



Press Release: Commercial term sheet | VARTA AG

VARTA AG reaches agreement on a restructuring plan and creates the basis for a sustainable business perspective

- Long-term funding needs secured
- New money of € 100 million to strengthen the Group's liquidity and for future strategic investments
- After haircut and recapitalisation, financial liabilities amount to € 260 million
- DDr. Tojner and Porsche to become shareholders after completion of recapitalisation

Ellwangen, August 17, 2024 – VARTA AG today reached an important milestone in its negotiations with almost all of its syndicated loan creditors and promissory note holders as well as strategic investors and agreed on the key economic cornerstones of a long-term viable reorganisation concept. The restructuring of the balance sheet initially focuses on a haircut, which will reduce the existing financial liabilities by € 285 million from € 485 million to € 200 million in the future.

The second pillar of the reorganisation concept is the complete reduction of VARTA AG's share capital to zero. Immediately following the capital reduction, VARTA AG will be provided with € 60 million in new equity through a capital increase – of which € 40 million in cash – and a further € 60 million in new funds through a senior secured loan, among other things to strengthen the Group's liquidity and for future strategic investments in technological development.

CFO Marc Hundsdorf: *"With today's commercial agreement between all parties, a decisive breakthrough for a sustainable future concept for VARTA AG has been achieved. With the financial restructuring measures and the commitments of individual investors, we have created the balance sheet basis to fully realise VARTA AG's potential for innovation and technology leadership as well as being a reliable partner and employer. With the implementation of the measures agreed today, the Group's financing and liquidity are now sustainably stabilised and secured for the long term."*

CRO Michael Giesswein adds: *"This restructuring concept takes into account the interests of all parties involved in a balanced manner. On behalf of my colleagues on the Executive Board, I would like to expressly thank all parties for this important interim result. Now we need to implement our plans and the measures agreed here with full vigour. The past weeks and months have not been easy, especially for employees, customers and suppliers. We greatly appreciate your patience, understanding and trust in VARTA AG, which cannot be taken for granted."*

The capital increase will be initially subscribed by the German sports car manufacturer Dr Ing. h.c. F. Porsche AG ('Porsche') and a company controlled by DDr Michael Tojner ('MT InvestCo'). The new senior financing of € 60 million will be provided by existing lenders. In future, they will also participate in the economic equity of VARTA AG via a virtual shareholding of 36%, with the remaining 64% being shared by MT InvestCo and Porsche - each with 32%.

DDr Michael Tojner, Chairman of the Supervisory Board and majority shareholder: *"Today's economic agreement represents a decisive turning point for the future of VARTA AG. Despite the current economic challenges, the company offers great potential to make Europe's battery cell research and production less dependent on Asian suppliers. Together with Porsche, we want to make a contribution to this. With today's agreement, we have together taken an important first step that secures the stability of VARTA AG and paves the way for a new start."*



The existing and new debt will mature on 31 December 2027. As a result, the measures described above will enable the company to significantly reduce its debt, obtain long-term financing and at the same time have a very solid framework to ensure the realisation of current business plans and technology investments until the end of 2027.

VARTA AG will keep the public informed of the process and its progress.

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About VARTA AG

VARTA AG manufactures and markets a comprehensive battery portfolio ranging from microbatteries, household batteries and energy storage systems to customised battery solutions for a wide range of applications. Through intensive research and development, VARTA sets global standards in many areas of lithium-ion technology and microbatteries and is the recognised innovation leader in the important growth markets for lithium-ion technology and primary hearing aid batteries. The VARTA AG Group currently employs around 4,000 people. With five production and manufacturing sites in Europe and Asia as well as distribution centres in Asia, Europe and the USA, VARTA AG's operating subsidiaries are currently active in over 100 countries worldwide.