

**OUR KNOW-HOW  
FOR YOUR SAFETY**

Q2  
21

# NABALTEC GROUP

## KEY FIGURES

FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2021

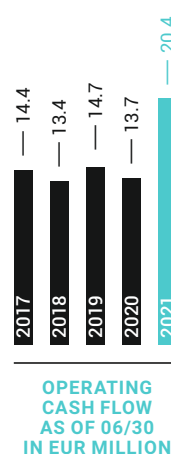
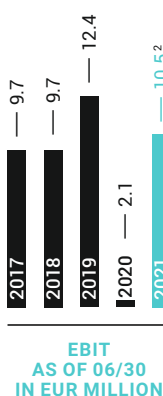
in EUR million	06/30/2021	06/30/2020 (IFRS)	Change
<b>Revenues</b>			
Total revenues	93.9	81.8	14.8%
thereof			
Functional Fillers	65.6	57.8	13.5%
Specialty Alumina	28.4	24.0	18.3%
Foreign share (%)	74.4	74.0	
Employees <sup>1</sup> (number of persons)	479	497	-3.6%
<b>Earnings</b>			
EBITDA	16.8	9.8	71.4%
EBIT <sup>2</sup>	10.5	2.1	400.0%
Consolidated result after taxes	6.7	0.1	6,600.0%
Earnings per share (EUR)	0.76	0.02	3,700.0%
<b>Financial position</b>			
Cash flow from operating activities	20.4	13.7	48.9%
Cash flow from investing activities	-3.5	-7.2	-51.4%
<b>Assets, equity and liabilities</b>			
	06/30/2021	12/31/2020	
Total assets	214.4	198.6	8.0%
Equity	84.5	76.8	10.0%
Non-current assets	125.7	128.1	-1.9%
Current assets	88.6	70.5	25.7%

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

<sup>2</sup> thereof non-recurring effects: Q1/2021 in the amount of EUR -1.3 million; Q2/2020 in the amount of EUR -2.1 million

## NABALTEC AG

Nabaltec AG, with registered office in Schwandorf, Germany, 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."



# CONTENTS

## INTERIM REPORT 2/2021

### TO OUR SHAREHOLDERS

06 Foreword of the CEO

08 Nabaltec share

### CONSOLIDATED INTERIM MANAGEMENT REPORT

10 Course of business

12 Employees

13 Outlook

13 Report on opportunities and risks

### CONSOLIDATED INTERIM FINANCIAL STATEMENTS (IFRS)

14 Statement of comprehensive income

16 Balance sheet

18 Cash flow statement

20 Statement of changes in shareholders' equity

22 Segment reporting

23 Notes

### FURTHER INFORMATION

26 Financial calendar 2021 and contact

27 Imprint



## OUR PRODUCT SEGMENTS

### PRODUCT SEGMENTS FIRST HALF OF 2021

#### 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 **65.6** MILLION  
REVENUES

EUR **11.3** MILLION  
EBITDA

EUR **6.8** 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 **28.4** MILLION  
REVENUES

EUR **5.5** MILLION  
EBITDA

EUR **3.7** 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

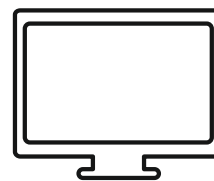
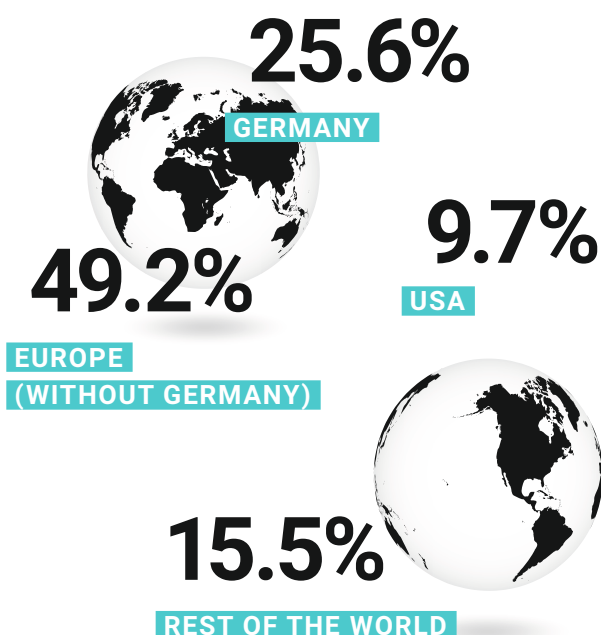
Sustainable employee development is important to Nabaltec AG in order to be prepared for future personnel challenges and in order to position itself as an attractive employer. As a family-friendly company which has been recognized multiple times, Nabaltec is committed to promoting young talent and values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



## INNOVATIONS

Nabaltec AG is regularly awarded national and international prizes and distinctions for innovation. 2021, for example, the company received once again the "Axia Best Managed Companies Award" for outstandingly managed mid-sized companies, due in part to its highly innovative practices.

## REVENUE SHARES FIRST HALF OF 2021



## CONTACT IR

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## NABALTEC AG ON THE INTERNET

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

# FOREWORD

## OF THE CEO



From left to right: Dr. Michael Klimes, Johannes Heckmann (CEO), Günther Spitzer

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

*Nabaltec managed in the second quarter 2021 to nearly match the record numbers of the year 2019*

The second quarter has shown very impressively that the market recovery in 2021 has so far been more dynamic than many experts and also we ourselves had expected. We have managed to nearly match the record numbers of the year 2019. With an EBIT margin of 13.5% (EBIT as a percentage of total performance) in the second quarter of 2021, we even achieved a record figure.

*Forecast adjusted upward with a revenue growth in the range of 11% to 14% and an EBIT margin of 10% to 12%*

The positive development in the year to date and the solid prospects are the reasons why we adjusted our forecast for the full year upward at the end of July. Previously, we expected revenue growth in the range of 6% to 9% compared to 2020. Our new forecast assumes revenue growth in the range of 11% to 14%. On the earnings side, too, we are now setting our targets even higher. Previously we had assumed an EBIT margin of 8% to 10%. As of today, we consider an EBIT margin in the range of 10% to 12% to be achievable for the year as a whole. This should enable us to reach and even exceed the pre-crisis level more quickly than expected.

In raising our forecast, we have also taken into account the fact that our environment will remain challenging for some time to come and that we also still have internal tasks to solve. In the USA, for example, the development is currently split in two. Nashtec is stabilizing at a solid level. The fact that we have an intact customer base, which we have cultivated intensively even in difficult phases, is paying off here. We still want to build up this customer base for our second production subsidiary Naprotec. In the currently still very difficult market environment in the USA, however, this is significantly more time-consuming than we had forecasted before the outbreak of the pandemic. The target customers are currently confronted with strong challenges from the coronavirus crisis, above all, with faltering raw material supply, especially for basic chemicals. Release procedures for new, innovative raw materials, such as our ground and surface-treated mineral flame retardants, are not a top priority with target customers in such a market phase. We have been represented with our own production in the USA since 2006 and have very profound knowledge of the market. We therefore remain positive that our environmentally friendly products will establish themselves on the market in the long term.

Thanks to the very sound development in the “Functional Fillers” product segment at the Schwandorf site, we are already working close to capacity again. In our second product segment, “Specialty Alumina,” we brought corresponding capacity expansions online in the second quarter for our fastest-growing product range, reactive aluminum oxides, in order to be well positioned for future growth.

*Capacity expansions in the product range reactive aluminum oxides*

The clear focus of our growth strategy is on our boehmite. Here, we were able to continue our uninterrupted growth in the second quarter. On average for the year, we expect growth here of around 50% compared to the previous year. The market for lithium ion batteries for e-mobility, in which our boehmite is mainly used, is still in its infancy. This applies in particular to Europe, where we expect to have a home advantage if we build up the corresponding capacities. So far, our great development at boehmite is still largely fed by the steadily increasing demand from our Asian customers, who have so far dominated this market worldwide.

The basis for our investments in growth and future earnings power is our solid financing and equity base. As of the reporting date, we had cash and cash equivalents of EUR 42.9 million. The equity ratio is 39.4%. We will remain somewhat more cautious in terms of capital expenditure in 2021 and, from today's perspective, expect a volume of less than EUR 10 million for the year as a whole. At the same time, our markets offer so many opportunities – above all for our boehmite – that we intend to shift up another gear in 2022.

We will tackle these tasks with a view to 2022 and beyond as part of a changed Management Board team. Unfortunately, my colleague on the Management Board, Dr. Michael Klimes, is leaving Nabaltec AG at his own request at the end of the year after almost 30 years with the company. At the same time, I am delighted that we have succeeded in recruiting Dr. Alexander Risch to our Management Board team, an experienced manager whom we have known and valued for many years.

*Dr. Alexander Risch will succeed Dr. Michael Klimes on the Management Board of Nabaltec AG*

Schwandorf, August 2021

Yours,



JOHANNES HECKMANN

CEO

# NABALTEC SHARE

THE SECOND QUARTER OF 2021



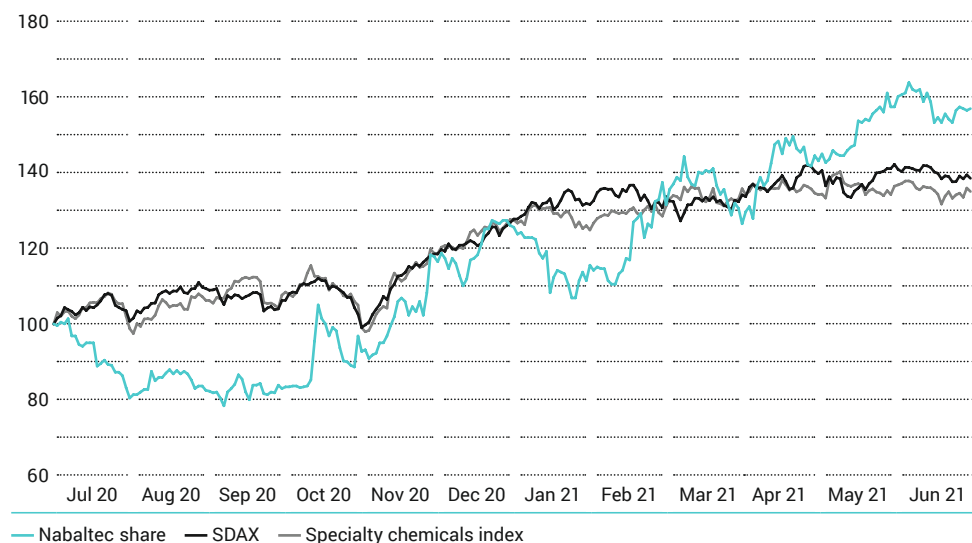
**ISIN/WKN: DE000A0KPPR7/A0K PPR**  
**SINCE 24 NOVEMBER 2006, NABALTEC SHARE HAS BEEN LISTED**  
**IN THE FRANKFURT STOCK EXCHANGE, WHERE IT IS TRADED**  
**IN THE SCALE MARKET SEGMENT.**

*Highest price in the  
first half of the year  
2021 was EUR 35.90*

Nabaltec share developed very dynamically in the second quarter of 2021, with a share price gain of 21%. It closed the first half of the year at EUR 34.40, the same high level as before the outbreak of the coronavirus pandemic. Market capitalization was EUR 302.72 million as of the cutoff date. The highest price of the first half of the year was reached on 7 June 2021 at EUR 35.90.

Nabaltec thus outperformed the SDAX and the specialty chemicals index in the first half of 2021.

## PERFORMANCE OF NABALTEC SHARE (XETRA, INDEXED)





## KEY DATA FOR NABALTEC SHARE (XETRA)

	First 6 months of 2021	Year 2020
Number of shares:	8,800,000	8,800,000
Market capitalization (cutoff date, in EUR million)	302.72	238.48
Average price (in EUR)	30.12	23.42
High (in EUR)	35.90	37.70
Low (in EUR)	23.40	17.15
Closing price (cutoff date, in EUR)	34.40	27.10
Average daily turnover (in shares)	3,063	3,797
Earnings per share (in EUR)	0.76	-2.23

The average daily trading volume of Nabaltec share on XETRA amounted to 3,063 shares in the first six months of 2021. In 2020 as a whole, it had averaged 3,797 shares per day.

Earnings per share (EPS) in the first six months of 2021 amounted to EUR 0.76, compared to EUR 0.02 in the first half of 2020.

*Earnings per share  
of EUR 0.76 in the  
first six months of  
2021*

The recommendations of the analysts at Hauck & Aufhäuser bank regarding the Nabaltec share remain positive. In all analyses of the first six months of 2021, the bank issued a "Buy" recommendation. The target price as of the cutoff date of 30 June 2021 was EUR 36.00, but was recently raised to EUR 38.50 in a study dated 30 July 2021. Baader Bank also rated the Nabaltec share as a "Buy" in the same period, with a target value of EUR 38.00, up from the previous EUR 31.00. The value of EUR 38.00 was confirmed again on 29 July 2021.

The analyst assessments of the Nabaltec share can be found on the internet at [www.nabaltec.de/en](http://www.nabaltec.de/en) in the Investor Relations/Share section.

As of 30 June 2021, the majority of the 8,800,000 shares continued to be held by the Heckmann and Witzany families. The Heckmann family holds 28.20% and the Witzany family 27.17% of the company's capital stock. The remaining 44.63% of the shares are in free float.

# CONSOLIDATED INTERIM MANAGEMENT REPORT

AS OF 30 JUNE 2021

## COURSE OF BUSINESS

A revival in sales momentum had already become apparent at the start of 2021, and this trend continued and established itself in the second quarter. In the reporting period, Nabaltec achieved revenue of EUR 47.9 million, compared to EUR 36.4 million in the same quarter from the previous year. This represents a 31.6% increase in revenue compared to the second quarter of 2020, which was heavily impacted by the effects of the COVID-19 pandemic. Added up, total revenue for the first six months of 2021 was EUR 93.9 million, compared to EUR 81.8 million in the same period of the previous year, representing an increase of 14.8%. Thus, by the middle of 2021, Nabaltec is almost at the same level as before the outbreak of the coronavirus pandemic: In the record year 2019, revenue for the first six months had amounted to EUR 97.4 million.

*“Specialty Alumina”  
product segment  
with strong revenue  
growth (up 18.3%) in  
the first half of 2021*

In the “Functional Fillers” product segment, quarterly revenue was EUR 33.3 million, compared to EUR 26.1 million in the second quarter of 2020. In the first six months of 2021, this product segment generated total revenue of EUR 65.6 million, compared to EUR 57.8 million in the same period from the previous year (up 13.5%). The “Specialty Alumina” product segment generated revenue of EUR 14.6 million in the second quarter of 2021, compared to EUR 10.3 million in the same quarter from the previous year. In the first half of the year, revenue in the “Specialty Alumina” product segment added up to EUR 28.4 million, compared to EUR 24.0 million in the first half of 2020 (up 18.3%).

Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to EUR 9.7 million in the second quarter, compared to EUR 3.7 million in the same period of 2020. In the first half of 2021, EBITDA rose to EUR 16.8 million, up 71.4% on the figure for the same period from the previous year of EUR 9.8 million. The EBITDA margin (EBITDA as a percentage of total performance) reached 18.1% in the first half of 2021.

Consolidated operating profit (EBIT) in the second quarter of 2021 was EUR 6.6 million (same period from the previous year: EUR –0.4 million). In the first six months of 2021, EBIT of EUR 10.5 million was achieved, compared to EUR 2.1 million in the same period from the previous year. The earnings performance in 2021 is burdened by a special effect of EUR 1.3 million in the first quarter, which is attributable to the exorbitant increase in energy prices due to the extraordinary winter storm in Texas, USA, in mid-February 2021. In the comparative period, operating profit was impacted by both the negative effects of the pandemic and special effects amounting to EUR 2.1 million.

*EBIT was EUR 10.5 million in the first six months of 2021, EBIT margin (EBIT as a percentage of total performance) was 11.3%*

The EBIT margin (EBIT as a percentage of total performance) was 11.3% in the first half of 2021, compared to 2.7% in the same period from the previous year.

Net financial income amounted to EUR –0.8 million in the first six months of 2021, compared to EUR –1.1 million in the first half of 2020.

In terms of earnings before taxes, Nabaltec achieved a figure of EUR 9.7 million in the first six months of 2021. In the same period of 2020, earnings before taxes had amounted to EUR 1.0 million. In the first half of 2021, this results in consolidated profit for the period of EUR 6.7 million after EUR 0.1 million in the first half of 2020. This corresponds to earnings per share of EUR 0.76 for the first six months of 2021. In comparison: In the same period from the previous year, earnings per share amounted to EUR 0.02.

*Earnings per share of EUR 0.76*

Nabaltec's total performance was EUR 92.8 million after the first six months of 2021, compared to EUR 77.9 million in the same period from the previous year (up 19.1%). Total operating performance in the second quarter amounted to EUR 48.8 million after EUR 35.7 million in the same period from the previous year (up 36.7%). In addition to the significant year-on-year increase in revenue, inventories of work in progress and finished goods were also built up again in the second quarter, after the focus had been on reducing inventories since the beginning of the pandemic.

The cost of materials ratio rose compared to the first six months of the previous year from 47.4% (based on total performance) to 48.3%. In particular, the described special effect due to temporarily increased energy costs in the first quarter of 2021 led to an increase in the cost of materials. The gross profit margin (gross profit as a percentage of total performance) was 53.1% in the first six months of 2021, roughly on a par with the same period from the previous year. The personnel expense ratio (personnel expenses as a percentage of total performance) fell from 22.2% to 19.0% compared to the same period from the previous year. The number of employees decreased from 497 persons to 479 persons as of 30 June 2021. The depreciation ratio fell to 6.8% in the reporting period, down from 9.9% in the first six months of 2020. As a result of the impairment of property, plant and equipment at Nashtec in the fourth quarter of 2020, a new starting position was created.

At EUR 14.9 million, other operating expenses in the first half of 2021 were slightly above the level of the same period from the previous year at EUR 14.6 million. This was mainly due to higher freight costs. The ratio of other operating expenses as a percentage of total performance fell from 18.7% to 16.1% compared to the previous year.

Nabaltec's export ratio was 74.4%, a slight increase over the figure for the same period from the previous year (74.0%). The export ratio will thus remain at a high level in the long term. From a regional perspective, there has been a minimal shift in the shares of revenue.

*Export ratio was 74.4% in the first half of 2021*

Cash flow from operating activities was EUR 20.4 million in the first half of 2021, compared to EUR 13.7 million in the first six months of the previous year. This development was primarily driven by the significant increase in the profit for the period.

*Free cash flow was  
EUR 16.9 million*

Spending on investments fell from EUR 7.2 million in the same period from the previous year to EUR 3.5 million. This deliberate reluctance to invest is temporary. This resulted in free cash flow of EUR 16.9 million in the first half of 2021, compared to EUR 6.5 million in the first six months of the previous year.

Cash flow from financing activities amounted to EUR -0.7 million. Due to the payment in connection with the redemption of the 2020 loan against borrower's note, the cash flow for financing activities in the same period from the previous year amounted to EUR -13.4 million.

Cash and cash equivalents in the Nabaltec Group amounted to EUR 42.9 million as of 30 June 2021.

Total assets increased from EUR 198.6 million to EUR 214.4 million compared to 31 December 2020. At EUR 125.7 million, non-current assets were slightly below the level of EUR 128.1 million as of the reporting date of 31 December 2020. Current assets increased from EUR 70.5 million as of 31 December 2020 to EUR 88.6 million in the reporting period, primarily due to cash and cash equivalents.

*Equity ratio  
at 39.4%*

On the liabilities side, the equity ratio increased compared to 31 December 2020 from 38.7% to 39.4% as of 30 June 2021. Non-current liabilities were EUR 46.1 million as of 30 June 2021, compared to EUR 104.8 million as of 31 December 2020. Current liabilities increased from EUR 16.9 million at year-end 2020 to EUR 83.8 million. This was due to the scheduled reclassification from non-current to current liabilities to banks.

## EMPLOYEES

*Trainee ratio at a  
high level of 9.4%*

As of the reporting date of 30 June 2021, the Nabaltec Group employed 479 people (including trainees). At the corresponding point in the previous year, there had been 497 persons. The trainee ratio of 9.4% was at a traditionally high level for Nabaltec.

## OUTLOOK

2021 started with an upturn in the sales situation, so that Nabaltec was well utilized in the first half of the year. In light of the coronavirus pandemic, order intake remains volatile and, in terms of timing, of a short-term nature.

In the USA, Nabaltec expects Nashtec's production to gradually return to normal in the medium term. The market launch of Naprotec's products has been delayed due to the coronavirus pandemic. Originally expected revenue will not be realized until a later date due to delayed customer releases. The current situation means that the market is taking longer to build up.

Due to the solid business development in the first half of 2021 and the positive outlook for the further course of the year, Nabaltec increased its forecast for financial year 2021 at the end of July. For the full year 2021, Nabaltec AG now expects revenue growth in a range of 11% to 14% (previously: 6% to 9%) and an EBIT margin of 10% to 12% (previously: 8% to 10%). The new forecast is based on the assumption that the economy and the industries relevant to Nabaltec will develop positively.

*Nabaltec expects revenue growth in a range of 11% to 14% for 2021 with an EBIT margin at 10% to 12%*

Furthermore, the other statements made in the forecast report of the 2020 consolidated management report remain their validity.

## REPORT ON OPPORTUNITIES AND RISKS

With regard to the risk situation presented in the 2020 consolidated management report, no significant changes were evident in the first half of 2021.

Schwandorf, 6 August 2021

The Management Board

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2021

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in TEUR	01/01/ – 06/30/2021	04/01/ – 06/30/2021	01/01/ – 06/30/2020	04/01/ – 06/30/2020
Revenues	93,925	47,934	81,817	36,376
Change in inventories of finished goods and work in progress	-1,367	752	-4,111	-802
Own work capitalized	274	138	182	77
<b>Total performance</b>	<b>92,832</b>	<b>48,824</b>	<b>77,888</b>	<b>35,651</b>
Other operating income	1,205	393	655	163
Cost of materials	-44,757	-22,726	-36,878	-17,735
<b>Gross earnings</b>	<b>49,280</b>	<b>26,491</b>	<b>41,665</b>	<b>18,079</b>
Personnel expenses	-17,619	-8,956	-17,273	-8,089
Depreciation	-6,258	-3,123	-7,690	-4,083
Other operating expenses	-14,869	-7,827	-14,622	-6,287
<b>Operating profit (EBIT) <sup>1</sup></b>	<b>10,534</b>	<b>6,585</b>	<b>2,080</b>	<b>-380</b>
Interest and similar income	54	23	63	22
Interest and similar expenses	-903	-454	-1,150	-490
<b>Earnings before taxes (EBT)</b>	<b>9,685</b>	<b>6,154</b>	<b>993</b>	<b>-848</b>
Taxes on income	-2,954	-1,803	-845	-205
<b>Net after-tax earnings</b>	<b>6,731</b>	<b>4,351</b>	<b>148</b>	<b>-1,053</b>
<b>Earnings per share (in EUR)</b>	<b>0.76</b>	<b>0.49</b>	<b>0.02</b>	<b>-0.12</b>

<sup>1</sup> thereof non-recurring effects: Q1/2021 in the amount of EUR -1.3 million; Q2/2020 in the amount of EUR -2.1 million

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in TEUR	01/01/ – 06/30/2021	04/01/ – 06/30/2021	01/01/ – 06/30/2020	04/01/ – 06/30/2020
<b>Net after-tax earnings</b>	<b>6,731</b>	<b>4,351</b>	<b>148</b>	<b>-1,053</b>
Items which may be reclassified to profit and loss in the future				
Currency translation (after taxes)	710	-261	109	-972
Net income from hedge accounting (after taxes)	208	205	293	325
<b>Total</b>	<b>918</b>	<b>-56</b>	<b>402</b>	<b>-647</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>918</b>	<b>-56</b>	<b>402</b>	<b>-647</b>
<b>Total comprehensive income</b>	<b>7,649</b>	<b>4,295</b>	<b>550</b>	<b>-1,700</b>

# CONSOLIDATED BALANCE SHEET

**AS OF 30 JUNE 2021**
**ASSETS**

in TEUR	06/30/2021	12/31/2020
<b>Non-current assets</b>	<b>125,740</b>	<b>128,127</b>
Intangible assets		
Concessions, proprietary rights and similar rights and assets, as well as licenses to such rights and assets (including advance payments)	444	452
Property, plant and equipment	121,897	123,940
Land, leasehold rights and buildings, including buildings on unowned land	37,078	37,571
Technical equipment and machinery	76,454	75,604
Other fixtures, fittings and equipment	3,836	3,964
Advance payments and assets under construction	4,529	6,801
Financial assets	78	78
Shares in affiliated companies	78	78
Deferred tax assets	3,321	3,657
<b>Current assets</b>	<b>88,632</b>	<b>70,485</b>
Inventories	31,406	32,888
Raw materials and supplies	20,922	20,460
Work in process	1,043	1,235
Finished goods and merchandise	9,441	11,193
Other assets and accounts receivable	14,323	11,243
Trade receivables	7,793	5,128
Receivables from income taxes	440	432
Other assets	6,090	5,683
Cash and cash equivalents	42,903	26,354
<b>TOTAL ASSETS</b>	<b>214,372</b>	<b>198,612</b>



LIABILITIES

in TEUR	06/30/2021	12/31/2020
<b>Shareholders' equity</b>	<b>84,484</b>	<b>76,835</b>
Subscribed capital	8,800	8,800
Capital reserve	47,029	47,029
Earnings reserve	9,699	9,699
Profit carry-forward	30,119	49,772
After-tax earnings	6,731	-19,653
Other changes in equity with no effect on profit and loss	-17,894	-18,812
<b>Non-current liabilities</b>	<b>46,095</b>	<b>104,830</b>
Pension reserves	44,682	44,492
Other provisions	1,413	1,361
Accounts payable to banks	0	58,977
<b>Current liabilities</b>	<b>83,793</b>	<b>16,947</b>
Accounts payable from income taxes	837	0
Other provisions	470	446
Accounts payable to banks	59,386	505
Trade payables	17,130	11,610
Other accounts payable	5,970	4,386
<b>TOTAL LIABILITIES</b>	<b>214,372</b>	<b>198,612</b>

# CONSOLIDATED CASH FLOW STATEMENT

FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2021

## CONSOLIDATED CASH FLOW STATEMENT

in TEUR	01/01/ – 06/30/2021	01/01/ – 06/30/2020
<b>Cash flow from operating activity</b>		
<b>Earnings before taxes</b>	<b>9,685</b>	<b>993</b>
+ Depreciation of fixed assets	6,258	7,690
-/+ Other non-cash income/expenses	0	0
-/+ Income/loss from the disposal of assets	5	-1
- Interest income	-54	-63
+ Interest expenses	903	1,150
<b>Net operating income before changes in working capital</b>	<b>16,797</b>	<b>9,769</b>
+/- Increase/decrease in provisions	126	164
-/+ Increase/decrease in trade receivables and other assets not attributable to investment or financing activity	-3,072	897
+/- Increase/decrease in inventories	1,482	7,407
+/- Increase/decrease in trade payables and other liabilities not attributable to investment or financing activity	7,294	-366
<b>Cash flow from operating activity before taxes</b>	<b>22,627</b>	<b>17,871</b>
- Income taxes paid	-2,194	-4,128
<b>Net cash flow from operating activity</b>	<b>20,433</b>	<b>13,743</b>

CONSOLIDATED CASH FLOW STATEMENT

in TEUR	01/01/ – 06/30/2021	01/01/ – 06/30/2020
<b>Cash flow from investing activities</b>		
+ Payments received from the disposal of property, plant and equipment	0	10
- Payments made for investments in property, plant and equipment	-3,398	-7,177
- Payments made for investments in intangible assets	-70	-44
<b>Net cash flow from investment activity</b>	<b>-3,468</b>	<b>-7,211</b>
<b>Cash flow from financing activity</b>		
- Dividends	0	-1,320
- Payments received from loans	0	20,000
- Payments made for the amortization of loans	0	-31,000
- Interest paid	-706	-1,109
+ Interest received	5	14
<b>Net cash flow from financing activity</b>	<b>-701</b>	<b>-13,415</b>
<b>Net change in cash and cash equivalents</b>	<b>16,264</b>	<b>-6,883</b>
<b>Change in funds due to changes in exchange rates</b>	<b>285</b>	<b>75</b>
Funds at start of period	26,354	28,984
<b>Funds at end of period</b>	<b>42,903</b>	<b>22,176</b>

# CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2021

## CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

### Shareholders' equity attributable to shareholders of Nabaltec AG

in TEUR	Subscribed capital	Capital reserve	Earnings reserve
<b>Balance per 01/01/2020</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 06/30/2020</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 12/31/2020</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>

	Profit carry- forward	Other changes in equity with no effect on profit and loss	Consolidated shareholders' equity
	51,092	-17,675	98,945
	-1,320	-	-1,320
	-	0	0
	-	109	109
	-	293	293
	-	402	402
	148	-	148
	148	402	550
	49,920	-17,273	98,175
	-	1,638	1,638
	-	-3,290	-3,290
	-	113	113
	-	-1,539	-1,539
	-19,801	-	-19,801
	-19,801	-1,539	-21,340
	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

# 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 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

### PERIOD FROM 1 JANUARY – 30 JUNE 2020

in TEUR	Functional Fillers	Specialty Alumina	Nabaltec Group
<b>Revenues</b>			
Third party revenue	57,828	23,989	81,817
<b>Segment result</b>			
EBITDA	7,503	2,267	9,770
EBIT	1,878	202	2,080

# ABRIDGED CONSOLIDATED NOTES

FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2021

## 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 2021 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 2021 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 2020.

The interim financial statements encompass the period from 1 January to 30 June 2021.

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 2021 has not changed compared to the consolidated financial statements as of 31 December 2020. 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 at 31 December 2020.

In addition to the Standards and Interpretations used on 31 December 2020, the following Standards and Interpretations were used for the first time and had no impact on the interim financial statements:

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 due to phase 2 of the IBOR reform project

Until the publication of this interim financial statement, IASB and IFRIC have published further changes to standards. Future application requires adoption by the EU into European law.

- Amendment to IAS 1: "Disclosure of accounting policies"
- Amendment to IAS 8: "Definition of accounting estimates"

### 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.

#### COST OF MATERIAL

Due to the winter onset of the century in mid-February 2021 in Texas, USA, energy prices for gas and electricity have increased exorbitantly during this period. Nashtec is directly affected by this one-time event, accordingly additional energy costs of TEUR 1,344 have incurred in the USA for the month of February 2021.



## 4. NOTES TO THE CONSOLIDATED BALANCE SHEET

### PROPERTY, PLANT AND EQUIPMENT

The additions to property, plant and equipment in the first six months of 2021 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.

### 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 2020.

No transactions with related persons and enterprises took place in the first six months of 2021. Such transactions are conducted at standard market prices and conditions.

#### SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

Dr. Michael Klimes, who has been serving on Nabaltec AG's three-member Management Board as COO since 2017, has chosen not to extend his contract, which expires on 31 December 2021.

The Supervisory Board is going to appoint Dr. Alexander Risch to a 4-year term on the Management Board effective 1 October 2021. As of 1 January 2022, Dr. Alexander Risch as COO will have sole responsibility for the company's departments research and development, as well as for production and sales.

Schwandorf, 6 August 2021

The Management Board

## FINANCIAL CALENDAR 2021

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Baader Investment Conference	22 September
German Equity Forum Online	November
Interim Report 3/2021	25 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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