Quarterly Report Q3 / 2018

of the VARTA AG Group
period ended September 30, 2018

Key figures of the VARTA AG Group (unaudited)

Key figures of the VARTA AG Group

(IN KEUR) UNAUDITED ACCORDING TO IFRS	PERIOD ENDED SEPT. 30, 2018	PERIOD ENDED SEPT. 30, 2017	CHANGE (KEUR)	CHANGE (%)
Revenue	**200,181**	**180,172**	**20,009**	**11.1%**
thereof Microbatteries	*161,322*	*151,363*	*9,959*	*6.6%*
thereof Power & Energy	*38,074*	*28,241*	*9,833*	*34.8%*
Operating earnings (EBIT)	**29,712**	**26,510**	**3,202**	**12.1%**
% of revenue	14.8%	14.7%		
Depreciation and amortization	7,600	6,955	645	9.3%
EBITDA	**37,312**	**33,465**	**3,847**	**11.5%**
% of sales revenue	18.6%	18.6%		
Adjustments				
Costs the initial public offering	*0*	*777*		
Reimbursement claim under pensions	*0*	*-3,629*		
Costs of share-based payment	*1,585*	*0*		
Adjusted EBITDA	**38,897**	**30,613**	**8,284**	**27.1%**
% of revenue	19.4%	17.0%		
Earnings before taxes (EBT)	**29,468**	**23,292**	**6,176**	**26.5%**
% of revenue in % der Umsatzerlöse	14.7%	12.9%		
Consolidated result	**20,620**	**17,700**	**2,920**	**16.5%**
Cashflow aus operativer Tätigkeit	8,677	12,263		
Cashflow aus Investitionstätigkeit	-34,922	-12,236		
Cashflow aus Finanzierungstätigkeit	-49,848	-2,771		
Employees (FTE) as of September 30	2,272	2,069		
Earnings per Share (EPS) in EUR	0.55	0.55		

(IN KEUR) UNAUDITED ACCORDING TO IFRS	SEPT. 30, 2018	DEC 31, 2017	CHANGE (KEUR)	CHANGE IN %
Balance sheet figures				
Total assets	357,128	331,480	25,648	7.7%
Non-current assets	137,153	105,258	31,895	30.3%
Current assets	219,975	226,222	-6,247	-2.8%
thereof cash and cash equivalents	*62,665*	*138,536*	*-75,871*	*-54.8%*
Equity	253,396	230,452	22,944	10.0%
% of total assets	71.0%	69.5%		
thereof subscribed capital	*38,200*	*38,200*	*0*	*0.0%*
Non-current liabilities	29,402	29,423	-21	-0.1%
Current liabilities	74,330	71,605	2,725	3.8%
Net financial debt	-54,469	-130,135	75,666	-58.1%
Net working capital	67,246	41,394	25,852	62.5%

Remarks by the Executive Board

Dear Shareholders,

Nine months into fiscal year 2018, **VARTA AG** has continued its profitable growth: There was again double-digit growth in Group revenue year on year, as well as another very significant improvement in profitability (adjusted EBITDA). The massive investment program to expand production capacity is being implemented on schedule.

Group revenue in the first nine months again recorded double-digit growth of 11% to EUR 200.2m. The Power & Energy segment performed very well, maintain its high growth momentum in the process. Adjusted EBITDA was 27% higher, at EUR 38.9m, compared with the same period in the previous year. By scaling the business model, operating earnings growth has once again outpaced that of revenue. The adjusted EBITDA margin has increased very significantly, by 2.4pp, to 19.4%, which is an improvement even on the strong first half. It was especially positive to note that both the Microbatteries and the Power & Energy segments again made a positive contribution and continued their very positive development.

Revenue in the Microbatteries segment increased by 7% to EUR 161.3m. Growth in lithium-ion batteries remains very strong thanks to sustained demand for wireless lifestyle products, such as premium headphones and other wireless applications. Adjusted EBITDA improved from EUR 35.8m to EUR 36.0m. The adjusted EBITDA margin fell temporarily to 22.3% of sales (9M 2017: 23.6%) due to upfront costs linked to the planned start of expanded lithium-ion batteries production at the end of the year.

Revenue in the Power & Energy segment increased very significantly by 35% to EUR 38.1m. The segment reports sustained strong growth in energy storage solutions, especially in the home storage market. Sales of battery packs also rose thanks to newly acquired customer projects. Power & Energy achieved very positive adjusted EBITDA of EUR 2.9m in the first nine months of 2018. Operating earnings have therefore soared by EUR 6.6m year on year. The adjusted EBITDA margin improved by 21pp to 7.5% (previous year: -13.2%).

This positive overall performance is attributable to the consistent implementation of our profitable growth strategy. Targeted implementation of new, innovative technologies and the excellent quality of our batteries continue to drive strong demand for our products. We therefore benefit from a continuous upward trend in our sales of core product groups. Higher unit sales combined with our extensive and longstanding expertise in mass production are leading to a steady improvement in production efficiency and ultimately making our products more profitable.

The funds raised from the October 2017 IPO are being used to fund the largest investment program in recent history. The planned investment program is being implemented on schedule. Approximately two thirds of the investment planned in the context of the IPO has been authorized by the Executive Board and work is now being carried out.

In the first nine months, EUR 36.5m was disbursed on the acquisition of intangible and tangible assets (CAPEX) with the aim of expanding capacity.

In the first year since going public, **VARTA AG** has performed very well. The funds generated from the IPO are being invested, as planned, in the expansion of capacity and new products and will, accordingly, provide the basis for further growth, which will also be appreciated by our customers long-term.

We are most grateful for your interest in **VARTA AG** and would like to work with you and our employees in ensuring the company's success continues in future too.

Herbert Schein	Steffen Munz	Dr. Michael Pistauer
CEO	CFO	Head of M&A and Investor Relations

Contents

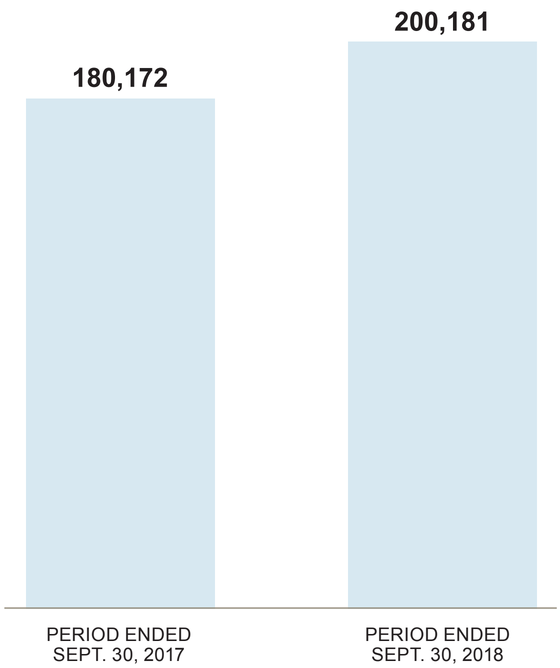
VARTA AG

The **VARTA AG Group** produces and markets microbatteries and smart battery solutions for a multitude of applications and end customer markets. The Group believes that, measured by the number of units produced, it dominates the market in the manufacture and sale of microbatteries for hearing aids. The Group expects that it can also become a market leader for rechargeable lithium-ion button cells for consumer electronics, e.g. for premium wireless headphones ("hearables") and a vast array of industrial applications. The Group believes its market position is based on the high quality, reliability and technology of its products, supported by its capacity for innovation and its in-house research and development activities. The Group also considers itself to be well placed to benefit from the expanding markets for microbatteries and smart battery solutions. These expanding markets are driven to various degrees by an aging global population and an inadequate supply of hearing aids for people whose hearing is impaired, increasing technological networking, advancing miniaturization and the growing market for renewable energies.

Segments

The business activity of the **VARTA AG Group,** which it conducts through its operating subsidiaries, is divided into two business segments: Microbatteries and Power & Energy.

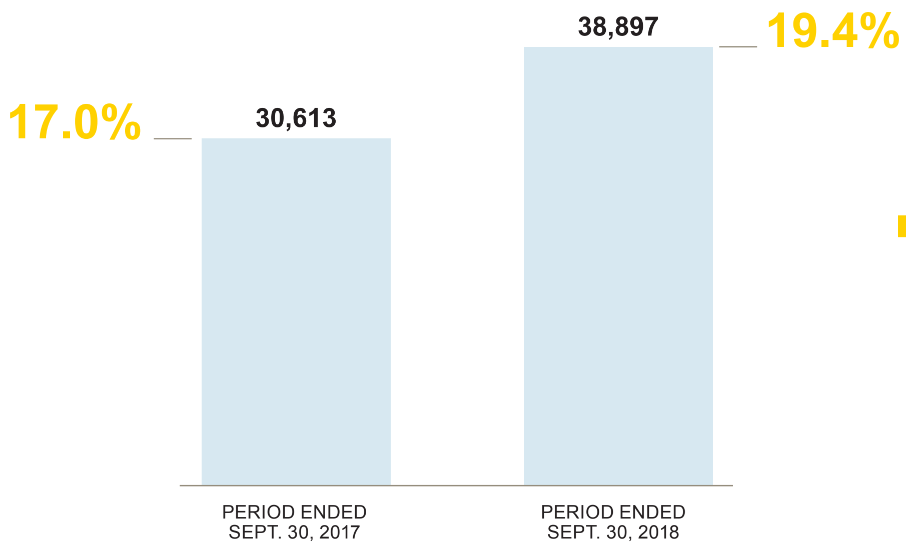
Revenue (in KEUR) unaudited according to IFRS



+11.1%

Revenue

Adjusted EBITDA (in KEUR) unaudited according to IFRS



+27.1%

Adjusted EBITDA

Economic report

Markets and influencing factors

The macroeconomic framework conditions applicable in 2018 to the sales markets of relevance for the **VARTA AG Group** can still be described as positive and stable.
Demographic change is critical to the sale of batteries for healthcare applications, while the trend in consumer electronics is critical to batteries for entertainment applications and trends towards wireless products and renewable energies are critical to the products offered by the Power & Energy segment respectively.

Macroeconomic and industry-specific framework conditions

The sale of hearing aid batteries is supported by rising life expectancy and ever-increasing acceptance of hearing aids. In the relevant markets in Europe, Asia and North America, there is an assumption that the emphasis will shift towards the older generations in the population.

In the Entertainment segment, sales growth is dominated by new applications in consumer electronics. The more wireless devices that are developed, especially for micro-applications (such as headsets), the more this will strengthen the position of the **VARTA AG Group.**

According to Gartner, Inc. (2017), hearables will grow at a rate of approximately 40% up to 2020. This growth will be supported by the trend to interconnectivity. According to Gartner, Inc., the market for hearables will expand dramatically alongside smartwatches, fashion and medical.

Also, the Power & Energy segment benefited from the general trend to wireless devices. In the Power & Energy segment, the Avienne Energy Report 2018 indicates that the segment for lithium-ion battery packs will grow from 120 GWh in 2017 to 490 GWh in 2025, which corresponds to a CAGR of +19%. At the same time, the sub-segment for Medical Devices, Power Tools and Gardening Tools, which are target markets for the Power & Energy segment will grow from approximately 14 GWh in 2017 to approximately 44 GWh. This represents a growth rate of approximately 16% per year.

Business development

Overall assessment of the economic situation by the Executive Board

The **VARTA AG Group** continued its profitable growth in the first nine months of 2018. There was again double-digit growth in Group revenue year on year. Both the Microbatteries and Power & Energy segments grew year on year. In the Microbatteries segment, very high demand for premium wireless headphones led to a very significant increase in sales of rechargeable lithium-ion batteries. In the Power & Energy segment, the very high growth rates achieved by energy storage solutions are being maintained. The new customer projects for battery packs have also contributed to dynamic growth in the Power & Energy segment.

The increase in adjusted EBITDA again exceeded revenue growth as a result of scaling the business model. The adjusted EBITDA margin has improved very significantly year on year and has even increased compared with the strong first half. Both the Microbatteries and Power & Energy again made a positive contribution and continued their very strong performance. The step-change improvement in profitability combined with sustained strong sales growth is particularly pleasing.

The massive investment program to expand production capacity is being implemented on schedule.

Overall, the first nine months of 2018 were very successful. The trend in profitability exceeds expectations and this has led to forecast results being revised upwards.

Development of earnings, financial position and net assets

Earnings situation

Revenue

The revenue of the **VARTA AG Group** increased by 11.1% from EUR 180,172k to EUR 200,181k in the first nine months of 2018.

Both the Microbatteries and Power & Energy segments grew year on year. Revenue in the Microbatteries segment increased by 6.6% year on year, while growth in the Power & Energy segment amounted to 34.8%.

Adjusted EBITDA

Adjusted EBITDA increased from EUR 30,613k to EUR 38,897k in the first nine months of 2018, which equates to growth of 27.1% year on year. Growth in adjusted EBITDA continues to outpace that in revenue.

The increase in adjusted EBITDA was attributable, in particular, to the profitable growth in sales of lithium-ion cells, while the improvement in profitability in the Power & Energy segment and the proportionately lower increase in fixed costs resulted from scale effects from the business model.

Non-cash relevant personnel expenses resulting from the employee stock option program of EUR 1,585k were shown as a special effect in the current fiscal year. In the previous year, the claim to reimbursement from the assumption of a joint debt obligation for pensions, which affected earnings, of EUR 3,629k as well as the expenses for the IPO of EUR 777k were classified as special effects.

Operating earnings (EBIT)

Operating earnings improved from EUR 26,510k in the previous year to EUR 29,712k in the first nine months of 2018, which equates to an increase of 12.1% year on year. Depreciation and amortization have risen by 9.3% to EUR 7,600k because of the massive investment program to expand production capacity.

Financial result

In the year under review, the financial result improved from EUR -958k in 2017 to EUR -395k in 2018. This resulted, firstly, from the reduction in interest expenses and, secondly, from the fall in other financial expenses.

Taxes

Tax expenses rose to EUR 8,848k in 2018 as a result of the increase in earnings before taxes of EUR 5,592k in the first nine months. This resulted in an effective tax ratio of 30.0% (previous year: 24.0%) in relation to earnings before taxes.

Consolidated result

Profitable growth in sales revenue in both segments in conjunction with the disproportionately lower increase in fixed costs resulting from scaling the business model also had a positive effect on the consolidated result, which increased by 16.5% from EUR 17,700k in 2017 to EUR 20,620k.

Net assets and financial position

Consolidated balance sheet as of September 30, 2018 (unaudited)

(IN KEUR)	SEPTEMBER 30, 2018	DECEMBER 31, 2017
ASSETS		
Non-current assets	137,153	105,258
Current assets	219,975	226,222
Total assets	**357,128**	**331,480**

(IN KEUR)	SEPTEMBER 30, 2018	DECEMBER 31, 2017
EQUITY AND LIABILITIES		
Equities	253,396	230,452
Non-current liabilities	29,402	29,423
Current liabilities	74,330	71,605
Liabilities	103,732	101,028
Total equity and liabilities	**357,128**	**331,480**

Non-current assets

Non-current assets rose by EUR 31,895k from EUR 105,258k as of December 31, 2017 to EUR 137,153k as of September 30, 2018. This increase was largely the result of the increase in tangible assets from EUR 63,447k to EUR 97,076k as of September 30, 2018. Production capacity was massively expanded in response to strong demand for lithium-ion batteries in particular.

Current assets

Overall, there has been no material change to current assets.

Equity/equity ratio

Equity has risen from EUR 230,452k as of December 31, 2017 to EUR 253,396k as of September 30, 2018. This is attributable, in particular, to the increase in revenue reserves from EUR 28,575k to EUR 42,001k. The equity ratio has increased from 69.5% to 71.0%.

Non-current liabilities

There has been no material change in non-current liabilities compared with December 31, 2017.

Current liabilities

Current liabilities have risen insignificantly by EUR 2,725k from EUR 71,605k to EUR 74,330k.

Net working capital

Net Working Capital has risen by EUR 25,852k from EUR 41,394k as of December 31, 2017 to EUR 67,246k as of September 30, 2018. This equates to an increase of 62.5% compared with December 31, 2017. The increase is attributable to the temporary expansion in inventories needed to achieve planned growth, the revenue-related pick-up in receivables and seasonal reduction in liabilities.

Cash flow statement (unaudited)

(IN KEUR)	PERIOD ENDED SEPT. 30, 2018	PERIOD ENDED SEPT. 30, 2017
Cash and cash equivalents as of January 1	**138,536**	**12,347**
Cash flow from ongoing operating activities	8,677	12,263
Cash flow from investment activities	-34,922	-12,236
Cash flow from financing activities	-49,848	-2,771
Net change in cash and cash equivalents	**-76,093**	**-2,744**
Impact of changes in exchange rates	222	-475
Cash and cash equivalents as of September 30	**62,665**	**9,128**

In the first nine months of 2018, cash flow from ongoing operating activities amounts to EUR 8,677k and is therefore EUR 3,586k down on the figure for the previous year. The reduction can largely be explained by the changes in net working capital.

Cash flow from investing activities has risen from EUR -12,236k in the first nine months of 2017 to EUR -34,922k as of September 30, 2018. This is largely the result of the increase in disbursements associated with the acquisition of intangible and tangible assets (CAPEX) from EUR -11,316k in 2017 to EUR -36,492k in the reporting period.

Cash flow from financing activities after the first nine months of the year is virtually unchanged, at EUR -49,848k, on the figure at the end of the first half. It is unchanged halfway through the year (EUR -49.879k) and results from the disbursement of a short-term loan of EUR -50,004k to an affiliated company at normal arm's length terms. This loan was already paid out in the first half of 2018.

The improvement in cash and cash equivalents as of September 30, 2018 of EUR 62,665k compared with EUR 9,128k as of September 30, 2017 is the result of the IPO last October. Including the loan cash and cash equivalents amount to EUR 112,669k.

CAPEX (capital expenditure on the acquisition of intangible and tangible assets)

CAPEX, i.e. disbursements for the acquisition of intangible and tangible assets, is used as a key steering parameter. CAPEX is a component of cash flow from investing activities.

The disbursements for the acquisition of intangible and tangible assets (CAPEX) amounted to EUR -36,492k in the first nine months of 2018 (September 30, 2017: EUR -11,316k).

Of this, investment in tangible assets accounted for EUR -39,646k in the 2018 reporting period (previous year: EUR -11,263k). Disbursements for the acquisition of tangible assets were concentrated on the massive investment in the expansion of production capacity, especially the expansion of production capacity for lithium-ion batteries in response to sustained very high demand.

The massive investment program to expand production capacity is being implemented on schedule.

Segment earnings

The **Varta AG Group's** segment information is published for the Microbatteries and Power & Energy segments.

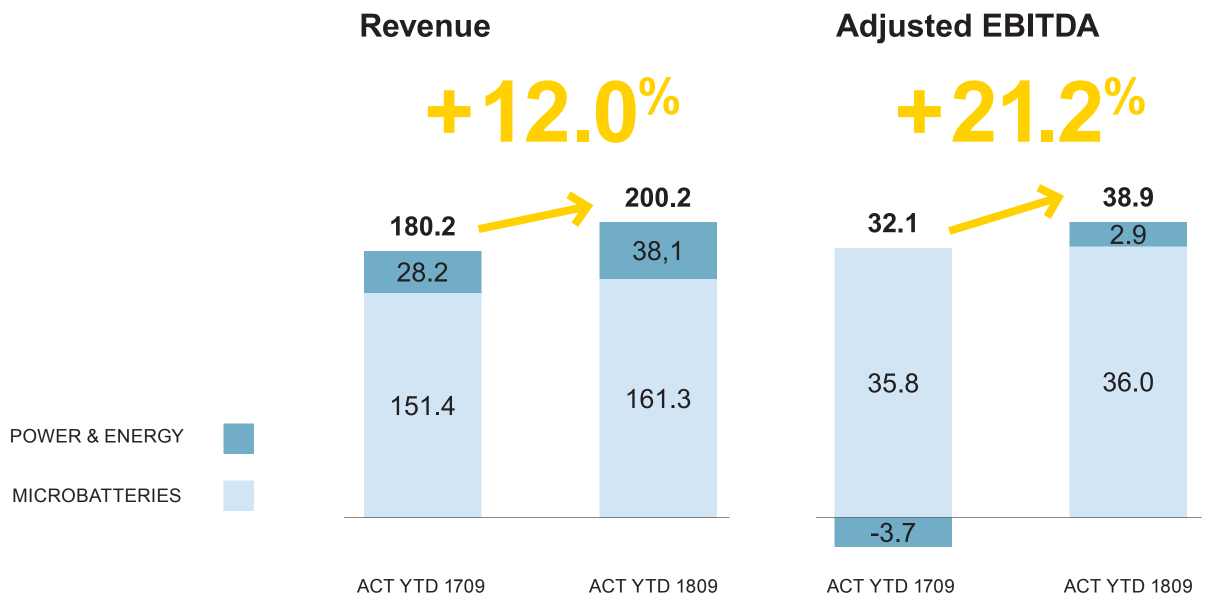
Microbatteries	PERIOD ENDED SEPT. 30, 2018	CHANGE (%) YOY	PERIOD ENDED SEPT. 30, 2017
Revenue (in KEUR)	161,322	6.6	151,363
Adjusted EBITDA (in KEUR)	36,043	0.7	35,790
Adjusted EBITDA margin in %	22.3		23.6

Revenue in the Microbatteries segment increased from EUR 151,363k to EUR 161,322k in the first nine months of 2018. This equates to growth in revenue of 6.6% year on year. The growth in revenue is due, in particular, to very dynamic growth in rechargeable lithium-ion batteries based on sustained high demand for wireless lifestyle products, such as headsets and other wearables. Adjusted EBITDA has increased from EUR 35,790k to EUR 36,043k, which equates to an increase of 0.7%. The adjusted EBITDA margin temporarily fell to 22.3% of sales (9M 2017: 23.6%) due to upfront costs linked to the planned start of expanded lithium-ion batteries production at the end of the year.

Power & Energy	PERIOD ENDED SEPT. 30, 2018	CHANGE (%) YOY	PERIOD ENDED SEPT. 30, 2017
Revenue (in KEUR)	38,074	34.8	28,241
Adjusted EBITDA (in KEUR)	2,868	176.8	-3,736
Adjusted EBITDA margin in %	7.5		-13.2

In the Power & Energy segment, revenue has increased from EUR 28,241k to EUR 38,074k, which equates to revenue growth of 34.8%. The increase in revenue is attributable, firstly, to sustained strong growth dynamic in energy storage solutions. This is true especially for the very successful development of stationary energy storage for private households. Secondly, the new customer projects for battery packs have also contributed to the dynamic growth in the Power & Energy segment. In the reporting period, a step-change improvement was registered in adjusted EBITDA, rising by EUR 6,604k from EUR -3.736k in 2017 to EUR 2,868k in 2018. The increase in adjusted EBITDA is especially attributable to growth in revenue combined with a simultaneous improvement in the profit margin as well as disciplined management of fixed costs. This results in an adjusted EBITDA margin of 7.5% of sales, which corresponds to an improvement in the EBITDA margin of 20.7pp year on year.

Development of revenues and EBITDA of the segments (in € million)



	MICROBATTERIES		POWER & ENERGY		Σ TOTAL		RECONCILIATION		CONSOLIDATED FINANCIAL STATEMENTS	
(IN KEUR)	PERIOD ENDED SEPT. 30, 2018	PERIOD ENDED SEPT. 30, 2017	PERIOD ENDED SEPT. 30, 2018	PERIOD ENDED SEPT. 30, 2017	PERIOD ENDED SEPT. 30, 2018	PERIOD ENDED SEPT. 30, 2017	PERIOD ENDED SEPT. 30, 2018	PERIOD ENDED SEPT. 30, 2017	PERIOD ENDED SEPT. 30, 2018	PERIOD ENDED SEPT. 30, 2017
Revenue	161,322	151,363	38,074	28,241	199,396	179,604	785	568	200,181	180,172
Depreciation and amortization	-6,234	-5,953	-1,366	-997	-7,600	-6,950	0	-5	-7,600	-6,955
Material effects in income and expenses	0	0	0	0	0	0	-1,585*	2,852*	1,585	2,852
Adjusted EBITDA	36,043	35,790	2,868	-3,736	38,911	32,054	-1,599	1,411	37,312	33,465

*Of which expenses for stock market listing and IPO of EUR 0k (September 30, 2017: EUR 777k)

Employees

The consolidated number of employees of the **VARTA AG Group** increased proportionately less than revenue. The number of employees is calculated on the basis of full-time employees with part-time employees being included pro rata (FTE). On September 30, 2018, the VARTA AG Group employed 2,272 FTE. This equates to an increase in the number of employees year on year of 6.2% (September 30, 2017: 2,069 FTE). The increase largely took place in non-German-speaking countries.

Risk and opportunities report

A detailed presentation of the opportunities and risks for the company can be found in the securities prospectus and in the Group Management Report and consolidated financial statements for the company's 2017 fiscal year.

The opportunities and risks have not changed significantly since publication of the consolidated financial statements.

Outlook

Given the stable economic environment and the strong market position in the relevant sales markets, the Group expects profitable growth to continue for the fourth quarter and for 2018 as a whole. The comments on the development of revenue and results are based on constant exchange rates.

Overall assessment of the VARTA AG Group

Group revenue for 2018 as a whole, after adjustment for exchange rate effects, is still expected to come in between EUR 270m and EUR 273m, meaning double-digit growth year on year will again be posted here.

After adjustment for special effects, EBITDA has outperformed expectations in the first nine months, which is why the Group is raising its forecast for 2018 as a whole to between EUR 49m and EUR 51m. Growth in adjusted EBITDA is therefore significantly outpacing revenue growth as a result of scaling the business model.

CAPEX i.e. disbursements for the acquisition of intangible and tangible assets will increase very significantly in fiscal year 2018 and is expected to come in at the lower end of a range from EUR 55m to EUR 65m. Approximately two thirds of the investment planned in the context of the IPO has been authorized by the Executive Board and work is being carried out. The ultimate cash outflow will be based on the optimal payment conditions for the company agreed with suppliers. The planned investment program is being implemented on schedule.

Microbatteries segment

For fiscal year 2018, the Group assumes significant growth in revenue in the Microbatteries segment, slightly exceeding market growth. Expectations for hearing aid batteries are unchanged at between 4% and 5% assuming volume-driven market growth. Growth in lithium-ion batteries is expected to outpace market growth, with quantitative market growth estimated at approximately 40%.

Given further scaling of the **VARTA AG** business model, expectations of a very sharp rise in adjusted EBITDA compared with revenue growth are unchanged.

Power & Energy segment

In the Power & Energy segment, very significant growth in revenue, far exceeding market growth, is expected. In the relevant markets for **VARTA AG,** e.g. the market for battery packs and energy storage solutions, growth of around 20% is expected. For 2018 as a whole, very positive adjusted EBITDA is expected for the Power & Energy segment.

Consolidated statement of financial position (unaudited)

(IN KEUR)	SEPTEMBER 30, 2018	DECEMBER 31, 2017*
ASSETS		
Property, plant and equipment	97,076	63,447
Intangible assets	21,333	21,556
Investments accounted for using the equity method	369	1,718
Other financial assets	381	444
Deferred tax assets	2,558	2,313
Other assets	15,436	15,780
Non-current assets	**137,153**	**105,258**
Inventories	66,759	53,770
Trade receivables	28,088	20,103
Tax refund claims	175	744
Other assets	12,284	13,069
Other financial assets	50,004	0
Cash and cash equivalents	62,665	138,536
Current assets	**219,975**	**226,222**
Total assets	**357,128**	**331,480**

(IN KEUR)	SEPTEMBER 30, 2018	DECEMBER 31, 2017*
PASSIVA		
Subscribed capital	38,200	38,200
Capital reserve	148,304	146,719
Retained earnings	42,001	28,575
Net income	20,316	13,268
Other reserves	3,288	2,710
Equity of the VARTA AG Group	**252,109**	**229,472**
Non-controlling interests	1,287	980
Total Equity	**253,396**	**230,452**
Other financial liabilities	6,200	6,200
Provisions for employee benefits	23,088	22,775
Other liabilities	114	448
Non-current liabilities	**29,402**	**29,423**
Tax liabilities	8,718	4,724
Other financial liabilities	1,996	2,201
Provisions for employee benefits	1,142	1,087
Trade payables and advance payments received	27,601	32,479
Other liabilities	10,683	10,285
Other provisions	4,516	4,256
Deferred liabilities	19,674	16,573
Current liabilities	**74,330**	**71,605**
Liabilities	**103,732**	**101,028**
Total equity and liabilities	**357,128**	**331,480**

* Previous year's figures were not adjusted.

Consolidated income statement (unaudited)

(IN KEUR)	SPECIAL EFFECTS	PERIOD ENDED SEPT. 30, 2018	SPECIAL EFFECTS	PERIOD ENDED SEPT. 30, 2017*
Sales revenue		**200,181**		**180,172**
Decrease/increase in finished and unfinished goods		3,826		1,006
Own work capitalized		2,092		2,496
Other operating income		4,890		10,281
Cost of material		-76,084		-73,260
Personnel expenses		-69,012		-60,640
Other operating expenses		-28,581		-26,590
EBITDA		**37,312**		**33,465**
Costs of the initial public offering	*0*		*777*	
Reimbursement claim from pensions	*0*		*-3,629*	
Costs of share-based payment	*1,585*		*0*	
Adjusted EBITDA	***38,897***		***30,613***	
Depreciation and amortization		-7,600		-6,955
Operating earnings (EBIT)		**29,712**		**26,510**
Financial income		103		61
Financial expense		-309		-665
Sundry financial income		363		594
Sundry financial expense		-552		-948
Financial result		**-395**		**-958**
Profit and loss shares in companies recognized in the balance sheet under the equity method, after taxes		151		-2,260
Earnings before taxes		**29,468**		**23,292**
Income tax expenses		-8,848		-5,592
Consolidated result		**20,620**		**17,700**
Appropriation of profit:				
Shareholders of VARTA AG		20,316		17,700
Non-controlling interests		304		0

*Previous year's figures were not adjusted.

Consolidated statement of comprehensive income (unaudited)

(IN KEUR)	PERIOD ENDED SEPT. 30, 2018	PERIOD ENDED SEPT. 30, 2017*
Profit/loss for the year	**20,620**	**17,700**
Items not reclassified under profit or loss		
Revaluation of the net debt from defined benefit pension plans	-8	
Revaluation of the reimbursement claim	226	1,154
Tax effect	-59	-342
	159	**812**
Items that were reclassified or may be reclassified later under profit or loss		
Currency translation differences	972	-2,654
Result of fair value changes in cash flow hedges	-545	419
Tax effect	153	-122
	580	**-2,357**
Other income after taxes	**739**	**-1,545**
Comprehensive income	**21,359**	**16,155**
Appropriation of the profit:		
Shareholders of VARTA AG	21,057	16,155
Non-controlling interests	302	0

* Previous year's figures were not adjusted.

Condensed consolidated cash flow statement (unaudited)

(IN KEUR)	PERIOD ENDED SEPT. 30, 2018	PERIOD ENDED SEPT. 30, 2017*
Net cash flow from ongoing operating activities	**8,677**	**12,263**
Cash flow from investing activities	**-34,922**	**-12,236**
Cash flow from financing activities	**-49,848**	**-2,771**
Net change in cash and cash equivalents	**-76,093**	**-2,744**
Cash and cash equivalents as of January 1	138,536	12,347
Impact of changes in exchange rates	222	-475
Cash and cash equivalents as of September 30	**62,665**	**9,128**

* Previous year's figures were not adjusted.

Explanatory notes to the quarterly report

The condensed consolidated interim financial statements were prepared on the basis of all IAS / IFRS published by the International Accounting Standards Board (IASB) that were applicable on the reporting date as well as all interpretations (IFRIC / SIC) drawn up by the International Financial Reporting Interpretations Committee and the Standing Interpretations Committee, provided these have been adopted by the European Union through the endorsement process. These condensed consolidated interim financial statements should be read in conjunction with the consolidated annual financial statements prepared as of December 31, 2017.

There have been no changes in contingent liabilities compared with December 31, 2017.

The condensed consolidated interim financial statements as of September 30, 2018 and the Group Interim Management Report have neither been audited in accordance with section 317 of the German Commercial Code (HGB) nor reviewed by an auditor.

Imprint

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