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**SAFETY**

INTERIM REPORT 2/2022

# NABALTEC GROUP

## KEY FIGURES

FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2022

in EUR million	06/30/2022 (IFRS)	06/30/2021 (IFRS)	Change
<b>Revenues</b>			
Total revenues	110.7	93.9	17.9%
thereof			
Functional Fillers	75.4	65.6	14.9%
Specialty Alumina	35.3	28.4	24.3%
Foreign share (%)	73.9	74.4	
Employees <sup>1</sup> (number of persons)	488	479	1.9%
<b>Earnings</b>			
EBITDA	22.2	16.8	32.1%
EBIT <sup>2</sup>	15.7	10.5	49.5%
Consolidated result after taxes	10.3	6.7	53.7%
Earnings per share (EUR)	1.17	0.76	53.9%
<b>Financial position</b>			
Cash flow from operating activities	19.1	20.4	-6.4%
Cash flow from investing activities	-4.1	-3.5	17.1%
<b>Assets, equity and liabilities</b>			
	<b>06/30/2022</b>	<b>12/31/2021</b>	
Total assets	270.6	220.7	22.6%
Equity	106.9	96.5	10.8%
Non-current assets	136.4	122.5	11.3%
Current assets	134.2	98.2	36.7%

<sup>1</sup> on the reporting date 30 June, including trainees

<sup>2</sup> thereof non-recurring effects in the amount of EUR -1.3 million in the previous year

## 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."

### REVENUES AS OF 06/30 IN EUR MILLION

2018	91.8
2019	97.4
2020	81.8
2021	93.9
2022	110.7

### EBIT AS OF 06/30 IN EUR MILLION

2018	9.7
2019	12.4
2020	2.1
2021	10.5
2022	15.7

### OPERATING CASH FLOW AS OF 06/30 IN EUR MILLION

2018	13.4
2019	14.7
2020	13.7
2021	20.4
2022	19.1

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# OUR PRODUCT SEGMENTS

FIRST HALF OF 2022

## 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 **75.4** MILLION  
REVENUES

EUR **15.8** MILLION  
EBITDA

EUR **11.0** 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 **35.3** MILLION  
REVENUES

EUR **6.4** MILLION  
EBITDA

EUR **4.7** MILLION  
EBIT



# 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.



## EMPLOYEES

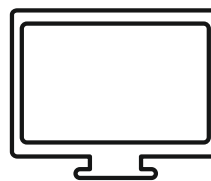
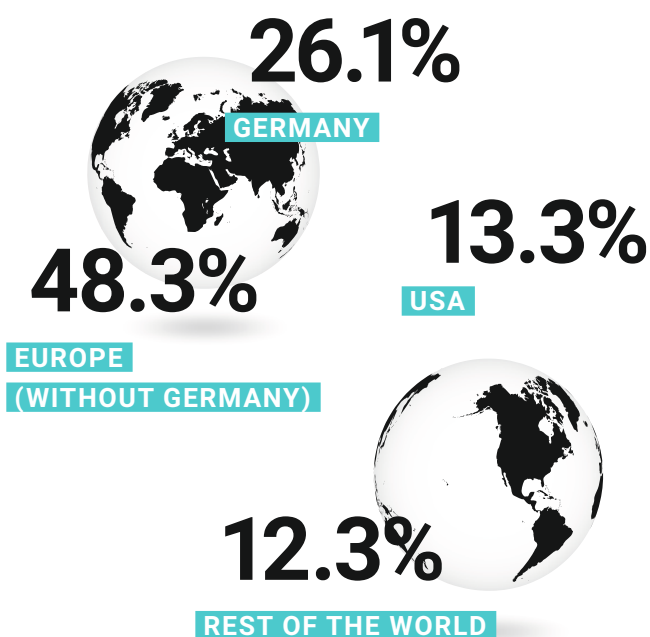
Sustainable employee development is important to Nabaltec AG in order to be prepared for future personnel challenges and in order to position itself as an attractive employer. As a family-friendly company which has been recognized multiple times, Nabaltec is committed to promoting young talent and values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



## INNOVATIONS

Nabaltec AG is regularly awarded national and international prizes and distinctions for innovation. 2022, for example, the company received once again and for the fourth time in a row the "Best Managed Companies Award" for outstandingly managed mid-sized companies, due in part to its highly innovative practices.

## REVENUE SHARES FIRST HALF OF 2022



## CONTACT IR

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## NABALTEC AG ON THE INTERNET

[www.nabaltec.de/en](http://www.nabaltec.de/en)

# FOREWORD

## OF THE CEO



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

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

*Business of Nabaltec  
is proving to be  
very robust in a  
difficult geopolitical  
and economic  
environment*

The challenges and uncertainties of geopolitics, the global economy, inflation, global supply chains, and raw material and energy prices have increased further in recent months. In this difficult environment, Nabaltec's business continued to be very robust in the second quarter of 2022. In the year to date, we have succeeded in keeping sales volumes stable with an improved product mix and implementing the necessary price increases.

*Revenue in the  
first half of 2022  
increased by 17.9%  
to EUR 110.7 million*

Revenue in the second quarter increased by 16.7% to EUR 55.9 million. In total, we achieved a revenue increase of 17.9% to EUR 110.7 million in the first half of 2022. With the exception of the boehmite product range, all product ranges exceeded their respective revenues from the previous year. Due to the continuing severely disrupted supply chains in the automotive industry, sales volumes of boehmite for the battery industry were around 25% lower than in the same period of the previous year. Operating profit (EBIT) improved to EUR 15.7 million in the first half of 2022, corresponding to an EBIT margin (EBIT as a percentage of total performance) of 14.0%.

Due to the very sound business development in the first half of the year, we are adjusting our previous revenue forecast from the beginning of the year for Financial Year 2022 upwards. We now expect revenue growth in a range from 12% to 14% (previously 10% to 12%). Despite significantly rising raw material and energy prices in the second half of 2022, we confirm the previous EBIT margin (EBIT as a percentage of total performance) in the range from 10% to 12% for the full year. Compared with the first half of the year, we therefore expect a decline in revenue growth and the EBIT margin in the second half. This forecast is subject to the condition that, despite the current (high) risks, the economy and the industries relevant to Nabaltec continue to develop in a stable manner. The gas market remains tight and contingency plans are in place in the event of an escalation in gas supply. However, the resulting potential impact on the entire supply chain cannot be predicted and therefore cannot be taken into account in this forecast.

*Revenue forecast 2022 with adjustment upward: growth in a range from 12% to 14%*

A crucial building block for our company in the first half of 2022 was the placement of a new loan against borrower's note with a volume of EUR 90.0 million. In addition to refinancing maturing loans, we have thus also created the financial leeway to implement forward-looking projects. Apart from this long-term financing, strong internal financing power with free cash flow of EUR 15.0 million in the first half of 2022 also provides additional liquidity.

The investment project to expand boehmite capacity from the current 10,000 tons to around 20,000 tons is now being implemented and remains our most important project in the next two years. As the expansion of the European battery industry continues to progress, we remain very optimistic about the long-term development of our boehmite in e-mobility.

Step by step, our US activities are improving and developing in the right direction. Nashtec was able to increase production output over the previous year. Optimization of the production processes in the second half of the year will further increase output, successively making production at capacity possible. There are also signs of an improvement for Naprotec in the second half of the year, albeit still at a low level.

The first half of the year has shown that even in a difficult environment, Nabaltec AG has a pleasingly stable development and is very well positioned in its niche markets.

Schwandorf, August 2022

Yours,



**JOHANNES HECKMANN**

CEO

# NABALTEC SHARE

## THE SECOND QUARTER OF 2022



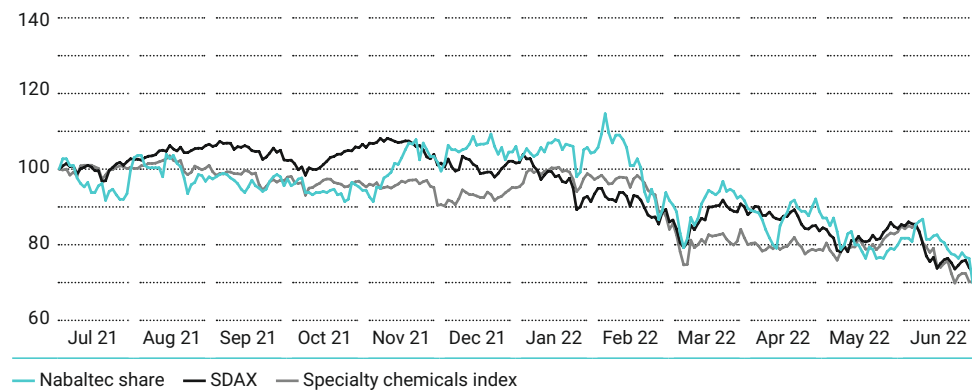
ISIN/WKN: DE000A0KPPR7/A0K PPR

SINCE 24 NOVEMBER 2006, NABALTEC SHARE HAS BEEN LISTED IN THE FRANKFURT STOCK EXCHANGE, WHERE IT IS TRADED IN THE SCALE MARKET SEGMENT.

Nabaltec's share price performance in the second quarter of 2022 was significantly impacted by the very challenging environment on the financial markets. The reason for this was the great uncertainty resulting from high inflation rates and interest rate hikes by central banks on the one hand, and ongoing geopolitical tensions on the other. In this light, the lowest price of the Nabaltec share was EUR 24.60 on 30 June 2022. Overall, the share price has fallen by 21.2% since the beginning of the second quarter. The benchmark indices also lost considerable ground during this period, falling 16.6% (SDAX) and 11.8% (Specialty chemicals index). The Nabaltec share hit its high in the second quarter at EUR 32.10 on 29 April 2022.

*High of Nabaltec share in the second quarter at EUR 32.10 on 29 April 2022*

### PERFORMANCE OF NABALTEC SHARE (XETRA, INDEXED)





## KEY DATA FOR NABALTEC SHARE (XETRA)

	First 6 months of 2022	Year 2021
Number of shares	8,800,000	8,800,000
Market capitalization (cutoff date, in EUR million)	216.48	312.40
Average price (in EUR)	31.65	32.27
High (in EUR)	39.60	37.80
Low (in EUR)	24.60	23.40
Closing price (cutoff date, in EUR)	24.60	35.50
Average daily turnover (in shares)	3,169	3,059
Earnings per share (in EUR)	1.17	1.85

Nabaltec share's average Xetra daily trading volume amounted to 3,169 shares in the first six months of 2022. In 2021 as a whole, it had averaged 3,059 shares per day.

Earnings per share (EPS) in the first six months of 2022 amounted to EUR 1.17. In comparison, in the first half of 2021 it had been EUR 0.76 and in 2021 as a whole EUR 1.85.

*Earnings per share of EUR 1.17 in the first six month of 2022*

The recommendations of the analysts of Baader Bank AG and Hauck Aufhäuser Lampe Privatbank AG regarding the Nabaltec share remain positive. In the analyses of the first six months of 2022, Hauck Aufhäuser Lampe Privatbank issued a buy recommendation. The target price as of the cutoff date of 30 June 2022 was unchanged at EUR 42.00. Baader Bank continued to rate Nabaltec share as an "Add" in its second quarter 2022 analyses. The price target was lowered to EUR 33.00 in the last analysis dated 24 May 2022, having previously been EUR 39.00.

*Analyst recommendations continue to be positive*

The analysts' recommendations of Nabaltec share can be found online at [www.nabaltec.de/en](http://www.nabaltec.de/en) in the Investor Relations/Share section.

As of 30 June 2022, the majority of the 8,800,000 shares continue to be held by the Heckmann and Witzany families. The Heckmann family holds 28.15% of the company's capital stock and the Witzany family holds 27.17%. The remaining 44.68% of the shares are in free float.

# CONSOLIDATED INTERIM MANAGEMENT REPORT

AS OF 30 JUNE 2022

## COURSE OF BUSINESS

*Revenues of  
EUR 110.7 million in  
the first six months  
of 2022*

In the first half of 2022, Nabaltec AG once again achieved record figures and, particularly due to the price adjustments implemented at the start of the year, was able to generate revenue growth of 17.9% to EUR 110.7 million (previous year: EUR 93.9 million). In the second quarter, revenues were EUR 55.9 million after EUR 47.9 million in the second quarter of the previous year (+16.7%). Revenue growth was generated by both product segments.

In the "Functional Fillers" product segment, Nabaltec achieved quarterly revenue of EUR 38.5 million, compared to EUR 33.3 million in the second quarter from the previous year. In the first six months of 2022, this product segment generated total revenue of EUR 75.4 million, compared to EUR 65.6 million in the same period from the previous year (+14.9%). Revenues in the "Specialty Alumina" product segment came to EUR 17.4 million in the second quarter of 2022, up 19.2% from the previous year (EUR 14.6 million). In the first half of the year, revenue in the "Specialty Alumina" product segment added up to EUR 35.3 million, compared to EUR 28.4 million in the first half of the previous year (+24.3%).

Nabaltec attained earnings before interest, taxes, depreciation and amortization (EBITDA) of EUR 11.8 million in the second quarter of 2022, compared to EUR 9.7 million in the same period of 2021. In the first half of 2022 as a whole, EBITDA thus rose to EUR 22.2 million, after EUR 16.8 million (+32.1%). The EBITDA margin (EBITDA as a percentage of total performance) reached 19.7% in the first half of 2022 (same period from previous year: 18.1%).

Consolidated operating profit (EBIT) in the second quarter of 2022 was EUR 8.5 million, exceeding the corresponding quarter from the previous year (2021: EUR 6.6 million) by 28.8%. In the first half of 2022, EBIT of EUR 15.7 million was generated, compared to EUR 10.5 million in the first half of 2021 (+49.5%). The EBIT margin (EBIT as a percentage of total performance) was 14.0% in the first half of 2022, compared to 11.3% in the same period from the previous year.

Net financial income amounted to EUR –0.9 million in the first six months of 2022, compared to EUR –0.8 million in the first half of 2021.

In the first half of 2022, Nabaltec generated earnings before taxes of EUR 14.8 million. In the same period of 2021, earnings before taxes had amounted to EUR 9.7 million. In the first half of 2022, this results in consolidated profit for the period of EUR 10.3 million after EUR 6.7 million in the first half of 2021. This corresponds to earnings per share of EUR 1.17 for the first six months of 2022. In comparison: in the same period from the previous year, earnings per share amounted to EUR 0.76.

*Earnings per share  
at EUR 1.17*

With total performance of EUR 112.5 million in the first six months of 2022, the corresponding prior-year period (EUR 92.8 million) was exceeded by 21.2%. Total performance was EUR 57.4 million in the second quarter of 2022, compared to EUR 48.8 million in the previous year's quarter (+17.6%). The sound revenue performance and the further increase in inventories of finished goods and work in progress are the reasons for this development.

Other operating income increased from EUR 1.2 million in the first half of the previous year to EUR 2.0 million in the first half of 2022. This includes foreign exchange gains of EUR 1.5 million (prior-year period: EUR 0.6 million).

The cost of materials increased in the first half of 2022 from EUR 44.8 million to EUR 53.7 million compared to the same period from the previous year. In particular, increased costs for raw materials, energy and packaging materials contributed to this development. The cost of materials ratio (cost of material as a percentage of total performance) was 47.7% in the first half of 2022. The gross profit margin (gross profit as a percentage of total performance) increased to 54.0% in the first six months of 2022 compared to 53.1% in the same period from the previous year.

The personnel expense ratio (personnel expenses as a percentage of total performance) fell from 19.0% to 17.6% compared to the first half from the previous year. The number of employees increased from 479 persons to 488 persons as of 30 June 2022. Depreciation in the first six months of 2022 amounted to EUR 6.5 million and was thus at the expected level. The depreciation ratio fell from 6.8% in the previous year to 5.8% in the reporting period.

At EUR 18.8 million, other operating expenses in the first half of 2022 were EUR 3.9 million significantly higher than the level of the same period from the previous year at EUR 14.9 million. In particular, significantly higher freight costs, increased repair costs and rising selling expenses had an impact here. The ratio in relation to total performance increased from 16.1% to 16.7% compared to the previous year.

Nabaltec's export ratio was 73.9%, a slight decrease over the figure for the same period from the previous year (74.4%). In regional terms, with the exception of Asia, there was hardly any change in the share of revenues compared to the previous year. Due to lower boehmite sales in the first half of 2022, there was a year-on-year decline in revenues in Asia.

*Export ratio was  
73.9% in the first  
half of 2022*

Cash flow from operating activities was EUR 19.1 million in the first half of 2022, compared to EUR 20.4 million in the first six months of the previous year. The very sound result for the period had a positive impact on cash flow. Changes in working capital, particularly the increase in inventories, had a negative impact on cash flow compared to the prior-year period.

Spending on investments increased from EUR 3.5 million in the same period from the previous year to EUR 4.1 million. This resulted in free cash flow of EUR 15.0 million in the first half of 2022, compared to EUR 16.9 million in the same period from the previous year.

Cash flow from financing activities was EUR 13.0 million, compared to EUR –0.7 million in the first half of the previous year. This includes the payment from the proceeds of the loan against borrower's note issued in April 2022 with a volume of EUR 90.0 million and the disbursement of the scheduled repayment of previous loans in the amount of EUR 59.0 million. In addition, cash flow from financing activities included the disbursement of a total dividend of EUR 2.2 million and the payment for investments in fixed-term deposits with a term of more than 3 months in the amount of EUR 15.0 million.

Cash and cash equivalents in the Nabaltec Group amounted to EUR 81.3 million as of 30 June 2022.

Total assets increased from EUR 220.7 million to EUR 270.6 million compared to 31 December 2021. Non-current assets increased from EUR 122.5 million on 31 December 2021 to EUR 136.4 million as of the reporting date on 30 June 2022. Current assets increased from EUR 98.2 million as of 31 December 2021 to EUR 134.2 million in the reporting period, primarily due to cash and cash equivalents.

*Equity ratio  
at 39.5%*

On the liabilities side, the equity ratio as of 30 June 2022 was 39.5% compared to 43.7% as of 31 December 2021. Non-current liabilities were EUR 134.8 million as of 30 June 2022, compared to EUR 44.6 million as of 31 December 2021. Current liabilities decreased from EUR 79.6 million at year-end 2021 to EUR 28.9 million. The newly issued loan against borrower's note and the scheduled repayment of existing loans mainly led to this change in current and non-current liabilities.

## EMPLOYEES

As of the reporting date of 30 June 2022, the Nabaltec Group employed 488 people (including trainees). At the corresponding point in the previous year, there had been 479 persons. The training ratio was 7.4%.



## OUTLOOK

In the majority of product ranges, demand remained stable already at the beginning of the new financial year, with prices rising. Overall, uncertainties remain in 2022 in connection with bottlenecks in logistics, natural gas supply and various materials. In 2022 as well, fine hydroxides will continue to be the most important product range by far within the “Functional Fillers” product segment. Products with high added value will continue to gain importance in the “Specialty Alumina” product segment.

Since numerous Nabaltec customers had increased their inventories at the end of 2021 in order to better counter the supply bottlenecks that existed in many areas, 2021 ended with a renewed boost in sales, especially in the boehmite product range. At the start of 2022, momentum was slowed due to these pull-forward effects, and the boehmite product range was also unable to match the previous year’s revenue level in the further course of the year. Irrespective of this, the product range will gain disproportionately in importance for Nabaltec in the coming years due to the capacity expansion forecast by customers for the production of coated separator films for lithium ion batteries.

Due to the very sound business development in the first half of 2022, Nabaltec is increasing its revenue forecast for the full year. The company now expects revenue growth for the full year 2022 in a range from 12% to 14% (previously: 10% to 12%). On the earnings side, Nabaltec confirms an EBIT margin in the range from 10% to 12% for the full year, despite the significant rise in raw material and energy prices in the second half of 2022. The forecast is based on the assumption that, despite the current risks for the global economy, the economy and the industries relevant to Nabaltec continue to develop in a stable manner. It remains unclear how the increasing risks resulting from the war in Ukraine, possible supply restrictions for natural gas, as well as high inflation and the coronavirus pandemic, which has not yet been overcome, will affect Nabaltec’s business performance. In the event of increasing escalation and resulting economic distortions, negative effects on the financial, liquidity and earnings position cannot be ruled out.

*Increase in revenue forecast: 12% to 14% growth; EBIT margin in a range from 10% to 12% confirmed*

Furthermore, the other statements made in the forecast report of the 2021 consolidated management report remain valid.

## REPORT ON OPPORTUNITIES AND RISKS

With regard to the risk situation presented in the 2021 consolidated management report, no significant changes were discernible in the first half of 2022.

Schwandorf, 10 August 2022

The Management Board

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2022

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in TEUR	01/01/ – 06/30/2022	04/01/ – 06/30/2022	01/01/ – 06/30/2021	04/01/ – 06/30/2021
Revenues	110,723	55,890	93,925	47,934
Change in inventories of finished goods and work in progress	1,542	1,355	-1,367	752
Own work capitalized	243	122	274	138
<b>Total performance</b>	<b>112,508</b>	<b>57,367</b>	<b>92,832</b>	<b>48,824</b>
Other operating income	1,958	1,331	1,205	393
Cost of materials	-53,659	-27,486	-44,757	-22,726
<b>Gross earnings</b>	<b>60,807</b>	<b>31,212</b>	<b>49,280</b>	<b>26,491</b>
Personnel expenses	-19,762	-9,896	-17,619	-8,956
Depreciation	-6,536	-3,308	-6,258	-3,123
Other operating expenses	-18,848	-9,481	-14,869	-7,827
<b>Operating profit (EBIT) <sup>1</sup></b>	<b>15,661</b>	<b>8,527</b>	<b>10,534</b>	<b>6,585</b>
Interest and similar income	92	60	54	23
Interest and similar expenses	-980	-487	-903	-454
<b>Earnings before taxes (EBT)</b>	<b>14,773</b>	<b>8,100</b>	<b>9,685</b>	<b>6,154</b>
Taxes on income	-4,499	-2,500	-2,954	-1,803
<b>Net after-tax earnings</b>	<b>10,274</b>	<b>5,600</b>	<b>6,731</b>	<b>4,351</b>
<b>Earnings per share (in EUR)</b>	<b>1.17</b>	<b>0.64</b>	<b>0.76</b>	<b>0.49</b>

<sup>1</sup> thereof non-recurring effects in the amount of EUR -1.3 million in the previous year

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in TEUR	01/01/ – 06/30/2022	04/01/ – 06/30/2022	01/01/ – 06/30/2021	04/01/ – 06/30/2021
<b>Net after-tax earnings</b>	<b>10,274</b>	<b>5,600</b>	<b>6,731</b>	<b>4,351</b>
Items which may be reclassified to profit and loss in the future				
Currency translation (after taxes)	2,162	1,648	710	-261
Net income from hedge accounting (after taxes)	208	207	208	205
<b>Total</b>	<b>2,370</b>	<b>1,855</b>	<b>918</b>	<b>-56</b>
Items which will not be reclassified to profit and loss in the future				
Actuarial gains and losses	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other comprehensive income</b>	<b>2,370</b>	<b>1,855</b>	<b>918</b>	<b>-56</b>
<b>Total comprehensive income</b>	<b>12,644</b>	<b>7,455</b>	<b>7,649</b>	<b>4,295</b>

# CONSOLIDATED BALANCE SHEET

AS OF 30 JUNE 2022

## ASSETS

in TEUR	06/30/2022	12/31/2021
<b>Non-current assets</b>	<b>136,441</b>	<b>122,516</b>
Intangible assets		
Concessions, proprietary rights and similar rights and assets, as well as licenses to such rights and assets (including advance payments)	502	396
Property, plant and equipment	119,492	119,904
Land, leasehold rights and buildings, including buildings on unowned land	36,302	36,462
Technical equipment and machinery	72,314	74,918
Other fixtures, fittings and equipment	4,263	3,792
Advance payments and assets under construction	6,613	4,732
Financial assets	78	78
Shares in affiliated companies	78	78
Other assets	15,000	0
Deferred tax assets	1,369	2,138
<b>Current assets</b>	<b>134,207</b>	<b>98,190</b>
Inventories	36,121	33,935
Raw materials and supplies	22,435	22,532
Work in process	1,532	1,241
Finished goods and merchandise	12,154	10,162
Other assets and accounts receivable	16,830	12,049
Trade receivables	7,891	5,457
Receivables from income taxes	432	432
Other assets	8,507	6,160
Cash and cash equivalents	81,256	52,206
<b>TOTAL ASSETS</b>	<b>270,648</b>	<b>220,706</b>



LIABILITIES

in TEUR	06/30/2022	12/31/2021
<b>Shareholders' equity</b>	<b>106,938</b>	<b>96,494</b>
Subscribed capital	8,800	8,800
Capital reserve	47,029	47,029
Earnings reserve	9,699	9,699
Profit carry-forward	44,180	30,119
After-tax earnings	10,274	16,261
Other changes in equity with no effect on profit and loss	-13,044	-15,414
	-	-
<b>Non-current liabilities</b>	<b>134,827</b>	<b>44,587</b>
Pension reserves	43,532	43,269
Other provisions	1,344	1,318
Accounts payable to banks	89,951	-
	-	-
<b>Current liabilities</b>	<b>28,883</b>	<b>79,625</b>
Accounts payable from income taxes	6,900	3,677
Other provisions	502	485
Accounts payable to banks	333	59,268
Trade payables	12,918	10,681
Other accounts payable	8,230	5,514
	-	-
<b>TOTAL LIABILITIES</b>	<b>270,648</b>	<b>220,706</b>

# CONSOLIDATED CASH FLOW STATEMENT

FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2022

## CONSOLIDATED CASH FLOW STATEMENT

in TEUR	01/01/ – 06/30/2022	01/01/ – 06/30/2021
<b>Cash flow from operating activity</b>		
<b>Earnings before taxes</b>	<b>14,773</b>	<b>9,685</b>
+ Depreciation of fixed assets	6,536	6,258
-/+ Other non-cash income/expenses	0	0
-/+ Income/loss from the disposal of assets	0	5
- Interest income	-92	-54
+ Interest expenses	980	903
<b>Net operating income before changes in working capital</b>	<b>22,197</b>	<b>16,797</b>
+/- Increase/decrease in provisions	108	126
-/+ Increase/decrease in trade receivables and other assets not attributable to investment or financing activity	-4,781	-3,072
+/- Increase/decrease in inventories	-2,186	1,482
+/- Increase/decrease in trade payables and other liabilities not attributable to investment or financing activity	5,323	7,294
<b>Cash flow from operating activity before taxes</b>	<b>20,661</b>	<b>22,627</b>
- Income taxes paid	-1,541	-2,194
<b>Net cash flow from operating activity</b>	<b>19,120</b>	<b>20,433</b>

CONSOLIDATED CASH FLOW STATEMENT

in TEUR	01/01/ – 06/30/2022	01/01/ – 06/30/2021
<b>Cash flow from investing activity</b>		
+ Payments received from the disposal of property, plant and equipment	0	0
- Payments made for investments in property, plant and equipment	-3,971	-3,398
- Payments made for investments in intangible assets	-175	-70
<b>Net cash flow from investment activity</b>	<b>-4,146</b>	<b>-3,468</b>
<b>Cash flow from financing activity</b>		
- Dividends	-2,200	0
- Payments made for investment in fixed deposits > 3 month	-15,000	0
+ Payments received from loans	89,950	0
- Payments made for the amortization of loans	-59,000	0
- Interest paid	-737	-706
+ Interest received	37	5
<b>Net cash flow from financing activity</b>	<b>13,050</b>	<b>-701</b>
<b>Net change in cash and cash equivalents</b>	<b>28,024</b>	<b>16,264</b>
<b>Change in funds due to changes in exchange rates</b>	<b>1,026</b>	<b>285</b>
Funds at start of period	52,206	26,354
<b>Funds at end of period</b>	<b>81,256</b>	<b>42,903</b>

# CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2022

## CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

in TEUR	Subscribed capital	Capital reserve	Earnings reserve
<b>Balance per 01/01/2021</b>	<b>8,800</b>	<b>47,029</b>	<b>9,699</b>
Actuarial gains and losses	–	–	–
Currency translation	–	–	–
Net income from hedge accounting	–	–	–
Other comprehensive income	–	–	–
Net income after taxes	–	–	–
<b>Net income</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Balance per 06/30/2021</b>	<b>8,800</b>	<b>47,029</b>	<b>9,699</b>
Actuarial gains and losses	–	–	–
Currency translation	–	–	–
Net income from hedge accounting	–	–	–
Other comprehensive income	–	–	–
Net income after taxes	–	–	–
<b>Net income</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Balance per 12/31/2021</b>	<b>8,800</b>	<b>47,029</b>	<b>9,699</b>
Resolved dividend payments	–	–	–
Actuarial gains and losses	–	–	–
Currency translation	–	–	–
Net income from hedge accounting	–	–	–
Other comprehensive income	–	–	–
Net income after taxes	–	–	–
<b>Net income</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Balance per 06/30/2022</b>	<b>8,800</b>	<b>47,029</b>	<b>9,699</b>



Profit carry-forward	Other changes in equity with no effect on profit and loss	Consolidated shareholders' equity
30,119	-18,812	76,835
-	0	0
-	710	710
-	208	208
-	918	918
6,731	-	6,731
6,731	918	7,649
36,850	-17,894	84,484
-	1,063	1,063
-	1,213	1,213
-	204	204
-	2,480	2,480
9,530	-	9,530
9,530	2,480	12,010
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

# 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 2022

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

### PERIOD FROM 1 JANUARY – 30 JUNE 2021

in TEUR	Functional Fillers	Specialty Alumina	Nabaltec Group
<b>Revenues</b>			
Third party revenue	65,553	28,372	93,925
<b>Segment result</b>			
EBITDA	11,329	5,463	16,792
EBIT	6,831	3,703	10,534

# ABRIDGED CONSOLIDATED NOTES

FOR THE PERIOD 1 JANUARY TO 30 JUNE 2022

## 1. GENERAL INFORMATION

Nabaltec AG, with registered office in Schwandorf, Germany<sup>1</sup>, 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 2022 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 2022 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 2021.

The interim financial statements encompass the period from 1 January to 30 June 2022.

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.

<sup>1</sup> 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 2022 has not changed compared to the consolidated financial statements as of 31 December 2021. 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 2021.

In addition to the Standards and Interpretations used on 31 December 2021, the following Standards and Interpretations were used for the first time and had no impact on the interim financial statements:

- Amendments to IFRS 3 (Business Combinations) – Reference to the Framework
- Amendments to IAS 16 (Property, Plant and Equipment) – Revenue recognition before an asset is in its working condition
- Amendments to IAS 37 (Provisions, Contingent Liabilities and Contingent Assets) – Onerous contracts in respect of costs to perform a contract
- Omnibus Standard to Improve Various International Financial Reporting Standards (2018–2020)

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 2022 were the result of investments, primarily in technical equipment and machinery to expand capacity and for further process optimization.

#### FINANCIAL ASSETS

Financial assets consist of the 100% interest in Nabaltec Asia Pacific K.K. The subsidiary is not fully consolidated on grounds of materiality. In the absence of an active market, the shares are measured at cost.



The company is currently in the process of being dissolved. In the future, the expansion plans in the Southeast Asia region in the boehmite product range for lithium ion batteries will be driven forward directly by Nabaltec AG.

#### 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.

Nabaltec AG has successfully issued a bonded loan with a volume of TEUR 90,000 and a value date of April 2022. The proceeds from the issue were used to refinance existing bonded loans in the amount of TEUR 39,000 and a bilateral bank loan in the amount of TEUR 20,000, due in April 2022. In addition, the funds will be used to finance further growth projects, in particular to expand capacity in the boehmite product range for lithium ion batteries. The volume is divided into fixed and variable tranches with maturities of five and seven years. The bonded loan was placed without broad marketing as part of a private placement with the participation of five investors.

## 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 2021.

No transactions with related persons and enterprises took place in the first six months of 2022. 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, 10 August 2022

The Management Board

**FINANCIAL CALENDAR 2022**

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Baader Investment Conference	22 September
Interim Report 3/2022	24 November
Deutsches Eigenkapitalforum	28 November

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# IMPRINT

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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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