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## Corporate News, VARTA AG Resolves Capital Increase from Authorized Capital

### **VARTA AG finances expansion of production capacities for lithium-ion batteries from capital increase**

- Further expansion of production capacities for lithium-ion batteries to well above 100 million batteries per year
- Capacity expansion requires additional investment of around EUR 100 million (to manufacture an additional 40 million batteries per year).
- The investment is to be financed by a capital increase from authorized capital
- New shares will be exclusively offered to institutional investors as part of an international private placement by means of an accelerated book building process
- The new shares will carry full dividend rights for 2019
- First trading day for the new shares is expected to be June 14, 2019.

Ellwangen, June 12, 2019 – The VARTA AG Group, leaders in technology and innovation for rechargeable lithium-ion batteries for high-tech consumer products, and wireless premium headphones in particular, is further expanding its production capacities – to well above 100 million batteries in 2021. The capacity expansion requires an additional investment of around EUR 100 million (to manufacture an additional 40 million batteries per year). The investment is to be financed by a capital increase from authorized capital by way of an international private placement for institutional investors.

Herbert Schein, Chief Executive Officer (CEO) of VARTA AG: “Demand for our lithium-ion batteries has remained strong. For this reason, we are investing heavily in expanding our production capacities. The capital increase will allow us to further accelerate the successful growth path we have been pursuing.”

With the approval of the Supervisory Board, the Management Board of VARTA AG (the “Company”) has today resolved to increase the Company’s share capital with exclusion of the shareholders’ subscription rights. The capital increase shall be effected against cash contributions and with partial utilization of the existing authorized capital. The Company’s share capital will be increased by such aggregate number of new no-par-value bearer shares with a notional value in the share capital of EUR 1.00 per share which yields gross proceeds of approximately EUR 100,000,000. The new shares will be exclusively offered to institutional investors as part of an international private placement by means of an accelerated book building process, which will commence immediately after this announcement and is expected to close before markets open tomorrow.

Steffen Munz, Chief Financial Officer (CFO) of VARTA AG, adds: “With this capital increase, we are strengthening our equity base in order to meet huge customer demand for lithium-ion batteries. We have created financial leeway for ourselves with the aim of reacting rapidly and flexibly to the boom in customer demand.”

The new shares are fully entitled to dividends for the 2019 financial year. The new shares will carry the same rights as the existing shares.



The new shares shall be admitted to trading on the regulated market of the Frankfurt Stock Exchange, without a prospectus, with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard).

The net proceeds from the capital increase shall be used to finance a further expansion of production capacities for rechargeable lithium-ion batteries for high-tech consumer products, and wireless premium headphones in particular. The announced expansion of production capacities to over 80 million batteries per year in 2020 and well above 100 million batteries per year as of 2021 will require an additional investment in the region of EUR 100 million. Originally, the Company had planned to expand production capacities to over 60 million batteries by 2020.

This is a consequence of unabated high levels of customer demand in a market that is growing by more than 30% per annum. This very strong market growth is characterized by the trends towards miniaturization of application devices, increasing connectivity and wireless devices.

The Group is striving to attain global market leadership for lithium-ion batteries with a market share of around 50% in 2020. The original plan had been to expand annual production capacity from approximately 50 million batteries to around 60 million batteries in 2020. Berenberg is acting as Sole Global Coordinator and Sole Bookrunner for the transaction. The Company has agreed to a lock-up of six months, subject to customary exceptions. The first trading day for the new shares is expected to be June 14, 2019.

#### **About VARTA AG**

VARTA AG, as the parent company of the Group, is active in the Microbatteries and Energy Storage Solutions business segments through its subsidiaries VARTA Microbattery GmbH and VARTA Storage GmbH. Today, VARTA Microbattery GmbH is already an innovation leader in the field of microbatteries, one of the market leaders for hearing aid batteries and is also striving for market leadership for lithium-ion batteries in the wearables sector by 2020, especially for hearables. VARTA Storage GmbH focuses on the design, system integration and assembly of stationary lithium-ion energy storage systems for households and commercial applications as well as on tailor-made battery storage systems for OEM customers. With five production and manufacturing facilities in Europe and Asia as well as sales centers in Asia, Europe and the USA, the operating subsidiaries of the VARTA AG Group are currently active in over 75 countries worldwide.

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#### **Contact:**

Nicole Selle  
Corporate Communications  
Tel.: +49 79 61 921-221  
Email: [nicole.selle@varta-ag.com](mailto:nicole.selle@varta-ag.com)

Bernhard Wolf  
Head of Investor Relations  
Tel: +49 79 61 921-969  
[bernhard.wolf@varta-ag.com](mailto:bernhard.wolf@varta-ag.com)