

Nabaltec

The background of the page is a white-to-light-blue gradient. Overlaid on this is a complex, abstract graphic composed of numerous overlapping, organic shapes in various shades of blue and teal. These shapes resemble interconnected nodes or cells, with some being solid and others semi-transparent, creating a sense of depth and movement. The overall aesthetic is clean, modern, and scientific.

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

INTERIM REPORT 3/2023

NABALTEC GROUP

KEY FIGURES

FOR THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 2023

in EUR million	09/30/2023 (IFRS)	09/30/2022 (IFRS)	Change
Revenues			
Total revenues	155.8	167.2	-6.8%
thereof			
Functional Fillers	109.9	113.4	-3.1%
Specialty Alumina	46.0	53.8	-14.5%
Foreign share (%)	74.9	73.8	
Employees ¹ (number of persons)	521	510	2.2%
Earnings			
EBITDA	22.7	33.5	-32.2%
EBIT	13.1	23.7	-44.7%
Consolidated result after taxes ²	8.4	22.4	-62.5%
Earnings per share (EUR) ²	0.96	2.55	-62.4%
Financial position			
Cash flow from operating activities	14.8	29.0	-49.0%
Cash flow from investing activities	-8.2	-22.6	-63.7%
Assets, equity and liabilities			
	09/30/2023	12/31/2022	
Total assets	283.9	281.1	1.0%
Equity	139.6	133.5	4.6%
Non-current assets	119.1	135.3	-12.0%
Current assets	164.8	145.8	13.0%

¹ on the reporting date 30 September, including trainees

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

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 09/30 IN EUR MILLION

2019	141.3
2020	118.9
2021	140.6
2022	167.2
2023	155.8

EBIT AS OF 09/30 IN EUR MILLION

2019	17.3
2020	5.0
2021	17.0
2022	23.7
2023	13.1

OPERATING CASH FLOW AS OF 09/30 IN EUR MILLION

2019	21.4
2020	20.1
2021	27.6
2022	29.0
2023	14.8

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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 9 MONTHS 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 **109.9** MILLION
REVENUES

EUR **19.5** MILLION
EBITDA

EUR **12.3** 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 **46.0** MILLION
REVENUES

EUR **3.2** MILLION
EBITDA

EUR **0.8** MILLION
EBIT

REVENUE SHARES

FIRST 9 MONTHS OF 2023

52.7%

EUROPE
(WITHOUT GERMANY)



25.1%

GERMANY

11.7%

USA



10.5%

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,*

Signs of a noticeable slowdown in industrial momentum already existed in the second quarter of this year, with the trend becoming more pronounced over the course of the third quarter. Our markets were not spared from this either. Nabaltec generated revenues of EUR 155.8 million in the first nine months of the year, representing a decline of 6.8% compared to the same period from the previous year.

Customers' erratic order behavior makes it difficult to make reliable statements about future developments

Looking at the current overall situation, there have not been many changes since the previous quarter. Our customers' ordering behavior continues to be characterized by volatility. This type of order behavior makes it difficult to make reliable statements about developments up to the end of the year or beyond. Now that stocks are largely depleted, our customers are buying goods at short notice, very closely linked to demand. Our target markets, such as the cable and wire, construction, and steel industries, are also currently under pressure, which we are clearly feeling.

While we were still able to partially compensate for the falling sales figures at the beginning of the year with an active pricing policy, we have little room for maneuver in this area now as raw material and energy prices remain high, particularly due to weak demand. This overall difficult market situation extends to a large part of the chemical industry and is also reflected in all Nabaltec's product ranges.

Sales volumes in the boehmite product range back at the previous year's level for the first time and significantly above the previous two quarters

On a positive note, there was a selective improvement in the "Functional Fillers" product segment in the third quarter of 2023 compared to the previous quarter. In the boehmite product range in particular, sales volumes were back at the previous year's level for the first time and were significantly higher than in the two previous quarters. The main reason for this development is the renewed increase in demand for electric vehicles in Asia, where we mainly supply the Chinese, South Korean and Japanese markets. A number of indicators therefore suggest that the weak market demand has bottomed out in some areas.

As is known, battery cell production in Europe is still lagging behind plans and expectations. Nevertheless, we still see great potential for the future. This applies even if automotive groups relocate production sites to the United States. Nabaltec is constantly working on



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

recognizing new potential and adapting production to future developments and customer needs. With our production sites in Germany and the United States, we are excellently positioned internationally. Our innovative strength, products tailored to our customers and our global distribution structure give us a competitive advantage even in recovering markets and remain strong pillars of Nabaltec AG.

*With production sites
in Germany and the
USA, Nabaltec is
excellently positioned
internationally*

Schwandorf, November 2023

Yours,

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

JOHANNES HECKMANN
CEO

NABALTEC SHARE

THE THIRD 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

Nabaltec share initially performed roughly in line with the benchmark indices, the SDAX index and the specialty chemicals index, over the twelve months since the end of the third quarter of 2022. Since mid-April 2023, performance has no longer been able to keep pace with the benchmarks. Nabaltec share was unable to escape the continuing high volatility on the stock markets. It reached its high for the first nine months of the year on 24 January 2023, at a price of EUR 28.80. The lowest price was recorded on 28 September 2023 at EUR 16.05. The closing price was EUR 16.25 on 30 September 2023.

PERFORMANCE OF NABALTEC SHARE (XETRA, INDEXED)



KEY DATA FOR NABALTEC SHARE (XETRA)

	First 9 months of 2023	Year 2022
Number of shares:	8,800,000	8,800,000
Market capitalization (cutoff date, in EUR million)	143.0	230.6
Average price (in EUR)	22.02	27.62
High (in EUR)	28.80	39.60
Low (in EUR)	16.05	19.60
Closing price (cutoff date, in EUR)	16.25	26.20
Average daily turnover (in shares)	2,467	2,996
Earnings per share (in EUR) ¹	0.96	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 2,467 shares in the first nine months of 2023. In 2022 as a whole, an average of 2,996 shares were traded per day.

Earnings per share (EPS) in the first nine months of 2023 amounted to EUR 0.96. In comparison, in the first nine months of 2022, EPS had been EUR 2.55 and EUR 3.00² 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 third quarter of 2023, both research houses issued “buy” recommendations. NuWays AG lowered its price target for Nabaltec from EUR 36.00 to EUR 31.00 in the third quarter. The “buy” rating remained unchanged. NuWays confirmed this analysis after the reporting date on 13 October 2023. Baader Bank set a price target of EUR 31.00 for Nabaltec share in both of its analyses for the third quarter of 2023, which was also confirmed after the reporting date on 16 October 2023.

Analyst ratings remain positive with “buy” rating

The analysts’ recommendations of the 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 continues 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 SEPTEMBER 2023

COURSE OF BUSINESS

There were already signs of a significant slowdown in industrial momentum in the second quarter of 2023, which continued in the third quarter. As a result, sales volumes fell in almost all product ranges in both the “Functional Fillers” and “Specialty Alumina” product segments over the first nine months of the year. A continued focus on low stock levels and increasingly short-term and erratic ordering behavior on the part of customers are clearly noticeable.

*Consolidated
revenues
in the first nine
months of 2023 at
EUR 155.8 million
(-6.8%)*

Nabaltec AG earned EUR 155.8 million in consolidated revenues in the first nine months 2023, compared to EUR 167.2 million in the comparable period from the previous year (-6.8%). In the third quarter, consolidated revenues were EUR 49.8 million, compared to EUR 56.5 million in the third quarter of the previous year (-11.9%).

In the “Functional Fillers” product segment, Nabaltec achieved revenues of EUR 109.9 million in the first nine months of 2023. In the previous year, nine-month revenues in this segment amounted to EUR 113.4 million (-3.1%). In the third quarter of 2023, revenues from “Functional Fillers” amounted to EUR 35.6 million after EUR 37.9 million, a decrease of 6.1% compared to the third quarter of the previous year. Revenues for boehmite increased in the third quarter of 2023 compared to the first two quarters of 2023.

The “Specialty Alumina” product segment generated revenues of EUR 14.1 million in the third quarter of 2023, compared to EUR 18.5 million in the third quarter from the previous year (-23.8%). In the first nine months of 2023, this product segment generated total revenues of EUR 46.0 million, compared to EUR 53.8 million in the same period from the previous year (-14.5%). The continuing weakness of the steel industry is leaving its mark here.

Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to EUR 22.7 million in the first nine months of 2023. In the same period of the previous year, EBITDA had amounted to EUR 33.5 million (-32.2%). The EBITDA margin (EBITDA as a percentage of total performance) reached 14.6% in the first nine months of 2023 (same period from previous year: 19.9%).

The company achieved an operating profit (EBIT) of EUR 4.6 million in the third quarter of 2023, compared to EUR 8.0 million in the same quarter of the previous year. In the first nine months of 2023, EBIT therefore amounted to EUR 13.1 million (same period of the previous year: EUR 23.7 million), thus declining by 44.7%. The EBIT margin (EBIT as a percentage of total performance) decreased from 14.1% in the same period from the previous year to 8.4% in the first nine months of 2023.

EBIT in the first nine months of 2023 at EUR 13.1 million; EBIT margin at 8.4%

The net financial income was EUR –1.6 million after the first nine months of 2023, compared to EUR –1.3 million in the same period from the previous year.

In the first nine months of 2023, Nabaltec generated earnings before taxes of EUR 11.5 million. In the same period of the previous year, earnings before taxes had amounted to EUR 22.4 million. In the first nine months of 2023, this results in consolidated income for the period of EUR 8.4 million after EUR 22.4 million in the first nine months of 2022 (including EUR 6.8 million in tax income from Nashtec cost settlement), corresponding to earnings per share of EUR 0.96 for the 2023 reporting period. In the same period from the previous year, earnings per share amounted to EUR 2.55.

Total performance in the third quarter of 2023 amounted to EUR 50.2 million after EUR 55.5 million in the same period from the previous year. In the first nine months of the year, total performance fell from EUR 168.0 million to EUR 155.2 million (–7.6%), mainly due to the decline in revenues. Inventories of finished goods and work in progress decreased by EUR 1.0 million in the first nine months of 2023.

Other operating income fell from EUR 3.5 million in the prior-year period to EUR 2.5 million in the first nine months of 2023. This includes currency gains of EUR 1.1 million and income from the reversal of impaired receivables in the amount of EUR 0.5 million.

The cost of materials decreased from EUR 80.4 million in the first nine months of 2022 to EUR 79.3 million in the same period of 2023. High prices for raw materials and energy 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 51.1% in the first nine months of 2023 (same period of the previous year: 47.9%). The gross profit margin (gross profit as a percentage of total performance) was 50.5% in the first nine months of 2023.

Cost of materials continues to be driven by higher prices for raw materials and energy

Personnel expenses amounted to EUR 29.5 million in the first nine months of 2023 and were therefore roughly on a par with the same period from last year, where they amounted to EUR 29.6 million. The number of employees rose from 510 a year earlier to 521 as of 30 September 2023. The main reason for this increase was the hiring of 14 trainees as of 1 September 2023.

Other operating expenses decreased to EUR 26.2 million in the first nine months of 2023, compared to EUR 28.1 million in the prior-year period (–6.8%), mainly due to declining freight costs resulting from lower sales volumes. The ratio of other operating expenses to total performance increased from 16.7% in the prior-year period to 16.9%.

Export ratio at a high level of 74.9%

The export ratio of Nabaltec in the first nine months of 2023 was 74.9% compared to 73.8% in the same period of the previous year. The export ratio therefore remains at a high level for the long term and increased slightly once again in the third quarter of 2023. A regional analysis shows that revenues in Europe continued to grow, while declining slightly in all other Nabaltec regions.

Cash flow from operating activities in the 2023 reporting period was EUR 14.8 million, compared to EUR 29.0 million in the corresponding period from the previous year. The significantly lower result for the period had a corresponding impact on operating cash flow.

The cash flow for investments increased from EUR 7.6 million in the same period from the previous year to EUR 8.2 million. The prior-year figure of EUR 22.6 million reported in the cash flow statement 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 nine months of 2023, free cash flow amounted to EUR 6.6 million, compared to EUR 21.4 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 activities in the first nine months of 2023 amounted to EUR –2.8 million, compared to EUR 28.1 million in the first nine months of the previous year, and includes the payment of a dividend of EUR 2.5 million. In the previous year, cash flow from financing activities 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 payment of a dividend of EUR 2.2 million.

Cash and cash equivalents amounted to EUR 91.4 million as of 30 September 2023.

Total assets increased from EUR 281.1 million as of 31 December 2022 to EUR 283.9 million. Non-current assets decreased from EUR 135.3 million to EUR 119.1 million as of the reporting date on 30 September 2023. Current assets increased from EUR 145.8 million as of 31 December 2022 to EUR 164.8 million in the reporting period.

Equity ratio at 49.2%

On the liabilities side, the equity ratio as of 30 September 2023 was 49.2% compared to 47.5% as of 31 December 2022. Non-current liabilities amounted to EUR 123.4 million as of 30 September 2023, compared to EUR 122.7 million as of 31 December 2022. Current liabilities decreased from EUR 24.9 million at year-end 2022 to EUR 20.9 million.

EMPLOYEES

Number of employees in the Group increased to 521

As of the reporting date of 30 September 2023, the Nabaltec Group employed 521 people (including trainees). At the corresponding point in the previous year, there had been 510 employees. The increase is mainly due to the larger number of trainees since September 2023. The trainee ratio of 8.3% remained at a high level.

OUTLOOK

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

The weakness in demand affects both product segments. In this light, Nabaltec AG expects in its current forecast a year-on-year decline in revenues in the range of 4% to 6% for 2023 as a whole. On the earnings side, Nabaltec is expecting an EBIT margin in a range of 6% to 8%. The forecast is based on the assumption that there will be no significant improvements in economic development until year-end 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 2023: Decline in revenues 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 nine months of 2023.

Schwandorf, 10 November 2023

The Management Board

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 2023

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in TEUR	01/01/ – 09/30/2023	07/01/ – 09/30/2023	01/01/ – 09/30/2022	07/01/ – 09/30/2022
Revenues	155,849	49,752	167,189	56,466
Change in inventories of finished goods and work in progress	-1,019	309	392	-1,150
Own work capitalized	350	141	411	168
Total performance	155,180	50,202	167,992	55,484
Other operating income	2,490	1,161	3,530	1,572
Cost of materials	-79,260	-25,901	-80,353	-26,694
Gross earnings	78,410	25,462	91,169	30,362
Personnel expenses	-29,472	-9,644	-29,602	-9,840
Depreciation	-9,602	-3,192	-9,818	-3,282
Other operating expenses	-26,238	-8,008	-28,088	-9,240
Operating profit (EBIT)	13,098	4,618	23,661	8,000
Interest and similar income	1,502	592	194	102
Interest and similar expenses	-3,133	-1,143	-1,448	-468
Earnings before taxes (EBT)	11,467	4,067	22,407	7,634
Taxes on income ¹	-3,040	-1,148	15	4,514
Net after-tax earnings	8,427	2,919	22,422	12,148
Earnings per share (in EUR)	0.96	0.33	2.55	1.38

¹ thereof non-recurring effects tax income cost settlement Nashtec amounting to EUR 6.8 million in Q3/2022

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in TEUR	01/01/ – 09/30/2023	07/01/ – 09/30/2023	01/01/ – 09/30/2022	07/01/ – 09/30/2022
Net after-tax earnings	8,427	2,919	22,422	12,148
Items which may be reclassified to profit and loss in the future				
Currency translation (after taxes)	171	677	3,874	1,712
Net income from hedge accounting (after taxes)	0	0	208	0
Total	171	677	4,082	1,712
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	171	677	4,082	1,712
Total comprehensive income	8,598	3,596	26,504	13,860

CONSOLIDATED BALANCE SHEET

AS OF 30 SEPTEMBER 2023

ASSETS

in TEUR	09/30/2023	12/31/2022
Non-current assets	119,080	135,315
Intangible assets	719	575
Concessions, proprietary rights and similar rights and assets, as well as licenses to such rights and assets	245	348
Advance payments made	474	227
Property, plant and equipment	117,404	118,789
Land, leasehold rights and buildings, including buildings on unowned land	34,858	36,141
Technical equipment and machinery	65,875	70,145
Other fixtures, fittings and equipment	4,858	4,334
Advance payments and assets under construction	11,813	8,169
Financial assets	0	0
Shares in affiliated companies	0	0
Other assets	0	15,000
Deferred tax assets	957	951
Current assets	164,848	145,754
Inventories	47,064	45,737
Raw materials and supplies	32,359	30,591
Work in process	1,716	1,715
Finished goods and merchandise	12,989	13,431
Other assets and accounts receivable	26,335	12,503
Trade receivables	5,357	6,451
Receivables from income taxes	1,623	903
Other assets	19,355	5,149
Cash and cash equivalents	91,449	87,514
TOTAL ASSETS	283,928	281,069

LIABILITIES

in TEUR	09/30/2023	12/31/2022
Shareholders' equity	139,599	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	8,427	26,375
Other changes in equity with no effect on profit and loss	-2,447	-2,618
Non-current liabilities	123,404	122,686
Pension reserves	28,774	27,985
Other provisions	1,312	1,286
Accounts payable to banks	89,960	89,954
Deferred tax liabilities	3,358	3,461
Current liabilities	20,925	24,918
Accounts payable from income taxes	616	2,949
Other provisions	568	577
Accounts payable to banks	1,272	783
Trade payables	11,666	15,087
Other accounts payable	6,803	5,522
TOTAL LIABILITIES	283,928	281,069

CONSOLIDATED CASH FLOW STATEMENT

FOR THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 2023

CONSOLIDATED CASH FLOW STATEMENT

in TEUR	01/01/ – 09/30/2023	01/01/ – 09/30/2022
Cash flow from operating activity		
Earnings before taxes	11,467	22,407
+ Depreciation of fixed assets	9,602	9,818
-/+ Income/loss from the disposal of assets	-9	-2
- Interest income	-1,502	-194
+ Interest expenses	3,133	1,448
Net operating income before changes in working capital	22,691	33,477
+/- Increase/decrease in provisions	7	163
-/+ Increase/decrease in trade receivables and other assets not attributable to investment or financing activity	1,889	-4,095
+/- Increase/decrease in inventories	-1,328	-4,614
+/- Increase/decrease in trade payables and other liabilities not attributable to investment or financing activity	-2,154	6,050
Cash flow from operating activity before taxes	21,105	30,981
- Income taxes paid	-6,277	-1,942
Net cash flow from operating activity	14,828	29,039

CONSOLIDATED CASH FLOW STATEMENT

in TEUR	01/01/ – 09/30/2023	01/01/ – 09/30/2022
Cash flow from investment activity		
+ Payments received from the disposal of property, plant and equipment	18	2
- Payments made for investments in property, plant and equipment	-7,989	-7,388
- Payments made for investments in intangible assets	-247	-236
- Payments made for investments in time deposits with a maturity of > 3 months	0	-15,000
Net cash flow from investment activity	-8,218	-22,622
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	-1,751	-787
+ Interest received	1,430	120
Net cash flow from financing activity	-2,785	28,083
Net change in cash and cash equivalents	3,825	34,500
Change in funds due to changes in exchange rates	110	1,810
Funds at start of period	87,514	52,206
Funds at end of period	91,449	88,516

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 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
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
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
Dividend payments	–	–	–
Actuarial gains and losses	–	–	–
Currency translation	–	–	–
Net income from hedge accounting	–	–	–
Other comprehensive income	–	–	–
Net income after taxes	–	–	–
Net income	–	–	–
Balance per 09/30/2023	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
—	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
—	11,148	11,148
—	-2,434	-2,434
—	0	0
—	8,714	8,714
3,953	—	3,953
3,953	8,714	12,667
70,555	-2,618	133,465
-2,464	—	-2,464
—	0	0
—	171	171
—	0	0
—	171	171
8,427	—	8,427
8,427	171	8,598
76,518	-2,447	139,599

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 2023

in TEUR	Functional Fillers	Specialty Alumina	Nabaltec Group
Revenues			
Third party revenue	109,872	45,977	155,849
Segment result			
EBITDA	19,486	3,214	22,700
EBIT	12,339	759	13,098

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

ABRIDGED CONSOLIDATED NOTES

FOR THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 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 September 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 September 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 September 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 September 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 nine 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 nine 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, 10 November 2023

The Management Board

FINANCIAL CALENDAR 2024

Annual Financial Statements 2023	25 April
Quarterly Financial Report (call-date Q1/2024)	23 May
Annual General Meeting	25 June
Half-yearly Financial Statements 2024	22 August
Quarterly Financial Report (call-date Q3/2024)	21 November

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Text

Nabaltec, Schwandorf, Germany
Better Orange, Munich, Germany

Concept & Design

Silvester Group, www.silvestergroup.com

Photos

Adobe Stock, freepik, Clemens Mayer

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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