



Nabaltec



***OUR
KNOW-HOW
FOR YOUR
SAFETY***

INTERIM REPORT 2/2023

NABALTEC GROUP

KEY FIGURES

FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2023

in EUR million	06/30/2023 (IFRS)	06/30/2022 (IFRS)	Change
Revenues			
Total revenues	106.1	110.7	-4.2%
thereof			
Functional Fillers	74.2	75.4	-1.6%
Specialty Alumina	31.9	35.3	-9.6%
Foreign share (%)	74.2	73.9	
Employees ¹ (number of persons)	507	488	3.9%
Earnings			
EBITDA	14.9	22.2	-32.9%
EBIT	8.5	15.7	-45.9%
Consolidated result after taxes	5.5	10.3	-46.6%
Earnings per share (EUR)	0.63	1.17	-46.2%
Financial position			
Cash flow from operating activities	14.4	19.1	-24.6%
Cash flow from investing activities	-5.1	-19.1	-73.3%
Assets, equity and liabilities			
	06/30/2023	12/31/2022	
Total assets	285.3	281.1	1.5%
Equity	136.0	133.5	1.9%
Non-current assets	118.6	135.3	-12.3%
Current assets	166.7	145.8	14.3%

¹ on the reporting date 30 June, including trainees

NABALTEC AG

Nabaltec AG, with registered office in Schwandorf, a chemicals business which has received multiple awards for innovativeness, manufactures, develops and distributes highly specialized products based on aluminum hydroxide and aluminum oxide on an industrial scale through its product segments, "Functional Fillers" and "Specialty Alumina." The markets for Nabaltec products are rather robust in the mid- and long-term, although the geopolitical situation since February 2022 makes it significantly more difficult to make reliable estimates for the future.

REVENUES AS OF 06/30 IN EUR MILLION

2019	97.4
2020	81.8
2021	93.9
2022	110.7
2023	106.1

EBIT AS OF 06/30 IN EUR MILLION

2019	12.4
2020	2.1
2021	10.5
2022	15.7
2023	8.5

OPERATING CASH FLOW AS OF 06/30 IN EUR MILLION

2019	14.7
2020	13.7
2021	20.4
2022	19.1
2023	14.4

CONTENTS

INTERIM REPORT 2/2023

TO OUR SHAREHOLDERS

- 06 Foreword of the CEO
- 08 Nabaltec share

CONSOLIDATED INTERIM MANAGEMENT REPORT

- 10 Course of business
- 12 Employees
- 13 Outlook
- 13 Report on opportunities and risks

CONSOLIDATED INTERIM FINANCIAL STATEMENTS (IFRS)

- 14 Statement of comprehensive income
- 16 Balance sheet
- 18 Cash flow statement
- 20 Statement of changes in shareholders' equity
- 22 Segment reporting
- 23 Notes

FURTHER INFORMATION

- 26 Financial calendar 2023 and contact
- 27 Imprint



EMPLOYEES

Sustainable employee development is important to Nabaltec AG in order to be prepared for future personnel challenges and in order to position itself as an attractive employer. As a family-friendly company which has been recognized multiple times, Nabaltec is committed to promoting young talent and values work/life balance.



INNOVATIONS

Nabaltec AG is regularly awarded national and international prizes and distinctions for innovation. In 2023, for example, the company once again received the Best Managed Companies Award for the fifth time in a row for outstandingly managed mid-sized companies, due in part to its highly innovative practices.

PRODUCT SEGMENTS

FIRST HALF OF 2023

FUNCTIONAL FILLERS

In the product segment "Functional Fillers," Nabaltec produces highly specialized aluminum hydroxide-based products for a wide variety of applications, and is among the leading manufacturers in the world in this area. In addition to current market trends, the development of eco-friendly flame retardant fillers and functional additives is driven above all by the specific requirements of its customers – an example is the relatively young market segment battery for applications in electromobility. Nabaltec assesses itself as one of the world's leading manufacturers of coating materials for separator films based on boehmite.

EUR **74.2** MILLION
REVENUES

EUR **12.8** MILLION
EBITDA

EUR **8.1** MILLION
EBIT

SPECIALTY ALUMINA

In the product segment "Specialty Alumina," Nabaltec manufactures innovative materials for a wide variety of industries and applications based on aluminum oxide. The company is constantly investing in optimizing its production facilities, in innovative technologies and in improving production processes in order to enable the company to consistently supply tailor-made qualities which meet customers' needs.

EUR **31.9** MILLION
REVENUES

EUR **2.1** MILLION
EBITDA

EUR **0.4** MILLION
EBIT

REVENUE SHARES

FIRST HALF OF 2023

52.5%

EUROPE
(WITHOUT GERMANY)



25.8%

GERMANY

11.6%

USA



10.1%

REST OF THE WORLD



Company headquarters of Nabaltec AG, Schwandorf



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NABALTEC AG ON THE INTERNET

www.nabaltec.de/en

SUSTAINABLE PRACTICES

Nabaltec products have an extremely diverse range of applications and are the preferred choice whenever utmost quality, safety, eco-friendliness and durability are required. The combination of these characteristics creates outstanding prospects for growth for Nabaltec's various specialty chemical products and is the basis for the company's many years of growing financial success.

Beyond economic aspects, however, Nabaltec also attaches particular importance to ecological and social responsibility. Over the years, a certified environmental management system, an occupational health and safety management system and an energy management system have been introduced.

FOREWORD

OF THE CEO

*Ladies and Gentlemen,
Dear Shareholders and Business Partners,*

*Significant downturn
in important target
markets led to 4.2%
decline in revenues*

Nabaltec achieved revenues of EUR 106.1 million in the first six months of 2023, 4.2% less than in the first half of 2022. The main reason for this decline was the weak performance in the second quarter of 2023. We had to pay tribute here to the significant downturn in important target markets such as the cable and wire, construction and steel industries. For a long time, we were able to compensate for declining sales volumes through our active pricing policy. In the first quarter of 2023, for example, we were once again able to increase revenues despite declining sales volumes, which was no longer possible in the second quarter.

The negative development currently affecting many areas of the chemical industry is also shaping demand for our products, encompassing nearly all of Nabaltec's product ranges. In contrast to previous expectations, we do not see any recovery in the third quarter of 2023 either. The still high costs of raw materials and energy do not allow too much leeway for price reductions. In a market environment with currently very low demand, this is not a promising strategy anyway. Due to the low level of revenues, the EBIT margin fell to 6.7% in the second quarter and thus to 8.1% in the first half of 2023. In this light, we had to adjust our previous forecast for Financial Year 2023 downward in terms of revenue development and the EBIT margin at the beginning of August.

Many of the currently relevant factors are beyond our control. For example, we are still waiting for the start of the build-up of European battery cell production. Here, our starting position is unchanged: With our boehmite, we have a product with a strong future, equipped with excellent properties, and already established on the market. We should be able to profit to an above-average extent from a rise in demand due to stronger European battery production. Unfortunately, the Chinese market remains widely closed to us. In the Asian region, we mainly supply South Korean and Japanese customers. We remain optimistic for the US market. This is all the more so as German and European automotive companies now want to set up battery cell production in the US instead of Europe. There is no question that this represents a failure of policy at the European level. Our task at Nabaltec remains to follow the expected demand. There are no two ways about it: Demand on the world market for separator films for lithium-ion batteries will continue to increase. Accordingly, we will also maintain our boehmite investment project, though somewhat adjusted in terms of timing and budget.



The Management Board of Nabaltec AG from left to right:
Günther Spitzer, Johannes Heckmann (CEO), Dr. Alexander Risch

Other, undoubtedly very promising target markets are also currently experiencing a temporary weakness in demand. One example is high-quality data cables, which are needed in particular for the exorbitant growth of cloud solutions. Many cloud service providers have currently scaled back their investments. Manufacturers of corresponding data cables are complaining about a sharp drop in demand. Nevertheless, the positive future prospects for these markets and our products remain unchanged. In the long term, we see our market position as intact and strong for the future.

*In the long term,
Nabaltec sees intact
market position
despite current
temporary weakness
in demand*

We continue to consolidate this pronounced future strength of our portfolio with new products and innovations. For example, this year we succeeded in delivering the first significant volumes of our new, innovative products for thermal management of e-mobility batteries. This will open up an additional innovative area of application and a new market for us.

Schwandorf, August 2023

Yours,

A handwritten signature in blue ink, appearing to read 'Johannes Heckmann'.

JOHANNES HECKMANN

CEO

NABALTEC SHARE

THE SECOND QUARTER OF 2023



ISIN/WKN: DE000A0KPPR7/A0K PPR
SINCE 24 NOVEMBER 2006, NABALTEC SHARE HAS BEEN LISTED
IN THE FRANKFURT STOCK EXCHANGE, WHERE IT IS TRADED
IN THE SCALE MARKET SEGMENT.

*Nabaltec share
currently unable
to escape the
high volatility on
the stock markets*

Over the year, Nabaltec's share price initially moved roughly in line with the benchmark index SDAX and the specialty chemicals index. In the second quarter of the current financial year, performance could no longer keep pace, weighing in at -13.4% when calculated for the second quarter. In comparison, the performance of the specialty chemicals index in the same period was -3.1% . The Nabaltec share was also unable to escape the overall high volatility on the markets. The high for the first half of 2023 was a price of EUR 28.80 on 24 January 2023. The low was EUR 19.40, the closing price on 30 June 2023.

PERFORMANCE OF NABALTEC SHARE (XETRA, INDEXED)



KEY DATA FOR NABALTEC SHARE (XETRA)

	First 6 months of 2023	Year 2022
Number of shares:	8,800,000	8,800,000
Market capitalization (cutoff date, in EUR million)	170.7	230.6
Average price (in EUR)	23.77	27.62
High (in EUR)	28.80	39.60
Low (in EUR)	19.40	19.60
Closing price (cutoff date, in EUR)	19.40	26.20
Average daily turnover (in shares)	2,572	2,996
Earnings per share (in EUR) ¹	0.63	3.00

¹ thereof non-recurring effects tax income cost settlement Nashtec amounting to EUR 6.8 million or EUR 0.77 per share in 2022

The daily average trading volume of the Nabaltec share on XETRA amounted to 2,572 shares in the first six months of 2023, thus below the level of 2022. In 2022 as a whole, an average of 2,996 shares were traded per day.

Earnings per share (EPS) in the first half of 2023 amounted to EUR 0.63. In comparison, in the first six months of 2022, EPS had been EUR 1.17 and EUR 3.00 ² in 2022 as a whole.

The recommendations of the analysts of Baader Bank AG and NuWays AG (spin-off of Hauck Aufhäuser Lampe Privatbank AG) regarding the Nabaltec share remain positive. In their analyses of the second quarter of 2023, both research houses issued “buy” recommendations. NuWays set a target price of EUR 36.00 as of 30 June 2023, which was lowered to EUR 31.00 on 7 August 2023, with a continued “buy” rating. Baader Bank consistently rated the Nabaltec share at a target price of EUR 31.00 in its second quarter 2023 analyses, which was confirmed after the reporting date on 4 August 2023.

Analyst ratings remain positive with “buy” rating

The analysts’ recommendations of Nabaltec share can be found online at www.nabaltec.de/en/investor-relations/share.

As of 30 June 2023, the majority of the 8,800,000 shares continue to be held by the Heckmann and Witzany families. The Heckmann family holds 28.22% of the company’s capital stock and the Witzany family holds 27.17%. The remaining 44.61% of the shares are in free float.

² thereof non-recurring effects tax income cost settlement Nashtec amounting to EUR 6.8 million or EUR 0.77 per share in Q3/2022

CONSOLIDATED INTERIM MANAGEMENT REPORT

AS OF 30 JUNE 2023

COURSE OF BUSINESS

*Group revenues
in the first
half of 2023 at
EUR 106.1 million
(-4.2%)*

In the first half of 2023, Nabaltec AG's consolidated revenues were EUR 106.1 million, down 4.2% from the previous year's level of EUR 110.7 million. The revenue decline was exclusively attributable to the second quarter of 2023, when revenues amounted to EUR 49.1 million (-12.2%; previous year: EUR 55.9 million), while the first quarter of 2023 had still been 4.0% higher than the same quarter from the previous year.

In both the "Functional Fillers" and "Specialty Alumina" product segments, sales volumes declined across almost all product ranges, reflecting the current weak industrial momentum. In addition to further inventory reductions by customers, the company is currently seeing very erratic ordering behavior on the part of customers in line with demand. Furthermore, the market for boehmite remains restrained due to the lack of impetus from industry, especially in the European region.

In the "Functional Fillers" product segment, Nabaltec achieved quarterly revenues of EUR 34.2 million in the second quarter, compared to EUR 38.5 million in the corresponding period from the previous year (-11.2%). In the first six months of 2023, this product segment thus generated total revenues of EUR 74.2 million, compared to EUR 75.4 million in the same period from the previous year (-1.6%). Revenues in the "Specialty Alumina" product segment came to EUR 14.9 million in the second quarter of 2023, down 14.4% from the previous year (EUR 17.4 million). Revenues in the first half of 2023 totaled EUR 31.9 million, compared to EUR 35.3 million (-9.6%) in the first half of 2022.

Nabaltec attained earnings before interest, taxes, depreciation and amortization (EBITDA) of EUR 6.5 million in the second quarter of 2023, compared to EUR 11.8 million in the same period of 2022 (-44.9%). Calculated for the first half, EBITDA was EUR 14.9 million, compared to EUR 22.2 million in the first half of the previous year (-32.9%). The EBITDA margin (EBITDA as a percentage of total performance) reached 14.2% in the first half of 2023 (same period from previous year: 19.7%).

Consolidated operating profit (EBIT) was EUR 3.3 million in the second quarter of 2023, compared to EUR 8.5 million in the previous year's quarter (-61.2%). For the first six months of 2023, EBIT totaled EUR 8.5 million, compared to EUR 15.7 million in the same period from the previous year (-45.9%). The EBIT margin (EBIT as a percentage of total performance) was 8.1% in the first half of 2023, compared to 14.0% in the same period from the previous year.

EBIT in the first half of 2023 at EUR 8.5 million; EBIT margin at 8.1%

The net financial income amounted to EUR -1.1 million in the first six months of 2023, compared to EUR -0.9 million in the first half of the previous year.

Earnings before tax amounted in the first half of 2023 to EUR 7.4 million, compared to EUR 14.8 million in the first half of the previous year (-50.0%). In the first half of 2023, this resulted in a consolidated net result after tax of EUR 5.5 million, compared to EUR 10.3 million in the first half of 2022 (-46.6%). This corresponds to earnings per share of EUR 0.63 for the first six months of 2023. In comparison, in the same period from the previous year, earnings per share amounted to EUR 1.17.

Earnings per share of EUR 0.63

Nabaltec achieved total performance of EUR 105.0 million in the first six months of 2023. In the same period of the previous year, total performance had amounted to EUR 112.5 million (-6.7%). Total performance was EUR 49.6 million in the second quarter of 2023, compared to EUR 57.4 million in the previous year's quarter (-13.6%). The company slightly built-up inventories in the second quarter, and there was a further reduction in inventories of finished goods and work in progress of EUR 1.3 million in the first half of the year.

Other operating income decreased from EUR 2.0 to 1.3 million in the first six months of 2023. This includes foreign exchange gains of EUR 0.7 million (prior-year period: EUR 1.5 million).

The cost of materials decreased slightly in the first half of 2023 compared to the same period from the previous year, from EUR 53.7 million to EUR 53.4 million. High prices for raw materials, energy and packaging materials continue to be the driving forces behind the cost development. Accordingly, the cost of materials ratio (cost of materials as a percentage of total performance) increased to 50.9% in the first half of 2023, compared to 47.7% in the prior-year period. The gross profit margin (gross profit as a percentage of total performance) decreased to 50.4% in the first six months of 2023, compared to 54.0% in the same period from the previous year.

The personnel expense ratio (personnel expenses as a percentage of total performance) increased from 17.6 to 18.9% compared to the first half from the previous year.

Depreciation and amortization in the first six months of 2023 were EUR 6.4 million (previous year: EUR 6.5 million) and thus at the expected level. The depreciation and amortization margin (depreciation and amortization as a percentage of total performance) increased from 5.8% in the previous year to 6.1% in the reporting period.

At EUR 18.2 million, other operating expenses in the first half of 2023 were slightly below the level of the same period from the previous year (EUR 18.8 million), mainly due to declining freight costs resulting from lower sales volumes. The ratio of other operating expenses in relation to total performance increased from 16.7 to 17.3% compared to the same period from the previous year.

Export ratio at a high level of 74.2%

With an export ratio of 74.2%, Nabaltec's foreign share continues to be high and once again increased slightly compared to the same period of the previous year (73.9%). From a regional perspective, the share of revenues in Europe increased slightly, while decreasing slightly in all other Nabaltec regions. Due to lower boehmite sales, there was a year-on-year decline in revenues in Asia.

Cash flow from operating activity was EUR 14.4 million in the first half of 2023, compared to EUR 19.1 million in the first six months of the previous year. The significantly lower net profit for the period had a corresponding impact on operating cash flow.

The cash flow for investments increased from EUR 4.1 million in the same period from the previous year to EUR 5.1 million. The figure of EUR 19.1 million reported in the cash flow statement for the prior-year period additionally includes disbursements for investments in fixed-term deposits with maturities of more than three months amounting to EUR 15.0 million. In the first half of 2023, free cash flow amounted to EUR 9.3 million, compared to EUR 15.0 million in the same period of the previous year (not including payments for investments in fixed-term deposits with maturities of more than three months).

Cash flow from financing activity amounted to EUR -3.2 million, compared to EUR 28.1 million in the first half of the previous year, and includes the payment of a dividend of EUR 2.5 million. In the previous year, cash flow from financing activity included the payment from the proceeds of the loan against borrower's note issued in April 2022 with a volume of EUR 90.0 million, the disbursement of the scheduled repayment of previous loans in the amount of EUR 59.0 million and the disbursement of a dividend of EUR 2.2 million.

Cash and cash equivalents in the Nabaltec Group amounted to EUR 93.3 million as of 30 June 2023.

Total assets increased from EUR 281.1 to 285.3 million compared to 31 December 2022. Non-current assets decreased from EUR 135.3 to 118.6 million as of the reporting date on 30 June 2023. Current assets increased from EUR 145.8 million as of 31 December 2022 to EUR 166.7 million in the reporting period.

Equity ratio at 47.7%

On the liabilities side, the equity ratio as of 30 June 2023 was 47.7% compared to 47.5% as of 31 December 2022. Non-current liabilities were EUR 122.8 million as of 30 June 2023, compared to EUR 122.7 million as of 31 December 2022. Current liabilities increased from EUR 24.9 million at year-end 2022 to EUR 26.5 million.

EMPLOYEES

As of the reporting date of 30 June 2023, the Nabaltec Group employed 507 persons (including trainees). At the corresponding point in the previous year, there had been 488 persons. The training ratio was 5.9%.

OUTLOOK

Demand clouded over significantly in the second quarter of 2023. Due to this negative market development and the continued consistent inventory optimization by customers, sales volumes in the first half of 2023 were significantly lower than in the same period of the previous year.

In contrast to previous expectations, the company does not see a market recovery in the third quarter of 2023 either. The weakness in demand affects both product segments. In this light, Nabaltec AG adjusted its previous forecast for 2023 as a whole downward on 4 August 2023. The company now expects a year-on-year decline in revenues in a range of 4% to 6%. Previously, Nabaltec expected revenue growth in a range of 3% to 5%. On the earnings side, Nabaltec now expects an EBIT margin in a range of 6% to 8%, compared to the previous forecast of 8% to 10%. The forecast is based on the assumption that there will be no significant improvements in economic development in the second half of 2023. It remains unclear with what dynamics the economic situation will recover globally and in the markets relevant for Nabaltec. High inflation, rising interest rates and a diffuse picture for the future development of the global economy are putting the brakes on consumption and investment. In the event of continuing negative economic upheavals based on the geopolitical situation, adverse effects on the liquidity, financial and earnings situation cannot be ruled out.

*Forecast adjustment:
Revenue reduction by
4% to 6%; EBIT margin
in a range of 6% to 8%*

Beyond this, the other statements made in the forecast report of the consolidated management report 2022 remain valid.

REPORT ON OPPORTUNITIES AND RISKS

With regard to the risk situation presented in the 2022 consolidated management report, no significant changes were discernible in the first half of 2023.

Schwandorf, 11 August 2023

The Management Board

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2023

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME				
in TEUR	01/01/ – 06/30/2023	04/01/ – 06/30/2023	01/01/ – 06/30/2022	04/01/ – 06/30/2022
Revenues	106,097	49,059	110,723	55,890
Change in inventories of finished goods and work in progress	-1,328	462	1,542	1,355
Own work capitalized	209	104	243	122
Total performance	104,978	49,625	112,508	57,367
Other operating income	1,329	481	1,958	1,331
Cost of materials	-53,359	-25,189	-53,659	-27,486
Gross earnings	52,948	24,917	60,807	31,212
Personnel expenses	-19,828	-9,857	-19,762	-9,896
Depreciation	-6,410	-3,201	-6,536	-3,308
Other operating expenses	-18,230	-8,545	-18,848	-9,481
Operating profit (EBIT)	8,480	3,314	15,661	8,527
Interest and similar income	910	523	92	60
Interest and similar expenses	-1,990	-1,074	-980	-487
Earnings before taxes (EBT)	7,400	2,763	14,773	8,100
Taxes on income	-1,892	-355	-4,499	-2,500
Net after-tax earnings	5,508	2,408	10,274	5,600
Earnings per share (in EUR)	0.63	0.27	1.17	0.64

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in TEUR	01/01/ – 06/30/2023	04/01/ – 06/30/2023	01/01/ – 06/30/2022	04/01/ – 06/30/2022
Net after-tax earnings	5,508	2,408	10,274	5,600
Items which may be reclassified to profit and loss in the future				
Currency translation (after taxes)	-506	-27	2,162	1,648
Net income from hedge accounting (after taxes)	0	0	208	207
Total	-506	-27	2,370	1,855
Items which will not be reclassified to profit and loss in the future				
Actuarial gains and losses	0	0	0	0
Total	0	0	0	0
Other comprehensive income	-506	-27	2,370	1,855
Total comprehensive income	5,002	2,381	12,644	7,455

CONSOLIDATED BALANCE SHEET

AS OF 30 JUNE 2023

ASSETS

in TEUR	06/30/2023	12/31/2022
Non-current assets	118,642	135,315
Intangible assets	658	575
Concessions, proprietary rights and similar rights and assets, as well as licenses to such rights and assets	277	348
Advance payments made	381	227
Property, plant and equipment	117,049	118,789
Land, leasehold rights and buildings, including buildings on unowned land	35,168	36,141
Technical equipment and machinery	67,287	70,145
Other fixtures, fittings and equipment	4,554	4,334
Advance payments and assets under construction	10,040	8,169
Financial assets	0	0
Shares in affiliated companies	0	0
Other assets	0	15,000
Deferred tax assets	935	951
Current assets	166,660	145,754
Inventories	48,061	45,737
Raw materials and supplies	33,812	30,591
Work in process	1,615	1,715
Finished goods and merchandise	12,634	13,431
Other assets and accounts receivable	25,329	12,503
Trade receivables	3,590	6,451
Receivables from income taxes	1,076	903
Other assets	20,663	5,149
Cash and cash equivalents	93,270	87,514
TOTAL ASSETS	285,302	281,069

LIABILITIES

in TEUR	06/30/2023	12/31/2022
Shareholders' equity	136,003	133,465
Subscribed capital	8,800	8,800
Capital reserve	47,029	47,029
Other earnings reserve	9,699	9,699
Profit carry-forward	68,091	44,180
After-tax earnings	5,508	26,375
Other changes in equity with no effect on profit and loss	-3,124	-2,618
Non-current liabilities	122,795	122,686
Pension reserves	28,509	27,985
Other provisions	1,303	1,286
Accounts payable to banks	89,958	89,954
Deferred tax liabilities	3,025	3,461
Current liabilities	26,504	24,918
Accounts payable from income taxes	896	2,949
Other provisions	573	577
Accounts payable to banks	620	783
Trade payables	16,042	15,087
Other accounts payable	8,373	5,522
TOTAL LIABILITIES	285,302	281,069

CONSOLIDATED CASH FLOW STATEMENT

FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2023

CONSOLIDATED CASH FLOW STATEMENT

in TEUR	01/01/ – 06/30/2023	01/01/ – 06/30/2022
Cash flow from operating activity		
Earnings before taxes	7,400	14,773
+ Depreciation of fixed assets	6,410	6,536
-/+ Income/loss from the disposal of assets	-9	0
- Interest income	-910	-92
+ Interest expenses	1,990	980
Net operating income before changes in working capital	14,881	22,197
+/- Increase/decrease in provisions	7	108
-/+ Increase/decrease in trade receivables and other assets not attributable to investment or financing activity	2,347	-4,781
+/- Increase/decrease in inventories	-2,324	-2,186
+/- Increase/decrease in trade payables and other liabilities not attributable to investment or financing activity	3,846	5,323
Cash flow from operating activity before taxes	18,757	20,661
- Income taxes paid	-4,350	-1,541
Net cash flow from operating activity	14,407	19,120

CONSOLIDATED CASH FLOW STATEMENT

in TEUR	01/01/ – 06/30/2023	01/01/ – 06/30/2022
Cash flow from investment activity		
+ Payments received from the disposal of property, plant and equipment	18	0
- Payments made for investments in property, plant and equipment	-5,004	-3,971
- Payments made for investments in intangible assets	-155	-175
- Payments made for investments in time deposits with a maturity of > 3 months	0	-15,000
Net cash flow from investment activity	-5,141	-19,146
Cash flow from financing activity		
- Dividends	-2,464	-2,200
+ Payments received from loans	0	89,950
- Payments made for the amortization of loans	0	-59,000
- Interest paid	-1,607	-737
+ Interest received	859	37
Net cash flow from financing activity	-3,212	28,050
Net change in cash and cash equivalents	6,054	28,024
Change in funds due to changes in exchange rates	-298	1,026
Funds at start of period	87,514	52,206
Funds at end of period	93,270	81,256

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2023

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

in TEUR	Subscribed capital	Capital reserve	Other earnings reserve
Balance per 01/01/2022	8,800	47,029	9,699
Resolved dividend payments	–	–	–
Actuarial gains and losses	–	–	–
Currency translation	–	–	–
Net income from hedge accounting	–	–	–
Other comprehensive income	–	–	–
Net income after taxes	–	–	–
Net income	–	–	–
Balance per 06/30/2022	8,800	47,029	9,699
Actuarial gains and losses	–	–	–
Currency translation	–	–	–
Net income from hedge accounting	–	–	–
Other comprehensive income	–	–	–
Net income after taxes	–	–	–
Net income	–	–	–
Balance per 12/31/2022	8,800	47,029	9,699
Resolved dividend payments	–	–	–
Actuarial gains and losses	–	–	–
Currency translation	–	–	–
Net income from hedge accounting	–	–	–
Other comprehensive income	–	–	–
Net income after taxes	–	–	–
Net income	–	–	–
Balance per 06/30/2023	8,800	47,029	9,699

Profit/loss carried forward incl. consolidated net income for the year	Other changes in equity with no effect on profit and loss	Consolidated shareholders' equity
46,380	-15,414	96,494
-2,200		-2,200
-	0	0
-	2,162	2,162
-	208	208
-	2,370	2,370
10,274	-	10,274
10,274	2,370	12,644
54,454	-13,044	106,938
-	11,148	11,148
-	-722	-722
-	0	0
-	10,426	10,426
16,101	-	16,101
16,101	10,426	26,527
70,555	-2,618	133,465
-2,464	-	-2,464
-	0	0
-	-506	-506
-	0	0
-	-506	-506
5,508	-	5,508
5,508	-506	5,002
73,599	-3,124	136,003

SEGMENT REPORTING

The operative segments are consistent with the business divisions of the Nabaltec Group. The risks as well as internal organization and reporting structure are mainly determined by the differentiation of the products.

BUSINESS SEGMENTS

Nabaltec is divided into two product segments, "Functional Fillers" and "Specialty Alumina." Each segment represents a strategic business division, the products and markets of which differ from those of the other.

The product segment "Functional Fillers" produces and distributes non-halogenated flame retardant fillers for the plastics and the wire & cable industry as well as additives.

The product segment "Specialty Alumina" produces and distributes ceramic raw material and ceramic bodies for numerous applications in technical ceramics as well as the refractory industry.

PERIOD FROM 1 JANUARY – 30 JUNE 2023

in TEUR	Functional Fillers	Specialty Alumina	Nabaltec Group
Revenues			
Third party revenue	74,235	31,862	106,097
Segment result			
EBITDA	12,832	2,058	14,890
EBIT	8,070	410	8,480

PERIOD FROM 1 JANUARY – 30 JUNE 2022

in TEUR	Functional Fillers	Specialty Alumina	Nabaltec Group
Revenues			
Third party revenue	75,419	35,304	110,723
Segment result			
EBITDA	15,750	6,447	22,197
EBIT	11,001	4,660	15,661

ABRIDGED CONSOLIDATED NOTES

FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2023

1. GENERAL INFORMATION

Nabaltec AG, with registered office in Schwandorf, Germany¹, was formed by Company Agreement of 14 December 1994 with the corporate name Nabaltec GmbH and registered office in Schwandorf (entered into the Commercial Register of the Local Court of Amberg under Commercial Register No. B 3920). It acquired the specialty oxides business of VAW aluminium AG in 1995 and was transformed into a joint-stock company in 2006.

The corporate purpose pursuant to § 2 of the Articles of Association of Nabaltec AG is the manufacture of products based on mineral raw materials, particularly aluminum hydroxide and aluminum oxide, and the distribution of those products.

The shares of Nabaltec AG are listed in the Open Market (Scale) segment of the Frankfurt Stock Exchange since 24 November 2006.

2. BASIS OF PREPARATION

The consolidated financial statements of Nabaltec AG as of 30 June 2023 were prepared with due regard to all International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) and interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and of the Standing Interpretations Committee (SIC) recognized by the European Union and applicable to the financial year.

The interim financial statements of Nabaltec AG for the period from 1 January to 30 June 2023 were prepared in conformance with IAS 34, "Interim Financial Reporting," as a shorter financial report. The shorter financial statements do not contain all information prescribed for the financial statements of the financial year and should be read in conjunction with the consolidated financial statements as at 31 December 2022.

The interim financial statements encompass the period from 1 January to 30 June 2023.

The consolidated financial statements are prepared in euro (EUR). Unless stipulated otherwise, all values are rounded up or down to the nearest thousand euro (TEUR) in accordance with the commercial rounding practice. Please note that differences can result from the use of rounded amounts and percentages.

The presentation in the balance sheet differentiates between current and non-current assets and liabilities, some of which are broken down further by their respective maturities in the notes to the financial statements.

¹ Nabaltec AG, Alustraße 50 – 52, 92421 Schwandorf, Germany

The consolidated statement of comprehensive income has been prepared in accordance with the total expenditure format.

The interim financial statements have not been audited or reviewed by the auditor.

SCOPE OF CONSOLIDATION

The scope of consolidation of Nabaltec AG as of 30 June 2023 has not changed compared to the consolidated financial statements as of 31 December 2022. The consolidated financial statements include the separate financial statements of Nabaltec AG, Schwandorf, as the parent company and its subsidiaries Nashtec LLC, Corpus Christi (USA), Nabaltec USA Corporation, Corpus Christi (USA), Naprotec LLC, Chattanooga (USA), and Nabaltec (Shanghai) Trading Co., Ltd., Shanghai (China).

NEW ACCOUNTING PROVISIONS

All accounting and valuation methods used in the preparation of the abridged financial statements correspond to the methods applied in the most recent consolidated financial statements as of 31 December 2022.

In addition to the Standards and Interpretations used on 31 December 2022, the following Standards and Interpretations were used for the first time and had no impact on the interim financial statements:

- Amendments to IAS 1 (Presentation of Financial Statements) – Classification of liabilities as current or non-current
- Amendments to IAS 1 (Presentation of Financial Statements) and Guidance Document 2 – Disclosure of Accounting Policies
- Amendments to IAS 8 (Accounting Policies, Changes in Accounting Estimates and Errors) – Definition of Accounting Estimates
- Amendments to IAS 12 (Income Taxes) – Deferred Taxes Relating to Assets and Liabilities Arising from a Single Transaction

Until the publication of this interim financial statement, IASB and IFRIC have not published further changes to standards.

3. NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

REVENUES

We refer to the segment reports with respect to the revenue by product area. Information on revenue performance may be found in the management report.

4. NOTES TO THE CONSOLIDATED BALANCE SHEET

PROPERTY, PLANT AND EQUIPMENT

The additions to property, plant and equipment in the first six months of 2023 were the result of investments, primarily in technical equipment and machinery, to expand capacity and for further process optimization.

SHAREHOLDERS' EQUITY

The change in the shareholders' equity of Nabaltec AG is presented in the consolidated statement of changes in equity.

CURRENT AND NON-CURRENT LIABILITIES

LIABILITIES TO BANKS

Liabilities to banks largely entail credits borrowed at standard market interest rates. The market value corresponds to the book value.

5. OTHER DISCLOSURES

OTHER FINANCIAL OBLIGATIONS

CONTINGENT LIABILITIES AND LEGAL LIABILITY RELATIONS

As of the cutoff date, there were no contingent liabilities, legal liability relations or other legal disputes for which provisions had not been previously made.

RELATED PARTY TRANSACTIONS

The group of related persons and enterprises did not change compared to the consolidated financial statements as at 31 December 2022.

No transactions with related persons and enterprises took place in the first six months of 2023. Such transactions are conducted at standard market prices and conditions.

SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

There have been no significant events after the balance sheet date.

Schwandorf, 11 August 2023

The Management Board

FINANCIAL CALENDAR 2023

Baader Investment Conference	20 September
Publication Quarterly Financial Report (call-date Q3)	23 November
Deutsches Eigenkapitalforum	27 November

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Statements relating to the future

This interim report contains statements relating to the future which are based on the Management Board's current estimations and prognosis as well as on information currently available. These statements relating to the future are not to be understood as guarantees of the predicted future developments and results.

The future developments and results are rather dependent on a number of risks and uncertainties and are based on assumptions which possibly may prove to be false. We do not accept any obligation to update these statements relating to the future.

Rounding

Due to computational reasons, rounding differences may appear in the percentages and figures in the tables, graphics and text of this report.



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