

OUR
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INTERIM REPORT 3/2022

NABALTEC GROUP

KEY FIGURES

FOR THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 2022

in EUR million	09/30/2022 (IFRS)	09/30/2021 (IFRS)	Change
Revenues			
Total revenues	167.2	140.6	18.9%
thereof			
Functional Fillers	113.4	97.7	16.1%
Specialty Alumina	53.8	42.9	25.4%
Foreign share (%)	73.8	74.2	
Employees ¹ (number of persons)	510	478	6.7%
Earnings			
EBITDA	33.5	26.5	26.4%
EBIT ²	23.7	17.0	39.4%
Consolidated result after taxes ³	22.4	11.0	103.6%
Earnings per share (EUR) ³	2.55	1.25	104.0%
Financial position			
Cash flow from operating activities	29.0	27.6	5.1%
Cash flow from investing activities	-7.6	-4.5	68.9%
Assets, equity and liabilities			
	09/30/2022	12/31/2021	
Total assets	284.9	220.7	29.1%
Equity	120.8	96.5	25.2%
Non-current assets	138.0	122.5	12.7%
Current assets	146.9	98.2	49.6%

¹ on the reporting date 30 September, including trainees

² thereof non-recurring effects in the amount of EUR -1.3 million in the previous year

³ thereof non-recurring effects tax income cost compensation Nashtec amounting to EUR 6.8 million or EUR 0.77 per share in Q3/2022

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 09/30 IN EUR MILLION

2018	135.3
2019	141.3
2020	118.9
2021	140.6
2022	167.2

EBIT AS OF 09/30 IN EUR MILLION

2018	14.0
2019	17.3
2020	5.0
2021	17.0
2022	23.7

OPERATING CASH FLOW AS OF 09/30 IN EUR MILLION

2018	17.4
2019	21.4
2020	20.1
2021	27.6
2022	29.0

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OUR PRODUCT SEGMENTS

FIRST 9 MONTHS 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 **113.4** MILLION
REVENUES

EUR **24.0** MILLION
EBITDA

EUR **16.8** 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 **53.8** MILLION
REVENUES

EUR **9.5** MILLION
EBITDA

EUR **6.8** 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

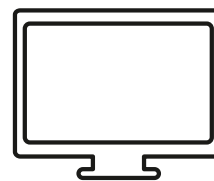
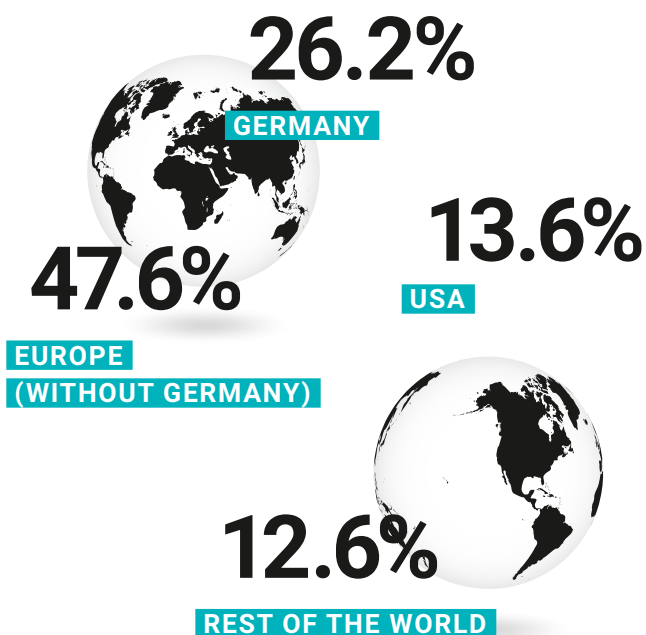
Sustainable employee development is important to Nabaltec AG in order to be prepared for future personnel challenges and in order to position itself as an attractive employer. As a family-friendly company which has been recognized multiple times, Nabaltec is committed to promoting young talent and values 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 9 MONTHS 2022



CONTACT IR

Kerstin Schuierer
E-mail: InvestorRelations@nabaltec.de

NABALTEC AG ON THE INTERNET

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,*

**Nabaltec's business
proves very robust in
a difficult geopolitical
and economic
environment**

Nabaltec's business performance continues to be very robust in a difficult environment consisting of recessionary concerns, inflation and explosive energy prices, currently changing almost daily and becoming more and more challenging. We continued to grow in the third quarter by 21.0% compared to the same period from the previous year. This resulted in revenue of EUR 167.2 million in the first nine months of 2022, representing growth of 18.9% compared over the same period from the previous year.

The main driver behind the strong revenue growth was the price development. We succeeded in passing on the necessary price adjustments to the market in 2022. Stable demand across our product segments and virtually unchanged sales volumes reflect a market that remains robust on the whole. Despite the threat of recession, sharp increases in energy prices and inflation, short-term demand for our products is largely intact.

We have noticed that our customers are once again aligning their ordering behavior very closely to their actual needs. This trend was most clearly visible with our boehmite. In that product range, in particular still at the end of 2021, customers had ordered well in excess of demand and on stock, due to concerns about the availability of goods and the stability of global supply chains. This pull-forward effect noticeably slowed demand for boehmite in 2022. According to our assessment, there are currently hardly any high levels of stocks and inventories left in the value-adding stages downstream from us. Accordingly, Nabaltec's business development should be closely aligned with actual international market developments.

Due to the very sound business performance in the third quarter of 2022, we now expect revenue growth for financial year 2022 in the range of 15% to 17% (previous forecast: 12% to 14%) and an EBIT margin in the range of 12% to 13% (previous forecast: 10% to 12%). In comparison: after nine months, we achieved an EBIT margin of 14.1% (based on total performance), compared to 12.3% in the same period of the previous year.

Revenue forecast 2022 with upward adjustment: Growth in a range of 15% to 17%

In addition, the third quarter of 2022 includes extraordinary tax income of EUR 6.8 million due to a cost settlement with our US subsidiary Nashtec from 2020. This one-off effect is clearly reflected in the net income after nine months, which already developed very well and has now risen to EUR 22.4 million, compared with EUR 11.0 million in the same period from last year.

Although we are able to report a very sound business performance in 2022 despite difficult underlying conditions, it is not possible to make a serious forecast for financial year 2023 and beyond. The overarching variables of economic activity, energy prices and, above all, consumer spending are subject to considerable uncertainty. It is therefore all the more important that we at Nabaltec stick to our fundamental strategy, trust in our strengths and continue to build on them. We will continue to promote our strong and established products in a targeted fashion. We will make our investments with balance and the right sense of proportion with regard to the current uncertainties and the knowledge of the diverse future prospects.

Serious forecast for 2023 and beyond not possible under the given framework conditions

Schwandorf, November 2022

Yours,



JOHANNES HECKMANN

CEO

NABALTEC SHARE

THE THIRD QUARTER OF 2022



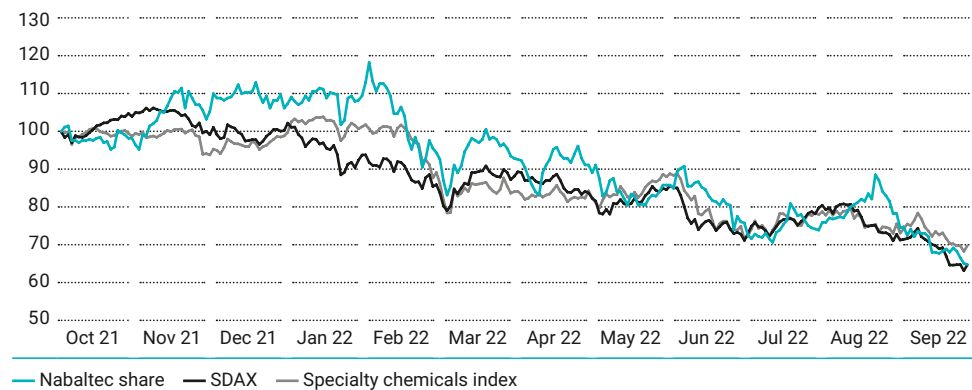
ISIN/WKN: DE000A0KPPR7/A0K PPR

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

The performance of Nabaltec's share in the third quarter of 2022 continued to be significantly impacted by the very challenging environment on the financial markets. There continues to be 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 Nabaltec share was EUR 21.50 on 30 September 2022. Overall, the share price has fallen by 39.4% since the beginning of the year 2022. The benchmark indices also lost considerable ground during this period, falling 35.9% (SDAX) and 29.8% (Specialty chemicals index). Nabaltec share hit its high in the third quarter at EUR 29.60 on 25 August 2022.

High of Nabaltec share in the third quarter at EUR 29.60 on 25 August 2022

PERFORMANCE OF NABALTEC SHARE (XETRA, INDEXED)



KEY DATA FOR NABALTEC SHARE (XETRA)

	9 Months 2022	Year 2021
Number of shares	8,800,000	8,800,000
Market capitalization (cutoff date, in EUR million)	189.20	312.40
Average price (in EUR)	29.33	32.27
High (in EUR)	39.60	37.80
Low (in EUR)	21.50	23.40
Closing price (cutoff date, in EUR)	21.50	35.50
Average daily turnover (in shares)	2,751	3,059
Earnings per share (in EUR)	2.55 ¹	1.85

The average daily trading volume of Nabaltec share on XETRA amounted to 2,751 shares in the first nine months of 2022. In 2021 as a whole, it had averaged 3,059 shares per day.

Earnings per share (EPS) in the first nine months of 2022 amounted to EUR 2.55.¹ In comparison, in the first nine months of 2021 it had been EUR 1.25 and in 2021 as a whole EUR 1.85.

The recommendations of the analysts of Baader Bank AG and Hauck Aufhäuser Lampe Privatbank AG regarding Nabaltec share remain positive. In the analyses of the first nine months of 2022, Hauck Aufhäuser Lampe issued a buy recommendation. The target price as of the cutoff date of 30 September 2022 was at EUR 39.00 and had been lowered in the previous analysis of 29 August from EUR 42.00. Baader Bank continued to rate Nabaltec share as an "Add" in its third quarter 2022 analyses. In the latest analysis after the cutoff date of 17 November 2022, the price target remained at EUR 24.00, having been lowered from the previous EUR 33.00 in an analysis of 18 October.

*Analyst
recommendations
continue to be
positive*

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

As of 30 June 2022, the majority of the 8,800,000 shares continued 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.

¹ thereof non-recurring effects tax income cost compensation Nashtec amounting to EUR 6.8 million or EUR 0.77 per share in Q3/2022

CONSOLIDATED INTERIM MANAGEMENT REPORT

AS OF 30 SEPTEMBER 2022

COURSE OF BUSINESS

*Revenues of
EUR 167.2 million in
the first nine months
of 2022 (+18,9%)*

Nabaltec AG generated total revenues of EUR 167.2 million in the first nine months, achieving growth of 18.9% (2021: EUR 140.6 million) compared to the same period of the previous year. The revenue momentum was thus once again slightly higher than originally expected. In the third quarter, consolidated revenues were EUR 56.5 million, compared to EUR 46.7 million in the third quarter of the previous year (+21.0%). This new revenue record was generated in the first nine months of 2022 particularly through price adjustments.

Third-quarter revenues in the "Functional Fillers" product segment amounted to EUR 37.9 million, an increase of 18.1% over the same quarter of the previous year (EUR 32.1 million). In the first nine months of 2022, this product segment generated total revenue of EUR 113.4 million, compared to EUR 97.7 million in the same period of the previous year (+16.1%). The "Specialty Alumina" product segment increased revenue by 27.6% in the third quarter, earning EUR 18.5 million compared to EUR 14.5 million in the same quarter from the previous year. In the first nine months of 2022, revenue in this product segment was EUR 53.8 million, compared to EUR 42.9 million in the same period of the previous year (+25.4%).

Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to EUR 33.5 million in the first nine months of 2022 compared to EUR 26.5 million in the same period of the previous year (+26.4%). The EBITDA margin (EBITDA as a percentage of total performance) increased on a nine-month comparison to 19.9% (prior-year period: 19.1%).

*Operating profit
(EBIT) of EUR 23.7
million in the first
nine months of 2022*

The company achieved an operating profit (EBIT) of EUR 8.0 million in the third quarter of 2022, compared to EUR 6.5 million in the same quarter of the previous year. In the first nine months of 2022, EBIT of EUR 23.7 million was generated, compared to EUR 17.0 million in the same period of the previous year. The EBIT margin (EBIT as a percentage of total performance) increased from 12.3% in the same period of the previous year to 14.1% in the first nine months of 2022.

At EUR -1.3 million, the net financial income in the first nine months of 2022 remained at the level of the same period of the previous year.

In the first nine months of 2022, Nabaltec generated earnings before taxes of EUR 22.4 million. In the same period of 2021, earnings before taxes had amounted to EUR 15.8 million. With respect to taxes on income, the income taxes for the period and positive extraordinary tax income almost completely offset each other. The corresponding taxes on income of EUR 0.0 million include extraordinary tax income of EUR 6.8 million in the third quarter of 2022, resulting from the contractual cost settlement with Nashtec LLC in financial year 2020. Upon completion of the tax assessment at the end of September 2022 for financial year 2020, the cost compensation granted to Nashtec LLC in 2020 was recognized in full as a tax expense deductible in Germany. Due to the uncertainty surrounding this matter, no tax income has been recognized to date (see also the 2021 Annual Report in section "taxes" in the risks and opportunities report).

In the first nine months of 2022, this results in consolidated profit for the period of EUR 22.4 million after EUR 11.0 million in the first nine months of 2021, corresponding to earnings per share of EUR 2.55 for the first nine months of 2022. In comparison: in the same period from the previous year, earnings per share amounted to EUR 1.25.

*Earnings per share
at EUR 2.55*

Total performance in the third quarter of 2022 amounted to EUR 55.5 million after EUR 45.8 million in the same period of the previous year, corresponding to an increase of 21.2%. In the nine-month period, total performance rose to EUR 168.0 million, compared to EUR 138.7 million in the same period of the previous year (+21.1%). The main reason for this was the further significant improvement in revenue compared to the previous year. The reduction in inventories of work in progress and finished goods in the third quarter was within the normal range for the company.

Cost of materials increased in the first nine months of 2022 from EUR 65.5 million to EUR 80.4 million compared to the same period of the previous year. In particular, increased costs for raw materials, energy and packaging materials contributed to this development. At 47.9%, the ratio of cost of materials to total performance in the first nine months of 2022 was slightly above the same period from the previous year (47.2%). The gross profit margin (gross profit as a percentage of total performance) was 54.3% in the first nine months of 2022.

With a number of employees of 510 (30 September 2021: 478 employees), personnel expenses in the first nine months of 2022 were EUR 29.6 million, compared to EUR 26.5 million in the same period of the previous year. The personnel expense ratio (personnel expenses as a percentage of total performance) fell from 19.1% to 17.6%.

Other operating expenses significantly increased from EUR 21.9 million to EUR 28.1 million compared to the same period of the previous year. This was mainly due to a sharp rise in freight costs, increased repair costs and rising selling expenses. The ratio of other operating expenses in relation to total performance increased from 15.8% to 16.7% compared to the previous year.

The export ratio of Nabaltec in the first nine months of 2022 was 73.8% compared to 74.7% in the same period of the previous year. The export ratio will thus remain at a high level over the long term. From a regional perspective, there has been a minimal shift in the shares of revenue. Due to lower boehmite sales in the first nine months of 2022, there was a year-on-year decline in revenues in Asia.

*Export ratio was
73.8% in the first
nine months of 2022*

Cash flow from operating activity was EUR 29.0 million after the first nine months of 2022, compared to EUR 27.6 million in the first nine months of 2021. This development was primarily driven by the significant increase in profit for the period, which had a positive effect 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.

*Free cash flow at
EUR 21.4 million in
the first nine months
of 2022*

In the first nine months of 2022, spending on investments increased from EUR 4.5 million in the same period of the previous year to EUR 7.6 million. Free cash flow was thus EUR 21.4 million in the first nine months of 2022, compared to EUR 23.1 million in the first nine months of 2021.

Cash flow from financing activity was EUR 13.1 million in the first nine months of 2022, compared to EUR -0.7 million in the same period from 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 activity included the disbursement of a dividend in the amount 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.

Nabaltec Group's cash and cash equivalents amounted to EUR 88.5 million as of 30 September 2022.

Total assets increased from EUR 220.7 million to EUR 284.9 million compared to 31 December 2021.

Non-current assets increased from EUR 122.5 million on 31 December 2021 to EUR 138.0 million as of the reporting date on 30 September 2022. Current assets increased from EUR 98.2 million as of 31 December 2021 to EUR 146.9 million in the reporting period, primarily due to the much higher cash and cash equivalents.

*Equity ratio
at 42.4%*

On the liabilities side, the equity ratio as of 30 September 2022 was 42.4% compared to 43.7% as of 31 December 2021. Non-current liabilities were EUR 135.2 million as of 30 September 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 28.8 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

*Number of
employees
increased to 510*

As of the reporting date of 30 September 2022, the Nabaltec Group employed 510 people (including trainees). At the corresponding point in the previous year, there had been 478 employees. The trainee ratio of 8.4% remained at a high level.

OUTLOOK

In the majority amount of product areas, demand remained stable already at the beginning of the financial year, with prices rising. Overall, uncertainties remain in 2022 in connection with bottlenecks in logistics, natural gas supply and the availability of 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 strong boost in sales, especially in the boehmite product range. In the first half 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 foils for lithium ion batteries.

Due to the very sound business development in the first half of 2022, Nabaltec already increased in August 2022 its revenue forecast for the full year. Due to the continued very sound development in the third quarter and additional price effects, Nabaltec AG is once again adjusting its previous forecast upward. The company now expects revenue growth in the range of 15% to 17% (previously 12% to 14%) and an EBIT margin in the range of 12% to 13% (previously 10% to 12%) on the earnings side for financial year 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 will develop in a stable fashion. 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 Corona 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 forecast:
15% to 17% revenue
growth; EBIT margin
in a range of 12%
to 13%*

Furthermore, the other statements made in the forecast from 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 nine months of 2022. The situation described in the risks and opportunities report relating to “taxes” in the 2021 Annual Report has developed positively.

Schwandorf, 18 November 2022

The Management Board

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 2022

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in TEUR	01/01/ – 09/30/2022	07/01/ – 09/30/2022	01/01/ – 09/30/2021	07/01/ – 09/30/2021
Revenues	167,189	56,466	140,585	46,660
Change in inventories of finished goods and work in progress	392	-1,150	-2,309	-942
Own work capitalized	411	168	397	123
Total performance	167,992	55,484	138,673	45,841
Other operating income	3,530	1,572	1,811	606
Cost of materials	-80,353	-26,694	-65,504	-20,747
Gross earnings	91,169	30,362	74,980	25,700
Personnel expenses	-29,602	-9,840	-26,543	-8,924
Depreciation	-9,818	-3,282	-9,484	-3,226
Other operating expenses	-28,088	-9,240	-21,914	-7,045
Operating profit (EBIT) ¹	23,661	8,000	17,039	6,505
Interest and similar income	194	102	77	23
Interest and similar expenses	-1,448	-468	-1,361	-458
Earnings before taxes (EBT)	22,407	7,634	15,755	6,070
Taxes on income ²	15	4,514	-4,727	-1,773
Net after-tax earnings	22,422	12,148	11,028	4,297
Earnings per share (in EUR)	2.55	1.38	1.25	0.49

¹ thereof non-recurring effects in the amount of EUR -1.3 million in the previous year

² thereof non-recurring effects tax income cost compensation Nashtec amounting to EUR 6.8 million in Q3/2022

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in TEUR	01/01/ – 09/30/2022	07/01/ – 09/30/2022	01/01/ – 09/30/2021	07/01/ – 09/30/2021
Net after-tax earnings	22,422	12,148	11,028	4,297
Items which may be reclassified to profit and loss in the future				
Currency translation (after taxes)	3,874	1,712	1,331	621
Net income from hedge accounting (after taxes)	208	0	204	-4
Total	4,082	1,712	1,535	617
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	4,082	1,712	1,535	617
Total comprehensive income	26,504	13,860	12,563	4,914

CONSOLIDATED BALANCE SHEET

AS OF 30 SEPTEMBER 2022

ASSETS

in TEUR	09/30/2022	12/31/2021
Non-current assets	137,968	122,516
Intangible assets		
Concessions, proprietary rights and similar rights and assets, as well as licenses to such rights and assets (including advance payments)	527	396
Property, plant and equipment	121,358	119,904
Land, leasehold rights and buildings, including buildings on unowned land	37,105	36,462
Technical equipment and machinery	71,930	74,918
Other fixtures, fittings and equipment	4,210	3,792
Advance payments and assets under construction	8,113	4,732
Financial assets	78	78
Shares in affiliated companies	78	78
Other assets	15,000	0
Deferred tax assets	1,005	2,138
Current assets	146,900	98,190
Inventories	38,549	33,935
Raw materials and supplies	25,667	22,532
Work in process	1,590	1,241
Finished goods and merchandise	11,292	10,162
Other assets and accounts receivable	19,835	12,049
Trade receivables	9,729	5,457
Receivables from income taxes	4,122	432
Other assets	5,984	6,160
Cash and cash equivalents	88,516	52,206
TOTAL ASSETS	284,868	220,706

LIABILITIES

in TEUR	09/30/2022	12/31/2021
Shareholders' equity	120,798	96,494
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	22,422	16,261
Other changes in equity with no effect on profit and loss	-11,332	-15,414
Non-current liabilities	135,235	44,587
Pension reserves	43,672	43,269
Other provisions	1,356	1,318
Accounts payable to banks	89,952	0
Deferred tax liabilities	255	0
Current liabilities	28,835	79,625
Accounts payable from income taxes	5,822	3,677
Other provisions	513	485
Accounts payable to banks	693	59,268
Trade payables	14,403	10,681
Other accounts payable	7,404	5,514
TOTAL LIABILITIES	284,868	220,706

CONSOLIDATED CASH FLOW STATEMENT

FOR THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 2022

CONSOLIDATED CASH FLOW STATEMENT

in TEUR	01/01/ – 09/30/2022	01/01/ – 09/30/2021
Cash flow from operating activity		
Earnings before taxes	22,407	15,755
+ Depreciation of fixed assets	9,818	9,484
-/+ Income/loss from the disposal of assets	-2	1
- Interest income	-194	-77
+ Interest expenses	1,448	1,361
Net operating income before changes in working capital	33,477	26,524
+/- Increase/decrease in provisions	163	188
-/+ Increase/decrease in trade receivables and other assets not attributable to investment or financing activity	-4,095	-1,750
+/- Increase/decrease in inventories	-4,614	1,103
+/- Increase/decrease in trade payables and other liabilities not attributable to investment or financing activity	6,050	3,978
Cash flow from operating activity before taxes	30,981	30,043
- Income taxes paid	-1,942	-2,486
Net cash flow from operating activity	29,039	27,557

CONSOLIDATED CASH FLOW STATEMENT

in TEUR	01/01/ – 09/30/2022	01/01/ – 09/30/2021
Cash flow from investing activity		
+ Payments received from the disposal of property, plant and equipment	2	5
- Payments made for investments in property, plant and equipment	-7,388	-4,434
- Payments made for investments in intangible assets	-236	-80
Net cash flow from investment activity	-7,622	-4,509
Cash flow from financing activity		
- Dividends	-2,200	0
- Payments made for investments in fixed deposits > 3 months	-15,000	0
+ Payments received from loans	89,950	0
- Payments made for the amortization of loans	-59,000	0
- Interest paid	-787	-751
+ Interest received	120	6
Net cash flow from financing activity	13,083	-745
Net change in cash and cash equivalents	34,500	22,303
Change in funds due to changes in exchange rates	1,810	553
Funds at start of period	52,206	26,354
Funds at end of period	88,516	49,210

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 2022

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

in TEUR	Subscribed capital	Capital reserve	Earnings reserve
Balance per 01/01/2021	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 09/30/2021	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 12/31/2021	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 09/30/2022	8,800	47,029	9,699

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
-	1,331	1,331
-	204	204
-	1,535	1,535
11,028	-	11,028
11,028	1,535	12,563
41,147	-17,277	89,398
-	1,064	1,064
-	592	592
-	207	207
-	1,863	1,863
5,233	-	5,233
5,233	1,863	7,096
46,380	-15,414	96,494
-2,200	-	-
-	0	0
-	3,874	3,874
-	208	208
-	4,082	4,082
22,422	-	22,422
22,422	4,082	26,504
66,602	-11,332	120,798

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 SEPTEMBER 2022

in TEUR	Functional Fillers	Specialty Alumina	Nabaltec Group
Revenues			
Third party revenue	113,364	53,825	167,189
Segment result			
EBITDA	23,980	9,499	33,479
EBIT	16,817	6,844	23,661

PERIOD FROM 1 JANUARY – 30 SEPTEMBER 2021

in TEUR	Functional Fillers	Specialty Alumina	Nabaltec Group
Revenues			
Third party revenue	97,697	42,888	140,585
Segment result			
EBITDA	18,200	8,323	26,523
EBIT	11,376	5,663	17,039

ABRIDGED CONSOLIDATED NOTES

FOR THE PERIOD 1 JANUARY TO 30 SEPTEMBER 2022

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 September 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 September 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 September 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.

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 September 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.

TAXES ON INCOME AND EARNINGS

Income taxes of TEUR 15 include in the third quarter of 2022 extraordinary tax income of TEUR 6,784 resulting from the contractual cost settlement with Nashtec LLC in fiscal year 2020.

4. NOTES TO THE CONSOLIDATED BALANCE SHEET

PROPERTY, PLANT AND EQUIPMENT

The additions to property, plant and equipment in the first nine 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 nine 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, 18 November 2022

The Management Board

FINANCIAL CALENDAR 2022/2023

Deutsches Eigenkapitalforum	28 November
Annual Report 2022	27 April
Interim Report 1/2023	25 May
Annual General Meeting	28 June
Interim Report 2/2023	24 August
Interim Report 3/2023	23 November

CONTACT

Kerstin Schuierer

Nabaltec AG

Alustraße 50 – 52
92421 Schwandorf
Germany

Phone: +49 9431 53-204
Fax: +49 9431 53-260
E-mail: InvestorRelations@nabaltec.de

Frank Ostermair

Better Orange IR & HV AG
Haidelweg 48
81241 Munich
Germany

Phone: +49 89 8896906-14
Fax: +49 89 8896906-66
E-mail: nabaltec@better-orange.de

IMPRINT

Publisher

Nabaltec AG

Alustraße 50 – 52
92421 Schwandorf
Germany

Phone: +49 9431 53-204

Fax: +49 9431 53-260

E-mail: info@nabaltec.de

Internet: www.nabaltec.de/en

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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.



Company headquarters of Nabaltec AG, Schwandorf



Nabaltec AG

Alustraße 50 – 52, 92421 Schwandorf, Germany

Phone: +49 9431 53-0, Fax: +49 9431 53-260

E-mail: info@nabaltec.de, www.nabaltec.de/en

