



November 3, 2025

The Heat Is On

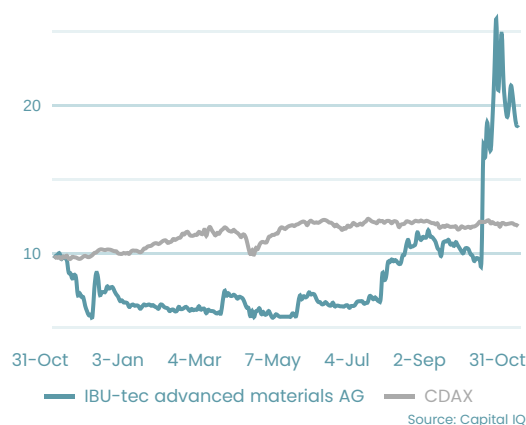
Long-term purchase agreements for battery materials are catalysts for highly profitable growth

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Rating	Buy
Price target	21.00 EUR
Potential	13%
Share data	
Share price (last closing price in EUR)	18.65
Number of shares (in m)	4.8
Market cap. (in EUR m)	88.6
Trading vol. (Ø 3 months; in k shares)	14.2
Enterprise Value (in EUR m)	95.9
Ticker	XTRA:ACT
Guidance 2025	
Sales (in EUR m)	43-45
EBITDA margin	7-9%

Share price (EUR)



Shareholder	
Free float	51.9%
Weitz family	33.4%
Management	14.7%
-	
-	

Calendar	
EKF	November 24-25, 2025
Roadshow Hamburg	December 3, 2025
-	

Changes in estimates			
	2025e	2026e	2027e
Sales (old)	45.0	43.0	60.6
Δ	-	-	-
EBIT (old)	-1.1	-0.2	2.0
Δ	-	-	-
EPS (old)	-0.31	-0.13	0.24
Δ	-	-	-

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IBU-tec advanced materials has transformed in recent years from a pure development and manufacturing service provider for the chemical industry into an emerging producer of proprietary green technologies addressing global growth markets.

The foundation for this lies in the **company's unique technological know-how** and, in part, patented processes for the thermal and wet-chemical treatment of materials, which IBU-tec leverages in the development and processing of high-value materials. At the core are **innovative battery materials** based on lithium iron phosphate (LFP) and sodium manganese oxide, which are used in e-mobility, stationary energy storage, and industrial applications.

Driven by the **renewed momentum in e-mobility** in Germany and the increasing market share of battery electric vehicles across Europe, demand from OEMs and battery cell manufacturers for battery materials that combine cost efficiency with high performance is rising significantly. Within the volume segment in particular, LFP batteries, supported by Chinese suppliers, are gaining traction, resulting in **dynamic growth in global demand for LFP** battery materials, which is expected to expand at a CAGR of around 26% through 2032.

The European automotive industry faces an acute risk of becoming even more dependent on Asian supply chains in battery technology. Consequently, the EU's strategic and regulatory focus lies on establishing a sustainable local battery value chain with a strong recycling component. As the **only European producer of LFP cathode material** on an industrial scale to date, IBU-tec occupies a key position within this framework. This is underscored by the company's deepening collaboration with Volkswagen and its battery subsidiary PowerCo, underpinned by two recently signed long-term offtake agreements that are expected to drive a near **tenfold increase in IBU-tec's battery materials revenue** over the coming years.

We expect the high-margin **battery materials segment to account for around 59% of total revenue by 2028** (2024: 19%), taking group revenue to approximately EUR 84m. Benefiting from product mix and scale effects, we also forecast a **disproportionate increase in EBITDA** to around EUR 12.5m (EBITDA margin 2028e: 15.0%; +13.0pp vs. 2024). In addition, a new large-scale LFP production facility in Bitterfeld is scheduled to commence operations from 2028, supporting continued profitable growth thereafter.

Following the announcement of the "Battery Deals", the share price staged a strong recovery (6M: +226%), and with a current **valuation of around 2x book value**, the stock is approaching its historical average multiple (ØP/B since IPO: 2.3x). However, in our opinion, growth and earnings prospects have never been as promising as they are today, so our **DCF model only reflects the base case** based on PowerCo orders, but further LFP deals could follow.

Conclusion: The transformation of IBU-tec into a "Battery Company" is in full progress and is likely to take the group into new dimensions in the coming years. We initiate coverage of IBU-tec with a Buy rating and a price target of EUR 21.00.

FYend: 31.12.	2023	2024	2025e	2026e	2027e
Sales	48.2	50.6	45.0	43.0	60.6
Growth yoy	-10.6%	4.9%	-11.1%	-4.4%	41.0%
EBITDA	3.0	1.0	4.1	5.0	8.8
EBIT	-1.8	-3.7	-1.1	-0.2	2.0
Net income	-2.5	-5.3	-1.5	-0.6	1.1
Gross profit margin	49.3%	46.3%	59.5%	67.1%	64.0%
EBITDA margin	6.1%	2.0%	9.0%	11.6%	14.5%
EBIT margin	-3.7%	-7.4%	-2.5%	-0.4%	3.3%
Net Debt	8.1	5.9	7.1	7.8	5.5
Net Debt/EBITDA	2.7	5.8	1.8	1.6	0.6
ROCE	-2.8%	-6.1%	-2.0%	-0.3%	3.5%
EPS	-0.52	-1.12	-0.31	-0.13	0.24
FCF per share	-1.04	0.49	-0.26	-0.13	0.47
Dividend	0.00	0.00	0.00	0.00	0.00
Dividend yield	0.0%	0.0%	0.0%	0.0%	0.0%
EV/Sales	2.0	1.9	2.1	2.2	1.6
EV/EBITDA	32.5	94.2	23.7	19.2	10.9
EV/EBIT	n.m.	n.m.	n.m.	n.m.	47.9
PER	n.m.	n.m.	n.m.	n.m.	77.7
P/B	1.6	1.7	1.8	1.8	1.8

Source: Company data, Montega, Capital IQ

Figures in EUR m, EPS in EUR, Price: 18.65 EUR

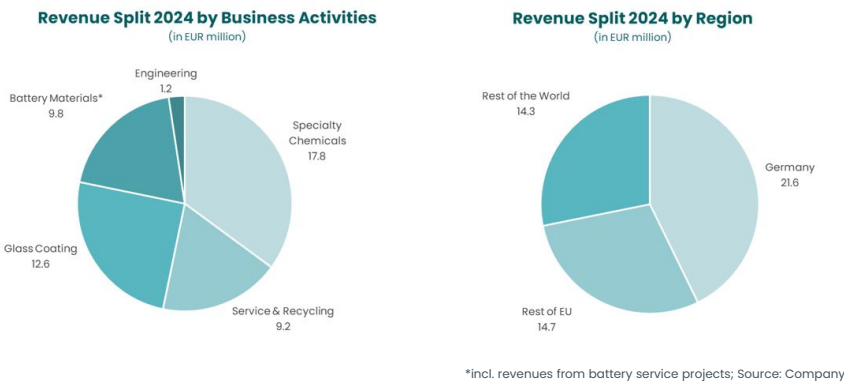
TABLE OF CONTENTS

Executive Summary	2
Investment Case	4
Excursus: Lithium Iron Phosphate Cathode Material of IBU-tec	5
Global and German E-Mobility Accelerating, Importance of LFP Batteries Increasing Significantly	7
Unique Plant Infrastructure and Patent-Protected Technology Form the Cornerstones of Competitive Quality	12
Increasing Dominance of the Battery Materials Segment Expected to Drive Profitable Growth	15
Share Price Rallies After Persistent Downtrend	19
DCF Model Reflects Base Case Scenario	20
Conclusion	20
SWOT	21
Strengths	21
Weaknesses	21
Opportunities	21
Risks	22
Bewertung	23
DCF Model	24
Unternehmenshintergrund	25
Key Facts	25
Key Milestones in Company History	25
Organizational Structure	26
Markets and Segments	27
Management	28
Shareholder Structure	28
Financials	29
DCF Model	29
P&L	30
Balance sheet	31
Cashflow statement	32
Disclaimer	33

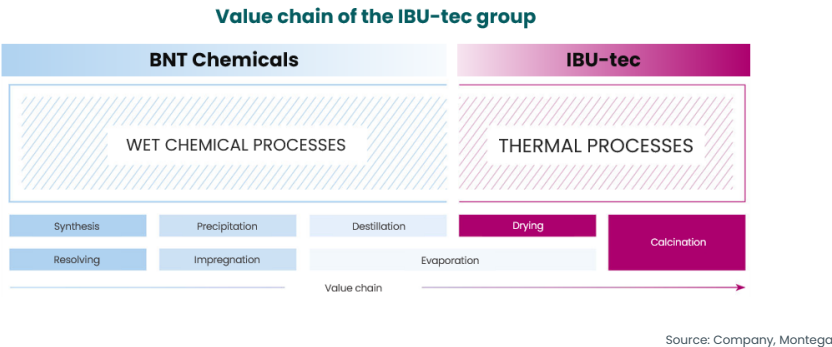
Investment Case

IBU-tec advanced materials AG has, over recent years, evolved from a pure service provider and toll manufacturer—primarily for the chemical industry—into a leading supplier of innovative proprietary products as well as customer-specific solutions across various technology sectors. A key growth driver is the company’s high-quality battery materials, which are used in both mobile and stationary applications, such as batteries for e-mobility and energy storage, and are expected to account for approximately 25% of group revenues in the current fiscal year. As the only European manufacturer of cathode material based on lithium iron phosphate (LiFePO_4) which, due to its high thermal stability and comparatively low raw material costs, is increasingly becoming the standard in e-mobility—IBU-tec holds a significant position in Europe.

In addition, the company offers a wide range of other performance materials and process technologies for, among others, (industrial) catalysts, high-performance ceramics, the recovery of valuable raw materials and rare earths, as well as the engineering of related plants for third parties. The company’s product and service portfolio thus addresses global megatrends such as electrification, digitalization, resource efficiency, and the circular economy in multiple ways and can be broadly categorized under the term “Greentech.”



IBU-tec leverages complex proprietary technologies, some of which are patent-protected, in thermal process engineering and wet chemistry. The latter was added in 2018 through the acquisition of BNT Chemicals and precedes IBU-tec’s thermal processes, enabling the group today to cover a seamless value chain and operate in the market as a full-service provider. The state-of-the-art machinery currently includes, in addition to 16 rotary kilns and 8 pulsation reactors as core equipment, all necessary process engineering facilities up to laboratory analytics, which, in our view, is unique worldwide in this configuration. Combined with expertise accumulated through decades of research and development, IBU-tec is able to offer end-to-end solutions from material and process development, through scale-up, to (toll) manufacturing, all under one roof.



The service and development collaboration with the international customer base across the automotive, chemical, pharmaceutical, electronics, plastics, coatings, and recycling industries ideally results in long-term, high-volume follow-on and serial orders. In this context, a milestone for the group and a catalyst for the equity story are the two recently agreed strategic production contracts with VW subsidiary PowerCo (for details, see page 9). These are expected to enable IBU-tec to achieve visible profitable growth through a multiplication of revenues from battery materials (CAGR 2025-2028e: 24.2%) and firmly position the company as a **“Battery Company”** within the value chain for European LFP cathode materials. Accordingly, we view the increasing penetration of e-mobility and the development of battery markets as the key drivers for IBU-tec over the coming years.

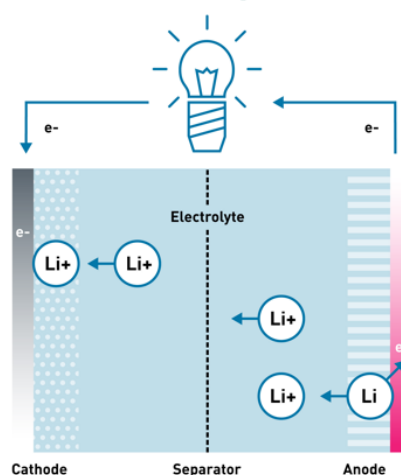
Given the central importance of the battery materials segment for IBU-tec, we provide a brief **excursus** on the technical characteristics of the key LFP products. This section is not essential for a basic understanding of the investment case and may be skipped.

Excursus: Lithium Iron Phosphate Cathode Material of IBU-tec

Modern energy storage systems are predominantly based on the well-established lithium-ion battery technology. Lithium-ion batteries consist of four core components that form the cells of the battery: cathode, anode, separator, and electrolyte. **Lithium iron phosphate** is increasingly gaining importance as a cathode material, with different requirements depending on the application – for example, in e-mobility or stationary energy storage. The name LFP is derived from the chemical formula LiFePO_4 . LFP cathodes are free of the heavy metal nickel and the critical raw material cobalt and are characterized, compared with other cathode materials, by their longevity and safety.

During the charging of a lithium-ion battery, lithium ions flow through the electrolyte layer from the cathode to the anode. In the anode, which is often made of graphite or other carbon-rich materials, lithium is reversibly intercalated with the uptake of electrons. When the battery is discharged, this process is reversed as the lithium-rich anode releases electrons and the resulting lithium ions are transported back to the cathode. This generates an electric current that can be used, for example, to drive electric motors in vehicles. This cycle can be repeated thousands of times, although a certain memory effect is inevitable and the battery's performance gradually declines over time. The higher the quality of the battery materials and the LFP used, the longer the potential lifespan.

Schematic diagram of a lithium-ion battery

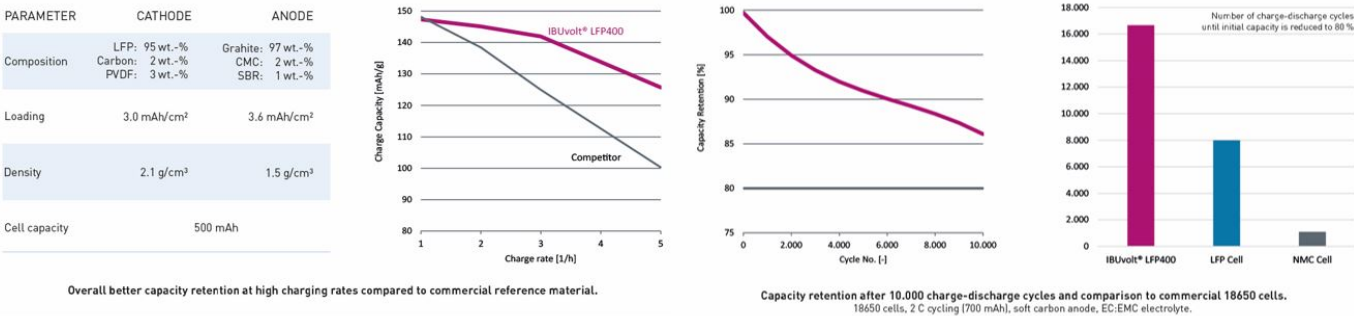


Source: Company

IBU-tec has been active for more than 10 years in the development and production of LFP cathode material at its Weimar site. The battery material, marketed since 2021 under the brand **IBUvolt® LFP**, is the result of years of research and development based on the company's expertise in thermal process engineering and is characterized by excellent fast-charging capability as well as outstanding long-term stability over many charge cycles. In the production process, the starting materials (including lithium carbonate, iron phosphate, and additives) first undergo spray drying, before being refined in a rotary kiln and subsequently milled into a powder.

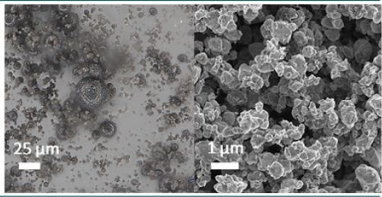
IBUvolt® LFP is currently offered in two proprietary variants: **LFP400** and **LFP402**. LFP 400, with a comparatively high carbon content of 3.5–3.9 wt%, delivers higher electrical conductivity, reducing the internal resistance in the battery cell and minimizing energy loss as heat. This enhances energy efficiency and safety compared with other LFP products. LFP400 has been successfully tested by IBU-tec over 10,000 charge-discharge cycles, corresponding to a lifespan of more than 15 years, making the material particularly suitable for stationary storage applications. Compared with the analyzed competing LFP product or a standard lithium-nickel-manganese-cobalt (NMC) cell, IBUvolt® LFP400 also demonstrated significantly superior performance.

Comparison of electrochemical properties and performance data



Source: Company

The **IBUvolt® LFP 402**, introduced only in February 2024, was specifically optimized by IBU-tec to meet the requirements of globally operating cell manufacturers in e-mobility and is particularly suitable as a “drop-in solution” for industrial-scale battery cell production. LFP 402 is designed with a slightly lower carbon content (1.4 wt%), resulting in improved compressibility and, in turn, higher conductivity and energy efficiency of the material.

	IBUvolt® LFP400	IBUvolt® LFP402	
Carbon content [wt.-%]	3.5-3.9	1.4	
Particle size d50 [µm]	11.1	1.2	
Compaction density [g/cm³]	1.0-1.4	0.6-0.9	
Electrode density [g/cm³]	≥ 2.3*	≥ 2.5*	
Specific capacity [mAh/g]	≥ 149	≥ 159*	

*Example of laboratory test cells; Source: Company, Montega

With **IBUvolt® LMFP Gen.0**, IBU-tec finally introduced another innovative cathode material based on lithium-manganese-iron phosphate at the Battery Show Europe in June 2025, characterized by its higher specific energy density (+5-10% compared with LFP). It combines IBU-tec’s expertise in LFP production with new materials and has been specifically developed for demanding environments and new cell concepts, such as solid-state batteries.

Global and German E-Mobility Accelerating, Importance of LFP Batteries Increasing Significantly



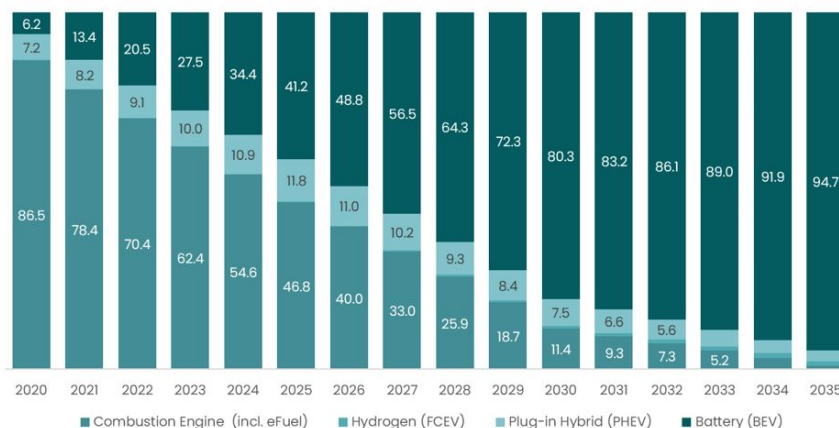
- Lithium iron phosphate batteries offer an optimal cost-benefit ratio and unlock the volume market for e-mobility.
- As the first and currently only industrial manufacturer of LFP cathode material, IBU-tec is excellently positioned in the European value chain
- Strategic offtake agreements with PowerCo represent a game changer for the development of the battery business

Despite all the pessimistic forecasts in Germany, e-mobility remains a dynamic growth market on a global scale. In the first half of 2025, sales of fully battery-electric passenger cars (Battery Electric Vehicles; BEV) rose by approximately 37% yoy to more than 5.9m vehicles. In the EU, according to the manufacturer association ACEA, BEV sales increased by 24.8% yoy through the end of August, raising their market share to 15.8% (+320 bps yoy). Including hybrids (HEVs) and plug-in hybrids (PHEVs), which also expanded their market shares significantly to 34.7% (+500 bps yoy) and 8.8% (+190 bps yoy), respectively, more than one in every two new cars sold in Europe today is powered by a battery.

In Germany, demand is now again growing at a clearly double-digit rate and even outpacing the overall European market (BEV sales Jan.–Aug. 2025 DE: +39.2% yoy), prompting PwC to speak of a “renaissance of e-mobility.” A key purchase argument remains the lower total cost of ownership (TCO) of electric vehicles compared with internal combustion engine cars, despite capped government incentives and still higher upfront costs. While market penetration has not yet reached the levels projected at this stage of the transition a few years ago, electric vehicles are expected to become the dominant powertrain for new cars in Germany by 2035, regardless of any “combustion engine ban.” Additionally, the new federal government under Chancellor Merz is already openly considering the reintroduction of purchase incentives for electric vehicles.

Share of Powertrain in New Vehicle Sales in Germany

(Passenger Cars & Light Commercial Vehicles; in %)



Source: PwC Germany

LFP Demand Growing Dynamically

Alongside the continuing market success of e-mobility, demand for LFP batteries is expected to rise noticeably. While LFP was still a niche cathode material until around 2020, its significance has increased substantially in recent years. According to estimates by the Fraunhofer Institute for Systems and Innovation Research (ISI), its volume-weighted market share in battery cell production now stands at around 37% globally. Europe, with roughly 9%, still lags far behind; however, the current European demand of an estimated 50kt LFP per year is met by virtually no local supply apart from IBU-tec. In the lead market of China, LFP already holds a dominant position, with a market share of nearly 80% in electric vehicles and production capacities of several hundred kilotonnes per year.

The reason for this development is that, compared with the previously leading battery type lithium-nickel-manganese-cobalt (Li-NMC or NCM), LFP batteries offer lower energy density and therefore shorter range, but contain fewer critical raw materials (only lithium) and are more cost-effective, durable, robust, and safe. While “range anxiety” among many car buyers is decreasing due to the ongoing expansion of charging infrastructure, these latter advantages are becoming increasingly important, particularly in the volume market.

Accordingly, demand is also increasing among European volume manufacturers such as VW, and battery cell producers are increasingly switching to LFP as their preferred cathode material. Against this backdrop, the global market for LFP batteries is expected, according to Fortune Business Insights, to grow from approximately USD 19.1b in 2024 to around USD 124.4b by 2032, corresponding to a CAGR of about 26%. Over the same period, the European LFP market is also projected to achieve an average annual growth rate of over 20%, reaching a volume of more than USD 24b in 2032, or nearly one-fifth of the total market.

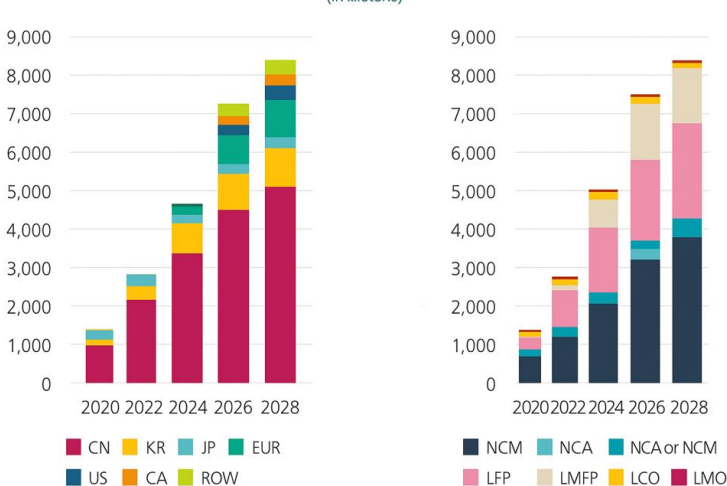
Expected Market Development for LFP Batteries



Source: Fortune Business Insights

The dominant position of Asian, and in particular Chinese, cathode active material (CAM) producers such as Shenzhen Dynanonic, Hunan Yuneng, LOPAL or Ningbo Ronbay, which currently cover around two-thirds of the market, is expected to persist in the future. However, major European players such as BASF, Umicore, and the South Korean company EcoPro are also driving the expansion and establishment of local cathode material production capacities, although, to date, not clearly focused on LFP. Cases such as Northvolt (insolvent) or FREYR Battery (now: T1 Energy; withdrawal from the battery business) also illustrate that a certain market consolidation has already taken place due to the slower-than-expected ramp-up over the past few years.

Expected cathode material production by region (left) and type (right)



Source: Fraunhofer ISI

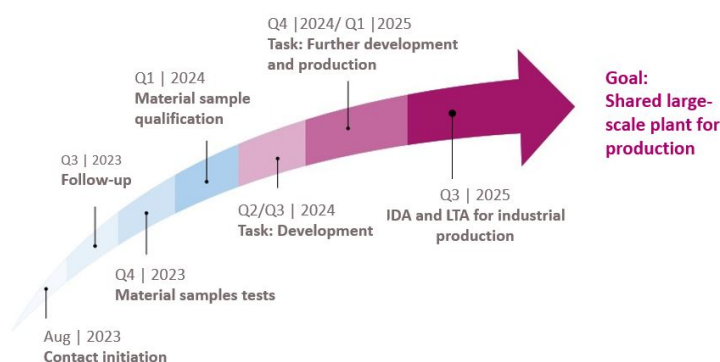
Numerous Leads and Two Pioneering Deals

To convince market participants of IBU-tec's innovative battery materials in the still fundamentally competitive CAM producer environment, the company shipped several tons of samples—mostly for a fee—to around 90 potential customers during fiscal year 2024. These included battery cell manufacturers, automotive OEMs, energy storage providers, and research institutions for material testing. In addition, in March 2025, IBU-tec announced a development cooperation with the Chinese chemical company Wanhua Chemical in the area of battery technology. The initial focus is to adapt IBU-tec's processes to the specifications of Wanhua's precursor product. If successful, this could lead to industrial-scale production of LFP cathode material in Europe at attractive prices.

The most advanced collaboration and thus the blueprint for all further large-scale projects in the battery segment is currently IBU-tec's partnership with VW and its battery subsidiary PowerCo. Following the mandatory material testing and qualification phase, this resulted in December 2024 in the largest single order in IBU-tec's history to date, in the mid-single-digit million euro range, for the further development of the IBUvolt® LFP402 battery material.

In July 2025, the company received orders for an industrialization concept for the production of the LFP precursor pCAM (**P**recursor **C**athode **A**ctive **M**aterial) using spray-drying technology, as well as a scaling order for LFP. Together, these are expected to represent an order volume in the lower double-digit million euro range. To date, the cooperation with PowerCo has, in our view, generated almost exclusively one-off service revenues for IBU-tec.

Timeline of the cooperation with PowerCo



Source: Company

A **game changer in the company's development** is now represented by the two strategic agreements with PowerCo dated 6 October 2025. These comprise **1.**

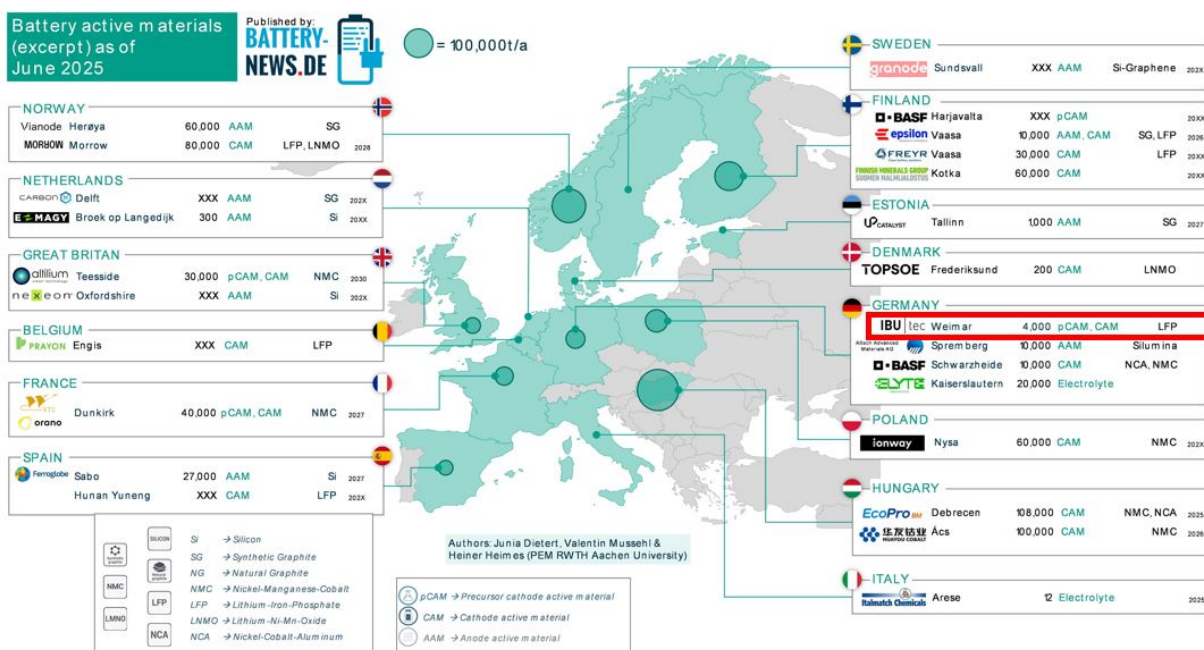
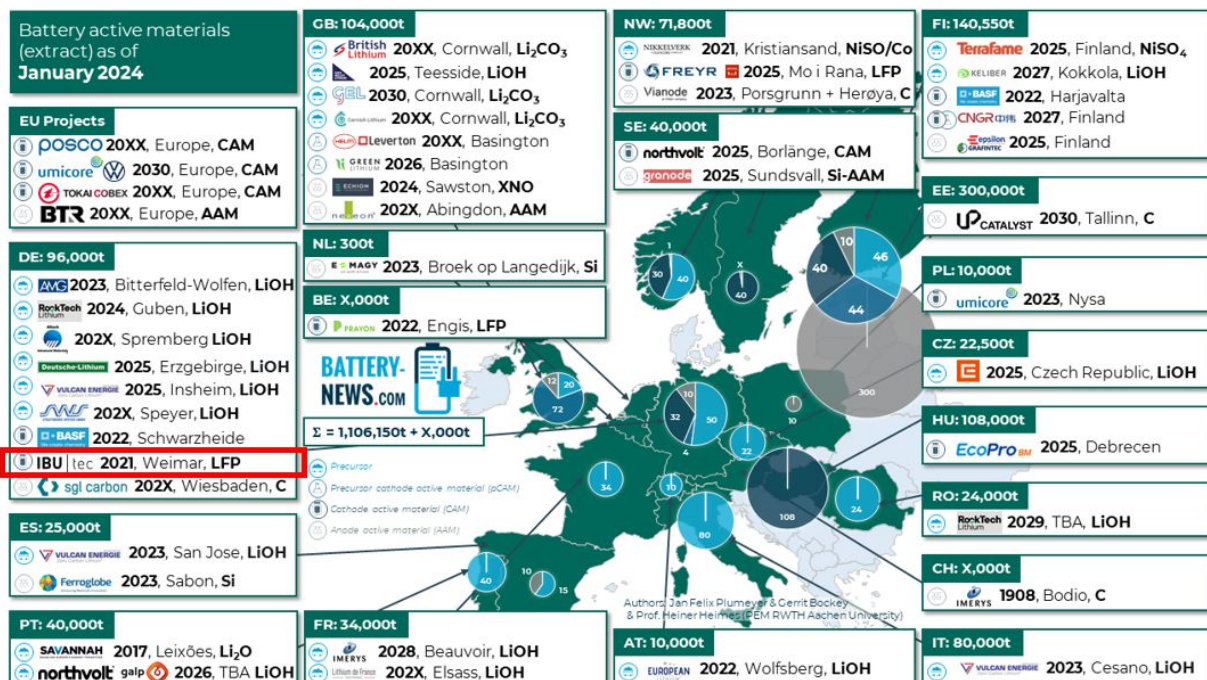
- A **large-scale order** for the production of LFP cathode material using the existing production facility at the Weimar site for series use in vehicles. Following the qualification phase, planned offtake volumes are expected to increase from H2/26 to full utilization of total production capacity (approx. 3.3kt p.a.), generating total revenues in the mid-double-digit million euro range over the three-year period 2026–2028. We also assume full utilization of the LFP capacities in Weimar beyond 2028.

and **2.**

- A **Joint Development Agreement (JDA)** for the development and establishment of an industrial production process for European LFP cathode material through a brownfield investment at the Bitterfeld site, which is expected to approximately quintuple production capacity (MONE: additional ~15kt p.a.). Construction of the new facility on the existing site is planned to begin within the current year, with production start scheduled no later than 2028. Under the JDA, IBU-tec will receive payments from PowerCo starting this year, which—depending on the achievement of certain technical milestones—could total a mid-double-digit million euro amount over a period of up to three years. In our view, these do not constitute revenue-recognized prepayments. We further assume that, despite volume discounts on later LFP sales prices, IBU-tec will still achieve a price premium of up to 30% compared with comparable Chinese LFP (currently approx. USD 4,900/t; source: Shanghai Metal Market). For the total material volumes, PowerCo secures first access under a **Long Term Agreement (LTA)** for a period of at least ten years, which, in the medium term, is expected to generate an additional *annual* revenue contribution in the mid- to upper-double-digit million euro range. In our view, the financing of the capacity expansion is largely ensured through the JDA and LTA.

With this, IBU-tec is entering, for the first time, the continuous production of battery material based on long-term offtake agreements, significantly increasing both visibility and scale in this business segment. At the same time, IBU-tec will, in our view, be the first, currently only, and in the medium term one of very few industrial-scale LFP producers in the European value chain for battery cells. This is illustrated by the following two project overviews from January 2024 and June 2025, which, alongside IBU-tec (highlighted in red), show many other battery players. However, these are mostly active in raw materials and precursors (e.g., lithium hydroxide (LiOH) or lithium carbonate (Li₂CO₃)), focused on other battery types (e.g., NMC), have already exited the market (e.g., FREYR Battery), or are expected to commence production only after IBU-tec.

Project overview of battery materials in Europe



Based on official announcements. All values in tons/year

Source: Battery-News

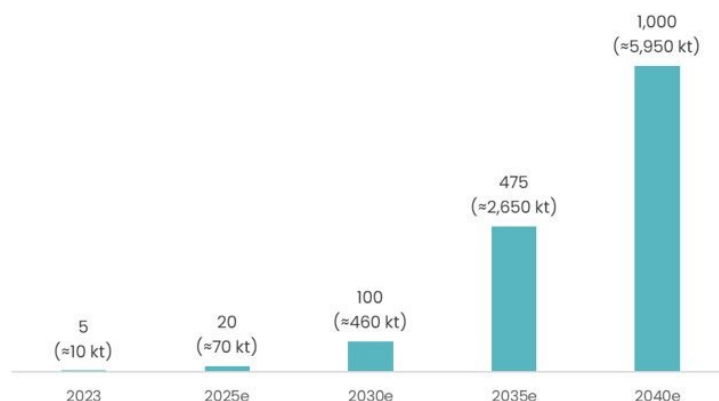
Recycling Boom Predicted

With the development of e-mobility into a mass market and the rapidly increasing demand for raw materials for battery production, the topic of recycling is also moving into focus. The EU Battery Regulation, which came into effect in February 2024 as part of the "European Green Deal," requires manufacturers of industrial and electric vehicle batteries to use a minimum content of recycled material from end-of-life batteries in new production starting in 2031. In addition, the "Clean Industrial Deal," introduced in 2025, mandates increasing the share of circular materials to 24% by 2030.

Battery recycling represents another future growth market, which industry experts expect to expand globally at a CAGR of around 21% to approximately USD 24.2 b by 2032. In Europe, a significant increase in market volume is expected, particularly from 2030, when the first generation of electric vehicles reaches the end of its service life. Between 2030 and 2040, PwC estimates that the use of recycled battery material in Europe could increase nearly tenfold. For IBU-tec, downstream battery recycling is therefore also expected to gain importance progressively.

Use of Battery Recycling Material in Europe

(in GWh, kt)



Source: PwC Strategy&

Overall, we view IBU-tec as a promising niche player in the development of a sustainable European value chain for battery production and the transition to a circular economy, identifying these as the company's key growth drivers in the coming years. This should increasingly reduce reliance on the currently very weak industry climate in the chemical sector, which, according to the latest figures from the German Chemical Industry Association (VCI), "does not expect an economic recovery through next year."

Crisis in the Chemical and Glass Industries Dampens Further Sales Markets

From January to August, VCI data show that chemical industry production fell cumulatively by 3.6% yoy and sales declined by 3.1% yoy. Incoming orders dropped even more, by 5.1% yoy. Capacity utilization among association members fell to just under 72% in Q2/25—the lowest level since 1991—and has remained significantly below the profitability threshold for three consecutive years. For the full year, VCI most recently projected a 2% decline in production and a 1% reduction in total industry sales. Key causes cited include structural disadvantages for domestic industry due to high energy costs and excessive bureaucracy. Additional pressure has come from rising chemical exports from China, which are increasingly flowing to Europe due to restrictive U.S. tariff policies.

This not only weighs on IBU-tec's customers in its still largest business segment, **specialty chemicals** (2024 revenue share: 35%), but also significantly slows growth in the potential **glass coating** market (2024 revenue share: 25%). Here, the company is well positioned as the only European producer of monobutyltin chloride (MBTC) with a market share of approximately 40%, enabling it to benefit from rising global demand. The global glass coating market is expected to grow from around USD 2.2 b in 2024 to approximately USD 4.3 b in 2033 (CAGR: 7.5%).

BNT Chemicals' glass coating solutions (particularly BNT COAT 100) are used in the hot-end treatment of hollow and container glass, such as deposit bottles, to increase strength and make the glass more resistant to abrasion and breakage, allowing bottles to be reused more frequently in deposit systems. However, the operating environment for domestic glass producers has recently deteriorated significantly. According to the German Glass Industry Association, the sector saw an 8.3% revenue decline to around EUR 11.3 b in 2024, accompanied by corresponding overcapacities in glass coating.

In addition, BNT's organotin product portfolio is highly dependent on tin raw material prices, which have risen by approximately 51% since early 2024 (source: Trading Economics). Against the backdrop of weak demand and strong price pressure, IBU-tec initiated a comprehensive strategic realignment of the recently loss-making BNT at the end of last year. In glass coating, BNT continues to offer MBTC to niche customers at significantly higher margins. Furthermore, new organotin-free solutions have been developed and brought to market.

Looking ahead, we see even greater significance in BNT's strengthened positioning as a service provider for wet-chemical processes in specialty chemicals and recycling, which should increasingly create cross-selling and synergy opportunities for IBU-tec.

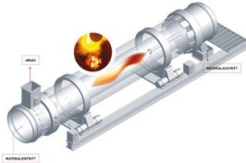
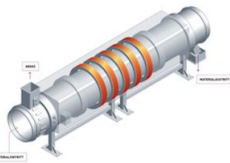
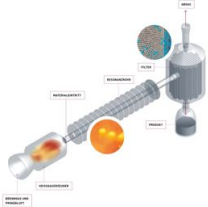
Unique Plant Infrastructure and Patent-Protected Technology
Form the Cornerstones of Competitive Quality

- !
- Capital-intensive production, specialized and partly patent-protected production facilities and processes, as well as long-standing expertise, provide a decisive competitive advantage in Europe
 - Proprietary LFP cathode material demonstrates strong technical performance and a lower CO₂ footprint compared with competing materials

The realignment of BNT is also expected to further enhance IBU-tec’s competitiveness. This advantage is primarily derived from long-standing know-how in the processing of chemical substances in general, and more than 10 years of specialized experience in battery materials in particular. Together with the capital-intensive nature of the business model and the partly patent-protected technology, this creates, in our view, high barriers to entry for potential competitors.

- Unique Machinery and Plant Infrastructure:** Since 2000, the IBU-tec Group has invested more than EUR 40 m in its machinery and plant infrastructure, which forms the foundation of the company’s diverse product and technology portfolio. The most prominent are 16 different **rotary kilns**, used for various thermal processes such as calcining, sintering, pyrolyzing, and firing, as well as for oxidizing and reducing powders, granulates, suspensions, and shaped bodies. The kilns consist, as the name suggests, of a rotating tube with stationary material input and output housings. The constant rotation ensures thorough mixing of the material, enabling homogeneous treatment at temperatures up to 1,550 °C, with distinctions made between directly and indirectly heated rotary kilns. In addition, eight so-called **pulsation reactors** are available for thermal shock treatment of ultrafine powders. The extremely rapid heating and cooling rates impart material properties that can be highly advantageous for applications such as catalysts, electronic components, or substances with specific morphologies. Complementary equipment, including a spray dryer and state-of-the-art laboratory analytics, completes the setup.

Thermal systems by IBU-tec

	Directly heated rotary kilns	Indirectly heated rotary kilns	Pulsation reactors
			
Amount	4	12	8
Temperature Range	100-1,550 °C	100-1,400 °C	250-1,000 °C
Dwell Time	15-180 min.	15-180 min.	0.05-2 sec.
Reaction Control	continuously, direct current, countercurrent, batch	continuously, direct current, countercurrent, batch	continuously
Typical Processes	calcining, sintering, reducing, oxidizing, drying	pyrolyzing, calcining, reducing, refining of catalyst carriers	Drying, calcining, oxidizing

Source: Company, Montega

- High-Quality Proprietary Products:** In the future LFP battery market, IBU-tec currently offers two high-quality proprietary cathode materials, both refined in rotary kilns: IBUvolt® LFP400 and IBUvolt® LFP402. **LFP400** is a coarser form of LFP powder, specifically developed and tested for use in stationary energy storage systems. Introduced to the market in early 2024, **LFP402** is a finer form of LFP with very high discharge capacity and improved compressibility. This variant is optimized for both e-mobility and stationary storage applications and can be easily processed on IBU-tec’s existing manufacturing facilities. In addition, LFP402 is specifically suitable for the wet coating process, which is currently the standard for battery electrode coating and is used by all major battery cell manufacturers worldwide.

- Battery Material with Impact and Customer-Specific Solutions:** The further development of IBUvolt® LFP402 is now expected to play a key role in the collaboration with PowerCo. This order success shortly after the product's market launch also reflects, in our view, IBU-tec's excellent R&D activities in the emerging battery technology market. According to the company, LFP402 generates approximately 40% lower CO₂ emissions during production compared with competing Chinese material, and the CO₂ footprint per average vehicle is expected to be around 7% lower, supporting OEMs' key climate neutrality targets. IBU-tec also offers the development of customer-specific solutions optimized for individual cell formats. For example, a research project is currently underway with battery cell manufacturer UniverCell and industrial truck manufacturer Jungheinrich to develop an innovative cathode active material for sodium-ion batteries, characterized by high material and cycle stability, intended for use in smaller electric vehicles such as forklifts.
- Patent-Protected Technologies and Comprehensive Certifications:** IBU-tec's current portfolio includes 19 granted or active patents and 47 pending applications, covering both specific aspects of thermal process engineering and product and process development. The company is also certified under ISO 9001 for quality and ISO 14001 for environmental management, and one of its largest and most advanced rotary kiln facilities recently received Kosher and Halal certification, enabling access to new customer segments in the food industry. In terms of sustainability, IBU-tec was most recently awarded "Silver" by **EcoVadis**, placing it among the top 15% of companies evaluated by the rating agency. The company's strong positioning as a Greentech player through its proprietary LFP production is consistently highlighted.

ESG Rating by EcoVadis

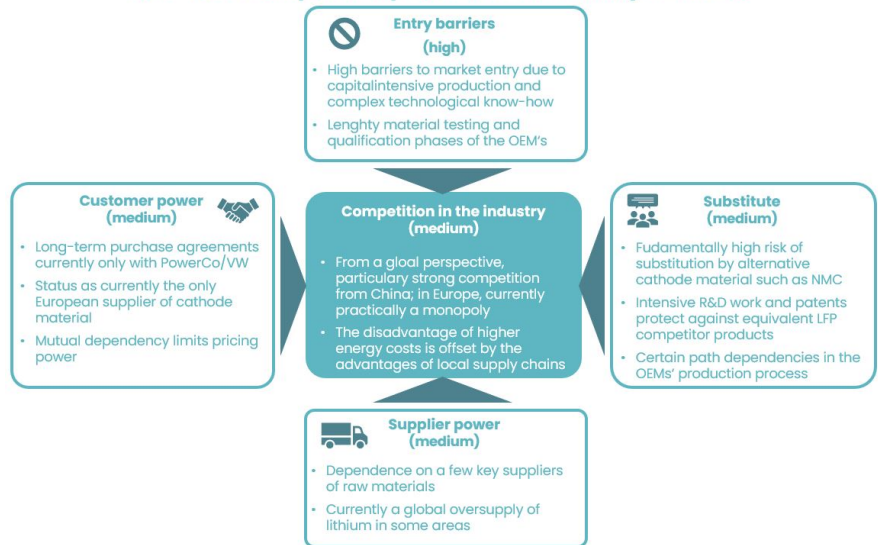


Source: Company

- Recycling Initiatives and New Research Areas in the Battery Sector:** IBU-tec is currently driving a pilot project in collaboration with GRS Batterien Service GmbH and the Gemeinsames Rücknahmesystem Batterien Foundation for the thermal treatment of end-of-life lithium-ion batteries and the production of a sustainable recycling concentrate ("Green Mass"), intended for future use in new battery production. In addition, a technical pilot plant for lithium-ion battery recycling at the end of their lifecycle has been established in Weimar together with machinery and plant manufacturer Hosokawa Alpine, and the research project "Zirkat" has been launched with other industrial and academic partners to recover valuable materials from aging or defective batteries. These initiatives position IBU-tec early in the promising battery recycling market. The company is also advancing battery research on novel material combinations for sodium-ion batteries, such as sodium iron phosphate (NFP) and sodium manganese oxide (NMO), which do not require the critical raw material lithium. Collectively, these efforts complete IBU-tec's strategic transformation into a "Battery Company."

In summary, we view IBU-tec as holding a leading competitive position in the LFP business in Europe, which is, for the time being, protected by relatively high barriers to entry. The company should also benefit from China, the world's most important supplier, having recently announced export controls for certain battery materials (including LFP) and their precursors, highlighting the importance of a self-sufficient European value chain for automotive OEMs and cell manufacturers. Given its significance for the company's future development, we have also tailored the final graphic depiction of IBU-tec's competitive position according to **Porter's Five Forces** specifically to the battery business.

IBU-tec's competitive position in the battery business



Source: Montega

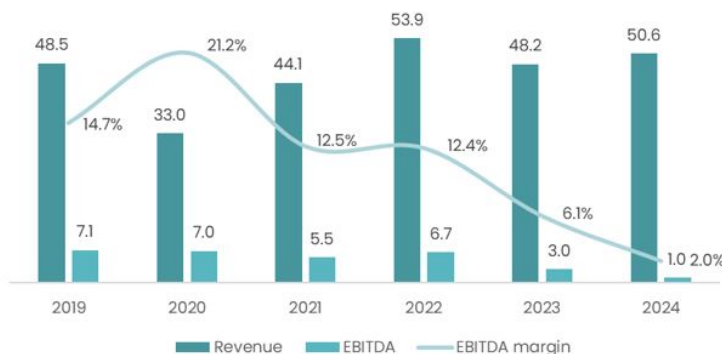
Increasing Dominance of the Battery Materials Segment Expected to Drive Profitable Growth



- LFP revenues are expected to rise to over 75% of total group sales by 2031
- Operating margin is projected to return to a clearly double-digit level by 2028 and continue increasing thereafter; group net income expected to be sustainably positive from 2027 onwards
- Milestone payments from PowerCo are expected to fully finance the brownfield project

In terms of revenues and earnings, IBU-tec's performance over recent years has been unsatisfactory. Group sales in 2024 amounted to EUR 50.6m, only slightly above the 2019 level (CAGR 2019–2024: 0.9%). In addition to the generally weak industrial environment in the chemical sector and structural changes in glass coating, this was primarily due to the battery materials segment initially failing to deliver the expected growth momentum. This also reflects the fact that lengthy approval and decision-making processes on the OEM side, combined with the gradual integration into the customer's strategic positioning, require long lead times to establish the conditions for high-volume production. In this respect, the difficult period of recent years, in our view, now also represents a temporal competitive advantage for IBU-tec in Europe.

Revenue and EBITDA Development
(in EUR million)



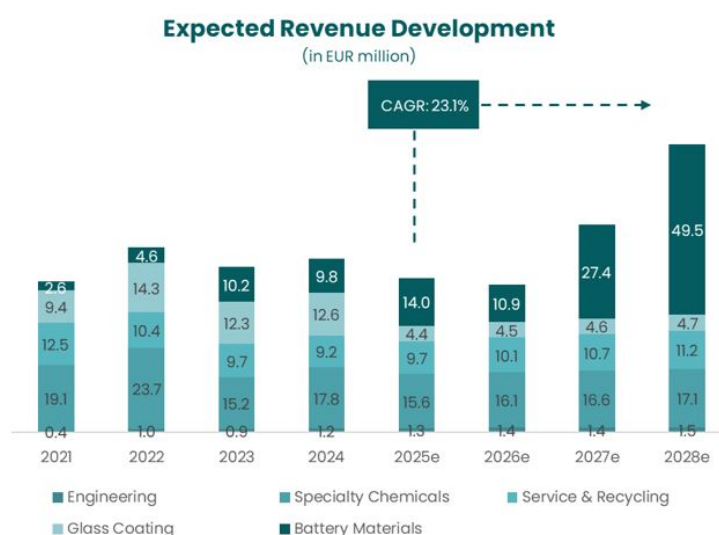
Source: Company

Against this backdrop, we also view 2025 as a transitional year, with the first half characterized by strong revenues from development and service projects in the battery segment and a tactical revenue decline at BNT Chemicals and in glass coating. The battery materials segment generated revenues of EUR 4.9m in H1/25 (+95.3% yoy), and by the end of July, order intake had already exceeded the previous year's level. This was supported by the aforementioned LFP development order from PowerCo, with a volume of EUR 6m, approximately 75% of which is expected to be recognized in revenue in the second half of the year. In contrast, revenues in the specialty chemicals (-26.3% yoy to EUR 7.5m) and glass coating (-74.1% yoy to EUR 1.8m) segments declined significantly, primarily due to the ongoing transformation at BNT. Management deliberately sacrificed revenue at the subsidiary to support profitability. Overall, group revenue for H1 declined by 23.5% yoy to EUR 19.0m.

In light of the positive business development in battery materials and the successful restructuring of BNT, the management confirmed the 2025 guidance, which anticipates revenues between EUR 43m and EUR 45m (2024: EUR 50.6m) with an EBITDA margin of 7–9% (2024: 2.0%). On the earnings side, BNT delivered a positive contribution in H1 for the first time following the operating loss in the prior year (2024: -EUR 1.6m), resulting in a noticeably improved group EBITDA of EUR 2.0m (prior year: EUR 0.2m) and a margin increase to 10.4% (prior year: 0.6%).

For the full year 2025, we expect battery segment revenues of EUR 14.0m (+42.7% yoy) and align our total revenue projection with the upper end of the guidance (MONE: EUR 45.0m). We anticipate a slightly stronger second half across all segments compared with H1. Our detailed planning for 2026–2028 for the **battery materials segment** is based on concrete ramp-up plans for LFP production in Weimar (from H2/26) and Bitterfeld (from H2/28). We project revenue from Weimar to reach approximately EUR 50m by the end of 2028. Revenue from Bitterfeld is expected to be around EUR 23.5m in the SOP year 2028, with near-full utilization of the new production capacity assumed only from 2030 for prudence. Furthermore, we expect "background noise" from service revenues in the battery sector of approximately EUR 5m per annum over the entire planning period.

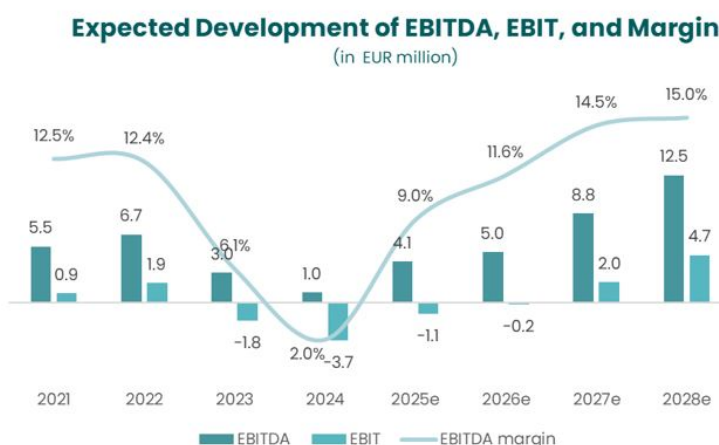
It should be noted that we are only including the “booked business” with PowerCo and are, for the time being, making no revenue forecasts for other battery deals, such as with Wanhua. For IBU-tec’s other business segments, we apply simplified constant annual growth rates from 2026 onwards of 5% (**Service & Recycling**), 3% (**Specialty Chemicals; Engineering**), and 2% (**Glass Coating**). This results in battery revenues increasing to nearly 59% of group sales by 2028 and over 75% by 2031. Overall, we expect a short-term increase in topline to around EUR 84 m by 2028 (CAGR 2025–2028e: 23.1%), followed by almost a doubling to approximately EUR 165 m by 2031. Battery revenues are expected to account for around EUR 125 m, representing more than 75% of total group sales and roughly a tenfold increase compared with 2025.



Source: Company, Montega

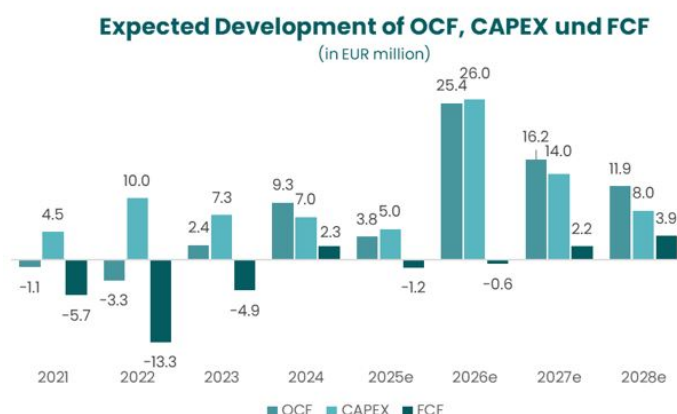
Economies of Scale and Product Mix Expected to Enable Significantly Higher Margin Levels

Alongside the dynamic topline development, IBU-tec’s profitability is expected to increase noticeably over the coming years, although the effect will initially be dampened in our view by OPEX-related lead costs for the ramp-up in Weimar and Bitterfeld. For the new production facility in Bitterfeld alone, an increase in headcount of approximately 100–120 employees is expected (2024: 223). Nevertheless, we anticipate a steady margin improvement over the 2025–2028 period. In addition, IBU-tec is expected to capitalize its own construction work as part of the brownfield project, with the bulk anticipated in 2026. Overall, we consider a disproportionate increase in EBITDA to around EUR 12.5 m by the end of the detailed planning phase in 2028 to be realistic, corresponding to an EBITDA margin of 15.0%. For the battery business, management has historically targeted EBITDA margins of >20%, indicating further significant margin potential once operations are fully ramped. We therefore project the EBITDA margin to increase to 18% by 2031.



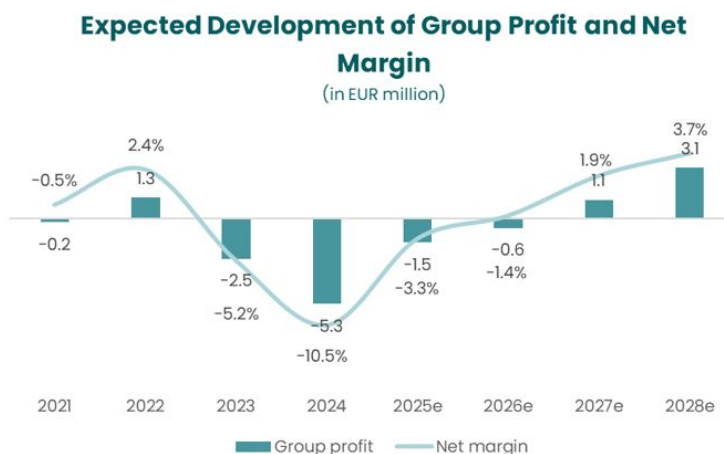
Source: Company, Montega

Since the investment phase for Bitterfeld begins in H2/25, depreciation is initially expected to increase slightly disproportionately to revenue. We therefore assume that EBIT will sustainably exceed the break-even point only from 2027 onwards. The same applies in our view to free cash flow, with total CAPEX for the construction of the new Bitterfeld facility estimated at around EUR 45 m. Milestone payments from PowerCo over the 2025–2028 period are expected to have a positive impact on operating cash flow and support the overall FCF profile, meaning that IBU-tec should be able to finance the project without external debt or equity measures. In addition, IBU-tec is currently exploring potential public funding for the project under the GRW program in Saxony-Anhalt (Joint Task for the Improvement of Regional Economic Structures), which could, in our view, amount to a low double-digit million euro figure.



Source: Company, Montega

Against this backdrop, we do not expect any significant deterioration in the financial result in the short term (2024: -EUR 0.5m), so that group net income should turn positive again from 2027 for the first time since 2022. The payment of a dividend, as was last done for the 2022 financial year, is not planned for the time being.



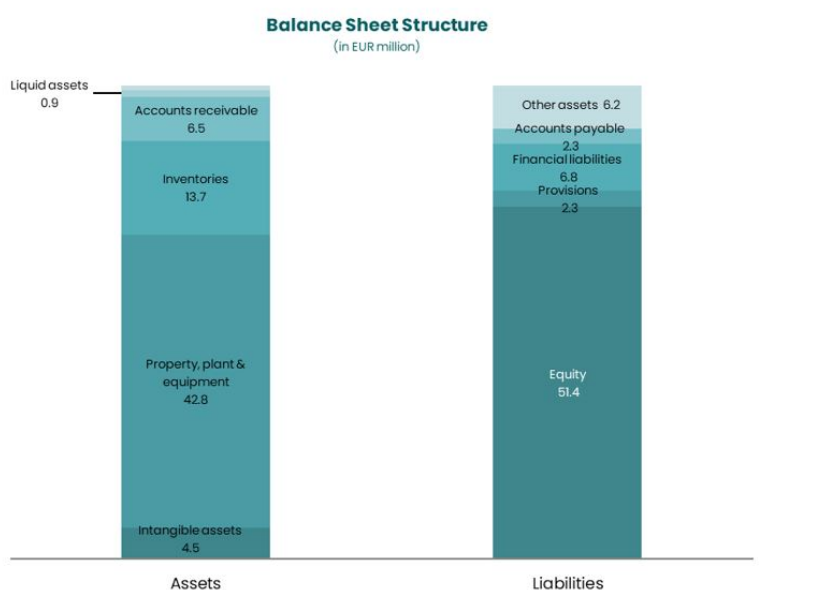
Source: Company, Montega

In our view, the years 2026 to 2028 therefore represent, in a sense, **Phase 2 of IBU-tec's transformation**. The greatest challenge will be execution, although IBU-tec can rely not only on an experienced management team led by CEO Jörg Leinenbach and former long-term CEO Ulrich Weitz (now CPO) but also on its own expert team with extensive technology and engineering know-how. If the investment plans are implemented as intended, the end of the transformation phase should yield a sustainably profitable group with significant industrial production capacity and high-margin, recurring revenues from the battery business.

Capital Intensity Reflected in Balance Sheet Structure

Consequently, the balance sheet total is expected to increase noticeably over the coming years and to further reflect IBU-tec's capital-intensive business model in its basic structure. As of the most recent reporting date, 30 June 2025, the largest item on the **assets side** was property, plant, and equipment, amounting to EUR 42.1m (approximately 61% of total assets). Intangible assets amounted to EUR 4.7m and are expected to include around EUR 1.5m of goodwill from the acquisition of BNT Chemicals, which is depreciated linearly under HGB accounting (approximately EUR 0.5m p.a. until 2028).

The second-largest asset item is typically inventories, most recently EUR 13.5m, which were significantly reduced compared with the previous year (EUR 20.0m). The same applies to accounts receivables, which stood at EUR 7.1m (prior year: EUR 8.1m). Liquid assets amounted to EUR 1.1m at mid-year.



Source: Company

The **liabilities side** is characterized by a high equity base of EUR 50.8m, with the most recent capital increase for growth financing carried out in March 2021, generating a gross cash inflow of EUR 25.5m for IBU-tec. The currently high equity ratio of approximately 73.5% is, however, expected to decline significantly in the coming years as the balance sheet expands. In addition, IBU-tec reports a "special item for investment grants to fixed assets" of EUR 2.8m under liabilities, which is released to income over the useful life of the subsidized assets.

Provisions, most recently EUR 1.7m, do not have a pension character and are typically short-term in nature (e.g., warranty or disposal provisions). Bank borrowings were reduced to EUR 8.4m as of 30 June (prior year: EUR 10.9m), although we expect a moderate increase in the coming years. The leverage ratio (Net Debt/EBITDA) has improved significantly, standing at 2.6x based on LTM EBITDA (31 Dec: 5.8x). With accounts payables of EUR 2.1m, the net working capital ratio based on LTM revenues currently stands at around 41%. Due to milestone payments from PowerCo (MONE: total EUR 45m), we expect the WC ratio to fall into negative territory by 2028 and then gradually normalize thereafter.

Overall, IBU-tec maintains a healthy balance sheet structure. However, given the company's limited internal financing capacity in our view, the milestone payments are of critical importance for the execution of the large-scale Bitterfeld project. Together with progress updates on construction, these are expected to be a key KPI in the news flow over the coming quarters.

Share Price Rallies After Persistent Downtrend

Following its IPO in spring 2017, the IBU-tec share initially traded in a pronounced sideways range. The first significant price increase was largely driven by the presentation of the “IBU 2025” growth strategy, in which the management board targeted revenue of EUR 80 to >100 m by 2025 with EBITDA margins above 20%, based on the three growth drivers: battery materials, glasscoating, and service & recycling. The share subsequently reached an all-time high of around EUR 56 by mid-2021.

However, difficult macroeconomic conditions in recent years, the consequences of the Russia-Ukraine conflict, and the slower-than-expected development of e-mobility in Europe led to a revision and temporal adjustment of these targets, resulting in a share price decline to below EUR 6, approximately half of the book value of equity. Nevertheless, management has consistently emphasized the strong growth potential, particularly from the battery business.



Source: Capital IQ

The share price was subsequently reinvigorated by the order signals in summer 2025 and, in particular, the announcement of the two strategic battery deals with PowerCo on 6 October 2025, which triggered a one-day price jump of more than 75%. In the following days, the share remained in rally mode, reaching a multi-year high of EUR 27.40. As a result, IBU-tec has recently regained its historical fundamental valuation level (P/BV 2025e: 2.0x; average P/BV since IPO: 2.3x).

In the short term, market focus is expected to be on the progress of the qualification phase with PowerCo for the start of LFP production in Weimar, as well as the pending regulatory approvals for the new Bitterfeld facilities. We expect both to be completed as planned by mid-2026. Further details on the timeline are likely to be communicated by management at the German Equity Forum on 24–25 November.

Against this backdrop, operational performance in H2/25 and H1/26 may initially take a backseat, with visibility for the first half of 2026 still considered limited. Due to personnel retention for the ramp-up and investment-related special expenses, we also consider a temporary decline in revenue and earnings to be likely, particularly in the battery materials business segment.

DCF Model Reflects Base Case Scenario

We have valued IBU-tec using a DCF model, while deliberately foregoing a peer group comparison. On the one hand, we see no other European player in specialty chemicals with a comparable product portfolio and similar growth prospects in the battery segment. On the other hand, the short-term revenue and earnings figures that would be relevant for such a comparison do not yet reflect the company's medium-term potential, which is expected to materialize mainly from 2028 onward.

It is worth noting that our DCF valuation for the battery materials segment is based solely on the largely visible revenue streams from the PowerCo deals. Additional sales opportunities—such as from the cooperation with Wanhua—are initially disregarded. In this sense, our DCF model represents a **base case scenario**.

The **DCF model** assumes a mid-term growth rate of 23.1% for 2025–2031e and an average EBITDA margin of 14.0% over the planning period. We apply a terminal value margin of 17.0%, which is significantly higher than the planning period average but still below the management's target of over 20%. Using a beta of 1.40 and a WACC of 8.40%, the DCF model implies a fair value per share of EUR 21.00.

Conclusion

After a prolonged cooling-off period, IBU-tec's equity story is heating up again, as the strategic deals with PowerCo position the company to support the growth of e-mobility in Europe with innovative "made in Germany" battery materials. We are confident that the second phase of the transformation into a "Battery Company" will succeed, enabling the company's revenues and profitability to reach new dimensions within a few years. IBU-tec is now expected to gradually grow into what appears to be a demanding valuation.

Looking ahead, a successful implementation of the LFP investment project could serve as a blueprint for other major battery customers, although this is not incorporated in our base case scenario. Nevertheless, we consider the post-rally correction a good entry point and initiate coverage on IBU-tec with a "Buy" rating and a DCF-based target price of EUR 21.00.

SWOT

As an established and highly specialized company in thermal process engineering, IBU-tec possesses a number of fundamental strengths that enable it to compete in an environment strongly shaped by technological innovation, sustainability, and global price competition. However, its plant- and material-intensive business model, as well as the disproportionate importance of a small number of major clients, also reveal certain weaknesses.

Strengths

- **Long-standing experience** spanning material development to contract manufacturing in the chemical industry.
- **High barriers to entry** due to complex and partly exclusive thermal equipment, combined with extensive process and material know-how of employees.
- **Broad range of activities and products** across diverse end markets, with low correlation between business segments, mitigating cyclical fluctuations.
- **Quasi-monopoly** in LFP cathode materials in Europe and long-term supply contracts with PowerCo create a visible growth scenario.
- **Innovation capability** is reflected in superior performance of proprietary battery materials with comparatively low CO₂ footprint.
- **Focus on sustainability** and environmentally friendly technologies and processes, confirmed by EcoVadis rating.

Weaknesses

- **Strong dependence** on volatile energy costs and raw material prices, as well as stable supply chains for key inputs such as lithium.
- **Location disadvantages** compared to international competitors due to energy-intensive production in Germany (approx. 15–20% of material costs).
- **Cluster risks** due to the high and, particularly in the battery business, prospectively significantly increasing relevance of individual major customers such as PowerCo/VW, BASF, or Umicore (MONE: Top 3 account for approx. 70% of revenues)
- **High fixed-cost base** as a mid-sized research and manufacturing company with significant value-added depth in specialty chemicals.
- **Weak operational track record** in recent years highlights vulnerability to cyclical downturns and structural influences (e.g., in glass coating).

In particular, the structural changes driven by e-mobility and the energy sector create numerous opportunities for IBU-tec, but the rapid technological advances in battery technology and the upcoming major investment in new facilities also come with significant risks.

Opportunities

- **Intensified development and production partnership** with PowerCo/VW could serve as a blueprint for additional large-scale projects with OEMs and other strategic players.
- **Chinese export restrictions** on LFP and other cathode materials could sharply enhance the market position as a European manufacturer.
- **Scale and product-mix effects** from the dynamic battery business are expected to drive a significant increase in margin levels.
- **Trend toward recycling and circular economy** is being supported by regulation and offers the potential for additional revenue streams at the end-of-life phase of batteries.
- **AI boom** requires substantial expansion of stationary energy storage and battery systems, which should facilitate access to these end markets.

Risks

- **A delay in the phase-out of internal combustion engines** could dampen demand for electric vehicles in Europe and negatively impact the need for battery materials.
- **Technological progress** in battery technology could cause current in-house products to lag in performance or render LFP as a cathode material entirely obsolete.
- **Primary energy sources** are natural gas and electricity: a severe blackout or gas shortage in Germany would significantly constrain production; however, group-wide electricity is already 100% sourced from renewable energy, and one-third of thermal plants operate without gas.
- **Limited internal financing capacity** increases funding risks for the brownfield large-scale project in Bitterfeld as well as for further expansion plans.
- **Execution risks** stem from high capital requirements, pending qualifications, a tight schedule, and limited management capacity.

DCF-Modell

Our DCF model reflects the significant growth potential of IBU-tec, which in the short term is primarily driven by the ramp-up of LFP production in Weimar and, in the medium term, by the commissioning of the new large-scale plant in Bitterfeld. We forecast an average growth rate of 24.2% through 2031, with revenue growth expected to normalize after full capacity utilization from 2030 onwards. For the terminal value, we assume a perpetual growth rate of 2.0%.

The scale effects associated with the dynamic topline development, combined with an improving product mix driven by the high-margin battery business, should enable a significant increase in the EBITDA margin to around 18.0% by 2031. For the terminal value, we assume an operating margin of 17%. The NWC ratio (2024: 34.1%) is expected to gradually decline with payments from PowerCo through 2028 and may temporarily turn significantly negative, before normalizing thereafter. This should help smooth the FCF profile in the short term despite substantial investment projects.

The chosen beta of 1.40 reflects, on one hand, the cyclical exposure of its end markets, the strong dependence on volatile energy and commodity prices, regulatory and technological risks, and the high capital intensity of the business model. On the other hand, IBU-tec demonstrates, as outlined, decades of expertise in specialty chemicals and a strong market position as a quasi-monopolist in LFP battery materials.

The risk-free rate is assumed at 2.5% based on long-term fixed-income securities. The expected market return is set at 9.0%, implying an equity risk premium of 6.5%. Assuming a long-term debt ratio of 40.0%, the WACC is calculated at 8.40%.

Based on our DCF model, we derive a fair value of EUR 21.00 for IBU-tec advanced materials AG.

DCF Model

Figures in EUR m

	2025e	2026e	2027e	2028e	2029e	2030e	2031e	Terminal Value
Sales	45.0	43.0	60.6	83.9	134.6	158.8	164.9	168.1
Change yoy	-11.1%	-4.4%	41.0%	38.4%	60.4%	18.0%	3.8%	2.0%
EBIT	-1.1	-0.2	2.0	4.7	9.4	14.3	19.8	21.0
EBIT margin	-2.5%	-0.4%	3.3%	5.6%	7.0%	9.0%	12.0%	12.5%
NOPAT	-1.1	-0.2	1.7	3.7	6.8	10.3	14.2	15.1
Depreciation	5.2	5.2	6.8	7.9	10.8	11.1	9.9	7.6
in % of Sales	11.5%	12.0%	11.2%	9.4%	8.0%	7.0%	6.0%	4.5%
Change in Liquidity from								
- Working Capital	0.1	20.8	8.3	0.9	-19.5	-25.0	-25.9	-0.8
- Capex	-5.0	-26.0	-14.0	-8.0	-8.1	-8.6	-8.0	-7.7
Capex in % of Sales	11.1%	60.4%	23.1%	9.5%	6.0%	5.4%	4.9%	4.6%
Other								
Free Cash Flow (WACC model)	-0.9	-0.2	2.7	4.5	-10.1	-12.2	-9.8	14.1
WACC	8.4%	8.4%	8.4%	8.4%	8.4%	8.4%	8.4%	8.4%
Present value	-0.9	-0.2	2.3	3.5	-7.2	-8.0	-6.0	124.0
Total present value	-0.9	-1.1	1.3	4.7	-2.5	-10.5	-16.5	107.5

Valuation

Total present value (Tpv)	107.5
Terminal Value	124.0
Share of TV on Tpv	115%
Liabilities	6.8
Liquidity	0.9
Equity value	101.6

Number of shares (mln)	4.8
Value per share (EUR)	21.4
+Upside / -Downside	15%
Share price	18.65

Model parameter

Debt ratio	40.0%
Costs of Debt	5.0%
Market return	9.0%
Risk free rate	2.5%

Beta	1.4
WACC	8.4%
Terminal Growth	2.0%

Growth: sales and margin

Short term sales growth	2025-2028	23.1%
Mid term sales growth	2025-2031	24.2%
Long term sales growth	from 2032	2.0%
Short term EBIT margin	2025-2028	1.5%
Mid term EBIT margin	2025-2031	4.9%
Long term EBIT margin	from 2032	12.5%

Sensitivity Value per Share (EUR)

WACC	1.25%	1.75%	2.00%	2.25%	2.75%
8.90%	16.51	17.99	18.81	19.69	21.67
8.65%	17.54	19.15	20.05	21.01	23.19
8.40%	18.66	20.42	21.40	22.46	24.86
8.15%	19.86	21.79	22.87	24.04	26.70
7.90%	21.17	23.28	24.47	25.77	28.74

Terminal Growth

Sensitivity Value per Share (EUR)

WACC	12.00%	12.25%	12.50%	12.75%	13.00%
8.90%	17.81	18.31	18.81	19.31	19.81
8.65%	18.99	19.52	20.05	20.58	21.11
8.40%	20.28	20.84	21.40	21.96	22.51
8.15%	21.68	22.28	22.87	23.46	24.05
7.90%	23.22	23.85	24.47	25.10	25.72

EBIT-margin from 2032e

Source: Montega

Company Background

The IBU-tec Group serves a global customer base as a service provider, process and material developer, toll manufacturer, and producer across two demanding segments of the chemical industry: thermal process engineering at IBU-tec and wet chemistry at its 100% subsidiary BNT Chemicals. IBU-tec leverages decades of expertise and has gained international recognition, particularly for processes in rotary kilns. Today, IBU-tec operates a total of 16 rotary kilns, 8 pulsation reactors, and chemical and electrochemical laboratories with advanced analytical capabilities across two production sites in Germany. In its service business, the Group offers customers tailored process solutions ranging from laboratory scale and toll manufacturing to engineering of custom production facilities and logistical support. The highly specialized product portfolio spans organometallic catalysts and glass coatings, pigments, and battery materials. Through the long-standing integration of process know-how with research and production capacities, IBU-tec holds a globally unique position within its market segment.

Key Facts

Sector	Thermal Process Engineering & Wet Chemistry
Ticker	IBU
Employees	227
Revenue	EUR 50.6 m
EBITDA	EUR 1.0 m
EBITDA margin	2.0%
Business Model	Products, production capacities, services, and know-how for the chemical industry across two segments: thermal process engineering (IBU-tec) and wet chemistry (BNT Chemicals)

Core Competence

16 rotary kilns, 8 pulsation reactors, and modern laboratories for toll manufacturing, complemented by a high-quality proprietary product portfolio ranging from organometallic catalysts and glass coatings to pigments and battery materials

Customer Base

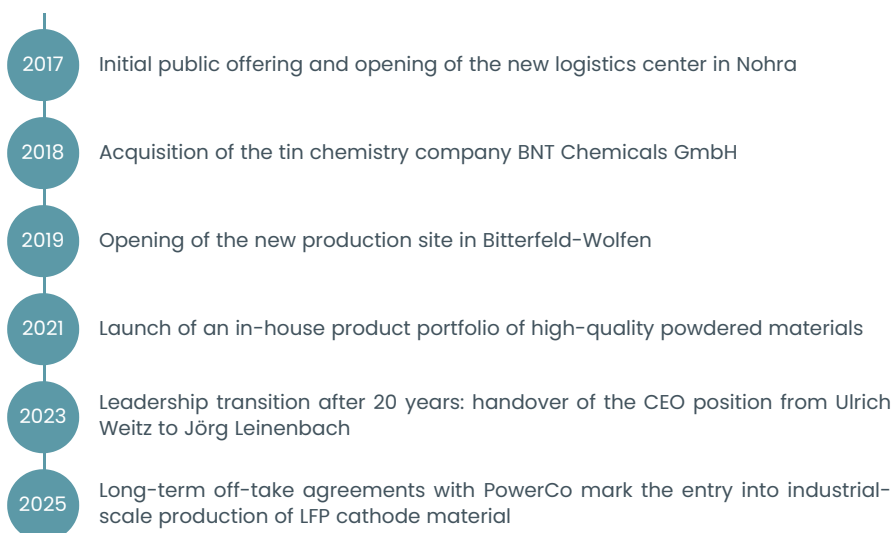
Diversified international customer base comprising a triple-digit number of clients across specialty chemicals, battery cell manufacturing, energy storage, industrial applications, automotive, and research institutions.

Source: Company, Montega; as of FY 2024

Key Milestones in Company History

The origins of today's IBU-tec Group date back to the 19th century.

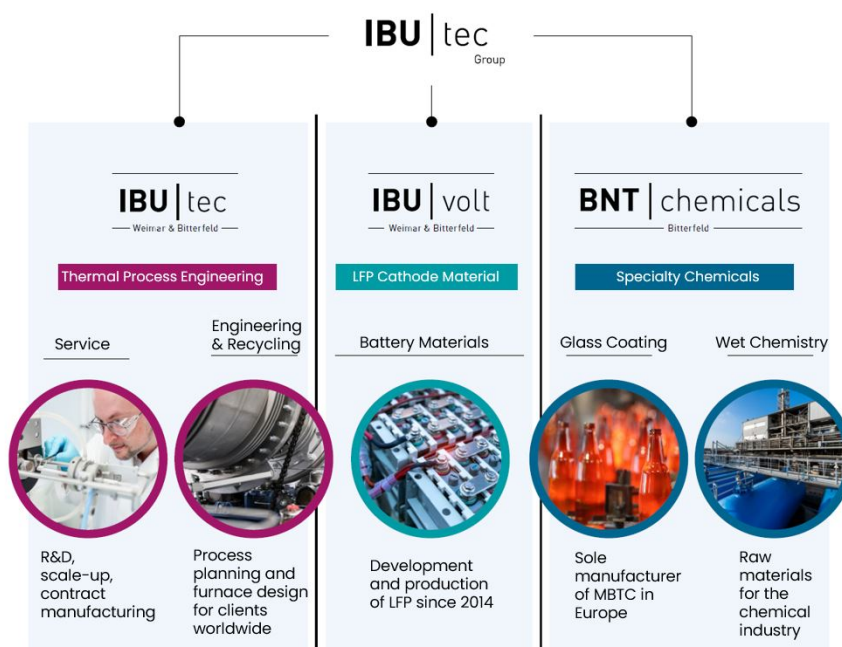




Organizational Structure

The Group is structured into three separate entities: IBU-tec advanced materials AG (IBU-tec) in Weimar serves as the original core in thermal processes and, as the parent company, assumes strategic and operational leadership in the Group's finance and accounting functions for both the parent and its subsidiaries. The second operational entity, BNT Chemicals GmbH (BNT Chemicals) in Bitterfeld-Wolfen, operates in wet chemical processes and is closely integrated with IBU-tec at the organizational level. The third entity, IBUvolt battery materials GmbH, currently exists as a holding company without active business operations. In the future, it is intended to consolidate the battery business, particularly the development, production, and marketing of the Group's proprietary and high-growth LFP cathode materials.

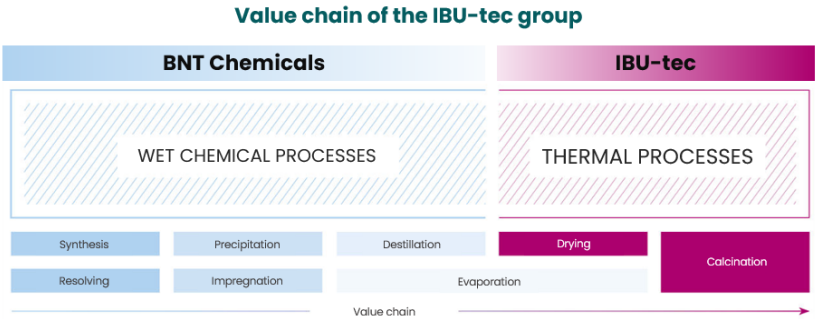
Structural Organization of the IBU-tec Group



Source: Company

In Bitterfeld-Wolfen, approximately 140 km from the Weimar production site (capacity: around 3.5 kt LFP), IBU-tec is currently constructing a new large-scale plant for the production of LFP cathode material as part of a brownfield investment, with a planned annual capacity of 15 kt. This is expected to more than quintuple production capacity in this segment. Production is scheduled to commence by 2028 at the latest. In addition, the Group operates a logistics center in Weimar-Nohra, located in close proximity to its headquarters.

Following a successful realignment in 2024/2025, BNT Chemicals will be positioned even more strongly as a service provider for the chemical industry and, with its expertise in wet chemistry, represents an upstream segment of the value chain relative to IBU-tec’s thermal processes. Taken together, the Group can thus operate as a “one-stop shop” in specialty chemicals, offering everything from material and process development, through scale-up, to (toll) manufacturing from a single source.

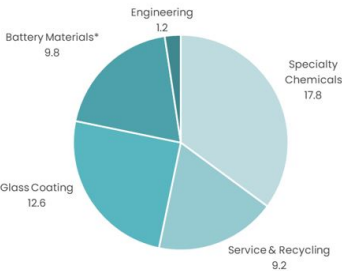


Source: Company, Montega

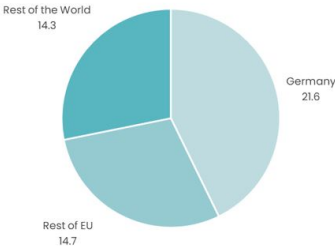
Markets and Segments

IBU-tec exhibits a very balanced revenue structure. In the past fiscal year, the specialty chemicals segment contributed 35.1% of revenues. This was followed by glass coatings at 25.0%, although the significance of this segment is expected to decline further in the future. The fastest-growing segment, battery materials, accounted for approximately 19.4%, including revenues from battery service projects. Service & recycling contributed 18.2%, and the engineering segment 2.4%. The majority of Group revenues, 42.8%, are derived from customers in Germany, while the rest of the EU (29.1%) and the rest of the world (28.2%) each accounted for just under 30% of revenues.

Revenue Split 2024 by Business Activities
(in EUR million)



Revenue Split 2024 by Region
(in EUR million)



*incl. revenues from battery service projects; Source: Company

The international customer base spans chemical, pharmaceutical, and automotive corporations (including BASF, Wacker Chemie, Novartis, Volkswagen), leading specialists in fine chemicals, battery technology, materials and environmental technology, as well as recycling (including PowerCo, Umicore, Johnson Matthey), and innovative mid-sized companies. We estimate that the top three customers account for approximately 70% of total revenues. Additionally, in October 2025, IBU-tec concluded two long-term strategic “battery deals” with PowerCo for the off-take of LFP cathode material, which are expected to increase the revenue share of battery materials to around 80% by 2030 and largely transform the Group into a “battery company.”

Management

IBU-tec is currently managed by a two-member executive board.



Jörg Leinenbach (CEO) has served as CEO of IBU-tec since 2023 and was previously a member of the executive board as CFO from 2017. In his role as CEO, he is responsible for all value-creating processes within the Group and oversees the commercial division. Mr. Leinenbach joined the company in January 2015 and previously worked at energy market service provider Prego Services in Saarbrücken as head of commercial management. Prior to his professional career, he studied business administration at Saarland University, focusing on auditing, fiduciary services, and tax law. Throughout his career, he has also held various management positions in accounting, controlling, and investment management.

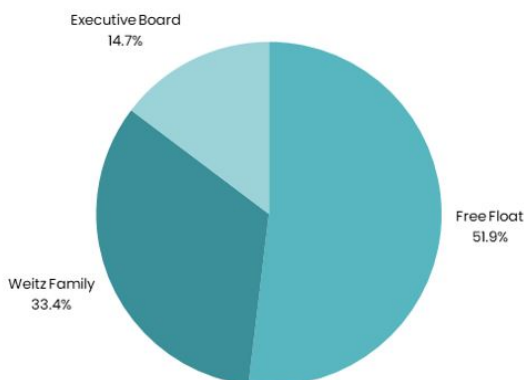


Ulrich Weitz (CPO) has shaped IBU-tec into its current form since 2000 and successfully led the company to its IPO in 2017. He served as CEO of the entire IBU-tec Group until 2023 and subsequently acted as Chairman of the Supervisory Board. Since November 1, 2024, he has returned to the executive board and, as Chief Product Officer (CPO) and Managing Director of the new subsidiary IBUvolt battery materials GmbH, focuses on expanding the growing battery materials business.

Shareholder Structure

IBU-tec AG shares have been listed in the Scale segment of the Frankfurt Stock Exchange since March 30, 2017. Following the most recent cash capital increase in March 2021, the company's share capital amounts to EUR 4,750,000, divided into the same number of no-par value bearer shares. The largest shareholder is the family of long-serving CEO Ulrich Weitz, holding 33.4% of the shares. The executive board holds 14.7%, while the remaining 51.9% are in free float.

Shareholder Structure



Source: Company

DCF Model

Figures in EUR m

	2025e	2026e	2027e	2028e	2029e	2030e	2031e	Terminal Value
Sales	45.0	43.0	60.6	83.9	134.6	158.8	164.9	168.1
Change yoy	-11.1%	-4.4%	41.0%	38.4%	60.4%	18.0%	3.8%	2.0%
EBIT	-1.1	-0.2	2.0	4.7	9.4	14.3	19.8	21.0
EBIT margin	-2.5%	-0.4%	3.3%	5.6%	7.0%	9.0%	12.0%	12.5%
NOPAT	-1.1	-0.2	1.7	3.7	6.8	10.3	14.2	15.1
Depreciation	5.2	5.2	6.8	7.9	10.8	11.1	9.9	7.6
in % of Sales	11.5%	12.0%	11.2%	9.4%	8.0%	7.0%	6.0%	4.5%
Change in Liquidity from								
- Working Capital	0.1	20.8	8.3	0.9	-19.5	-25.0	-25.9	-0.8
- Capex	-5.0	-26.0	-14.0	-8.0	-8.1	-8.6	-8.0	-7.7
Capex in % of Sales	11.1%	60.4%	23.1%	9.5%	6.0%	5.4%	4.9%	4.6%
Other								
Free Cash Flow (WACC model)	-0.9	-0.2	2.7	4.5	-10.1	-12.2	-9.8	14.1
WACC	8.4%	8.4%	8.4%	8.4%	8.4%	8.4%	8.4%	8.4%
Present value	-0.9	-0.2	2.3	3.5	-7.2	-8.0	-6.0	124.0
Total present value	-0.9	-1.1	1.3	4.7	-2.5	-10.5	-16.5	107.5

Valuation

Total present value (Tpv)	107.5
Terminal Value	124.0
Share of TV on Tpv	115%
Liabilities	6.8
Liquidity	0.9
Equity value	101.6

Number of shares (mln)	4.8
Value per share (EUR)	21.4
+Upside / -Downside	15%
Share price	18.65

Model parameter

Debt ratio	40.0%
Costs of Debt	5.0%
Market return	9.0%
Risk free rate	2.5%

Beta	1.4
WACC	8.4%
Terminal Growth	2.0%

Growth: sales and margin

Short term sales growth	2025-2028	23.1%
Mid term sales growth	2025-2031	24.2%
Long term sales growth	from 2032	2.0%
Short term EBIT margin	2025-2028	1.5%
Mid term EBIT margin	2025-2031	4.9%
Long term EBIT margin	from 2032	12.5%

Sensitivity Value per Share (EUR)

WACC	1.25%	1.75%	2.00%	2.25%	2.75%
8.90%	16.51	17.99	18.81	19.69	21.67
8.65%	17.54	19.15	20.05	21.01	23.19
8.40%	18.66	20.42	21.40	22.46	24.86
8.15%	19.86	21.79	22.87	24.04	26.70
7.90%	21.17	23.28	24.47	25.77	28.74

Terminal Growth

Sensitivity Value per Share (EUR)

WACC	12.00%	12.25%	12.50%	12.75%	13.00%
8.90%	17.81	18.31	18.81	19.31	19.81
8.65%	18.99	19.52	20.05	20.58	21.11
8.40%	20.28	20.84	21.40	21.96	22.51
8.15%	21.68	22.28	22.87	23.46	24.05
7.90%	23.22	23.85	24.47	25.10	25.72

EBIT-margin from 2032e

Source: Montega

P&L (in EUR m) IBU-tec advanced materials AG	2022	2023	2024	2025e	2026e	2027e
Sales	53.9	48.2	50.6	45.0	43.0	60.6
Increase / decrease in inventory	4.3	0.3	-0.7	-0.7	0.0	0.0
Own work capitalised	0.4	0.9	1.6	0.9	3.5	3.0
Total sales	58.6	49.4	51.5	45.2	46.5	63.7
Material Expenses	31.9	25.6	28.1	18.5	17.6	24.9
Gross profit	26.7	23.8	23.5	26.8	28.9	38.8
Personnel expenses	13.4	14.2	14.7	14.6	15.9	20.6
Other operating expenses	8.4	8.8	9.5	9.2	9.0	10.9
Other operating income	1.7	2.2	1.8	1.1	1.1	1.5
EBITDA	6.7	3.0	1.0	4.1	5.0	8.8
Depreciation on fixed assets	4.8	4.7	4.8	4.7	4.7	6.2
EBITA	1.9	-1.8	-3.7	-0.6	0.3	2.5
Amortisation of intangible assets	0.0	0.0	0.0	0.0	0.0	0.0
Impairment charges and Amortisation of goodwill	0.0	0.0	0.0	0.5	0.4	0.5
EBIT	1.9	-1.8	-3.7	-1.1	-0.2	2.0
Financial result	-0.3	-0.4	-0.5	-0.4	-0.4	-0.6
Result from ordinary operations	1.7	-2.2	-4.3	-1.5	-0.6	1.4
Extraordinary result	0.0	0.0	0.0	0.0	0.0	0.0
EBT	1.7	-2.2	-4.3	-1.5	-0.6	1.4
Taxes	0.4	0.3	1.0	0.0	0.0	0.2
Net Profit of continued operations	1.3	-2.5	-5.3	-1.5	-0.6	1.2
Net Profit of discontinued operations	0.0	0.0	0.0	0.0	0.0	0.0
Net profit before minorities	1.3	-2.5	-5.3	-1.5	-0.6	1.2
Minority interests	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	1.3	-2.5	-5.3	-1.5	-0.6	1.1

Source: Company (reported results), Montega (forecast)

P&L (in % of Sales) IBU-tec advanced materials AG	2022	2023	2024	2025e	2026e	2027e
Sales	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Increase / decrease in inventory	8.0%	0.6%	-1.4%	-1.5%	0.0%	0.0%
Own work capitalised	0.7%	1.8%	3.3%	2.0%	8.1%	5.0%
Total sales	108.6%	102.4%	101.8%	100.5%	108.1%	105.0%
Material Expenses	59.1%	53.1%	55.5%	41.0%	41.0%	41.0%
Gross profit	49.6%	49.3%	46.3%	59.5%	67.1%	64.0%
Personnel expenses	24.8%	29.5%	29.1%	32.5%	37.0%	34.0%
Other operating expenses	15.6%	18.2%	18.9%	20.5%	21.0%	18.0%
Other operating income	3.2%	4.5%	3.6%	2.5%	2.5%	2.5%
EBITDA	12.4%	6.1%	2.0%	9.0%	11.6%	14.5%
Depreciation on fixed assets	8.8%	9.8%	9.4%	10.4%	11.0%	10.3%
EBITA	3.6%	-3.7%	-7.4%	-1.4%	0.6%	4.2%
Amortisation of intangible assets	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Impairment charges and Amortisation of goodwill	0.0%	0.0%	0.0%	1.1%	1.0%	0.9%
EBIT	3.6%	-3.7%	-7.4%	-2.5%	-0.4%	3.3%
Financial result	-0.5%	-0.9%	-1.0%	-0.8%	-1.0%	-1.0%
Result from ordinary operations	3.1%	-4.6%	-8.4%	-3.3%	-1.4%	2.3%
Extraordinary result	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EBT	3.1%	-4.6%	-8.4%	-3.3%	-1.4%	2.3%
Taxes	0.7%	0.5%	2.1%	0.0%	0.0%	0.4%
Net Profit of continued operations	2.4%	-5.2%	-10.5%	-3.3%	-1.4%	1.9%
Net Profit of discontinued operations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net profit before minorities	2.4%	-5.2%	-10.5%	-3.3%	-1.4%	1.9%
Minority interests	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net profit	2.4%	-5.2%	-10.5%	-3.3%	-1.4%	1.9%

Source: Company (reported results), Montega (forecast)

Balance sheet (in EUR m) IBU-tec advanced materials AG	2022	2023	2024	2025e	2026e	2027e
ASSETS						
Intangible assets	3.7	3.6	4.5	5.0	5.6	6.0
Property, plant & equipment	38.9	41.4	42.8	42.1	62.4	69.2
Financial assets	0.0	0.0	0.0	0.0	0.0	0.0
Fixed assets	42.6	45.1	47.3	47.1	68.0	75.2
Inventories	20.8	22.0	13.7	12.9	12.3	17.3
Accounts receivable	8.1	8.0	6.5	6.4	6.1	8.6
Liquid assets	3.1	0.4	0.9	1.7	1.0	3.3
Other assets	1.7	0.5	0.6	0.6	0.6	0.6
Current assets	33.8	30.8	21.7	21.6	20.0	29.8
Total assets	76.4	75.9	69.0	68.7	88.0	105.0
LIABILITIES AND SHAREHOLDERS' EQUITY						
Shareholders' equity	59.4	56.7	51.4	49.9	49.3	50.5
Minority Interest	0.0	0.0	0.0	0.0	0.0	0.0
Provisions	2.7	3.7	2.3	2.3	2.3	2.3
Financial liabilities	6.4	8.5	6.8	8.8	8.8	8.8
Accounts payable	3.0	1.8	2.3	2.1	2.0	2.8
Other liabilities	4.9	5.2	6.2	5.6	25.6	40.6
Liabilities	17.0	19.1	17.6	18.8	38.7	54.5
Total liabilities and shareholders' equity	76.4	75.9	69.0	68.7	88.0	105.0

Source: Company (reported results), Montega (forecast)

Balance sheet (in %) IBU-tec advanced materials AG	2022	2023	2024	2025e	2026e	2027e
ASSETS						
Intangible assets	4.8%	4.8%	6.5%	7.3%	6.3%	5.7%
Property, plant & equipment	50.9%	54.6%	62.1%	61.3%	70.9%	65.9%
Financial assets	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Fixed assets	55.7%	59.4%	68.6%	68.6%	77.2%	71.6%
Inventories	27.3%	28.9%	19.8%	18.8%	14.0%	16.5%
Accounts receivable	10.6%	10.5%	9.5%	9.3%	6.9%	8.2%
Liquid assets	4.1%	0.5%	1.3%	2.4%	1.2%	3.1%
Other assets	2.2%	0.6%	0.9%	0.9%	0.7%	0.6%
Current assets	44.2%	40.5%	31.5%	31.4%	22.8%	28.4%
Total Assets	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
LIABILITIES AND SHAREHOLDERS' EQUITY						
Shareholders' equity	77.7%	74.7%	74.5%	72.7%	56.0%	48.1%
Minority Interest	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Provisions	3.5%	4.9%	3.4%	3.4%	2.7%	2.2%
Financial liabilities	8.3%	11.2%	9.8%	12.8%	10.0%	8.4%
Accounts payable	3.9%	2.3%	3.3%	3.1%	2.3%	2.7%
Other liabilities	6.5%	6.8%	9.0%	8.1%	29.0%	38.6%
Total Liabilities	22.2%	25.2%	25.5%	27.4%	44.0%	51.9%
Total Liabilities and Shareholders' Equity	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Company (reported results), Montega (forecast)

Statement of cash flows (in EUR m) IBU-tec advanced materials AG	2022	2023	2024	2025e	2026e	2027e
Net income	1.3	-2.5	-5.3	-1.5	-0.6	1.2
Depreciation of fixed assets	4.8	4.7	4.8	4.7	4.7	6.2
Amortisation of intangible assets	0.0	0.0	0.0	0.5	0.4	0.5
Increase/decrease in long-term provisions	0.0	0.0	0.0	0.0	0.0	0.0
Other non-cash related payments	6.0	2.4	-0.9	0.0	0.0	0.0
Cash flow	12.0	4.7	-1.5	3.7	4.6	7.9
Increase / decrease in working capital	-25.8	-2.2	10.8	0.1	20.8	8.3
Cash flow from operating activities	-3.3	2.4	9.3	3.8	25.4	16.2
CAPEX	-10.0	-7.3	-7.0	-5.0	-26.0	-14.0
Other	0.0	1.1	0.0	0.0	0.0	0.0
Cash flow from investing activities	-10.0	-6.3	-7.0	-5.0	-26.0	-14.0
Dividends paid	0.0	-0.2	0.0	0.0	0.0	0.0
Change in financial liabilities	6.4	1.7	-1.3	2.0	0.0	0.0
Other	0.0	-0.4	-0.5	0.0	0.0	0.0
Cash flow from financing activities	6.4	1.1	-1.8	2.0	0.0	0.0
Effects of exchange rate changes on cash	0.0	0.0	0.0	0.0	0.0	0.0
Change in liquid funds	-6.9	-2.7	0.5	0.8	-0.6	2.2
Liquid assets at end of period	-6.9	0.4	0.9	1.7	1.0	3.3

Source: Company (reported results), Montega (forecast)

Key figures IBU-tec advanced materials AG	2022	2023	2024	2025e	2026e	2027e
Earnings margins						
Gross margin (%)	49.6%	49.3%	46.3%	59.5%	67.1%	64.0%
EBITDA margin (%)	12.4%	6.1%	2.0%	9.0%	11.6%	14.5%
EBIT margin (%)	3.6%	-3.7%	-7.4%	-2.5%	-0.4%	3.3%
EBT margin (%)	3.1%	-4.6%	-8.4%	-3.3%	-1.4%	2.3%
Net income margin (%)	2.4%	-5.2%	-10.5%	-3.3%	-1.4%	1.9%
Return on capital						
ROCE (%)	3.2%	-2.8%	-6.1%	-2.0%	-0.3%	3.5%
ROE (%)	2.2%	-4.2%	-9.4%	-2.9%	-1.2%	2.3%
ROA (%)	1.7%	-3.3%	-7.7%	-2.2%	-0.7%	1.1%
Solvency						
YE net debt (in EUR)	3.2	8.1	5.9	7.1	7.8	5.5
Net debt / EBITDA	0.5	2.7	5.8	1.8	1.6	0.6
Net gearing (Net debt/equity)	0.1	0.1	0.1	0.1	0.2	0.1
Cash Flow						
Free cash flow (EUR m)	-13.3	-4.9	2.3	-1.2	-0.6	2.2
Capex / sales (%)	18.6%	15.2%	13.8%	11.1%	60.4%	23.1%
Working capital / sales (%)	47.9%	55.9%	44.8%	38.3%	15.8%	-12.8%
Valuation						
EV/Sales	1.8	2.0	1.9	2.1	2.2	1.6
EV/EBITDA	14.3	32.5	94.2	23.7	19.2	10.9
EV/EBIT	49.6	-	-	-	-	47.9
EV/FCF	-	-	41.2	-	-	42.7
PE	69.1	-	-	-	-	77.7
P/B	1.5	1.6	1.7	1.8	1.8	1.8
Dividend yield	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%

Source: Company (reported results), Montega (forecast)

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Buy: The analysts at Montega AG believe the share price will rise during the next twelve months.

Hold: Upside/downside potential limited. No immediate catalyst visible.

Sell: The analysts at Montega AG believe the share price will fall during the next twelve months.

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Company	Disclosure (as of 03.11.2025)
IBU-tec advanced materials AG	1, 8, 9

Price history

Recommendation	Date	Price (EUR)	Price target (EUR)	Potential
Buy (Initiation)	03.11.2025	18.65	21.00	+13%