



**OUR KNOW-HOW  
FOR YOUR SAFETY**

**INTERIM REPORT 1/2019**

# NABALTEC-GROUP

## KEY FIGURES

FOR THE PERIOD FROM 1 JANUARY 2019 TO 31 MARCH 2019

in EUR million	31.03.2019 (IFRS)	31.03.2018 (IFRS)	Change
<b>Revenues</b>			
Total revenues	48.5	45.2	7.3%
thereof			
Functional Fillers	32.5	29.3	10.9%
Specialty Alumina	15.9	15.9	0.0%
Foreign share (%)	76.1	73.5	
Employees <sup>1</sup> (number of persons)	501	472	6.1%
<b>Earnings</b>			
EBITDA	9.0	7.3	23.3%
EBIT	5.8	4.3	34.9%
Consolidated result after taxes	3.5	2.9	20.7%
Earnings per share (EUR)	0.40	0.33	21.2%
<b>Financial position</b>			
Cash flow from operating activities	5.5	8.5	-35.3%
Cash flow from investing activities	-5.1	-6.7	-23.9%
<b>Assets, equity and liabilities</b>			
	31.03.2019	31.12.2018	
Total assets	234.4	225.9	3.8%
Equity	99.9	95.8	4.3%
Non-current assets	151.8	149.0	1.9%
Current assets	82.6	76.9	7.4%

<sup>1</sup> on the reporting date 31 March, including trainees

# NABALTEC AG

## A LEADER IN SPECIALTY CHEMICALS



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".

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# SUSTAINABLE PRACTICES

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## A RELIABLE MANUFACTURER AND SUPPLIER OF SPECIALTY CHEMICALS

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 guarantees that Nabaltec's specialty chemical products will have outstanding prospects for growth and has given the company many years of steadily growing financial success.

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

In addition, 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. With a trainee ratio above average, Nabaltec is committed to promoting young talent, values work/life balance and strengthens the fitness and well-being of its employees through a company health management program.

### CONTACT IR

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E-mail: [InvestorRelations@nabaltec.de](mailto:InvestorRelations@nabaltec.de)

### NABALTEC AG ON THE INTERNET

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

# OUR PRODUCT AND MARKET SEGMENTS

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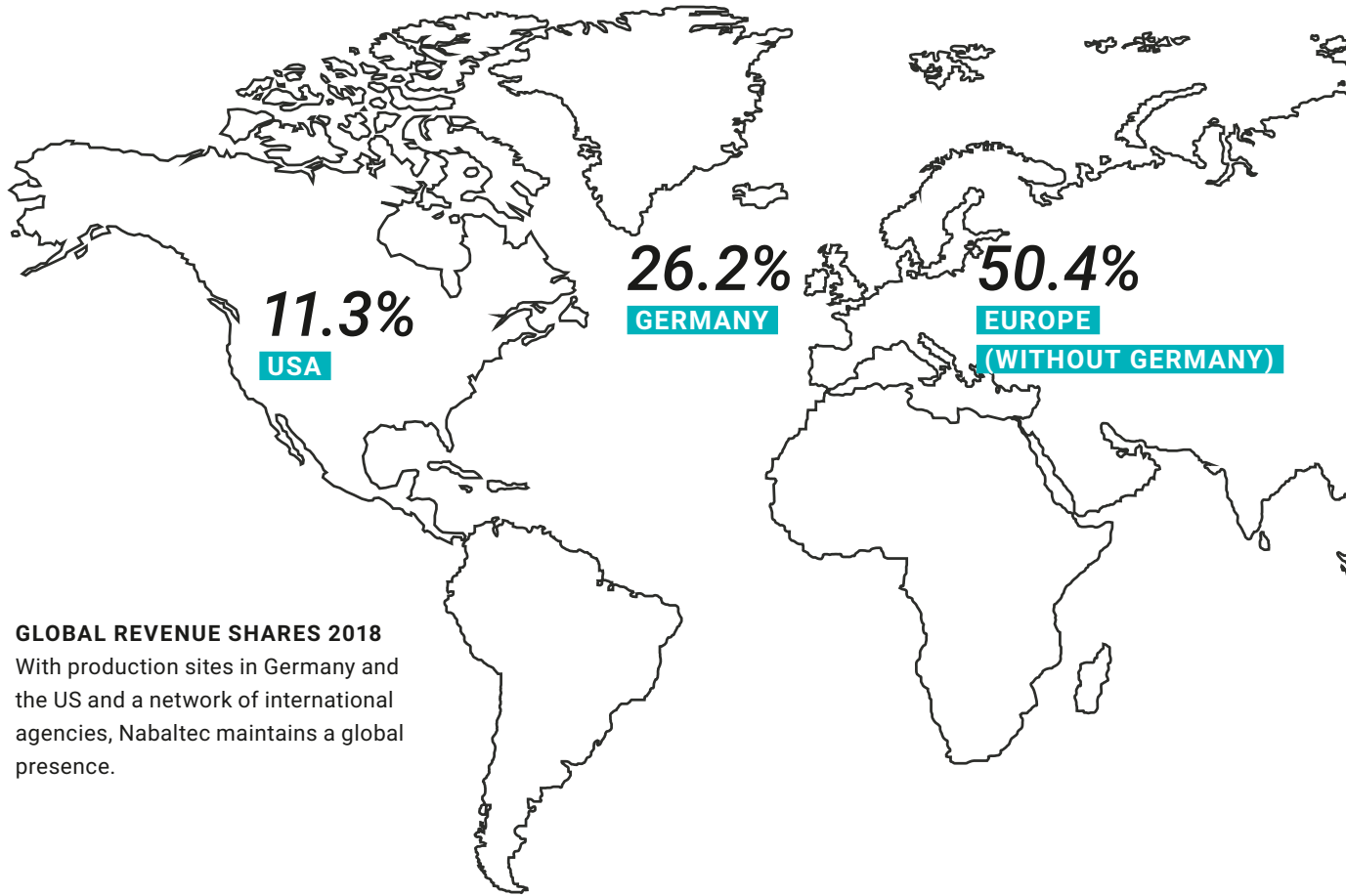
**PRODUCT SEGMENTS**  
"FUNCTIONAL FILLERS" AND  
"SPECIALTY ALUMINA"

## MARKET SEGMENTS:

- Wire & Cable
- Resin & Dispersion
- Rubber & Elastomers
- Battery
- Adsorbents & Catalysts
- Refractory
- Technical Ceramics
- Polishing
- Others

# NABALTEC

## IN OVERVIEW

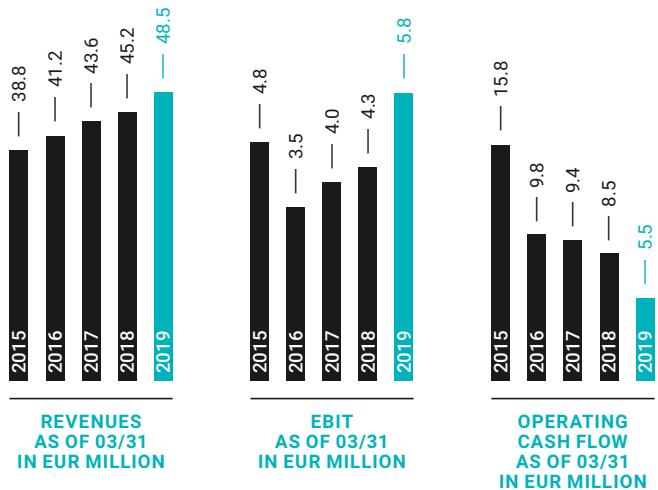


### GLOBAL REVENUE SHARES 2018

With production sites in Germany and the US and a network of international agencies, Nabaltec maintains a global presence.

## NABALTEC AG Q1/2019

As a fast-growing company, Nabaltec AG was able to continue its very strong performance in the first quarter of 2019 as well. In particular, the company has posted revenue growth over a period of many years, which illustrates the growing global demand for Nabaltec products.





# 11.3%

**TRAINEE RATIO 2018**



## EMPLOYEES

Nabaltec AG is regularly recognized as one of the 100 best employers among German mid-sized companies in the "TOP JOB" competition, which compares companies from all over the country and in a wide variety of sectors.

Nabaltec's trainees count among the best of their peers on a regular basis.

# 11x

**DISTINCTION FOR EXEMPLARY INNOVATION MANAGEMENT**



## INNOVATIONS

Nabaltec AG is regularly awarded national and international prizes and distinctions for innovation. In 2018, the company was named one of the 100 most innovative German mid-size companies for the eleventh time.

## PRODUCT SEGMENTS

### FUNCTIONAL FILLERS

In the product segment "Functional Fillers," Nabaltec AG develops 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 retardants, additives and Boehmites is driven above all by the specific requirements of the customers.

### SPECIALTY ALUMINA

In the product segment "Specialty Alumina," Nabaltec develops innovative materials for a wide variety of industries based on all-natural ingredients and occupies a leading position in the global market. The company is constantly investing in optimizing the own production facilities, in innovative technologies and in improving the production processes in order to enable the company to consistently supply tailor-made qualities which meet the customers' need.

# EUR 114.6 MILLION

**REVENUES 2018**

# EUR 62.1 MILLION

**REVENUES 2018**

# EUR 19.1 MILLION

**EBITDA 2018**

# EUR 11.5 MILLION

**EBITDA 2018**

# EUR 10.5 MILLION

**EBIT 2018**

# EUR 8.0 MILLION

**EBIT 2018**



# FOREWORD

## OF THE CEO



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

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

The year is once again off to a very good start, with clear growth in revenues and earnings and positive trends for our US operations and products with the potential to drive future growth, such as boehmite.

*Nabaltec, with revenues of EUR 48.5 million, is well within the target corridor of the forecast for consolidated annual revenues*

With revenues up 7.3%, to EUR 48.5 million, we are well within the target corridor of our forecast, which called for revenues of EUR 190 million to EUR 195 million for 2019 as a whole. We are confident that our growth will accelerate somewhat in the second quarter. Performance at the start of the year was shaped by one customer's deliberate decision to build up inventories at the end of last year, due in part to the price adjustments taking effect at the start of this year. Additionally, Nashtec began to gradually assume responsibility for supplying customers in the first quarter of 2019.

We were able to increase our gross profit margin (gross profit as a percentage of total performance) to 55.6% in the first quarter of 2019, up 0.3 percentage points from the same period of last year. Our strong earnings performance is also evident in the EBITDA margin



of 18.8% (same period of last year: 16.9%) and the EBIT margin of 12.1% (same period of last year: 10.0%). With this EBIT margin, we are well on track to meet our forecast of 10% to 12% for the year as a whole. Earnings per share improved to EUR 0.40, up from EUR 0.33 in the same quarter of last year.

The expansion of our US operations is progressing as planned. Nashtec resumed production at the end of 2018 and began to gradually assume responsibility for supplying overseas customers in the first quarter. It will be covering this demand entirely on its own starting in the second quarter. The commencement of production at our new Naprotec subsidiary in Chattanooga is also proceeding according to plan. We expect production to ramp up gradually starting in the second half of 2019. This site will be able to produce up to 30,000 tons of ground aluminum hydroxide per year.

*Starting in the second quarter of 2019, Nashtec will assume full responsibility for supplying US customers*

The commencement of production in the US will take pressure off of our Schwandorf site, which has been operating at the limits of its capacity recently. At the same time, it will create room for further growth, especially in the "Functional Fillers" product segment. Regaining some "breathing space" as far as capacity is concerned will also allow us to strategically allocate capacity to boehmite or new applications. Our boehmite business continued to grow in the first quarter, in terms of both volume and revenues. Asia remains the dominant market for boehmite sales, since nearly all lithium ion batteries for the automotive industry, in which our boehmite is used, are manufactured there. The market for European suppliers in accumulators used for the e-mobility industry should expand significantly in the future with the commencement of cell production in Europe, a priority of European economic policy.

We believe that we are ideally positioned to profit from future developments in e-mobility. Even in our traditional markets and applications, demand has remained stable despite all the uncertainty with respect to the state of the economy and trade policy, and we look forward to the rest of the year with optimism.

*Nabaltec feels ideally positioned to profit from the future development in e-mobility*

Schwandorf, May 2019

Yours,



**JOHANNES HECKMANN**

CEO

# NABALTEC SHARE

## THE FIRST QUARTER OF 2019

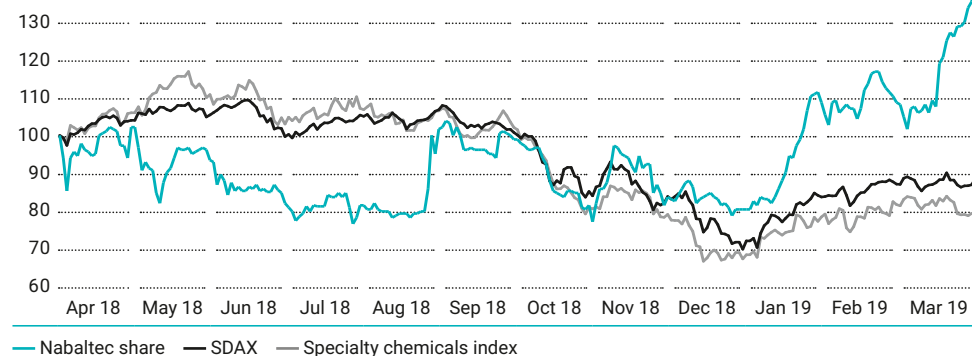
ISIN/WKN: DE000A0KPPR7/A0K PPR  
**NABALTEC SHARE HAS BEEN LISTED  
 IN THE FRANKFURT STOCK EXCHANGE  
 SINCE 24 NOVEMBER 2006 AND HAS  
 BEEN TRADED IN THE SCALE MARKET  
 SEGMENT SINCE MARCH 2017.**

*Nabaltec share at a  
 high of EUR 32.80  
 in the first quarter  
 of 2019*

Nabaltec share performed very well in the first three months of 2019 and was up 51.2% since the start of the year. Its low for the first quarter of 2019, EUR 21.90, was reached at the start of January 2019. After publication of the provisional results for 2018 at the end of February, the share price continued to increase, finishing the quarter at a closing price of EUR 32.80, which was also the high for the first quarter of 2019.

This performance by Nabaltec share in the first quarter significantly outpaced that of the specialty chemicals index and the SDAX, both of which were down in the first quarter of 2019.

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



## KEY DATA FOR NABALTEC SHARE (XETRA)

	First 3 months of 2019	Year 2018
Number of shares	8,800,000	8,800,000
Market capitalization (cutoff date, in EUR million)	288.64	190.96
Average price (in EUR)	26.68	24.42
High (in EUR)	32.80	30.10
Low (in EUR)	21.90	21.00
Closing price (cutoff date, in EUR)	32.80	21.70
Average daily turnover (in shares)	3,281	3,105
Earnings per share (in EUR)	0.40	1.17

The average XETRA daily trading volume of Nabaltec share was 3,281 shares in the first three months of 2019, up from the average level in 2018.

Earnings per share (EPS) amounted to EUR 0.40 in the first three months of 2019, compared to an EPS of EUR 0.33 in the first three months of 2018.

*Earnings per share  
of EUR 0.40 in the  
first quarter of 2019*

Analyst recommendations from Hauck & Aufhäuser Bank for Nabaltec share continue to be positive. The bank issued a “buy” recommendation in all of its analyses. It raised its price target from EUR 39.00 to EUR 44.00 in its study of 21 March 2019, and then confirmed this price target in a study issued in early May. Baader Bank rated Nabaltec a “buy” in its study of 15 March 2019, with a price target of EUR 28.00. The price target was raised to EUR 31.00 in April 2019, with a recommendation of “hold,” and this price target was confirmed in subsequent studies, most recently on 30 April 2019.

*Recommendation  
from Hauck &  
Aufhäuser with a  
“buy” at a target  
price of EUR 44.00*

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

As of 31 December 2018, the majority of Nabaltec’s 8,800,000 shares continued to be held by the Heckmann and Witzany families. The Heckmann family held 28.25% of the company’s capital stock and the Witzany family held 27.17%. The remaining 44.58% of shares are in free float.

# NABALTEC AG

## CONSOLIDATED INTERIM MANAGEMENT REPORT

AS OF 31 MARCH 2019

### COURSE OF BUSINESS

*Consolidated  
revenues reach  
new record high of  
EUR 48.5 million*

Nabaltec AG once again reported revenue growth in the first quarter of 2019, continuing its consistently excellent performance in recent years. Revenues were up 7.3% from the same quarter of last year, for a total of EUR 48.5 million in the first three months of 2019, up from EUR 45.2 million in the same period of last year. Revenues were up 17.1% from the fourth quarter of 2018.

Revenues in the "Functional Fillers" product segment were up 10.9%, from EUR 29.3 million in the first quarter of last year to EUR 32.5 million in the first quarter of 2019. This growth is largely attributable to price effects. Revenues in the "Specialty Alumina" product segment came to EUR 15.9 million in the first quarter of 2019, on par with last year.

*Export ratio  
of 76.1%*

In terms of regions, Nabaltec continued to post growth in Europe and the US in particular, while sales in Germany decreased slightly. Accordingly, the export ratio was up 2.6 percentage points from the first three months of 2018, climbing to 76.1% in the reporting period.

Nabaltec's total performance improved by 11.1% in the first three months of the year over the same period of last year, from EUR 43.2 million to EUR 48.0 million.

The cost of materials ratio (cost of materials as a percentage of total performance) was 45.4% in the first quarter of 2019, noticeably better than in the same period of last year, when it was 47.7%. Higher sale prices in particular had a positive impact in this area, as well as an improved product mix. The gross profit margin (gross profit as a percentage of total performance) was 55.6% in the reporting quarter, up slightly than the 55.3% posted in the same quarter of last year.

The personnel expense ratio (personnel expenses as a percentage of total performance) was 19.0% in the first three months of 2019, on par with the same quarter of last year. The number of employees increased from 472 to 501.

Other operating expenses increased from EUR 8.4 million in the same period of last year to EUR 8.6 million in the first three months of 2019, largely due to freight costs, repairs and other outside services. The ratio of other operating expenses to total performance decreased from 19.4% in the same quarter of last year to 17.9%.

Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to EUR 9.0 million in the first quarter of 2019, up 23.3% from the value of EUR 7.3 million in the same quarter of last year. EBITDA margin (EBITDA as a percentage of total performance) increased accordingly over the same quarter of last year, from 16.9% to 18.8%.

Consolidated EBIT amounted to EUR 5.8 million in the reporting quarter, compared to EUR 4.3 million in the same period of last year, for a gain of 34.9%. The EBIT margin (EBIT as a percentage of total performance) increased from 10.0% in the first quarter of 2018 to 12.1% in the reporting quarter.

*EBIT of EUR 5.8 million (+34.9%); EBIT-margin increased to 12.1%*

Net financial income amounted to EUR –0.7 million in the first quarter of 2019, as in the same period of last year.

Earnings before taxes amounted to EUR 5.1 million, up from EUR 3.7 million in the same quarter of last year. After adjusting for taxes, net consolidated earnings came to EUR 3.5 million, up from EUR 2.9 million in the comparison period. This corresponds to earnings per share of EUR 0.40 in the reporting quarter (compared to EUR 0.33 in the same quarter of last year).

Cash flow from operating activity was EUR 5.5 million in the first three months of 2019, compared to EUR 8.5 million in the first quarter of 2018. This was due in particular to the impact of changes in working capital. The increase in trade receivables had the effect of reducing cash flow. In addition, inventories did not decrease to the same degree as in the same quarter of last year due to the resumption of production in the US.

Spending on investments decreased relative to the same quarter of last year, from EUR 6.7 million to EUR 5.1 million.

Nabaltec Group's cash and cash equivalents amounted to EUR 30.8 million as of 31 March 2019.

Total assets increased from EUR 225.9 million on 31 December 2018 to EUR 234.4 million. As of the reporting date, 31 March 2019, non-current assets were up slightly, by 1.9%, to EUR 151.8 million, due in particular to an increase in property, plant and equipment. Current assets increased by 7.4%, from EUR 76.9 million to EUR 82.6 million. A slight decrease in inventories was offset by increases in trade receivables and other assets.

On the liabilities side of the balance sheet, the equity ratio increased slightly, from 42.4% on 31 December 2018 to 42.6% on 31 March 2019. Non-current liabilities on 31 March 2019 were nearly as high as at the end of 2018, EUR 108.7 million. Current liabilities were up by 17.9% from the end of 2018, to EUR 25.7 million. This was due above all to the increase in trade payables and taxes on income.

*Equity ratio increased to 42.6%*

### EMPLOYEES

*Trainee ratio at a high level of 10.0%*

As of the reporting date, 31 March 2019, Nabaltec Group had 501 employees (including trainees). On the same date of last year, this number was 472 employees. The trainee ratio was 10.0%, a traditionally high level for Nabaltec.

### SUBSEQUENT EVENTS

No events of particular importance for assessment of Nabaltec Group's financial, earnings and liquidity position occurred after the reporting date, 31 March 2019.

### OUTLOOK

Nabaltec foresees intact sales markets and stable demand for its products in 2019 as well unless there is a fundamental change in the market environment. The company has taken a leading international position within its markets. Based on its market position in 2018 and the reputation it has built up over many years, Nabaltec sees good future prospects for its key products.

*Nabaltec expects its revenue growth to continue at an accelerated pace in 2019*

Nabaltec expects to continue to post stronger revenue growth in 2019. 2019 is off to a good start. Revenue growth will come from increases in volume as well as from price increases. The US subsidiary Nashtec LLC resumed production at the end of 2018 and will be assuming full responsibility for supplying US customers as of the second quarter of 2019. Naprotec LLC is currently expected to begin production of refined hydroxide in the second half of 2019, with an annual capacity of up to 30,000 tons.

Orders on hand amounted to EUR 63.3 million on 31 March 2019.

Otherwise, the statements made in the forecast report of the 2018 consolidated management report retain their validity.

### REPORT ON OPPORTUNITIES AND RISKS

No significant changes were evident in the first quarter of 2019 to the risk situation presented in the 2018 consolidated management report.

Schwandorf, 14 May 2019

The Management Board



# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD FROM 1 JANUARY 2019 TO 31 MARCH 2019

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in TEUR	01/01/ – 31/03/2019	01/01/ – 31/03/2018
Revenues	48,453	45,241
Change in inventories of finished goods and work in progress	-692	-2,100
Own work capitalized	197	87
<b>Total performance</b>	<b>47,958</b>	<b>43,228</b>
Other operating income	516	1,289
Cost of materials	-21,811	-20,619
<b>Gross earnings</b>	<b>26,663</b>	<b>23,898</b>
Personnel expenses	-9,135	-8,249
Depreciation	-3,170	-2,953
Other operating expenses	-8,563	-8,381
<b>Operating profit (EBIT)</b>	<b>5,795</b>	<b>4,315</b>
Interest and similar income	35	39
Interest and similar expenses	-695	-697
<b>Net income from ordinary activities (EBT)</b>	<b>5,135</b>	<b>3,657</b>
Taxes on income	-1,633	-779
<b>Net after-tax earnings</b>	<b>3,502</b>	<b>2,878</b>
<b>Earnings per share (in EUR)</b>	<b>0.40</b>	<b>0.33</b>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in TEUR	01/01/ – 31/03/2019	01/01/ – 31/03/2018
<b>Net after-tax earnings</b>	<b>3,502</b>	<b>2,878</b>
Items which may be reclassified to profit and loss		
Currency translation (after taxes)	732	-833
Net income from hedge accounting (after taxes)	-107	-77
<b>Total</b>	<b>625</b>	<b>-910</b>
Items which will not be reclassified to profit and loss		
Actuarial gains and losses	0	0
<b>Total</b>	<b>0</b>	<b>0</b>
<b>Other comprehensive income</b>	<b>625</b>	<b>-910</b>
<b>Total comprehensive income</b>	<b>4,127</b>	<b>1,968</b>

# CONSOLIDATED BALANCE SHEET

**AS OF 31 MARCH 2019**
**ASSETS**

in TEUR	31/03/2019	31/12/2018
<b>Non-current assets</b>	<b>151,754</b>	<b>148,964</b>
Intangible assets		
Concessions, proprietary rights and similar rights and assets, as well as licenses to such rights and assets (including advance payments)	576	509
Property, plant and equipment	151,100	148,377
Land, leasehold rights and buildings, including buildings on unowned land	46,336	38,641
Technical equipment and machinery	90,406	71,158
Other fixtures, fittings and equipment	3,803	3,657
Advance payments and assets under construction	10,555	34,921
Financial assets	78	78
Shares in affiliated companies	78	78
Deferred tax assets	0	0
<b>Current assets</b>	<b>82,611</b>	<b>76,915</b>
Inventories	33,722	34,624
Raw materials and supplies	19,759	20,609
Work in process	1,149	880
Finished goods and merchandise	12,814	13,135
Other assets and accounts receivable	18,063	12,002
Trade receivables	9,522	4,459
Other assets	8,541	7,543
Cash and cash equivalents	30,826	30,289
<b>TOTAL ASSETS</b>	<b>234,365</b>	<b>225,879</b>

**LIABILITIES**

in TEUR	31/03/2019	31/12/2018
<b>Shareholders' equity</b>	<b>99,914</b>	<b>95,787</b>
Subscribed capital	8,800	8,800
Capital reserve	47,029	47,029
Earnings reserve	9,699	9,699
Profit carry-forward	42,151	31,865
After-tax earnings	3,502	10,286
Other changes in equity with no effect on profit and loss	-11,267	-11,892
	-	-
<b>Non-current liabilities</b>	<b>108,732</b>	<b>108,326</b>
Pension reserves	36,219	36,052
Other provisions	1,176	1,153
Accounts payable to banks	70,426	70,417
Deferred tax liabilities	911	704
	-	-
<b>Current liabilities</b>	<b>25,719</b>	<b>21,766</b>
Accounts payable from income taxes	2,872	2,183
Other provisions	189	185
Accounts payable to banks	932	529
Trade payables	14,184	12,643
Other accounts payable	7,542	6,226
	-	-
<b>TOTAL LIABILITIES</b>	<b>234,365</b>	<b>225,879</b>

# CONSOLIDATED CASH FLOW STATEMENT

FOR THE PERIOD FROM 1 JANUARY 2019 TO 31 MARCH 2019

## CONSOLIDATED CASH FLOW STATEMENT

in TEUR	01/01/ – 31/03/2019	01/01/ – 31/03/2018
<b>Cash flow from operating activity</b>		
<b>Earnings before taxes</b>	<b>5,135</b>	<b>3,657</b>
+ Depreciation of fixed assets	3,170	2,953
-/+ Other income/expenses with no effect on cash flow	0	-926
-/+ Income/loss from the disposal of assets	0	0
- Interest income	-35	-39
+ Interest expenses	695	697
<b>Net operating income before changes in working capital</b>	<b>8,965</b>	<b>6,342</b>
+/- Increase/decrease in provisions	37	43
-/+ Increase/decrease in trade receivables and other assets not attributable to investment or financing activity	-6,060	-3,707
+/- Increase/decrease in inventories	902	6,068
+/- Increase/decrease in trade payables and other liabilities not attributable to investment or financing activity	2,607	467
<b>Cash flow from operating activity before taxes</b>	<b>6,451</b>	<b>9,213</b>
- Income taxes paid	-964	-728
<b>Net cash flow from operating activity</b>	<b>5,487</b>	<b>8,485</b>

CONSOLIDATED CASH FLOW STATEMENT

in TEUR	01/01/ - 31/03/2019	01/01/ - 31/03/2018
<b>Cash flow from investing activities</b>		
+ Payments received from the disposal of property, plant and equipment	0	0
- Payments made for investments in property, plant and equipment	-4,940	-6,688
- Payments made for investments in intangible assets	-120	0
- Cash paid for the acquisition of consolidated companies	0	-35
<b>Net cash flow from investment activity</b>	<b>-5,060</b>	<b>-6,723</b>
<b>Cash flow from financing activity</b>		
- Interest paid	-2	0
+ Interest received	8	13
<b>Net cash flow from financing activity</b>	<b>6</b>	<b>13</b>
<b>Net change in cash and cash equivalents</b>	<b>433</b>	<b>1,775</b>
<b>Change in funds due to changes in exchange rates</b>	<b>104</b>	<b>-106</b>
Funds at start of period	30,289	45,917
<b>Funds at end of period</b>	<b>30,826</b>	<b>47,586</b>

# CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE PERIOD FROM 1 JANUARY 2019 TO 31 MARCH 2019

## CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

in TEUR	Shareholders' equity attributable to shareholders of Nabaltec AG		
	Subscribed capital	Capital reserve	Earnings reserve
<b>Balance per 01/01/2018</b>	<b>8,800</b>	<b>47,029</b>	<b>9,721</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 31/03/2018</b>	<b>8,800</b>	<b>47,029</b>	<b>9,721</b>
<b>Balance per 31/03/2018</b>	<b>8,800</b>	<b>47,029</b>	<b>9,721</b>
Dividend payments	–	–	–
Other changes in equity with no effect on profit and loss	–	–	–22
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 31/12/2018</b>	<b>8,800</b>	<b>47,029</b>	<b>9,699</b>
<b>Balance per 31/12/2018</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 31/03/2019</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
<b>33,449</b>	<b>-14,436</b>	<b>84,563</b>
–	0	0
–	-833	-833
–	-77	-77
–	-910	-910
2,878	–	2,878
<b>2,878</b>	<b>-910</b>	<b>1,968</b>
<b>36,327</b>	<b>-15,346</b>	<b>86,531</b>
<b>36,327</b>	<b>-15,346</b>	<b>86,531</b>
-1,584	–	-1,584
–	–	-22
–	1,012	1,012
–	2,167	2,167
–	275	275
–	3,454	3,454
7,408	–	7,408
<b>7,408</b>	<b>3,454</b>	<b>10,862</b>
<b>42,151</b>	<b>-11,892</b>	<b>95,787</b>
<b>42,151</b>	<b>-11,892</b>	<b>95,787</b>
–	0	0
–	732	732
–	-107	-107
–	625	625
3,502	–	3,502
<b>3,502</b>	<b>625</b>	<b>4,127</b>
<b>45,653</b>	<b>-11,267</b>	<b>99,914</b>

# NABALTEC AG

## 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 2019 – 31 MARCH 2019

in TEUR	Functional Fillers	Specialty Alumina	Nabaltec Group
<b>Revenues</b>			
Third party revenue	32,515	15,938	48,453
<b>Segment result</b>			
EBITDA	6,352	2,613	8,965
EBIT	4,042	1,753	5,795

#### PERIOD FROM 1 JANUARY 2018 – 31 MARCH 2018

in TEUR	Functional Fillers	Specialty Alumina	Nabaltec Group
<b>Revenues</b>			
Third party revenue	29,319	15,922	45,241
<b>Segment result</b>			
EBITDA	4,684	2,584	7,268
EBIT	2,571	1,744	4,315

# NABALTEC AG

## ABRIDGED CONSOLIDATED NOTES

### TO THE INTERIM REPORT FROM 1 JANUARY 2019 TO 31 MARCH 2019

#### 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 31 March 2019 were prepared with due regard to all International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) and interpretations of the International Financial Reporting Interpretation 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 31 March 2019 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 2018.

The interim financial statements encompass the period from 1 January 2019 to 31 March 2019.

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

<sup>1</sup> Nabaltec AG, Alustraße 50-52, 92421 Schwandorf, Germany

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.

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 31 March 2019 has not changed compared to the consolidated financial statements as of 31 December 2018. 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.

#### 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 2018.

In addition to the Standards and Interpretations used on 31 December 2018, the following Standards and Interpretations were used for the first time, and had no substantial impact, if any, on the interim financial statements:

- IFRS 16, "Leases"
- Amendments to IAS 19, "Amendment, curtailment or settlement of pension plan"
- Amendments to IFRS 9, "Prepayment features with negative compensation"
- Various: Improvements to the International Financial Reporting Standards (2015 – 2017)
- IFRIC 23, "Uncertainty over income tax treatments"

Until the publication of this interim financial statement, IASB has not published any 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 three months of 2019 were the result of investments, primarily in buildings and 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 2018.

No transactions with related persons and enterprises took place in the first three months of 2019. Such transactions are conducted at standard market prices and conditions.

### SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

There are no significant events after the balance sheet date.

Schwandorf, 14 May 2019

The Management Board

**FINANCIAL CALENDAR 2019**

Annual General Meeting	27 June
Interim Report 2/2019	22 August
Baader Investment Conference, Munich	23 – 24 September
Interim Report 3/2019	21 November
Deutsches Eigenkapitalforum, Frankfurt	25 – 26 November

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**Statements relating to the future**

This interim report contains statements relating to the future which are based on the Management Board's current estimations and prognosis as well as on information currently available. These statements relating to the future are not to be understood as guarantees of the predicted future developments and results. The future developments and results are rather dependent on a number of risks and uncertainties and are based on assumptions which possibly may prove to be false. We do not accept any obligation to update these statements relating to the future.

**Rounding**

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



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