

## Statement on patent infringement related to lithium-ion batteries

Ellwangen, January 12, 2020

### **VARTA AG continues dynamic growth and secures its business model, including with patents**

- **VARTA AG accelerates growth further, especially in lithium-ion batteries for premium true wireless headsets**
- **Production capacity for lithium-ion cells to be massively expanded at an accelerated rate**
- **Production capacity of at least 100 million cells by mid-2020**
- **Market share of at least 50% anticipated for Entertainment batteries for wireless headsets in 2020**
- **VARTA takes action against patent infringements**

VARTA AG, a technology and innovation leader in its industry and one of the world's leading suppliers of rechargeable lithium-ion batteries, especially for premium true wireless headsets, continues to grow very dynamically. This is due to the unabated high level of customer demand for lithium-ion batteries in a market that is growing at around 30% annually. As a result, production capacity for lithium-ion cells will continue to be massively expanded at an accelerated rate. By mid-2020, production capacity of at least 100 million cells will be available. The company's growth continues to be dynamic, which will lead to renewed capacity expansions in 2020. VARTA is aiming for global market leadership in lithium-ion batteries for true wireless headsets with a market share of more than 50% in 2020.

In mid-December, during the course of regular competition investigations, VARTA discovered that batteries from Chinese competitors were being used in wireless headphones from several manufacturers. In these tests, batteries were found to infringe VARTA patents. Following this discovery, VARTA immediately took legal action and issued warnings to retailers and manufacturers. VARTA AG reserves the right to take further legal action.

VARTA owns relevant industrial property rights in Europe, the USA, China and Japan and pursues all patent infringements, including by legal means where necessary.

On January 7, 2020, VARTA AG became aware of a report covering the use of batteries from Chinese competitors, among other aspects. In this report the author also mentioned that he is having a short position.

The company will continue to monitor competitive products on an ongoing basis and take action against patent infringements.



## **About VARTA AG**

VARTA AG produces and markets a comprehensive battery portfolio, ranging from microbatteries, household batteries, energy storage systems to customer-specific battery solutions for a wide range of applications, and, as a technology leader, sets industry standards in key areas. As the parent company of the Group, it operates in the business segments "Microbatteries & Solutions" and "Household Batteries".

The "Microbatteries & Solutions" segment focuses on the OEM business for microbatteries as well as on the lithium-ion battery pack business. Through intensive research and development, VARTA sets global standards in the microbattery sector and is a recognized innovation leader in the important growth markets of lithium-ion technology and primary hearing aid batteries. The "Household Batteries" segment comprises the battery business for end customers, including household batteries, rechargeable batteries, chargers, portable power (power banks) and lights as well as energy storage devices. The VARTA AG Group currently employs almost 4,000 people. With five production and manufacturing facilities in Europe and Asia, and distribution centers in Asia, Europe and the USA, VARTA AG's operating subsidiaries are currently active in over 75 countries worldwide.

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