



VARTA AG announces financial reorganization with StaRUG proceedings

Ellwangen, 21 July 2024

VARTA AG has decided today to notify the competent local court of Stuttgart on short notice of a restructuring project in accordance with the German Corporate Stabilization and Restructuring Act (StaRUG). The planned StaRUG proceedings are an important building block for the implementation of an updated restructuring concept for VARTA. As part of the proceedings, various constellations of possible debt and equity financing will be discussed. The StaRUG proceedings would enable VARTA a financial restart to become competitive again in the long term.

"We are confident that our restructuring concept will create a solid basis for VARTA's future stability and prospects," says Michael Ostermann, CEO of VARTA AG. "Our dedicated team and our partners are working tirelessly to find the best possible solution."

Debt haircut and share capital reduction to zero in the StaRUG proceedings

The notification of the StaRUG proceedings is intended to avert a possible insolvency of the company in the long term. The implementation of the restructuring concept in the StaRUG proceedings secures jobs and protects the interests of creditors better than possible alternative scenarios. For VARTA, the focus is on reducing current liabilities.

"VARTA must use the StaRUG process to reduce its debt to a reasonable level in order to move forward again," says Michael Giesswein, CRO of VARTA AG. "The current debt situation is foreseeably blocking the VARTA Group's chances of positive business development. Without reducing our debt, we will not be able to make the necessary investments," continues Giesswein. As a result, we will not be able to exploit market potential and take advantage of sales opportunities. VARTA's market position would deteriorate from year to year.

The way out of this situation would be a haircut under the StaRUG procedure. A haircut is an agreement between the debtor and its creditors that cancels part of the debt in order to restore the company's financial stability. However, VARTA's creditors would only be prepared to take this step at this point in time if a capital reduction to zero is implemented (the existing share capital is reduced to zero) and fresh capital (debt or equity and debt) required for the restructuring is injected. As a result of the capital haircut to zero, all existing shares will lose their value and VARTA AG's stock exchange listing will be permanently cancelled in the near future (delisting). This procedure is necessary to finance the further reorganisation and restart of the company.

A new start to regain strength

„For VARTA, the new start is not only about annual sales of more than €800 million worldwide, but also about maintaining business relationships with more than 3,000 suppliers and over 10,000 trading partners, dealers and customers in more than 100 countries," says Mark Hundsdorf, CFO of VARTA.

In order to achieve a sustainable perspective, further operational measures are required in all business areas to ensure a market-oriented and competitive positioning. This includes strategic investments: We need to invest to maximise our opportunities: We want to benefit from growth areas and strengthen our market position for the long term," says Michael Ostermann. One example of this is the Energy Storage division, where VARTA can participate positively in the growing home storage market in the long term. Rainer Hald, CTO of VARTA, adds: "By securing key battery technology in Germany, VARTA is making a decisive contribution to Europe's economic resilience and independence. Our goal is to create a future for the company with the restructuring concept so that we can continue to do just that."

VARTA AG
VARTA-Platz 1
73479 Ellwangen
Deutschland

Tel.: +49 7961 921-0
Fax: +49 7961 921-73553
info@varta-ag.com
www.varta-ag.com

Vorsitzender
des Aufsichtsrats:
Dr. Dr. Michael Tojner

Vorstand:
Michael Ostermann (CEO)
Marc Hundsdorf (CFO)
Rainer Hald (CTO)
Michael Giesswein (CRO)

Sitz: Ellwangen
Registergericht:
Ulm, HRB 728059



This new beginning also includes the participation of financial creditors and investors who will contribute to the restructuring of VARTA in order to cover what is currently estimated to be a high double-digit million euro funding requirement. Constructive negotiations are currently underway with various potential investors, including a company controlled by the current indirect majority shareholder, Dr Michael Tojner, Dr Ing. h.c. F. Porsche AG, and other interested parties. F. Porsche AG, and other interested parties with whom various proposals are being discussed.

The company's Management Board expects to quickly reach an agreement on one of the proposals under discussion, to conclude corresponding agreements with the relevant parties and to submit a restructuring plan for approval. The reorganisation concept to be implemented through the StaRUG process and the measures envisaged therein should enable VARTA to maintain key technologies in Germany and secure jobs and value creation in the long term.

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

Contact

Public Relations

Interim press spokesman
VARTA AG
Jürgen Beilein
E-Mail: PR@varta-ag.com

Investor Relations

Head of Investor Relations
VARTA AG
Emanuel Sican
E-Mail: IR@varta-ag.com

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.