



Annual General Meeting 2022

Speech given by Rainer Hald, Chief Technology Officer (CTO) of VARTA AG

Ellwangen, June 21, 2022

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Ladies and Gentlemen,
Valued Shareholders,

I would also like to wish you all a very warm welcome. It is a pleasure and privilege for me to talk to you today for the first time in my role as member of the Executive Board of VARTA AG. Herbert Schein said it right at the start: Innovation is what makes us successful. VARTA delivers products that make a difference. And it does so sustainably – in every sense of the word.

VARTA stands for quality and reliability. We ensure that we are constantly developing and manufacturing new products so as to sustainably consolidate and expand our business and market position. Likewise, we sustainably ensure that VARTA remains a successful technology company. Ladies and Gentlemen, this is our responsibility to you. For it is you who invest your capital in us and in this way enable us to continue researching, developing and producing what our customers need: Reliable energy solutions for even better devices.

Of course, sustainability also means above all that we perform our business activities in such a way that we preserve resources and protect the environment. In the 21st century, this is perhaps a matter of course. But for VARTA, this means more. It is a commitment that we are happy to fulfill and one which we have in fact been fulfilling for quite some time already.

I would now like to report on both these aspects: Our innovations and sustainable development. The development and launch of innovative ideas and concepts are in VARTA's DNA. As of today, we have registered more than 450 patents worldwide and we are adding to this tally on a monthly basis. These help to safeguard our innovations and therefore our success too. The patents cover aspects such as electrochemical topics and formulae in addition to electrode coating, but also specific electrode and cell designs as well as electrical treatment and cell safety.

However, VARTA does not only protect its innovations - we also defend them vehemently. Without being able to give you details at this point, I can now tell you that we recently reached a settlement with a Chinese competitor. This settlement is very beneficial for us and ends the patent disputes on a global level. We will be announcing further details at the beginning of July.

The settlement once again shows that we are able to defend our technological edge. In other cases that are currently being heard by the courts, we are likewise highly confident that the rulings will ultimately be positive for us.

Let us now turn to our products.

With CoinPower, we have reached the design-ins phase for our latest devices in the premium true wireless stereo headset space. The leading manufacturers rely on our cells. We have a clear



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roadmap for the next generations of CoinPower cells. In 2021, we presented the A4 version, which, as is the case for all A-series cells, boasts a graphite anode and an NMC-based cathode. This has several advantages, such as high energy density, low cobalt content, and a long service life for our customers' devices. The next generations are already under development, for which we are striving to further increase energy densities and further reduce the cobalt content. For applications that require a higher charging end voltage, we offer the C series CoinPower cells with an LCO cathode. The first generation of the B series with an anode containing silicon offers a significantly higher capacity than our other CoinPower cells - albeit with a reduced number of charge/discharge cycles. With this series in particular, Ladies and Gentlemen, we are the drivers of technological progress. The USP of these cells is that they can offer the highest energy density in the smallest of spaces, making many special applications possible in the first place.

As you can see, VARTA can offer the right technology for every customer and every application. As Herbert Schein has already explained, we are currently planning to build our first gigawatt hour factory for our Lithium-Ion Round Cells. Here, too, we are pursuing a clear strategy in which we will in future produce a cell for a range of different applications in one factory. These applications include power tools, self-driving transport systems, home & garden, energy storage systems, but also cells for the automotive top-performance segment. This makes this factory extremely efficient. We also benefit from knowledge transfer, as our round cells are very similar to our CoinPower cells in terms of their construction.

But what does all this really mean? Both CoinPower and the large-format lithium-ion round cells have a wound electrode design. Many of the manufacturing steps such as electrode production, coil manufacture, electrolyte dosing and formation are similar or even identical.

We are currently producing the first quantities of these cells on our pilot line in Ellwangen, which went on stream at the end of last year.

VARTA boasts a decisive technological advantage: Regardless of whether it is a high-energy or high-performance variant, our cell always offers a performance upgrade versus the competition due to its unique design and electrochemical properties.

This is made possible due to the fact that our cell offers the lowest internal resistance of any lithium-ion round cell currently available on the market. This is a unique feature of VARTA batteries. It offers us a clear competitive edge: Our cell hardly gets warm during rapid charging and discharging and this means it remains within the permitted temperature range. Compared with other batteries, this allows us to use more energy and improves the runtime of our customers' devices. Thanks to our innovative, very homogeneous design, the heat is distributed quickly and very evenly. This also results in an improved service life for our batteries.

The bottom line is that our cells allow device manufacturers to make a difference with their products.

Another focus, as already mentioned by Herbert Schein, is the area of energy storage systems. We presented the VARTA.wall to a trade audience in May. The response has been huge and we are set to deliver the first devices to end customers in spring 2023.

VARTA.wall is a modular high-voltage storage system that can be easily and rapidly expanded, while also complying with the most stringent security standards. In combination with a hybrid inverter and DC coupling with photovoltaics, the result is a highly efficient and attractive storage device with an extraordinarily high energy density. Together with the newly developed die-cast aluminum



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housing and an installation depth of only 10 cm, we can state with confidence that we are once again setting new standards! In addition, we have developed the energy management system even further, and in this way, we have been able to further optimize the self-consumption of self-generated solar energy.

As you can see, Ladies and Gentlemen, we have expanded our strategic focus to include energy storage. This not only opens up new markets for us, it also underscores our commitment to sustainability. VARTA can play a part in making a success of the energy transition. In addition, VARTA itself is ramping up activities aimed at optimizing our ecological footprint.

Our vision in terms of sustainability is: Go to Zero! We operate in accordance with social, ecological and economic values. Accordingly, conformity with sustainability regulations, standards and voluntary commitments is a basic requirement for our business activities. We strive to minimize the environmental impact of all our products throughout their entire life cycle - from raw material extraction to end of life - in order to keep ecosystems intact and generate a positive impact on society as a whole.

We take responsibility here and now, and strive for fair and sustainable management that makes us even more resilient and, above all, fit for the future.

We have implemented effective measures to achieve our goals. Short-term actions include: Low-carbon product designs through conscientious material selection, increased material efficiency and improved durability; direct emissions reduction through hotspot analysis and retrofit planning, as well as requiring our suppliers to track and report their emissions.

The short-term measures also include increasing both the share of renewable electricity and using an increased amount of renewable energy for our own production activities. Improved water management, as part of which we shall seek to analyze hotspots and reduce freshwater consumption while increasing the quality of wastewater flows, is also among these measures.

In the medium term, we will manufacture CO₂-neutral products and avoid direct emissions by continuing to retrofit our own production facilities.

We have documented all of this in our new Sustainability Report, which we have only recently published.

Ladies and Gentlemen, one thing must be made crystal clear: Sustainability for VARTA is a promise that we keep – for both our customers and ourselves. There is no sustainable future without innovative, powerful, mobile and sustainable energy. As such, there is no future for a battery manufacturer incapable of demonstrating its commitment to sustainable production and products. In order to stay true to this commitment, we must remain innovative. Day in, day out, VARTA proves that this is precisely what we are!

Many thanks for your attention.