

VARTA AG, Ellwangen, ISIN: DE000A0TGJ55

VARTA AG: Disclosure in accordance with section 111c (4) AktG (German Stock Corporation Act) with the aim of pan-European distribution

Disclosure of material transactions with related parties in accordance with section 111c (4) AktG

VARTA AG, Ellwangen

On March 27, 2020 and May 13, 2020, the Supervisory Boards of VARTA AG and VARTA Microbattery GmbH approved the negotiation and conclusion of a long-term lease agreement for commercial properties between WertInvest Ellwangen Immobilien GmbH ("WertInvest") as lessor and VARTA Microbattery GmbH ("VARTA") as lessee without the involvement of the Chairman of the Supervisory Board, Prof. DDr. Michael Tojner. The lease agreement was signed on 30 June 2020.

The lessor WertInvest is indirectly majority owned by the indirect majority shareholder of VARTA AG, Montana Tech Components AG, and is therefore a related party of VARTA AG in the sense of section 111a AktG.

The subjects of the lease agreement are two new production facilities, built to VARTA's specifications, and a comprehensively renovated canteen at the Ellwangen site covering a total area of around 7,000 m². The new production plants are located in close proximity to the existing production facilities. The rental agreement was concluded for an indefinite term from the handover of the facilities. VARTA has a right to terminate for the first time after 10 years: the lessor has a right to terminate for the first time after 15 years. This differentiation enables VARTA to rent the production facilities for at least 15 years. Among other contingencies, in the event of ordinary termination by the lessor, VARTA has an option to acquire the land and production facilities at fair value determined on the basis of appraisals in accordance with standard market methods. The purchase option must be taken up within 12 months of gaining knowledge that one of the conditions governing the exercise of the option is being exercised. The first facility is expected to be handed over beginning of July this year.

The net monthly rental price totals € 118,334.00. The value of the rental agreement is € 14.2m up to the point at which VARTA first has the option of terminating the agreement, calculated from an assumed start date of July 1, 2020 for usage of the facilities. The monthly rental price is due as soon as the respective facility is handed over. The calculation of the rental price was based on customary local comparative rates for commercial properties of a similar type, size, condition and development, whereby proximity to the existing production facilities used by VARTA on the site used by VARTA and the new condition of the commercial properties as well as the construction of the production facilities to VARTA's specifications were taken into account, with the rental price increased accordingly. The Executive Board and Supervisory Board of VARTA AG have validated the rental rate determined in this way by means of two expert opinions prepared by real estate assessors using the capitalized earnings value and comparative value method.

WertInvest has owned all the real estate at the VARTA Group's site in Ellwangen since 2015 and has already been renting the space to VARTA as open space and part of the company premises. With the expansion of VARTA's production capacities, it has now become necessary to construct two additional production plants at the Ellwangen site, which have been erected on the rented space and are the subjects of the new long-term lease.

Ellwangen, June 2020

The Executive Board