adoption and Manufacturing of Electric Vehicles), is set to be significantly expanded for a third time. A budget of almost 100 billion Indian rupees (equivalent to around 1 billion euros) is said to be earmarked for this. According to rumors, the plan is to be implemented within the first 100 days after the new government, which has just been elected, takes office. Among other things, FAME III is intended to offer financial incentives for the purchase of electric two- and three-wheeled vehicles.

The joint venture is already a market leader in e-mobility drive solutions for two- and three-wheelers in India and is aiming for a substantial share of the market volume, which is expected to reach around 4.5 million vehicles by 2027. According to experts, the aforementioned support measures and initiatives by the Indian government to combat massive environmental pollution should increase the share of vehicles with electric drives to around 15% of the total market potential for two- and three-wheelers.

“We are very satisfied with the development of our India joint venture. Mass production for several customers has already started at our new production plant and we are in advanced development projects with others. The Indian government’s new incentive program for more electromobility, which is expected in the near future, should further support our growth ambitions. In addition, as announced, we are also in good talks regarding the expansion of our involvement in other Southeast Asian countries such as Indonesia and Vietnam,” commented Rolf Schwirz, CEO of FRIWO AG.

FRIWO can expect increasing license and investment income

FRIWO will receive license income of 4% from the joint venture for the contribution of its unique technological expertise in electric drive systems once the break-even point is reached. As a result, the company can expect a significant increase in license and investment income in the coming years. As announced, this is unlikely to reach a significant level in the current financial year, even against the backdrop of the necessary start-up investments.

Great market potential in other Southeast Asian countries

Similar to India, other nations in Southeast Asia are also increasingly striving to significantly increase the share of electromobility in road transportation. This applies in particular to Indonesia and Vietnam, where FRIWO is in advanced talks regarding the initiation of partnerships with regional two- and three-wheeler manufacturers and is also planning to outsource parts of its production to its existing Indian joint venture partner UNO MINDA. The resulting great market potential is also supported by the efforts of the leading Japanese vehicle manufacturers in the region to establish a standardized range of solutions for their two- and three-wheelers for the Asian markets and possibly even worldwide. FRIWO already has successfully established customer contacts here via the Indian joint venture. However, significant revenue is not expected until 2026 at the earliest, although this would be directly attributable to FRIWO depending on the planned cooperation with regional partners and would not be recognized as license income.

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About FRIWO:

FRIWO AG, listed in the General Standard of the Frankfurt Stock Exchange and headquartered in Ostbevern/Westphalia, is an international manufacturer of technically leading chargers and e-drive solutions. FRIWO offers a whole range of applications with customized systems from a single source. Founded in 1971, the company has evolved from a supplier of power supply products to a full-range provider of sophisticated and customized solutions for electromobility. Today, the product portfolio includes not only high-quality power supply solutions, but also battery charging solutions for a wide range of applications. In addition, all components of a modern electric drive solution are also available: from the display to the motor control and drive unit to the control software. With modern development centres, production facilities and sales locations in Europe, Asia and the USA, FRIWO is present in all the world's major markets. FRIWO's most important customers are leading brands in their respective markets and rely on FRIWO products to provide their customers with the highest quality. The main shareholder of FRIWO AG is a subsidiary of VTC GmbH & Co. KG, Munich. For more information, please visit our website at <https://www.friwo.com>