

ANNUAL REPORT 2022

SMART PROCESS SOLUTIONS & PRODUCTS



KEY FIGURES

FOR THE FISCAL YEAR
FROM 1 JANUARY 2022
TO 31 DECEMBER 2022

According to German GAAP (HGB), in € thousand		unadjusted (incl. expenses for the capital increase)	Changes 2022 vs. 2021
	2022	2021	+/-
Revenues	53,944	44,089	+22%
therefrom Engineering	986	432	+128%
therefrom Specialty Chemicals	23,692	19,137	+24%
therefrom Service & Recycling	10,401	12,505	-17%
therefrom Glass Coating	14,274	9,434	+51%
therefrom Battery Material	4,591	2,581	+78%
Total Output	60,312	48,784	+24%
EBITDA	6,685	5,531	+21%
EBITDA Margin (in %)	12.4%	7.1%	
EBIT	1,935	938	+106%
EBIT Margin (in %)	3.6%	-4.4%	
EBT	1,656	482	+244%
EBT Margin (in %)	3.1%	-5.5%	
Net result	1,285	-235	+647%
Earnings per Share (in €)	0.27	-0.05	+647%
Balance Sheet Total	76,357	77,128	-1%
Equity	59,387	58,102	+2%
Equity Ratio Based on Economic Capital (in %)	77.8%	75.3%	
Cash and Cash Equivalents	3,127	7,422	
Operating Cash Flow	-3,270	-1,129	
Cash Flow from Investments*	516	-15,015	
Free Cash Flow	-2,754	-16,144	
Employees (excluding Apprentices) - Annual Average	217	212	+2%
Revenue per Employee	249	208	+20%

*incl. purchase (2021) / sale (2022) of fixed-income securities

CONTENT



This annual report contains interactive elements: wherever you see the arrow icon, hover over the image for more information.

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Disclaimer

This report may contain forward-looking statements that are based on assumptions and are subject to unforeseeable risks and uncertainties. Various factors may cause actual results, developments or events to differ materially from those expressed in such forward-looking statements. The company is under no obligation to update this report or the forward-looking statements contained therein. Due to rounding differences, it is possible that differences may occur in the summation of individual items compared to the totals stated and for this reason, percentages may not reflect the exact development of absolute figures.



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HIGHLIGHTS

Partnership with Morrow Batteries: A memorandum of understanding is signed with the Norwegian battery manufacturer to supply up to 200 tons of LFP cathode material per year for a pilot plant.

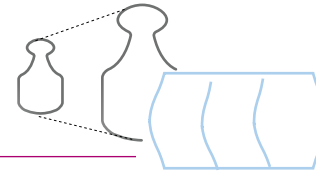


January

Strengthening of the Supervisory Board:

The Annual General Meeting elects Prof. Dr. Achim Kampker, Head of the Department of Production Management at the Faculty of Mechanical Engineering at RWTH Aachen University, to the Supervisory Board. As co-founder of StreetScooter GmbH and a proven expert in battery technologies, Prof. Kampker strengthens IBU-tec's focus on batteries.

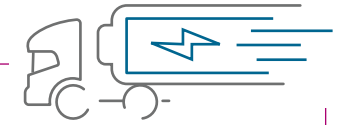
March



Securing raw materials for LFP:

IBU-tec concludes framework agreements with international suppliers of lithium, iron oxide and phosphoric acid, defining both quantity and price ranges.

July



Major order in the battery sector:

As part of a partnership with an international commercial vehicle manufacturer, IBU-tec will develop a new cathode active material based on IBUvolt® lithium iron phosphate products. Model for future development cooperation as a door opener for the subsequent mass production of new materials as part of a European supply chain.

November

February

April

June

August

October

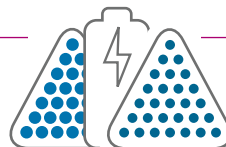
December

IBU2025

Forecast for IBU2025 strategy increased:

Based on positive market and demand development as well as price effects, sales now expected to reach at least 102 to over 130 million euros. Battery materials will be the strongest growth driver with a sales share of approximately 30 to 60 million euros. EBITDA margin to increase to over 20 percent by 2025.

LFP portfolio expanded: With IBUvolt® LFP200, IBU-tec expands its portfolio of proprietary battery materials to include a variant with a smaller particle size. Together with IBUvolt® LFP400, this enables a more homogeneous coating of cathodes and thus performance advantages in batteries, e.g. for electric vehicles.



Access to the world's largest phosphate reserves:

A Memorandum of Understanding with the Anglo-Norwegian mining company Norge Mining Ltd. secures the sustainable supply of raw materials for the production of battery materials as part of a European value chain.



FOREWORD

Dear Shareholders, Customers and Employees,

In the past financial year, we once again demonstrated our operational strength and achieved the highest level of sales in company history. This amounted to €53.9 million and rose by more than 22% compared to the previous year. EBITDA amounted to €6.7 million, after €5.5 million a year earlier. Compared with adjusted, purely operating EBITDA, we were at the previous year's level in 2022, despite significantly difficult conditions. This means that we have almost achieved our target planning for 2022, although we made the forecast shortly before the outbreak of the Ukraine war and could not yet anticipate the effects at that time. The year 2022 has shown that our business model is largely crisis-proof even under difficult conditions, although we have not been spared the price increases for electricity, gas and high inflation rates triggered by the war. We were able to pass on most of the increased energy and raw material prices to our customers. We also benefit from a diversified business model with a strong focus on future technologies.

For our future product, the LFP battery material, we were able to significantly strengthen our market position again in 2022 and achieved important milestones. For example, we have entered into a partnership with the Norwegian battery man-



Jörg Leinenbach
Co-CEO/CFO

Ulrich Weitz
CEO

Dr. Arndt Schlosser
CSO

ufacturer Morrow Batteries and a major development contract with an international commercial vehicle manufacturer. The partnership with the renowned vehicle manufacturer once again underlines the attractiveness of our battery product. To make this even more powerful and efficient, we expanded our product range in the reporting period to include the new particle size IBUvolt LFP200. The combination of IBUvolt LFP400 and IBUvolt LFP200 increases the energy density of batteries and extends the range of applications. In addition, in 2022 we carried out numerous customer projects for the development of new anode and cathode materials with a variety of substances. In order to establish further partnerships, we have once again significantly expanded our sales network for LFP material and sampling of the material by potential customers is currently in full swing.

Our Group subsidiary BNT developed very positively with the growth driver glass coating in the past financial year. Last year we worked on our new, patented MBTC production plant. With completion in February 2023, we will be able to double our production capacities for the glass coating product annually. With full commissioning in the second half of 2023, we expect an increase in sales volume of around 55% this year compared to 2022.

We are sticking to our medium-term forecast: We continue to expect a significant increase in sales to between €102 million and more than €130 million in 2025, with an EBITDA margin of over 20%. The main growth driver will be LFP battery material, supported by glass coating. We continue to focus on these two key growth markets and see ourselves well positioned for the current year. For 2023, we forecast a significant increase in sales to €62 to €64 million. We want to increase the total output in the battery sector to over €14 million. At the same time, we will continue to intensively

research new materials and applications, develop them and expand sales for them. The extraordinary expenses for this will amount to approx. €1 million. We expect the EBITDA margin adjusted for these costs in 2023 to be at a comparable level of between 12.2% and 12.6%, also due to the general price increases.

**THE FUTURE LIES IN LFP
BATTERY MATERIAL AND
THE DEVELOPMENT OF
SUSTAINABLE BATTERY
PRODUCTION IN EUROPE.**

We would like to thank you very much for your trust as a shareholder in the past financial year. We would also like to thank our employees, who form the basis of our success. In this annual report, we therefore introduce you to employees and show their exciting everyday work. In addition, we have updated the layout of our report with interactive contributions in addition to new content.

The future lies in LFP battery material and the development of sustainable battery production in Europe. The IBU-tec Group is significantly involved in this. Join us on this exciting growth path to the future.

Sincerely,



Ulrich Weitz



Jörg Leinenbach



Dr. Arndt Schlosser

REPORT OF THE SUPERVISORY BOARD

**OF IBU-TEC ADVANCED MATERIALS AG FOR
THE FISCAL YEAR FROM 1 JANUARY 2022 TO
31 DECEMBER 2022**

Dear Shareholders,

It is the duty of the Supervisory Board, in accordance with the law and the Articles of Association, to monitor the work of the Executive Board of IBU-tec advanced materials AG, Weimar, and to support it in an advisory capacity in the management of the Company and the Group. In the fiscal year under review, we were informed regularly, promptly and comprehensively about the economic and financial situation, important business events and the strategic planning and development of the IBU-tec Group.

Monitoring and Advising the Executive Board

The Executive Board kept the Supervisory Board informed of all matters, both verbally and in writing, in face-to-face and virtual meetings, and provided all documents necessary for the Supervisory Board to make decisions. The cooperation between the Supervisory Board and the Executive Board was very constructive, and the Executive Board was always open to suggestions and proposals from the Supervisory Board.



Dr. Jens Thau
Vice Chairman

Sandrine Cailleteau
Chairwoman

Prof. Dr. Achim Kampker
Member of the
Supervisory Board

The Supervisory Board was involved in all decisions of particular importance to the Company or the Group. This applied in particular to the continuation of the Group's strategy process – especially with regard to the growth areas of battery materials and glass coating – and again in the past fiscal year to the measures taken to deal with the effects of the corona pandemic. The Supervisory Board's deliberations also focused on the impact of the war in Ukraine on business development, as well as the risks arising from the energy crisis and a possible reduction in natural gas supplies. Other key topics included the implementation of major investments in connection with the use of funds from the capital increase carried out in fiscal year 2021, the transfer of profits from the subsidiary BNT GmbH to IBU-tec AG, and the possible effects of inflation.

Transactions requiring the approval of the Supervisory Board were presented to the Supervisory Board in a timely manner and were executed in consultation with the Supervisory Board. The Chief Executive Officer, Mr. Weitz, informed the Chairwoman of the Supervisory Board by telephone at least once a month about ongoing measures, the development of liquidity and risk management. In addition, the Supervisory Board was informed on a monthly basis about the business assessment (BWA) and the reporting for the Supervisory Board. The Supervisory Board's questions were answered promptly and in detail.

Membership

The Supervisory Board of IBU-tec advanced materials AG consists of three members. In the year under review, the Annual General Meeting elected a new Supervisory Board. The following persons were members of the Supervisory Board of IBU-tec advanced materials AG until the end of the Annual General Meeting on 4 May 2022:

Dr. Hans-Joachim Müller	Chairman
Dr. Jens Thau	Vice Chairman
Ms. Sandrine Cailleateau	Member of the Supervisory Board

The Annual General Meeting re-elected Sandrine Cailleateau and Dr. Jens Thau to the Supervisory Board. Prof. Dr. Achim Kampker, Head of the Department of Production Management at the Faculty of Mechanical Engineering at RWTH Aachen University, was elected as a new member of the Supervisory Board. Dr. Hans-Joachim Müller did not stand for re-election. The Supervisory Board appointed Ms. Cailleateau as its Chairwoman.

As a result, the composition of the Supervisory Board is now as follows:

Frau Sandrine Cailleateau	Chairwoman
Herr Dr. Jens Thau	Vice Chairman
Herr Prof. Dr. Achim Kampker	Member of the Supervisory Board

Working Methods and Activities

The Supervisory Board meets several times a year to obtain an overview of the situation of IBU-tec advanced materials AG, to discuss important issues alone and together with the Executive Board, and to make decisions. The Supervisory Board has not formed any committees.

A total of four scheduled Supervisory Board meetings were held during the financial year:

11 March 2022	Berlin
7 July 2022	virtual
9 September 2022	virtual
16 December 2022	virtual

In addition, the constituent meeting of the newly elected Supervisory Board was held on 6 May 2022. The Supervisory Board was fully represented at all meetings. Where Executive Board actions required the approval of the Supervisory Board, such approval was granted.

Annual and Consolidated Financial Statements 2022

The Supervisory Board dealt in detail with the annual financial statements of IBU-tec advanced materials AG, BNT Chemicals GmbH and the consolidated financial statements as of 31 December 2022, as well as with the management report of the Company. The financial statements were submitted to the members of the Supervisory Board in a timely manner. KPMG AG Auditing firm, the auditors elected by the Annual General Meeting, had previously audited the financial statements and issued an unqualified audit opinion.

All members of the Supervisory Board had access to the annual financial statements, the management reports for the individual companies and the Group, the Executive Board's proposal for the appropriation of retained earnings and the auditors' reports. The representatives of the auditors, KPMG AG Auditing firm, participated in the discussion of the financial statements and explained the main results of their audit.

Weimar, 13 March 2023

For the Supervisory Board,

Sandrine Cailleteau – Chairwoman

Following a detailed examination of the financial statements and the related management reports, which did not give rise to any objections, the Supervisory Board concurred with the results of the auditor's audit and approved the financial statements. The financial statements of IBU-tec advanced materials AG, BNT Chemicals GmbH and the Group are thus adopted.

The Supervisory Board concurred with the Executive Board's proposal for the appropriation of net income.

RECORD YEAR WITH STRATEGIC DECISIONS FOR LONG-TERM SUCCESS

INTERVIEW WITH IBU-TEC BOARD MEMBERS
ULRICH WEITZ AND JÖRG LEINENBACH

The year 2022 was marked by numerous crises of a geopolitical and macroeconomic nature, how satisfied are you with the business development of IBU-tec?

WE HAVE ACHIEVED IMPORTANT MILESTONES IN PRODUCT DEVELOPMENT AND SALES AS WELL AS STRATEGICALLY ADDRESSING THE MARKET.

Jörg Leinenbach: In the past year, we generated the highest turnover in the company's history and increased EBITDA to a record level. Accordingly, I am quite satisfied, especially given the many crisis-ridden developments around us. The terrible war in Ukraine in connection with extreme increases in energy prices, high inflation, disrupted supply chains and raw material shortages have not left IBU-tec untouched. But we mastered the year well. Even more important to me than the record figures in the company's annual balance sheet is that we were able to continue to consistently implement our IBU2025 strategy. In 2022, we have launched many things that are of great importance for the long-term success of IBU-tec.



The biggest growth driver in the coming years is expected to be IBU-tec's battery materials. Did the division meet the expectations placed in it last year?

Ulrich Weitz: The battery materials are a good example of the aforementioned decisions for sustainable success. We have achieved important milestones in product development and sales as well as strategically addressing the market. With IBU-volt LFP200 we have expanded our product family. Together with our existing product IBUvolt LFP400, new application possibilities and thus further market potential for IBU-tec are opening up. We are already in the process of developing and testing further battery products at full speed.

Jörg Leinenbach: Another 2022 milestone was the strategic partnership with the Norwegian mining company Norge Mining. The agreement gives us access to the world's largest phosphate reserves in Norway. The current energy crisis shows more than ever how important it is to have safe and reliable sources of raw materials and to become independent of other markets. We are

therefore playing an important role in establishing sustainable battery production in Europe – and are thus actively driving forward the energy transition.

THE CURRENT ENERGY CRISIS SHOWS MORE THAN EVER HOW IMPORTANT IT IS TO HAVE SAFE AND RELIABLE SOURCES OF RAW MATERIALS AND TO BECOME INDEPENDENT OF OTHER MARKETS.



Is the demand for battery materials as high as you expected?

Ulrich Weitz: Absolutely. Electromobility is gaining momentum worldwide and industry leaders are increasingly relying on LFP. Last year, one third of all battery-electric cars sold worldwide were delivered with LFP batteries. However, an increasing number of batteries are also needed for stationary storage solutions and not to forget the many applications that are not so much in the focus of public perception: from hearing aid batteries to boat engines, to name just two examples. In this respect, IBU-tec is in an outstanding position as currently the only manufacturer of LFP battery material in Europe. The selection of the right battery material is now of strategic importance for companies in many industries, so decisions are not made lightly or with haste.

How long does such a selection, testing and decision-making process usually take?


Jörg Leinenbach: These are very thorough processes that rarely take less than 12 months, usually around 18 to 24 months. We had to learn how thoroughly our customers' mills grind, but ultimately long-term decisions should be made. But sometimes it's faster. For example, just a few weeks after the start of production, we received our first significant order for IBUvolt LFP400. After gaining experience with regard to the complexity and duration of decision-making processes, we came to fundamental decisions for IBU-tec...

Which ones?

Ulrich Weitz: As a first step, we are already addressing large global corporations as customers for our battery materials. The duration of the decision-making processes hardly differs in terms of company size and then we can also aim for comprehensive business with the big players. It looks very much like this strategy is working very well.

Where does your confidence in the success of large customers in the battery sector come from?

Ulrich Weitz: The development order we have received from a major global commercial vehicle manufacturer signals to us that we are on the right track – additionally the many orders for sample material and the tests of our IBUvolt products, which are currently being carried out by well-known global players, prove this. Among them are addresses that we would not have dared to attribute a year and a half ago. Today we are actively contacted because word of our unique position as a producer in Europe and, above all, the superior quality of our products have spread. I am therefore extremely optimistic about our development in the battery sector and that we will implement our plans according to which IBU-tec will generate at least 30 percent of its planned total sales of EUR 102 to 130 million with battery materials in 2025.



TODAY WE ARE ACTIVELY CONTACTED BECAUSE WORD OF OUR UNIQUE POSITION AS A PRODUCER IN EUROPE AND, ABOVE ALL, THE SUPERIOR QUALITY OF OUR PRODUCTS HAVE SPREAD.

Another driver of the planned brisk growth is glass coating. How is IBU-tec making progress here?

Jörg Leinenbach: We are on schedule there. We completed our new production facility in February 2023. This doubles IBU-tec's glass coating production capacity. Our product MBTC, which makes bottles and other glassware robust and scratch-resistant, makes an important contribution to the sustainable circular economy. In this way, glass bottles can be used up to 20 times or more. The demand is correspondingly high and IBU-tec is again the only supplier in Europe to offer this product. We are using a new production technology that further strengthens and improves our market position through further increased efficiency.



**OUR PRODUCT MBTC
MAKES AN IMPORTANT
CONTRIBUTION TO THE
SUSTAINABLE CIRCULAR
ECONOMY.**

In glass coating in particular, raw material prices rose sharply in 2022. Is that problem for IBU-tec?

Jörg Leinenbach: It would be an oversimplification if we were to claim that price increases and temporary supply bottlenecks have no effect on our business at all. Of course, we have to keep

an eye on this, but we are relatively well positioned because we have taken precautions. Contractually secured, we can pass on a large part of the rising prices to our customers. Last year, we concluded framework agreements with suppliers for raw material procurement. In the battery sector, for example, we secured the purchase of lithium, iron oxide and phosphoric acid. I would like to mention the energy supply. We started early on to use alternatives to gas as an energy source. Around one third of all production plants at IBU-tec already do not require gas. We will continue to gradually increase this share.

To what extent is this also part of IBU-tec's ESG strategy?

Ulrich Weitz: Economic and ecological efforts go hand in hand with us. For example, IBU-tec operates a photovoltaic system in Weimar and a combined heat and power plant at BNT in Bitterfeld. Our extensive social activities are part of the appreciation we have for our employees and at the same time enable us to recruit qualified personnel with good success. By ensuring a good work-life balance through social offers and subsidies at all our sites, we also manage to ensure that employee turnover is below the German industry average. In our ESG efforts, it is important to us that they are independently monitored, analyzed and evaluated by third parties. This gives IBU-tec the opportunity to identify and realize further environmental, social and governance potential. Accordingly, we have had numerous certifications and audits regarding ESG carried out at IBU-tec in 2022.



WE WOULD LIKE TO CONTINUE ON OUR SUCCESSFUL PATH. BY THIS I MEAN ABOVE ALL THE CONSISTENT IMPLEMENTATION OF OUR STRATEGY.

What are the plans for the current year and beyond with regard to business development?

Jörg Leinenbach: We would like to continue on our successful path. By this I mean above all the consistent implementation of our strategy. This is even more important to us than the pure financial ratios. But even these will continue to improve in a stable environment. After all, we want to generate sales of EUR 102 million to over EUR 130 million in 2025, with an EBITDA margin of than 20 percent. Of this, EUR 30 to 60 million in sales are expected to be attributable to LFP battery material alone.

Can you give more concrete figures for 2023?

Jörg Leinenbach: We will continue to grow significantly without having to compromise on our operating profitability. In figures, this means an increase in sales to EUR 62 to 64 million. The dominant driver of development in 2023 will be the battery sector, where we want to almost double our total output to over EUR 14 million. In order to occupy the market in the short term, we invest heavily in sales, and in order to grow sustainably with innovations and expand our product range for battery material, we are intensively researching and developing. The extraordinary expenses for these activities will amount to around EUR 1 million in 2023. We are thus immediately reinvesting the additional profit that we achieve through the booming battery sector. This seems to us to be a wise growth strategy. The EBITDA margin adjusted for these start-up costs will be between 12.2 and 12.6 percent and thus remain at the previous year's level. In this respect, we are looking forward to another exciting year at IBU-tec.

Thank you very much for the interview.

Dr. Anna Dimitrova

THE BATTERY SAVANT



Anyone who travels almost two hours to work every day must love their job. Just like Dr. Anna Dimitrova, head of the e-chemistry laboratory at IBU-tec. She commutes from the university town of Ilmenau to IBU-tec's headquarters in Weimar.

Her focus is the electrochemical determination of LFP battery material. Put simply, Dimitrova and her three-person team analyze specific properties of IBU-tec's material that existing or potential customers request. These include the battery material's capacity, energy density and power density. Information that is important to customers. The end result is to show what properties IBU-tec's battery material has – and what makes it better than products from other manufacturers. For example, the products currently on the market, IBUvolt® LFP200 and LFP400, are more stable over time and allow faster charging than other materials. Both these and

“There is nothing
more exciting
than analytics.”



“test materials” are examined by the analytical team on behalf of customers. Dimitrova examines the test materials sent in by customers in a button cell, which is assembled in a glass box with a noble gas atmosphere specially designed for the process. It takes about a week to fully determine the properties of the material in question. In addition, Dimitrova’s responsibilities include continuously optimizing the analytical methods used to determine the material. “This is the only way we can continue to develop our LFP cathode material and make it even better,” Dimitrova explains.

IBUVOLT® LFP200 AND LFP400 ARE MORE STABLE OVER TIME AND ALLOW FASTER CHARGING THAN OTHER MATERIALS.

Anna Dimitrova joined IBU-tec’s R&D department in September 2021, initially as an application engineer for battery materials. At the same time, she has been investigating materials for solid-state batteries as part of a major IBU-tec research project. Along the way, she helped set up IBU-tec’s e-chemistry lab in a matter of months, leading up to its official opening in 2022. While studying chemistry in Sofia, the battery expert developed a passion for analytical methods in chemistry. “There is nothing more exciting than analytics. It allows you to make the invisible visible,” she says.

Before joining IBU-tec, Dimitrova worked for several years in battery research at the Institute of Physics at the Technical University of Ilmenau – where she completely rebuilt the research department. The native Bulgarian has been living in Germany with her family since 2013. Before that, she and her husband – who is also a scientist – and their daughter lived for a while in the Netherlands, where she worked in the university sector. After many years in academia, it was clear to her that at some point she would like to work on the corporate side, advancing technologies and applications. The offer from IBU-tec came at just the right time. ■



Dr. Stefan Schwarz

THE CONTACT PERSON



“We can ensure
sustainable supply chains.”

In the fall of 2021, IBU-tec started production of its own LFP battery material. This is also a milestone for Dr. Stefan Schwarz. He is responsible for sales of cathode materials at IBU-tec and leads a team of six.

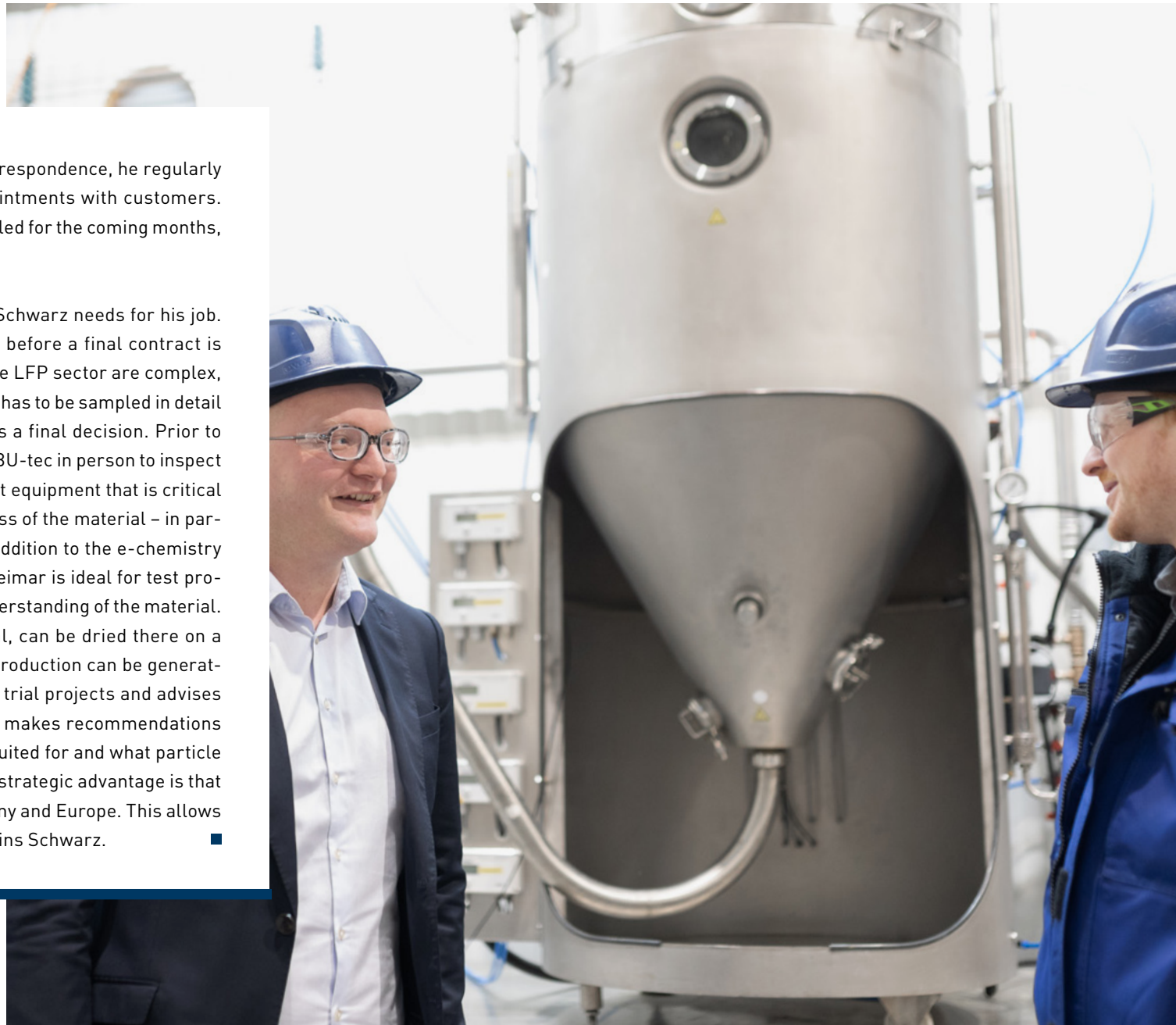
BUvolt®, a new, innovative product – grist to the sales mill. Even before the official launch, demand for the LFP product was high. Important customers such as the Norwegian battery manufacturer Morrow Batteries were acquired. Then, in November 2022, another milestone: IBU-tec won a development contract for a new cathode active material as part of a partnership with an international commercial vehicle manufacturer. These are successes in which the strong IBU-tec LFP team around Schwarz plays a major role.

In addition to intensive customer relations, product expertise and enthusiasm are the basis for sales. As a chemist with a PhD, Schwarz is very familiar with the subject of cathode materials. He joined IBU-tec as a project manager in 2018, immediately after completing his postdoctoral studies in Auckland, New Zealand. The establishment of an international network was a quick success. Today, Schwarz is head of sales and market development for IBUvolt®. There is no such thing as a classic working day. In addition to the day-to-day business, which usually consists of many

phone calls, video conferences and e-mail correspondence, he regularly attends trade shows and makes on-site appointments with customers. Five important battery trade shows are scheduled for the coming months, including a major one in the United States.

**ONE STRATEGIC
ADVANTAGE IS THAT
WE ARE THE ONLY
MANUFACTURER OF
LFP IN GERMANY
AND EUROPE.**

Patience is another virtue Schwarz needs for his job. It can take several months before a final contract is signed. The processes in the LFP sector are complex, partly because the material has to be sampled in detail before the customer makes a final decision. Prior to this, most customers visit IBU-tec in person to inspect the product and the relevant equipment that is critical to the manufacturing process of the material – in particular the rotary kilns. In addition to the e-chemistry laboratory, the small spray tower facility in Weimar is ideal for test projects to examine samples and gain a better understanding of the material. Various substances, such as the LFP material, can be dried there on a trial basis and the data required for possible production can be generated. Schwarz accompanies customers on such trial projects and advises them together with his team. For example, he makes recommendations on which application the LFP product is best suited for and what particle size or material properties are required. “One strategic advantage is that we are the only manufacturer of LFP in Germany and Europe. This allows us to ensure sustainable supply chains,” explains Schwarz. ■

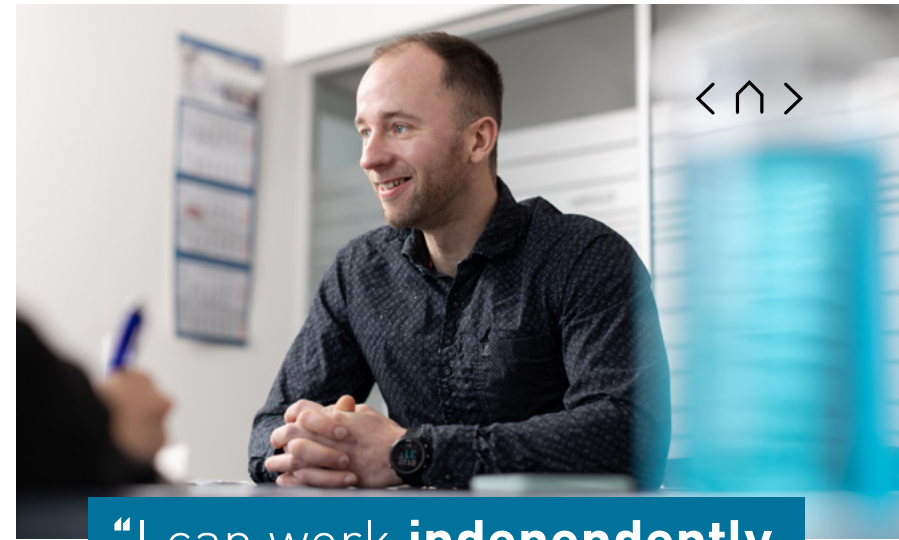


Benjamin Dittrich

MASTER OF ROTARY KILNS

Sports climbing, Benjamin Dittrich's hobby, requires discipline, endurance and courage. Qualities that are also important for his job at IBU-tec.

As the central shift planner and plant manager, Dittrich is responsible for the two largest indirectly heated rotary kilns "IDO 9" and "IDO 10" at the Weimar site. He is responsible for ensuring that the kilns are in perfect technical condition and ready to start up for each customer project.



"I can work **independently**
and **on my own responsibility**
at IBU-tec."



This is important because the rotary kilns are the heart of IBU-tec: materials such as the LFP battery product are thermally processed there. Heating changes the composition, structure or surface of the material and prepares it for its intended use. In the case of LFP material, the rotary kilns operate at very high temperatures of several hundred degrees Celsius. For other materials and raw materials processed in the IBU-tec kilns, temperatures of well over a thousand degrees Celsius can be reached. After processing in the rotary kiln, the material is ground to produce the correct particle size for the customer's application. The IDO 10 rotary kiln can process up to one cubic meter of material per hour and runs 24 hours a day, 7 days a week, depending on the project. Between projects, the kiln must be thoroughly cleaned and, if necessary, readjusted with appropriate components.



To ensure that a project runs smoothly, Dittrich closely monitors the condition of the rotary kilns. If maintenance or repairs are needed, he organizes and coordinates them. Regular maintenance work includes, for example, filter changes, which are carried out by the workshop team. Larger and more complex maintenance or repairs, which are more of a rarity, are sometimes handled by specialized companies.



Dittrich currently coordinates more than 50 employees in the plant and workshop areas. He takes care of workflows, shifts and rosters. It's especially tricky when there are a lot of sick days – then it's a matter of rescheduling or even standing in. After twelve years, Dittrich knows IBU-tec like the back of his hand. He joined IBU-tec immediately after completing his training as a machine operator and has continued to develop his skills. A career standstill is a foreign concept to him – which is why he is currently studying process

engineering and mechanical engineering alongside his main job. "IBU-tec supports me in my studies, which I think is great. It's also nice that I can work here independently and on my own responsibility," explains the 31-year-old. He is particularly fascinated by the technical, innovative side of his job – and the fact that IBU-tec, with its specialization in green technologies, has its finger on the pulse of the times. Dittrich likes to experience new adventures, and not just in sport climbing. ■

Dr. Vincent von Heyking-Goetze **QUALITY GUARD**

The laboratory of IBU-tec subsidiary BNT Chemicals in Bitterfeld is always bustling with activity: Operational samples are prepared for analysis under the fume hood, the latest chromatograms are evaluated at the gas chromatograph, and results are compared with the strict test limits. All with one goal: to ensure that the quality of BNT products is always at the highest level. Dr. Vincent von Heyking-Goetze, head of quality control, is the ultimate watchdog.

Von Heyking-Goetze and his team analyze around 12,000 company samples per year at their laboratory benches. BNT's top sellers naturally account for a large share of this – tributyltin chloride, for example. The catalyst is used in the pharmaceutical industry to produce a drug for high blood pressure that is used millions of times worldwide. Compared with competitor products, the drug has scored points on the market thanks to its high purity and quality. Only when von Heyking-Goetze has given quality approval for the catalyst is it released for filling and delivery to the customer. This is also how





“We work in a

demanding environment.”

it works with MBTC. The coating makes glass bottles more resistant to scratching and more stable, thus enabling a reduction in weight. As a result, glass bottles can be reused up to 20 times. “We work in a demanding environment where the smallest of details matter. This can only be achieved with first-class quality,” emphasizes von Heyking-Goetze. Deviations from the high quality standards and norms are not accepted. Incidentally, this also applies to the laboratory equipment used for analysis in accordance with DIN EN ISO 9001 certifica-

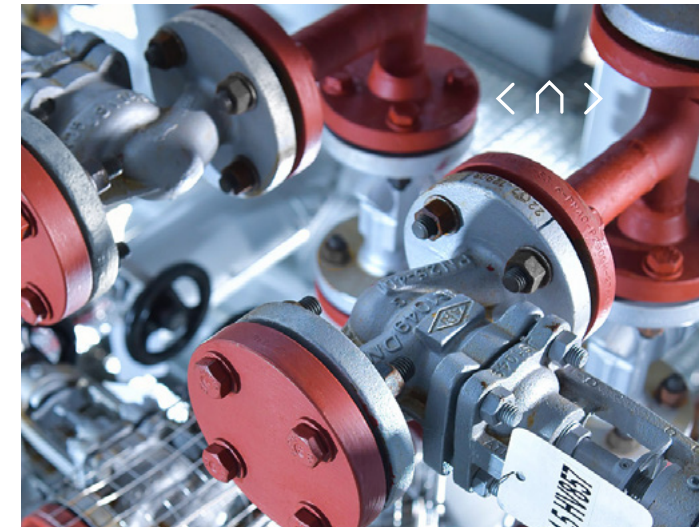
tion. Here, too, the quality controllers around von Heyking-Goetze monitor that everything complies with the industry standard.

**DEVIATIONS FROM
THE HIGH QUALITY
STANDARDS AND
NORMS ARE NOT
ACCEPTED.**

Once a week, IBU-tec’s top quality controller makes his way from Bitterfeld to Weimar. Heyking-Goetze also supervises the analytical laboratory in Weimar. At the company headquarters, further analytical questions are on his agenda. The IBU-tec quality guard can also let his hair down – but only after work in a convivial atmosphere. ■

Christian Geithner

THE EQUIPMENT EXPERT



Ten thousand steps a day – Christian Geithner almost achieves this recommendation from health experts, even at work. His place of work is BNT Chemicals in Bitterfeld, Germany. As head of the technical department, Geithner is always on the move.

He checks the equipment on site and is responsible for both maintenance and investments. His current lifeblood project is the new glass coating plant. At the end of February 2023, it went into ramp-up operation. There were still some final checks to be made before that. According to our plant expert, the step count of his workplace workouts set new personal best records in addition to achieving increased plant efficiency.

The gearbox is being put through its paces. “It is running smoothly,” says Geithner with satisfaction. After commissioning, the production capacity for the glass coating product MBTC will double. BNT is already the only European manufacturer of this product.

“Innovation
is a way of life
at our company.”

Geithner sees his role as project manager for the new facility as a milestone in his career. From the very beginning, he has lent his expertise to the development process of the new facility: From the initial visual designs by the partner engineering firm, to the mate-

rial specifications for the pipes, to the groundbreaking for the plant. For example, much of the plant's pipe coating is made of enamel and specialty plastics – Geithner came up with the ideas together with the engineering firm.

Geithner has been with BNT since 2020. By then, he had a wealth of experience, including work in refineries and air decomposition plants. In total, the trained electrical engineer has more than 20 years of professional experience. “At IBU-tec and especially at BNT, I can play a direct role in shaping innovations, which makes my work here so exciting and personally satisfying,” says Geithner. For example, he has continuously improved the automation of BNT's systems over the past few years, contributing many of his own ideas. “Innovation is a way of life at our company. Thanks to intelligent automation technology, we have become much more efficient in many processes.”

Sustainable technologies, on which the IBU-tec Group has focused, are of great importance to Geithner. The new glass coating plant emits significantly less CO₂ than the old one and is more energy efficient. By-products generated during the production of MBTC in the new glass coating plant can be recycled directly in the plant and thus returned to the circular economy in an environmentally friendly way. ■



ESG at IBU-tec

MORE THAN JUST GREENTECH

IBU-tec stands for green technologies – from cathode powder for sustainable mobility and green energy, to materials for more stable deposit bottles, to processes for recycling building materials and valuable resources. It is always clear that it is not only what comes out at the end that counts, but also how a product is created. At IBU-tec, we take our responsibility to the environment and society seriously. Because we care about sustainability – and we work sustainably.



Energy supply: Last year, we used 22,788 MWh of gas and electricity to power our facilities and to develop and manufacture green products. To do this, we use our own photovoltaic systems and a combined heat and power plant at our sites, which together produced approximately 1,687 MWh in 2022. For the rest of our electricity needs, we use 100 percent green electricity. This also goes into the nine charging stations for electric cars at our Weimar and Bitterfeld sites.

Of course, we have had our operational quality and environmental management certified to ISO 9001 and ISO 14001 for years. But we want more: That is why we are currently planning to expand our solar farm, which will make us independent of external power suppliers. And we are retooling: A third of our plants can already run entirely on electricity, without gas. Others will follow. In this way, we are making an active contribution to environmental and climate protection.



Social Benefits: We are there for our employees. And we are especially supportive of employees with children. Every year, at the beginning of the summer vacation, we invite the children to a free week-long vacation camp. We also pay a kindergarten allowance of 75 euros per month for each child. Wherever possible, we offer flexible working hours and the option of working from home, so that mothers and fathers can better combine work and family. It goes without saying that women and men in the same positions at our company earn the same amount. We also offer free breakfast and lunch at our Weimar site, sports groups and massage services, health days and much more.

Occupational Safety: IBU-tec is “Safe with System”. This seal of approval certifies that we have excellent occupational health and safety in accordance with the requirements of ISO 45001. And it has proved its worth: The number of our industrial accidents is regularly below the industry average. To keep it that way, our employees receive regular training. As a rule, anyone who wants to develop further at IBU-tec is supported by us – from weekly English courses to professional training and extra-occupational studies. Last year, the time spent on training and development amounted to more than 13 hours per employee. Such measures increase employee satisfaction. This is also reflected in the fluctuation rate at IBU-tec, which was 11.95% last year, once again below the German average of 29.8%.¹



Rating agencies also recognize our commitment to sustainability. EcoVadis, which claims to be the world's largest provider of sustainability ratings for companies, has awarded us the “EcoVadis Silver” label. The German sustainability agency imug rating rated the

IBU-tec Group's sustainability performance as “good” with an overall score of 70 out of 100. Further details and detailed facts and figures can be found in the non-financial report starting on page 42.

IBU-TEC IN THE CAPITAL MARKET

THE ANALYSTS OF BANKHAUS HAUCK AUFHÄUSER LAMPE CONTINUE TO SEE GREAT POTENTIAL FOR THE IBU-TEC SHARE IN THE CURRENT MARKET ENVIRONMENT.

Overall, the capital market faced numerous challenges last year, which had a negative impact on share price performance. Growth and second-line stocks were particularly affected by investor caution, although IBU-tec held its own against the market over the course of the year. Overall, we closed the year down by -25.43%. On the other hand, the indices for small and medium-sized companies suffered losses, some of which were quite substantial: While the MDAX and SDAX recorded losses of -28.49% and -27.35% respectively, the small-cap indices Scale 30 and Scale All Share closed the year with losses of -35.10% and -36.29% respectively. Only the DAX was able to recoup more of its year-end losses, ending 2022 down -12.35%.

The Russian invasion of Ukraine in the spring and the resulting energy crisis put the stock market under severe pressure. As a result, the IBU-tec share suffered during the course of the year mainly as a result of fears of extensive cuts in the supply of natural gas and rising prices for energy and raw materials. However, we were able to pass on most of the rising costs to our customers. The risk of a gas shortage also failed to materialize in the fall/winter. Positive news about an important project in the LFP sector also supported the IBU-tec share.

In order to keep market participants continuously and comprehensively informed, especially in a difficult environment, we held numerous discussions with investors last year – at conferences and roadshows as well as in regular telephone calls and meetings. We took part in a total of six conferences and roadshows and held conference calls at the end of the year and at the end of the first half to discuss our results, the current market situation and the implementation of our “IBU2025” strategy. A video statement by IBU-tec’s CEO on the market situation was viewed several hundred times on the Internet within a few months.

The analysts of Bankhaus Hauck Aufhäuser Lampe continue to see great potential for the IBU-tec share in the current market environment and have issued a “buy” recommendation in their research report dated 7 March 2023. The price target was set at EUR 51.00.

On 4 May 2022, the Annual General Meeting again took place virtually, with 55.54% of the share capital present. Shareholders elected a new Supervisory Board. For the first time, Prof. Dr. Achim Kampker, Head of the Department of Production Management at the Faculty of Mechanical Engineering at RWTH Aachen University and co-founder of StreetScooter GmbH, known for its all-electric postal vehicles, is a member of the Supervisory Board. Supervisory Board members Sandrine Cailleteau and Dr. Jens Thau were re-elected. Dr. Hans-Joachim Müller did not stand for re-election. The Supervisory Board appointed Sandrine Cailleteau as its Chairwoman.

Share Price Development in 2022

in €



Basic Share Data

ISIN / WKN	ISIN: DE000A0XYHT5 / A0XYHT
Stock exchange symbol	IBU
Stock exchange segment	Scale, Open Market of the Frankfurt Stock Exchange
Stock exchanges	Xetra, Frankfurt, Berlin, Düsseldorf, Hamburg, Munich, Stuttgart, Tradegate
Initial listing	30 March 2017
Current share capital	EUR 4,750,000
Total number of shares	4,750,000
Share type	No-par value bearer shares without nominal value (no-par shares)
Associated index	SCALE 30, SCALE All Share
Designated Sponsor	Hauck Aufhäuser Lampe
Market capitalisation as at 31 December 2022	EUR 163 million
Shareholder structure	14.69% Executive Board (incl. Ulrich Weitz) 33.42% Weitz family 51.89% Free float

In addition, an Extraordinary General Meeting was held at the premises of IBU-tec in Weimar on 14 December 2022 to vote on the conclusion of a profit and loss transfer agreement between IBU-tec AG and its subsidiary BNT Chemicals GmbH. 55.16% of the share capital was represented. The shareholders approved the proposed resolution with a majority of 99.99%.

GROUP MANAGEMENT REPORT

OF IBU-TEC ADVANCED MATERIALS AG
FOR THE FINANCIAL YEAR 2022

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- 2. Economic Report
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1. Foundations of the Group

1.1 Business Model

The IBU-tec Group develops and produces quality materials for industry. Target markets include the chemical, pharmaceutical, plastics, coatings and automotive industries. The Group acts both as a service provider for development and production and as a manufacturer of its own materials. Their scope covers the entire value chain from wet chemistry to thermal process engineering. With its own products – such as battery materials and glass coating – the IBU-tec Group places a special focus on green technologies in global growth markets. While in the past the Group was primarily active as a development and production service provider, it fundamentally expanded

its business model in the 2021 financial year to include the manufacture of its own products. With the market launch of its own LFP (lithium-iron-phosphate) battery material, which is used in electric vehicles, stationary energy storage and numerous industrial and medical applications, it significantly realigned itself and opened new sources of income in highly attractive growth markets. The Group has unique, partially patent-protected technologies that it combines with the extensive process and material know-how of its experienced employees to offer customers high-quality applications and products.

1.2 Structure

The IBU-tec Group is divided into two individual companies: the parent company IBU-tec advanced materials AG (IBU-tec AG), Weimar, and the operational subsidiary BNT Chemicals GmbH (BNT GmbH), Bitterfeld-Wolfen. Both companies are closely linked by organizational measures. As the parent company, IBU-tec AG takes strategic and operational management of the Group and the subsidiary. This is mainly achieved through the role of the CSO of

IBU-tec AG, who has also been part of the management of the subsidiary since 1 January 2022. In addition, IBU-tec AG coordinates sales, business development, research and development and provides central functions such as personnel support, preparation of financial statements, quality management, central purchasing and controlling for the group.

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1.2.1 IBU-tec advanced materials AG

As an industry development and production partner, from idea inception to full production, IBU-tec AG produces specialty chemicals with modified material properties via thermal processes which can significantly reduce the material and process risk for its customers over traditional methods. It complements this portfolio with its own battery materials, with which it acts as a manufacturer on the market since 2021.

In addition to the automotive industry, the chemical industry, the building materials industry and electrical engineering, ceramics and the glass indus-

try are important target markets for IBU-tec AG as well. These include, in particular, the greentech future areas of electromobility, energy storage, recycling and life science. Through its customer base, it addresses global megatrends such as green mobility (e-mobility and car catalysts), green economy (including CO₂-reduced building materials, rare earths, stationary energy storage) and medical technology (including artificial joints and dentures). The basis of IBU-tec AG's market success is its own flexible technology platform, patent-protected processes, and the know-how of its employees.

1.2.2 BNT Chemicals GmbH

As a manufacturer of organometallic compounds, with a focus on organotin products and wet chemical processes, BNT GmbH serves a variety of different applications mainly in the glass, automotive, plastics, chemical and pharmaceutical industries. With BNT GmbH, the group has additional know-how

in wet chemistry, which mainly concerns the process stages of precipitation, synthesis and distillation, which are upstream of the thermal processes of IBU-tec AG. This enables the Group to map a consistent value chain and place a comprehensive range of services on the market. Sales are global.

1.3 Objectives and Strategy

The framework for the Group's strategic orientation and the Group's objectives is provided by the strategy paper "IBU2025", which was presented in January 2021 and revised at the beginning of 2022. The Executive Board is thus driving forward the transformation of the Group from a company that primarily acts as a development and production service provider to an independent manufacturer of high-quality products. This step is intended to generate growth, reduce the sometimes-high dependence on large individual customers in the service business and increase the long-term stability and predictability of sales.

The "IBU2025" strategy focuses on expanding the portfolio with products and services for global megatrends. With the marketing of its own LFP battery material since the fourth quarter of 2021, IBU-tec has positioned itself as a manufacturer of powder materials in the growing market of high-performance batteries for the automotive industry, industrial applications, and stationary energy storage systems. In addition, the focus is on expanding capacity in the glass coating sector and developing the service and recycling business, which are further key growth drivers for the Group's future business. In this way, the Group occupies important, promising, and high-margin sectors that fall under the term Greentech.

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Furthermore, the process development and contract manufacturing of special catalysts for the chemical industry, the production of additives to reduce nitrogen oxides in the air, the development of processes for the regeneration of rare earths, the development of new areas of application for tin or organo-metallic catalysts and the production of catalytically active powders for the automotive industry, together with specifically marketed engineering services, define the strategic orientation of the IBU-tec Group.

1.4 Control System

With the strategy paper "IBU2025" published on 25 January 2021, the IBU-tec Group has laid the foundations for sustainable profitable growth. Despite the necessary investments, the operating result (EBITDA) is to be increased in the long term.

2. Economic Report

2.1 Macroeconomic Conditions

The German economy faced major challenges in 2022. The Russian war of aggression against Ukraine and its effects have significantly slowed economic development. The restrictions on Russian natural gas supplies triggered an energy crisis that put a particularly heavy strain on energy-intensive industries. In addition, the second half of the year was triggered by high inflation

The "IBU2025" strategy thus forms the cornerstone for the accelerated growth of the IBU-tec Group in the coming years. By 2025, sales are expected to increase to a volume of €102 million to over 130 million. The battery materials business alone is expected to account for around one third of Group sales.

In accordance with this, the Group is managed on the basis of the two key performance indicators, revenue and EBITDA margin. In addition, other variables such as gross profit margin, EBITDA, EBIT, EBT, cash flow and investments are considered for operational and strategic management. Monthly reporting with target/actual comparisons and deviation analyses forms the basis for the commercial management of the Group.

and persistent supply chain difficulties, which slowed the economic recovery after the corona pandemic.¹ Accordingly, the Annual Economic Report 2023 of the Federal Ministry for Economic Affairs and Climate Protection (BMWK) shows price-adjusted economic growth of only 1.9% for 2022 as a whole.²

¹ <https://www.sachverstaendigenrat-wirtschaft.de/jahresgutachten-2022.html> (13 January 2023)

² Federal Ministry of Economics and Climate Protection (BMWK): Annual Economic Report 2023, p. 18, para. 35.

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2.1.1 Chemical Industry

The chemical industry's expectations for continued positive growth in 2022 have not been fulfilled. As an energy-intensive industry, the chemical industry was particularly hard hit by the rise in electricity and natural gas prices. In addition, there were price increases for raw materials and intermediate products, which together led to an industry-wide shortage of orders. As a result, the production of chemical companies in Germany fell by 6% com-

pared to the previous year, as the German Chemical Industry Association (VCI) announced in its annual report. Excluding the pharmaceuticals business, the decline was around 10%. The industry's sales increase of 17.5% compared to 2021 to €266.5 billion is therefore solely attributable to the general price development.³

2.1.2 Automotive Industry

The automotive industry recorded a slight increase in sales of 1.1% in 2022 compared to the previous year. A total of 2.65 million passenger cars were newly registered in Germany last year.⁴ However, compared to 2019, the last year before the outbreak of the corona pandemic, the number of new registrations is still 26% behind, according to the German Association of the Automotive Industry (VDA).⁵ Production was subdued throughout the year due to

a lack of intermediate products, high energy and raw material prices and general uncertainty due to the war in Ukraine. The positive trend towards battery-electric vehicles continued. Their sales increased by a further 31.2% compared to the already strong previous year to a share of 17.7%.⁶ Of these, around 31% worldwide were equipped with LFP-based batteries in the first nine months of the year, almost doubling since January 2021.⁷

2.2 Important Events in the 2021 Financial Year

The 2022 financial year of the IBU-tec Group was also marked by the difficult economic conditions: The consequences of the Ukraine war, ongoing supply chain difficulties, energy crisis and price jumps for raw materials represented major challenges for the two Group companies. While the Group still developed positively in the first half of the year, the second half of the year was affected by general economic uncertainties, which led to restraint

among customers, especially in the development and service business, which is important for IBU-tec AG, and particularly in the area of contract manufacturing. Despite the overall unsatisfactory development, we adhered to our "IBU2025" growth strategy in fiscal year 2022 and implemented our planned investment plans to expand our capacities in the key growth areas of battery materials and glass coating and to optimize our production processes.

³ <https://www.vci.de/presse/pressemitteilungen/dunkles-jahr-mit-trueben-aussichten-bilanz-der-chemisch-pharmazeutischen-industrie-2022.jsp> [13 January 2023]

⁴ https://www.kba.de/DE/Presse/Pressemitteilungen/Fahrzeugzulassungen/2023/pm01_2023_n_12_22_pm_komplett.html [13 January 2023]

⁵ https://www.vda.de/de/presse/Pressemeldungen/2023/230104_PM_Deutscher-Pkw-Markt-2022_Leicht--ber-Vorjahresniveau [13 January 2023]

⁶ https://www.kba.de/DE/Presse/Pressemitteilungen/Fahrzeugzulassungen/2023/pm01_2023_n_12_22_pm_komplett.html [13 January 2023]

⁷ <https://www.adamasintel.com/lfp-for-the-massive-ncm-for-the-majority/> [13 January 2023]

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Our own research and development resulted in five further patent applications in the area of product and process development in the past financial year. Currently, the portfolio of the IBU-tec Group comprises 57 granted patents.

2.2.1 IBU-tec AG

The focus of IBU-tec AG's activities in the 2022 financial year was the further expansion of the growth area of battery materials. A milestone was the development order from an international commercial vehicle manufacturer in November. As part of the partnership, IBU-tec AG will develop a new cathode active material based on the existing LFP portfolio. We see this collaboration as a possible model in which development cooperation opens the door to subsequent large-volume series production of new materials within a European supply chain.

In the first half of the year, a development partnership was commenced with the Norwegian battery manufacturer Morrow Batteries, under which LFP cathode material is to be supplied for a pilot plant of Morrow in the amount of up to 200 tons per year. In addition, IBU-tec expanded its own LFP portfolio with IBUvolt® LFP200 with an additional variant which, in combination with IBUvolt® LFP400, enables a more homogeneous coating of cathodes and thus higher battery performance. We also succeeded in concluding agreements with international suppliers of lithium, iron oxide and phosphoric acid to secure the planned expansion of our production capacities for LFP battery material as part of our "IBU2025" strategy.

Although sales of the company's own LFP battery material fell short of expectations due to numerous delays in the development of downstream European cell production, the business with the application in battery materials developed very positively overall last year. The main drivers were numerous customer projects for the development of new anode and cathode materials with different materials. With its extensive expertise, IBU-tec AG has established itself as an important partner for the European battery industry. At the same

time, we were able to use our position as the only manufacturer of LFP cathode material in Europe to attract new interested parties for IBUvolt®. In total, we have now sent more than 50 samples to customers all over the world for qualification in batteries. At the same time, we have further expanded our international dealer and sales network in order to win new customers for our material and to further advance our transformation from a pure service provider to an independent manufacturer of our own products.

This becomes all the more relevant in view of the fact that IBU-tec AG's traditional business model with tolling and development services suffered considerably from the crisis situation in the 2022 financial year. Business performance shows significant slumps in orders following the start of Russia's war of aggression against Ukraine and at the height of the energy crisis in July/August 2022. Especially in the second half of the year, customers were very reluctant to place new orders in an effort to prepare for inflation-related weaknesses in demand and sales declines.

Despite the general reluctance, we succeeded in concluding a contract with a major chemical manufacturer to secure and expand the existing contract manufacturing business. In the field of tests and development projects, we carried out, among other things, a project for the recycling of phosphorus residues from sewage sludge. The aim was to develop thermal processes to separate the important fertilizer phosphorus from the pollutants and heavy metals in the sewage residues, which are harmful to health and the environment thus making them available for further use. We carried out further trials in the areas of battery recycling, catalyst recycling and building material recycling.

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The engineering sector developed particularly strongly, where we were able to win several lucrative orders. Among other things, we were commissioned to build a furnace for the production of battery materials at a customer's premises. In terms of sales, the contract manufacturing business remained at the previous year's level.

In IBU-tec's research and development, the focus was not only on customer research orders, but also on the further development of its own battery materials. The commissioning of a spray drying plant on a laboratory scale was an important step in testing and further developing various processes for the production of LFP. At the same time, we are already working on

2.2.2 BNT GmbH

BNT GmbH can look back on a strong financial year 2022, in which the effects of the Russian war of aggression against Ukraine on sales were only marginally felt. Sales revenues increased by €9,374 thousand to €38,311 thousand. The planned sales growth of 10% was thus exceeded.

With its tin based product portfolio, BNT GmbH has a very good market position, which also enabled largely stable earnings in the 2022 financial year. In particular, the glass coating product MBTC (monobutyltin trichloride) was in high demand despite an overall difficult market environment in Germany, which particularly affected the energy-intensive glass industry. Here, BNT

the development of cathode active materials based on sodium. Future battery technologies and manufacturing processes are also the focus of the "KeNaB-ART", "ProLIT" and "BISSFest" funding projects launched last year, which were continued this year.

An in-house development is the nanoscale zinc oxide produced in the pulsation reactor, which we will market under the name IBUpart®. Over the course of the year, we conducted various series of tests for use as UV protection in sunscreens and developed several formulations. We also made development progress in the field of coating additives with UV protection last year.

GmbH benefited from its position as the only manufacturer of MBTC in Europe as well as its diversified target markets, which are not limited to Europe. Thanks to plant revitalizations and strongly stabilized raw material flows, above-average production volumes were achieved in the financial year. The completion of the new MBTC production plant, which has been under construction since 2021, has been delayed again. This was due to delivery difficulties for components and technical challenges associated with the implementation of a new manufacturing process. Start-up is now expected in the first quarter of 2023, giving us a total production capacity of 1,000 tons per year.

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A highlight in the past financial year was the successful market launch of the new glass coating product BNT-COAT 257. It is based on inorganic tin tetrachloride and can be used by customers in existing processes with few changes to the production facilities. A major advantage of the product is the higher limits for the processing of tin tetrachloride compared to MBTC, which means that it can also be used where structural conditions do not allow the use of MBTC.

In addition to this success, following the expected withdrawal of a customer for our pharmaceutical product TBTCl in the second half of 2022, the company succeeded in winning alternative customers in the pharmaceutical sector. The organotin compound is used as a catalyst in chemical syntheses used in the production of a certain type of antihypertensive drug. BNT GmbH recorded further sales successes in the adhesives and sealants market, where several customers chose the company. In addition, BNT GmbH was able to offset declines in the area of coating additives for the automotive industry to a large extent in the year as a whole with customers from other areas. The area of service projects, the expansion of which BNT GmbH is continuing to grow in cooperation with the parent company IBU-tec AG, also developed positively in the 2022 financial year. Here, a recycling project for rare earths was successfully implemented with the participation of both companies.

The strongly fluctuating energy and raw material prices over the course of the year also posed challenges for BNT GmbH. Thanks to transparent pricing and formula prices with price escalation clauses that reflect the development of raw material prices, the company was able to pass on these costs to customers as far as possible. In addition, BNT GmbH has levied an energy cost contribution according to this pattern in order to reflect the strong price increases. This transparency has been well received by the customers of the company.

In research and development at BNT GmbH in the past financial year, the focus was on organotin alternatives, where the company made great progress. The recycling of tin by-products also played a major role in the development activities of BNT GmbH for the year as a whole. In addition, we continued to pursue the topic of crosslinking catalysts and achieved initial test results in cooperation with customers. With the resulting new products, the company was able to acquire knowledge for various applications.

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2.3 Turnover by Activity Sector

Overall, the IBU-tec Group generated sales of €53,944 thousand in the 2022 financial year (previous year: €44,089 thousand). The individual areas of activity contributed to total sales as follows:

Breakdown of sales by sector (in € thousand)	2022	2021	Change
Engineering	986	432	+128%
Specialty Chemicals	23,692	19,137	+24%
Service & Recycling	10,401	12,505	-17%
Glass Coating	14,274	9,434	+51%
Battery Materials	4,591	2,581	+78%
Total	53,944	44,089	+22%

2.4 Net assets, Financial Position and Results of Operations

2.4.1 Financial Situation

Consolidated total assets decreased slightly by €771 thousand year-on-year (€77,128 thousand) to €76,357 thousand.

Net assets (€ thousand)	31 Dec 2022	31 Dec 2021	Previous year
Balance sheet total	76,357	77,128	-1%
Equity	59,387	58,102	+2%

As of 31 December 2022, the equity of the IBU-tec Group amounted to a total of €59,387 thousand.

The equity ratio⁸ is 78% (previous year: 75%).

⁸ Equity ratio=Balance sheet equity/total capital

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Fixed assets amounted to €42,574 thousand in the current financial year and are thus around €5,240 thousand above the previous year's figure. The investments of around €10,029 thousand are offset by scheduled depreciation of €4,750 thousand. Intangible assets include goodwill of approximately €2,833 thousand resulting from the acquisition of BNT GmbH, the amortization of which is also included in the aforementioned value. The Group's current assets were around €6,002 thousand lower than in the previous year (€39,583 thousand), mainly due to the sale of fixed-interest securities (€-10,505 thousand) and the decline in cash and cash equivalents (€4,296 thousand), which was partially offset by the increase in inventories (€6,899 thousand) and the increase in receivables and other assets (€1,899 thousand). The increase in inventories is mainly due to another production campaign carried out at IBU-tec AG for LFP battery materials that were pre-produced for potential customer orders.

The plant for processing tin-containing by-products, which was purchased and implemented in 2022, will enable the processing of the "TBTC intermediate", which was completely written off in the 2020 financial year due to the then non-existent processing possibilities. Thanks to this new processing process, the tin content contained in these reserves can now be extracted

2.4.2 Financial Situation

Cash flow from operating activities amounted to €-3,270 thousand (previous year: €-1,129 thousand). This includes the net result for the year, adjusted for non-cash expenses from depreciation and amortization (€4,750 thousand), the increase in other provisions attributable to operating activities (€966 thousand), the decrease in special items for investment grants (€-261 thousand), the decrease in trade payables and other liabilities (€-1,353 thousand) as well as higher inventories, trade receivables and other assets (€-8,789 thousand).

and marketed in the future. For this reason, these inventories were revalued in the amount of €1,666 thousand in the 2022 financial year, which led to an increase in inventories of raw materials and consumables in 2022.

On the liabilities side of the balance sheet, equity increased by €1,285 thousand to €59,387 thousand (previous year: €58,102 thousand) due to the positive annual result. On the other hand, there was a decline in liabilities to banks, which were reduced by around €1,762 thousand compared to the previous year (€8,130 thousand) as a result of scheduled repayments. As of reporting date, trade payables also fell significantly to €3,017 thousand (previous year: €4,474 thousand).

Deferred tax liabilities of €803 thousand include deferred tax liabilities on the uncovered hidden reserves as part of the first-time consolidation. Due to the reserve for replacement procurement in accordance with EStR 6.6. in the tax balance sheet established at BNT GmbH in 2020, there were deviations between the commercial and tax balance sheets.

Cash flow from investing activities amounted to €516 thousand in the reporting period (previous year: €-15,015 thousand). It mainly results from investments in property, plant and equipment (€9,590 thousand). In the operational area of IBU-tec AG, they include, for example, the conversion of a rotary kiln plant (IDO 5E), the construction of an E-Chem laboratory at the Weimar site and the advance payments made for the planned construction of a spray tower at the new IBU-tec AG plant in Bitterfeld. The focus of investment activities at BNT GmbH was the capacity expansion of the planned MBTC production plant,

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general optimization measures in the production area and the renovation of the existing production infrastructure. This was partly offset by the sale of fixed-interest securities (€10,505 thousand) in the financial year. This more than compensated for capital expenditures, which led to a positive cash flow from investing activities.

2.4.3 Earnings

Group sales increased by €9,855 thousand to €53,944 thousand in 2022 (previous year: €44,089 thousand) and were thus slightly below the planned value of €55 million to €57 million.

For IBU-tec AG, the 2022 financial year was challenging overall. Contract production in particular fell well short of our expectations. In contrast, business with battery materials and engineering improved, so that IBU-tec AG's sales were roughly at the previous year's level. BNT GmbH was able to significantly increase its annual sales in 2022 compared to the previous year, mainly due to the further positive sales development in the field of glass coating.

The increase in material costs is mainly due to the increase in sales mix and the significantly more material-intensive production of LFP battery material. In this context, the cost of materials ratio rose from 51.0% in the previous year to 54.4%. In addition to scheduled salary adjustments and special payments, the increase in personnel costs in the 2022 financial year is also due to the planned additions to the workforce.

Cash flow from financing activities of €-1,541 thousand (previous year: €21,067 thousand) mainly includes the scheduled interest and principal payments on financial loans and shareholder loans totaling €2,176 thousand and proceeds from investment grants totaling €857 thousand.

Cash and cash equivalents decreased by €-4,295 thousand to €3,127 thousand as a result of the negative total cash flow.

The result is an EBITDA of €6,685 thousand (previous year unadjusted: €5,531 thousand) and an EBITDA margin of 11.4% (previous year unadjusted: 12.5%). The target of a slight increase in the EBITDA margin was thus not achieved. In comparison with the previous year's figures, it should be noted that the unadjusted figures in 2021 include the expenses of the capital measure carried out at that time. The attribution of the "TBTC intermediate" explained in section 2.4.1 had a positive impact on EBITDA.

As a result of the high level of investment, depreciation and amortization of €4,750 thousand were at a higher level than in the previous year (€4,593 thousand) and led to EBIT of €1,935 thousand (previous year: €938 thousand; adjusted €2,135 thousand).

As in the previous year, the financial result of €279 thousand (previous year: €-457 thousand) mainly consists of interest expenses for existing liabilities to banks in the year under review.

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At €1,656 thousand, earnings before taxes (EBT) were roughly at the level of the adjusted prior-year figure (€1,679 thousand). Consolidated net income amounted to €1,285 thousand and was thus above the adjusted prior-year figure (€963 thousand).

Earnings in € thousand	31 Dec 2022	31 Dec 2021	31 Dec 2021 adjusted*	Change adjusted
EBITDA	6,685	5,531	6,728	-1%
EBT	1,656	482	1,679	+1%
Consolidated annual result	1,285	-235	963	+33%

* adjusted for the unplanned expenses incurred for the implementation of the cash capital increase, but including the insurance compensation planned and received for the 2021 financial year

2.5 Personnel

The average number of employees employed in accordance with the German Commercial Code (HGB) for the Group was 217 (previous year: 212). As of 31 December 2022, the IBU-tec Group employed 11 trainees in various training occupations (chemical laboratory technician, chemical technician, office management clerk and industrial mechanic).

Headcount (Excluding the Executive Board, apprentices, and employees on parental leave)	31 Dec 2022	31 Dec 2021	Change
Annual average according to HGB	217	212	+2.4%
as at 31 December	218	214	+1.9%

3. Non-financial Statement

3.1 Focus on Sustainability

Responsible and sustainable practices are at the core of the IBU-tec Group. With its two companies IBU-tec AG and BNT GmbH, it is a Greentech provider positioned well for future market developments in the chemical, pharmaceutical and automotive industries, whether as a service provider and development partner or as a manufacturer of innovative products. Among other

things, the IBU-tec Group is involved in the development of electromobility, energy storage technology, high-tech materials and pharmaceuticals. In cooperation with its customers, it makes a significant contribution to sustainably improving the material, energy and raw material efficiency of products and production processes.

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The non-financial declaration is voluntary and reports in accordance with the provisions of Section 289c (2) of the German Commercial Code (HGB) regarding the activities of the IBU-tec Group in the 2022 financial year in the areas of environmental, employee and social issues, respect for human rights and the fight against corruption and bribery. The material risks associated with the Group's business activities are presented in the chapter "Opportunities and Risk Report". The business model of the IBU-tec Group is described in the chapter "Foundations of the Group".

3.2 Management System and Corporate Policy

Sustainability aspects are the focus of the IBU-tec Group's management system. We have an integrated management system (IMS) and are certified according to ISO 9001 for quality and ISO 14001 for the environment. The Executive Board of IBU-tec AG and the Board of Directors of BNT GmbH are responsible for the integrated management system for the entire Group. To

The Group-wide management manual identifies the following internal and external topics as particularly relevant:

- Customers and their requirements
- Employees in the company, including their level of qualifications
- Legal and regulatory requirements or changes
- Occupational safety-related requirements
- Environmental protection and environmental law requirements
- Energy law requirements
- Technological requirements and changes
- Banks and insurance companies
- Location aspects
- Supplier selection
- Neighborhood relationships

This results in the main stakeholder groups, in particular customers, employees, authorities, shareholders and society, the direct neighborhood and residents being of particular importance to the IBU-tec Group. Last but not least, company policy aims to take into account the demands and expectations of interested parties. Its principles include the maintenance of quality across all production and process steps, the protection of the environment and the safety

With this non-financial declaration, we would like to inform our investors and interested stakeholders about the extensive activities, measures and processes of the IBU-tec Group in the field of sustainability. Even if we are currently not obliged to publish a corresponding report, it is important for us as a company in the chemical industry to show that we think sustainability and live it at all levels. The non-financial statement is not an audit component in the context of the audit of the consolidated financial statements.

support them, a quality and environmental management officer has been appointed on Group level and further officers at the individual entities. This ensures that sustainability plays a central role in the formulation of corporate policy.

of employees. The Group's processes are designed in such a way to maximize energy and resource efficiency with as environmentally friendly technologies as possible. Neighbors, the authorities and the population of the adjacent districts are regularly informed about production characteristics, the associated risks, and emergency measures to be taken in the event of a malfunction.

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Accordingly, the IBU-tec Group has formulated the following strategic sustainability goals:

- Satisfied customers due to agreed and punctual services
- Optimally trained and continuously educated, comprehensively informed and motivated employees
- Workplaces that comply with the standard and the requirements of occupational health and safety
- Internal control and continuous improvement of processes in the company
- Avoidance of errors
- Protection of the environment
- Conservation and careful use of resources (especially energy)
- Pollution reduction and or avoidance

The IBU-tec Group undergoes regular internal and external audits in order to check the effectiveness of its sustainability activities and, if necessary, to adapt them. In addition, it regularly undergoes CSR ratings as part of its customers' supply chain management. In October 2021, we received the "EcoVadis Silver" award from EcoVadis, the world's largest provider of sustainability ratings for companies. With an overall result of 59 points, the IBU-tec

Group is among the top 25% of all companies evaluated by the platform and among the top 20% within its industry. This positive assessment is supported by an appraisal from the German rating agency imug:rating, which specializes in the financial market and rated our sustainability activities as "good" at the end of 2021 (70 out of 100 points). The evaluation was based on publicly available information as well as information provided by us.

3.3 Environmental Concerns

The protection of the environment is a central principle of the IBU-tec Group's corporate policy. With our Group-wide environmental management system and certification according to ISO 14001, we have set ourselves strict requirements in order to minimize the impact of our production processes on the environment, climate and to implement a continuous improvement process within the Group. The environmental management system is checked as part

of an annual audit and – if all requirements are met – confirmed. In accordance with the requirements of ISO 14001, the environmental management officers and energy management officers regularly report to the Executive Board and Management on measures and results, which are then evaluated and documented in the management review.

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3.3.1 Sustainable Products and Services

With its products and services, the IBU-tec Group contributes to a more sustainable economy. For example, we have been working as a supplier to the automotive industry for around 20 years, where our powder materials for catalysts make a significant contribution to reducing pollutant emissions from combustion engines. At the same time, we support the transportation revolution and transition to sustainable electromobility with our products: Our own LFP battery material, which we have been producing and offering on the market since October 2021, is a central component of the cathode of a battery. LFP (lithium iron phosphate) has an additional advantage over other material mixtures such as nickel-manganese-cobalt, as it can be extracted and processed in a much more climate-friendly manner.

BNT GmbH also contributes to strengthening a sustainable circular economy with the glass coating material monobutyltin trichloride (MBTC). MBTC plays an important role in the production of container glass, e.g. for returnable

bottles. During the production of the bottles, it is applied to the glass as a thin layer to increase its resistance. With the coating process completed, the bottles are protected against abrasion and breakage and can therefore be used much more frequently in the deposit/bottle return system.

Finally, another growing line of business of the IBU-tec Group is the recycling and service business. With our systems, we support our customers in cleaning and reprocessing a wide range of materials, including building materials and sewage sludge. For example, we can separate rare earths, which are used, among other things, in polishing processes, from impurities so that they can be reused. We are also active in the recycling of LFP batteries: We are currently working on optimizing our processes in order to recover as much of the original raw material as possible in order to use it in the production of new LFP batteries.

3.3.2 Energy Consumption

The IBU-tec Group attaches particular importance to minimizing the energy requirements for its processes. This is all the more important to us because the processes in thermal process engineering at IBU-tec AG as well as in wet chemistry at BNT GmbH are very energy-intensive. For the operation of our plants, buildings and facilities, we use natural gas and electricity as primary energy sources. 100% of the Group's electricity comes from renewable energies.

In the wake of the energy crisis in the year under review, we implemented extensive energy-saving measures to reduce energy consumption throughout the Group. The focus was on building technology measures to save heating energy and electricity. Among other things, we have reduced the lighting of the outdoor facilities to the minimum necessary for safety. As a result, the demand for both electricity and natural gas could be significantly reduced compared to the previous year.

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Energy consumption (in MWh)	2022	2021 ⁹	Change
Electricity	3,964	5,094	-22.2%
Natural gas	18,824	19,491	-3.4%

The central control instrument is the reports of the energy management officers in both sub-companies, which continuously record energy consumption and propose measures for possible reductions to the management. BNT GmbH is certified according to ISO 50001. Since we as a contract and development service provider process and manufacture many products on behalf of our customers, the ratio of consumption to manufactured quantity serves as the central control parameter for the IBU-tec Group.

The conversion of the energy requirement to the quantities produced shows that there is little scope for change in plant operation in the short term. The need depends essentially on the processed materials and the required temperatures.

Energy/kilogram of product (in kWh)	2022	2021	Change
Electricity	0.97	1.13	-14.2%
Natural gas	4.62	4.34	+6.5%

At the headquarters of IBU-tec AG in Weimer, we operate a photovoltaic system whose electricity yield we feed completely into the public grid. At BNT GmbH in Bitterfeld, we use a combined heat and power plant to generate the

necessary energy for water heating and steam generation ourselves with low emissions by means of combined heat and power. This enabled us to provide around 55% of BNT GmbH's total electricity requirements last year.

Own energy production (in MWh)	2022	2021	Change
PV system	132	122	+9.0%
CHP plant	1,555	1,555	-

In addition, we continuously invest in the optimization of our processes and the technology of our plants in order to further improve the energy efficiency of our production. We are also implementing measures in the administrative

areas and logistics buildings to reduce energy consumption, for example by converting lighting systems to energy-saving LED lamps.

⁹ Prior-year figures corrected. The values were incomplete.

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3.3.3 Greenhouse Gas Emissions

The greenhouse gas emissions of the IBU-tec Group are mainly based on the energy requirements of the plants, buildings and other facilities. The use of the photovoltaic system and the combined heat and power plant have a cor-

respondingly positive effect. As a result, we saved almost 455 t of CO₂ equivalents throughout the Group in the 2022 financial year. We do not currently record the emission of further greenhouse gases.

Greenhouse gas emissions/kilogram of product (in kg)	2022	2021	Change
CO ₂	1.33	1.24	+7.3%

The slight increase in product-related CO₂ emissions can be attributed to thermal processes related to the processing of different materials. Depending on the material, temperature, dwell time and type of modifications, higher CO₂ emissions can occur even with a reduced natural gas supply.

A smaller share of the IBU-tec Group's greenhouse gas emissions is also accounted for by the Group's own vehicle fleet. Here we have already started with the successive conversion to hybrid or electric. As of 31 Dec 2022, their share of the entire fleet was 31% (previous year: 27%).

3.3.4 Water Consumption

Water plays an important role in our production processes, be it in the processing of materials, for cleaning or in the cooling circuits of our plants. We use closed water circuits throughout the group for system cooling. We obtain the required fresh water from the public water supply.

Water consumption (in m ³)	2022	2021	Change
Raw water	16,263	29,285	-44.5%
Drinking water	3,731	3,524	+5.6%

The high demand for raw water in the 2021 financial year was primarily attributable to damage to two plants at the IBU-tec site in Bitterfeld and at BNT GmbH, where water leaked over a short period of time. Following the repair of the plants, volumes returned to a normal level in the year under review. In

general, as part of our environmental management, we pay attention to the development of water consumption and try to minimize overall water consumption through continuous process optimization.

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3.3.5 Sewage

We attach great importance to not discharging water contaminated with chemicals into public sewage systems or the environment. At IBU-tec AG, this primarily concerns water used for plant cleaning. This is collected in a separate, officially approved facility at BNT GmbH, where water is also used in production, all surface water is collected, treated and disposed of as dirty

water. In order to prevent contaminated water from cleaning processes from entering the environment, we have established appropriate processes within the environmental management system. The washing system for our production facilities is approved and monitored by TÜV and the Environment Agency.

3.3.6 Refuse

As part of our efforts to minimize our consumption of resources, we attach great importance to largely avoiding waste. Nevertheless, the production and processing of certain materials generates waste, including those that are classified as hazardous and are disposed of by certified service providers.

Waste quantities (in tonnes)	2022	2021 ¹⁰	Change
Hazardous	260.9	344.5	-24.3%

Compared to the previous year, hazardous waste volumes have decreased. This is primarily due to process adjustments and the processing of less hazardous products in the year under review.

3.4 Employee Concerns

Employees are of particular importance to the IBU-tec Group. We want our employees to feel comfortable regardless of their position and role in the company, that they can develop according to their ideas and goals and that occupational safety is guaranteed at all times. To achieve these goals, we have implemented various measures, including a Group-wide personnel development concept and extensive social benefits. The three locations of IBU-tec AG are also certified according to ISO 45001 for occupational safety.

In principle, all our employees receive an employment contract. This also applies to part-time employees, students and interns. We reject any form of informal employment and try to use temporary workers only for a limited period of time or to use this opportunity to support personnel acquisition.

¹⁰ Prior-year figures corrected due to new calculation.

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3.4.1 Occupational Safety

The safety of all employees is our top priority. In both sub-companies of the IBU-tec Group, we have appointed an occupational safety specialist who reports directly to the Executive Board and the Management. The safety specialists work full-time to implement safety-relevant standards, to evaluate processes and systems from a safety point of view and to introduce measures to continuously improve the safety of all employees. They also conduct employee training on a regular basis, but at least once a year, and document safety-critical events.

In the 2022 financial year, we counted 13.4 reportable accidents at work (RIR) in the entire IBU-tec Group (previous year: 9.1). Only a small proportion of the occupational accidents and registered events result from the processing of chemical materials and the handling of hazardous substances such as organotin substances, acids, alkalis and solvents as well as from the possibilities of contact with these substances in the production area and in maintenance.

Accidents at work / absenteeism	2022	2021	Change
Reportable accidents at work (RIR) ¹¹	13.4	9.1	+47.3%
Reportable accidents at work with lost days (LTIR) ¹²	6.7	9.1	-26.4%
Illness-related absenteeism rate	6.3	6.1	+0.2
Fatal accidents at work	0	0	-

3.4.2 Corporate Culture

We attach great importance to a collegial dialogue and cross-departmental exchange on important topics. The corporate culture in the IBU-tec Group is therefore significantly shaped by the commitment of its employees.

General company co-determination is organized differently in the two companies of the Group. At IBU-tec AG, there is an ombudswoman who is available as a contact person for the employees and represents their interests to the management. BNT GmbH has a works council in accordance with the Works Constitution Act.

In connection with corporate culture, the topic of diversity also plays a role. Our focus is on gender distribution. As of 31 December 2022, the proportion of women in accordance with the German Commercial Code (HGB) was 26.2% (previous year: 22.4%) across the Group, which can be attributed primarily to the high proportion of technical employees and plant operators in production. In 2022, additional female scientists were recruited to work at IBU-tec, resulting in a slight increase in the proportion of women in the upper management level of the Executive Board and Management, a woman is our Head of Human Resources, Ms. Bär, which corresponds to 9%. In middle management, the proportion of women was 21.7% (previous year: 21.4%).

¹¹ Number of reportable occupational accidents in relation to 1 million hours worked

¹² Number of lost-time accidents (1 day and more) per 1 million hours worked

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Women as at Dec 31	2022	2021	Change
Total group	26.2%	22.4%	+3.8
Upper management level	9%	9%	-
Middle management level	21.7%	21.4%	+0.3

It is important to us that our employees can combine work and family life well. For example, all employees of the IBU-tec Group who do not work in fixed shifts generally work flexitime and can plan their presence largely flexibly in coordination with their superiors. Where the tasks allow, it is also possible to work partially or completely from home on request.

3.4.3 Staff Development

Employees should be able to develop further in the IBU-tec Group. Depending on their needs, we enable our employees to undergo further training within their current position or in preparation for additional management tasks. For this purpose, we use a personnel development concept in which the various qualification measures are recorded. These range from skilled worker instruction to master craftsman or technician training and apprentice training with a dual course of study as well as targeted specialist and manage-

ment training to the promotion of high-potential young talent for management tasks. At IBU-tec AG in particular, we have a long tradition of family-friendly support services. For example, parents receive a fixed kindergarten subsidy of €75 per month for each child. In addition, every year at the beginning of the summer holidays in Thuringia, we organize and finance a one-week, supervised children's Day Camp for families belonging to the company.

In addition, the IBU-tec Group offers several trainees the opportunity to enter various professions every year. As of 31 December 2022, a total of 11 trainees were employed at IBU-tec AG and BNT GmbH. Our goal is to continue to employ the trainees as permanent employees after graduation.

Staff development	2022	2021	Change
Education and training (hours/head)	13.61	9.17	+48.4%
Proportion of trainees (in %)	5	6	-1
Proportion of trainees taken on (in %)	100	100	-

New employees in the IBU-tec Group generally undergo a systematic and documented employee introduction that contains both general and department-specific aspects. The training needs and training courses carried out are determined and documented within a qualification software.

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3.4.4 Social Security Benefits

The employees of the IBU-tec Group benefit from an extensive package of social benefits. At IBU-tec AG, for example, we have set up a health fund that fully covers the costs of certain medical check-ups. In addition, employees of IBU-tec AG can receive a subsidy for dentures and visual aids if necessary. To promote general health, our Weimar location also offers regular fitness and running training, in which all employees can participate free of charge. In addition, we introduced a free yoga program and a weekly massage at the Weimar location in fiscal year 2022.

At IBU-tec AG, we offer a company pension scheme in the form of deferred compensation, which we subsidize. A works agreement applies to the employees of BNT GmbH, in which the details of the employment relationships are regulated. Throughout the Group, we have a company integration manage-

ment system for people with long illnesses or disabilities. Where practically possible and feasible, we also offer barrier-free workplaces.

We try to support workers who come to us from abroad in the best possible way with their integration, for example with language courses and in the preparation of naturalization applications. To this end, we also work closely with the Chamber of Industry and Commerce.

Finally, all employees of the IBU-tec Group receive monthly voucher cards within the framework of the statutory tax allowances for private use as well as special payments upon reaching a certain period of service. At the Weimar location, we operate a canteen that offers free breakfast and lunch.

3.5 Social Concerns

The IBU-tec Group sees itself as part of society and assumes responsibility for the community. That is why we maintain dialogue at local and regional levels. In Weimar, for example, we regularly take part as a guest at the district council meetings in order to answer the residents and municipal stakeholders directly. In addition, we want to build trust through the greatest possible transparency by conducting company tours for the neighborhood or organizing an open day. At the Bitterfeld site, we are in regular contact with municipal structures at the management level.

We are also actively involved locally and provide financial support for non-profit associations and social institutions in Weimar and Bitterfeld. A major focus is on local sports clubs with a focus on youth work. Despite the difficult economic situation, we also stood by our commitment to civil society in the 2022 financial year and continued to provide donations to non-profit associations to the extent customary for us.

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3.6 Responsible Corporate Governance

The IBU-tec Group is committed to the universal human rights of the United Nations and fundamentally rejects any violation of these elementary fundamental values. Our locations are located exclusively in Germany, where we are subject to national and European laws and guidelines that ensure the protection of these rights.

We fulfill our responsibility to enforce these principles with our suppliers. Where possible and economically sensible, we try to source raw materials and materials from European sources in central purchasing for the entire group. In principle, we oblige our suppliers in our terms and conditions of purchase to comply with essential compliance requirements. These include obligations to protect the environment, to ban child and forced labor and to comply with fairer wages and working conditions. We regularly query these specifications in a supplier self-assessment and check them in individual cases with our own audits. We reserve the right to terminate the business relationship in the event of a violation of these conditions.

4. Opportunity and Risk Report

4.1 Risk Management

The aim and focus of IBU-tec's risk management is to identify risks for the economic, financial and strategic development of the Group at an early stage and to minimize them through appropriate measures. Clear responsibilities, an organization that is appropriate to the business model and a professional meeting structure ensure that the Executive Board is immediately informed about the risks that arise. In addition to regular board meetings, we hold a

We expressly oppose bribery and corruption in any form and have given ourselves a corresponding compliance guideline that applies to all employees of the IBU-tec Group. Among other things, it regulates the acceptance and awarding of gifts, donations and catering. As a matter of principle, we do not make any donations to political parties and do not exert any political influence. As a company in the chemical industry, the IBU-tec Group is a member of the VCI industry association, which represents the interests of the chemical industry vis-à-vis politicians.

Compliance with the applicable data protection regulations is a matter of course for the IBU-tec Group. In cooperation with the service provider DataCo GmbH, we have implemented various technical and organizational measures to protect personal data within the group. In addition to regular training on data protection, all employees receive continuing education on cybersecurity issues. DataCo is available at the e-mail address datenschutz@dataguard.de for all persons inside and outside the company for questions and suggestions on data protection as a contact person. Overall responsibility lies with the Chairman of the Executive Board.

management meeting every month in which management-relevant key figures, e.g. for measuring productivity, sales performance and budget compliance, are presented to top management. In addition, one strategy and one planning meeting per financial year round off the company's planning and controlling structures. The Supervisory Board meets at least four times a year.

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In order to effectively measure and manage risks, the Executive Board uses a risk matrix in which identified individual risks are summarized in evaluation categories and then quantified according to probability of occurrence (low, low to medium, medium to high, high) and economic impact (low, moderate, significant, severe). For this purpose, the Executive Board also relies on the assessments of the respective division managers. The risk matrix is checked several times a year in the financial year to ensure that it is up-to-date and

updated if necessary. In this way, the Executive Board obtains a comprehensive overall picture of risks at Group level and can take measures to effectively manage risks.

Overall, the IBU-tec Group has a balanced risk structure. With our risk management, we believe we are very well positioned to identify, actively address and effectively contain impending risks in good time.

4.2 Supply Risks

4.2.1 Energy Risks

As a company in the chemical industry, the IBU-tec Group is particularly dependent on a stable supply of electricity, natural gas, water and technical gases. A loss of energy supply would have a severe impact on the ability of the group companies to continue production. After the German government suc-

ceeded in securing supplies to industry in the second half of 2022 following the loss of Russian natural gas supplies, we currently estimate the probability of occurrence as low to medium.

4.2.2 Supply Chain Risks

For the manufacture of our products, we depend on a reliable supply of important raw materials. A stable supply chain is therefore essential for the economic development of the Group. Supply chain risks include risks from the availability and procurement of raw materials, low-quality raw materials, supply bottlenecks and/or the loss of suppliers, and general logistics risks. The supply chain difficulties that arose in the wake of the corona pandemic

and the Russian war of aggression against Ukraine, which also affected IBU-tec, visibly eased in the course of the financial year. We classify the probability of occurrence as low to medium with potentially severe effects. Through targeted measures, such as forward-looking procurement and controlled inventory build-up in the area of raw materials, auxiliary materials and operating materials, we try to limit the effects of this risk.

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4.2.3 Procurement Risks

Risks arise not only from the supply of raw materials, but also from supplier management, capital tied up through warehousing and from too high or too low inventories. Due to our well-structured purchasing and effective internal

logistics, we assess these procurement risks with a low to medium probability of occurrence and moderate impact.

4.3 Marketing Risks

4.3.1 Distribution of LFP Battery Material

IBU-tec AG expects significant revenues from the sale of its in-house manufactured LFP battery material from the 2023 financial year onwards. In this context, larger quantities were already pre-produced in the 2021 and 2022 financial years. As of 31 December 2022, a reserve of €4,326 thousand is in stock. If, contrary to the Company's expectations, the distribution of these volumes is not profitable, there would be a material risk to the Company's net assets and results of operations. In addition, this could delay the transfor-

mation of the business model towards an in-house manufacturer of products by 2025. The Executive Board is aware of this risk and has set up a task force to bundle sales activities and keep the Executive Board informed about current developments. Furthermore, the sales activities in this area were significantly increased, so that a letter-of-intent could already be concluded with a potential customer. Against this background, the Executive Board assesses the risk as low to medium.

4.3.2 Customer Risks

We attach great importance to long-term and trusting customer relationships. Especially in the area of development services and contract manufacturing, returning customers are an important basis for a successful business activity of IBU-tec. The loss of existing or major customers and the absence

of announced orders can have a significant impact on the Group's financial position. Due to the difficult market environment of recent months and the expected economic downturn in 2023, we see the probability of occurrence as medium to high.

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4.3.3 Market Risks

The market environment results in various risks for IBU-tec. These include the loss of market share and an intensification of competition as well as a lack of adaptation to the markets on the part of IBU-tec. We also took into account slumps in sales markets and sales losses as well as changes in energy prices. With our sales team, which quickly learns about changes in the market and

with customers and communicates them internally, as well as with our flexible contract design, which allows us to adapt quickly to market changes, we see ourselves well positioned here. From our point of view, the probability of occurrence is low to medium, the effects are moderate.

4.3.4 Innovation Risks

IBU-tec thrives on its innovations, both with regard to the development of its own systems and the manufacture and sale of products. As innovation risks, we have identified a lack of technological innovation due to the focus on existing customers and materials, a lack of technological solutions for the requirements of customers, the processing of false megatrends and the generation

of patents by customers with the associated loss of know-how at IBU-tec. In our view, the impact would be significant. However, through continuous exchange with other market participants and contractual arrangements, we see the probability of occurrence as low to medium.

4.4 Financial Risks

4.4.1 Liquidity Risk

We manage risks that could affect the Group's liquidity with the help of central, Group-wide liquidity risk management, which is bundled in the parent company and secured by personnel links with the subsidiary. We are of the

opinion that the measures taken will enable us to ensure an adequate supply of liquidity at all times. The effects of a risk occurrence would be considerable, the probability of occurrence is currently low to medium.

4.4.2 Default Risks

The customers of the IBU-tec Group are generally very financially strong. In order to limit the risks of payment defaults or arrears, we have established effective accounts receivable management in the central Finance/Purchasing

department. We therefore rate the probability of occurrence as low to medium, the effects as moderate.

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4.4.3 Calculation Risks

Inadequate demand planning and lack of controlling can lead to imputed risks that can have a negative impact on the Group's financial position. To this end, we have established Group-wide processes through which the Execu-

tive Board is informed at an early stage about possible undesirable developments and which allow it to intervene at all levels. We classify the probability of occurrence of calculation risks as low to medium, the effects as moderate.

4.4.4 Tax Risks

Tax risks can arise from unexpected claims from the tax office. The probability of this happening is low in our view, the impact would be moderate.

4.4.5 Foreign Currency Risks

The IBU-tec Group delivers products to customers worldwide and is therefore also exposed to foreign currency risks. However, we are able to conduct a large part of our business in euros. The effects of currency fluctuations would

therefore be moderate, even if a medium to high probability of occurrence can be assumed.

4.4.6 Financing Risks

The planned growth of the IBU-tec Group is based on extensive investment activities in new equipment and production processes. Even if the Executive Board pursues prudent capital planning, the financing of the investments may

give rise to risks that would have a significant impact on the Group's financial position. We currently classify the probability of occurrence as medium to high.

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4.5 Strategic Risks

4.5.1 Risks from the Vision & Mission

The Vision & Mission forms the guideline for IBU-tec's entrepreneurial activities. If it is outdated or does not correspond to market and investor expectations, it may result in risks for the economic orientation and development of

the Group. We currently consider both the probability of occurrence and the effects to be low.

4.5.2 Risks Arising from the Strategy.

Faulty strategic planning can have a significant impact on the economic and financial situation of the IBU-tec Group. These include individual risks related to ineffective strategy development, change management, dependence on third-party providers or a lack of integration of sustainability into the Group

strategy. In order to counter these risks, we conduct regular strategy reviews in which the entire management of the Group is involved. We therefore consider the probability of occurrence of these risks to be low to medium.

4.5.3 Governance Risks

Governance is also decisive for the strategic development of the Group. Risks for the management and control of the IBU-tec Group may arise, among other things, from the departure of management personnel, from the absence of members of the Board of Management or from the lack of adherence to

compliance guidelines. We consider ourselves to be very well positioned here through internal measures and classify both the probability of occurrence and the effects as low.

4.5.4 Structural Risks

Risks can arise from the corporate structure if, for example, the internal organization prevents efficient management of the Group or no performance culture is established. In consultation with management, the Executive Board continuously reviews whether the organization meets the economic and finan-

cial objectives of the IBU-tec Group and makes adjustments if necessary. In our opinion, the probability of occurrence is low to medium, the effects would be moderate.

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4.6 Operational Risks

4.6.1 Personnel Risks

We have established comprehensive measures within the Group to limit risks associated with personnel. Such risks can arise, for example, from low qualifications, lack or insufficient acquisition of skilled workers, lengthy induction processes or staff shortages, which can lead to a production standstill. IBU-tec prevents this, among other things, with the help of structured induction programs, continuous qualification of employees, cooperation with universi-

ties, flexible working hours and extensive social benefits. Nevertheless, personnel recruitment and retention remains challenging. In particular, due to the general shortage of skilled workers, we classify the probability of occurrence as medium to high. The impact on IBU-tec as a company would be considerable.

4.6.2 Sales Risks

We have identified an inefficient sales structure, the loss of customers and the cluster risk as sales risks. IBU-tec traditionally makes a significant share of company revenue with only a few major customers. However, sales is increasingly successful in diversifying the customer base and minimizing risk. In addition, the IBU2025 strategy in particular is intended to contribute

to broadening the business model of IBU-tec AG by entering the market with our own products and thus opening up new customer groups. We classify the potential effects of sales risks as considerable, and the probability of occurrence as medium to high.

4.6.3 Project and Product Risks

Certain operational risks are associated with the execution of projects and the manufacture of our products. These include, among other things, product liability risks, defective products and defective product quality as well as claims of third parties derived from them as well as general project risks, a lack of project acquisition or a failure to provide services. In particular, it is inherent in the service-oriented business model of IBU-tec AG that customer-specific development and production orders are often awarded on a project-by-project basis and are planned for the following financial year on the

basis of non-contractually fixed customer forecasts. This can have a negative impact, especially with increasing competition, increasing complexity and higher price sensitivity of customers. As these risks have a direct impact on the Group's earnings, we consider the potential impact if these risks materialize to be severe. With the help of an active contract, forward-looking project management and comprehensive quality assurance, we try to contain these risks. Due to the uncertain economic situation, we currently assess the probability of occurrence as medium to high.

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4.6.4 Vulnerabilities

Safety risks include risks that can have an impact on the occupational safety and health of employees of the IBU-tec Group, such as accidents or non-compliance with health and safety standards that can lead to damage to health due to the handling of hazardous substances. We also include potentially

inadequate preparation for crises. Thanks to our comprehensive and certified occupational safety system, we see ourselves well positioned for this. The effects would be considerable, the probability of occurrence we consider as low to medium.

4.6.5 Technical Risks

Risks arising from the operation of our technical systems or having an impact on their operation include, for example, production downtimes due to technical faults, downtimes due to excessive maintenance times or ineffective maintenance, a lack of technical innovations and insufficient standardization of internal processes. We minimize these risks through our internal workshop

team, which is closely involved in the operational processes, and an independent design department, which is responsible for the maintenance and new construction of our plants. Based on these measures, we estimate the probability of occurrence as low to medium. The impact would be significant.

4.6.6 IT Risks

As a manufacturing company, we also operate IT systems. Risks associated with this include cyber-attacks, production downtimes or data loss as a result of IT interruptions, as well as a lack of digitization. We work together with an

experienced service provider who supports us in setting up our IT infrastructure and secures our systems. We consider the probability that a risk event will occur to be low to medium, the effects would be moderate.

4.6.7 Regulatory Risks

For the operation of our sites and equipment, we require permits, which must be issued by authorities. Risks arise when permits are not granted or withdrawn too late. The impact would be significant. In order to avoid this, we are

always in close contact with the authorities at our locations and therefore classify the probability of occurrence as low to medium.

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4.7 External Risks

4.7.1 Environmental Risks

In the chemical industry, there is always the risk of environmental pollution from the processing of environmentally harmful substances. Our integrated quality and environmental management system according to ISO 9001/14001 serves to minimize environmental damage caused by our operational activi-

ties. Conversely, natural disasters and climate change can have an impact on our business activities. Due to the location of our facilities, we see only minor risks for the IBU-tec Group. Overall, we rate the probability of environmental risks as low to medium and the effects as moderate.

4.7.2 Risks Associated with Pandemics

The corona pandemic has highlighted the vulnerability of the economy to such risks. Consequences that affected us in the IBU-tec Group included production or order losses. Due to the corona pandemic, we have adapted our processes and implemented measures. Through regular on-site tests, extensive separation of work areas, home office opportunities for administrative

employees and vaccination offers, we have set up processes that we can fall back on in the future. The impact of further pandemics would certainly be considerable, but in our opinion the probability of occurrence is currently low to medium.

4.7.3 Political Risks

Changes in the political framework conditions in Germany and abroad and a deterioration in the geopolitical environment can have an impact on the IBU-tec Group's business activities to the extent that, for example, sales markets are lost or the procurement of raw materials is made more difficult or more expensive. This has been clearly demonstrated in recent months in connection with the war against Ukraine. However, due to the overall low share of

sales with customers from the two conflicting countries, the IBU-tec Group was hardly affected in terms of sales. We have succeeded in finding alternative sources of supply for individual raw materials. In general, we classify the potential effects of political risks as significant, but we currently rate the probability of occurrence as low to medium.

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4.7.4 Legal Risks

When working with chemicals and hazardous substances, there is always the legal risk of stricter regulations, which lead to a ban on potentially operationally important substances. There are also risks associated with export control regulations and patents. We continuously monitor these topics both on the product and development side as well as with legal advice. Our research

department is also constantly working on the further development of our products in order to eliminate potential hazardous substances from the manufacturing process. We therefore classify the effects as moderate, the probability of occurrence as low to medium.

4.7.5 Communication Risks

With regard to risks due to poor communication with the company's stakeholders, we see ourselves well positioned with our professional communications department in conjunction with external consulting. We rate the effects as moderate, the probability of occurrence as low to medium.

4.7.6 Economic Risks

The economic situation gives rise to various risks, ranging from inflation and the associated interest rate hikes to a recession and a banking crisis. We counter these risks with a forward-looking financing policy based on the prin-

ciple of cautious business practices. Depending on the risk case, the impact could be significant. We currently classify the probability of occurrence as medium to high.

4.8 Opportunities Report

The traditional core business of IBU-tec AG is development and production services for customers from the chemical industry and related areas. Over the years, we have established a successful business model here, with which we will continue to have good opportunities on the market in the future. We offer our customers many years of experience in thermal process engineering as well as the high flexibility and agility required for service providers in order processing, which makes us recognized as a reliable partner of our customers. This results in potential for us to generate regularly recurring orders with existing customers as well as to win new customers.

As a development service provider in the field of recycling concrete and cement for the building materials industry, we also already have firmly established customer relationships. We see the increased demand for corresponding services due to rising raw material prices and growing demands on the sustainability of our customers as a very good opportunity to further expand our market position. In addition, we want to exploit further potential in other recycling areas, including the processing of raw materials from used batteries.

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We have identified the production and marketing of our own battery materials as a key growth area for the coming years. With the high demand for batteries both for electromobility and for other applications such as stationary battery storage and industrial or medical applications, the demand for cathode materials is growing. The market for LFP material is expected to grow to \$9.9 billion worldwide from 2020 to 2030, almost doubling.¹³ IBU-tec AG has the expertise and systems to supply appropriate products for the various applications. As currently the only European manufacturer of LFP material, we see very good opportunities to position IBU-tec as a leading European provider here. Our sales focus is currently on opening up this market for us, initiating cooperations and winning large-volume orders in the future.

With our know-how in the construction and operation of rotary kilns, we also see good opportunities for us in the field of engineering. We support our customers in planning rotary kilns and adapting them to their individual requirements.

Overall, the chances for IBU-tec AG can be rated as very good. We benefit in particular from the current trend towards ecological sustainability and the associated impulses for electromobility and recycling. Our many years of experience and positioning as a Greentech company make us a sought-after partner and strengthen our general position in the market.

We continue to see very good opportunities for future growth at BNT GmbH for the glass coating product MBTC. We already have an established customer base and stable demand that regularly exceeds our production capacity. With the withdrawal of the last European competitor from MBTC production at the end of 2021, we are the only remaining European manufacturer facing

demand that exceeds our production capacities. Accordingly, we continued to press ahead with the construction of our new MBTC production plant. In addition to increasing our existing production capacities, this also involves a significant increase in material yield. The future production plant represents a self-sufficient MBTC manufacturing process. In the future, there will no longer be any intermediate products that have to be used as raw materials in other tin containing BNT products. This new process has been patented by us and we will clearly differentiate ourselves from the competition in the future through this innovation leap and significantly reduce capital commitment.

The opportunities for our pharmaceutical precursor TBTCI, which is required as a catalyst in the manufacturing process for a certain antihypertensive agent, have already improved in the past fiscal year. After the withdrawal of a European customer, we succeeded in winning alternative customers from the Asian region. Further orders are already emerging, with which we can further exploit the potential of this product.

We also see good opportunities on the market for the DBTC product. After several sales successes, we expect the demand situation from the chemical industry to continue to improve in the future. We have therefore already pre-produced a larger quantity in order to manufacture further refined products.

After all, the close cooperation between BNT GmbH and IBU-tec AG results in good opportunities for our service business both in contract production and in the field of raw material recycling. We can build up a consistent value chain here in order to offer customers comprehensive services in the sense of a "one-stop shop".

¹³ <https://www.prnewswire.com/news-releases/lithium-iron-phosphate-batteries-market-to-reach-usd-9-9-billion-by-2030-at-a-cagr-of-5-9---valuates-reports-301377315.html> (25 January 2022)

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5.1 Future Economic and Industry Development

The economic outlook for 2023 is predominantly negative. The German Council of Economic Experts expects price-adjusted gross domestic product to decline by 0.2%. Inflation will therefore remain very high at 7.4%. The German Council of Economic Experts cites price increases for electricity and natural gas as the main reason for this development, which are likely to have a significant impact on the German economy.¹⁴ The Federal Ministry for Economic

Affairs and Climate Protection (BMWK), on the other hand, is somewhat more optimistic in its Annual Economic Report 2023. Accordingly, price-adjusted gross domestic product will grow by 0.2% and inflation will amount to 6.0%. Nevertheless, there are still high uncertainties for the German economy due to the consequences of the Russian war of aggression against Ukraine.¹⁵

5.1.1 Chemical Industry

The German Association of the Chemical-Pharmaceutical Industry (VCI) expects a further sharp decline in production in the chemical industry in 2023. In addition to high energy costs, it blames this on a general lack of orders and continued disruption of supply chains. Sales are also likely to develop neg-

atively under these circumstances. However, due to the extremely volatile situation, the association did not provide a quantitative forecast of the development of the industry in 2023 beyond this assessment.¹⁶

¹⁴ <https://www.sachverstaendigenrat-wirtschaft.de/jahresgutachten-2022.html> [13 January 2023]

¹⁵ Bundesministerium für Wirtschaft und Klimaschutz: Jahreswirtschaftsbericht 2023, S. 18, para. 36f.

¹⁶ <https://www.vci.de/presse/pressemitteilungen/dunkles-jahr-mit-trueben-aussichten-bilanz-der-chemisch-pharmazeutischen-industrie-2022.jsp> [13 January 2023]

¹⁷ <https://www.kfzgewerbe.de/zdk-erwartet-schub-bei-neuzulassungen-im-dezember> [13.01.2023]; <https://www.dw.com/de/automarkt-2023-durchwachsende-aussichten/a-64042812> [13 January 2023]

¹⁸ <https://auto-institut.de/automotiveinnovations/emobility/electromobility-report-globale-absatzrends-der-elektromobilitaet-bev/> [13 January 2023]

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5.1.2 Automotive Industry

Expectations for the automotive industry are also subdued. With forecasts of 2.6 to 2.7 million new registrations in 2023, the Central Association of the German Motor Trade (ZDK) and the Center Automotive Research (CAR) expect the market to largely stagnate. Globally, on the other hand, the automotive market will grow by around 2.4% to 72.9 million passenger cars sold.¹⁷ According to figures from the Center of Automotive Management (CAM) at

the University of Applied Sciences (FHDW) in Bergisch Gladbach, the market for battery-powered electric vehicles will grow disproportionately worldwide with an expected growth of around 43%.¹⁸ For Germany, however, the CAR researchers expect significant slumps in sales of electrically powered vehicles due to rising electricity prices and the significant reduction in state subsidies.¹⁹

5.2 Future Development of the IBU-tec Group

We see the business with our own battery material as a key growth area for 2023, for which we have been the only manufacturer in Europe since our market launch in October 2021. With more than 50 samples of our own battery material now shipped to various battery and cell manufacturers in Germany and abroad and the associated approval processes, we expect to receive the first major orders and establish long-term supply relationships in fiscal year 2023. We expect to reduce our precautionary inventories and produce new batches to meet demand, which will have a significant impact on overall battery output, which we expect to nearly double to over €14 million.

Despite the predominantly negative macroeconomic forecasts, we are entering the 2023 financial year with confidence. With our proven business model and the growth topic of battery materials, we continue to see ourselves well positioned in the important future-oriented areas of greentech, electromobility, energy storage and life science and are therefore optimistic that we will further expand our market shares, especially in the battery materials sector, in the coming years. In addition, we will continue to push ahead with the traditional business of IBU-tec AG as a contract manufacturer.

At BNT GmbH, we expect continued positive sales and operating earnings development for the 2023 financial year. After pressing ahead with investments in our new production plant for MBTC glass coating last year, we now expect the plant to be commissioned in the first half of the year. This will significantly improve the yield of our raw material input, which will directly reduce our capital commitment and have a significantly positive effect on the company's liquidity. The main growth driver in the 2023 financial year will therefore continue to be MBTC glass coating. With the commissioning of our new plant, we are already planning to double our total production capacity in the current year compared to the previous year, whereby we expect to be able to sell a significant amount of the additional capacity in the current year. We also assume that the market opportunities for our pharmaceutical precursor will continue to improve in 2023 and that we will be able to supply additional customers in Asia. In addition, we plan to further expand our business with DBTC for the chemical industry. Among other things, we are introducing new formulations to the market for use with catalysts for adhesives and sealants. In the 2022 reporting year, BNT GmbH and IBU-tec AG were also able to process further cross-group service contracts. For the coming financial year,

¹⁹ <https://www.dw.com/de/automarkt-2023-durchwachsene-aussichten/a-64042812> [13 January 2023]

there are already concrete additional inquiries from customers, which will enable us to further expand the contract production business at BNT GmbH.

In line with these expectations, we expect a further significant increase in sales to €62 to 64 million in 2023, supported above all by strong growth in the battery sector. For the further development of battery material, we are researching new, innovative materials and possible applications and are

also expanding our sales for this purpose. Taking into account the necessary expenses of around €1 million, we expect EBITDA of between €6.5 and 6.8 million for the IBU-tec Group in 2023. The EBITDA margin for 2023 will accordingly be between 10.4% and 10.6%. The result is also influenced by the general cost increases due to inflation. We are sticking to the medium-term forecast of the IBU2025 strategy and expect sales of €102 million to over €130 million in 2025, with an EBITDA margin of more than 20%.

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Weimar, 13 March 2023



Ulrich Weitz

(Chairman of the Executive Board)



Jörg Leinenbach

(Executive Board Member)



Dr. Arndt Schlosser

(Executive Board Member)

CONSOLIDATED FINANCIAL STATEMENTS

— OF IBU-TEC ADVANCED MATERIALS AG
FOR THE FINANCIAL YEAR 2022

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Consolidated Balance Sheet as of 31 December 2022

	31 Dec 2022	31 Dec 2021
	€	€
ASSETS		
A. FIXED ASSETS		
I. Intangible assets		
1. Self-created industrial property rights and similar rights and values	136,282.25	110,579.25
2. Acquired concessions, industrial property rights and similar rights and assets and license to such rights and assets	397,031.75	287,735.00
3. Goodwill	2,833,004.95	3,347,923.31
4. Advance payments	332,330.00	32,330.00
	3,698,648.95	3,778,567.56
II. Tangible assets		
1. Land, leasehold rights to immovable property and buildings including buildings on third-party land	11,518,825.53	12,070,924.03
2. Technical equipment and machinery	16,150,278.00	16,096,617.50
3. Other equipment, factory and office equipment	2,079,375.67	2,177,264.17
4. Payments on account and assets under construction	9,126,449.85	3,210,183.33
	38,874,929.05	33,554,989.03
	42,573,578.00	37,333,556.59
B. CURRENT ASSETS		
I. Inventories		
1. Raw materials, auxiliary materials and operating materials	12,674,559.30	10,074,776.92
2. Works in progress, uncompleted services	748,524.73	400,447.36
3. Finished goods	7,423,565.08	3,472,145.91
	20,846,649.11	13,947,370.19
II. Receivables and other assets		
1. Accounts receivable trade	8,093,409.23	6,977,732.72
2. Other assets	1,513,893.53	730,524.13
	9,607,302.76	7,708,256.85
III. Securities		
Other securities	0.00	10,504,957.50
IV. Cash and bank balances	3,126,771.66	7,422,341.41
	33,580,723.53	39,582,925.95
C. DEFERRED EXPENSES	202,388.61	211,242.83
	76,356,690.14	77,127,725.37

	31 Dec 2022	31 Dec 2021
	€	€
LIABILITIES		
A. EQUITY CAPITAL		
I. Subscribed capital	4,750,000.00	4,750,000.00
II. Capital reserve	40,250,000.00	40,250,000.00
III. Retained earnings		
1. Statutory reserve	300,000.00	300,000.00
2. Other retained earnings	177,180.80	177,180.80
IV. Retained profit	13,909,844.91	12,624,969.23
	59,387,025.71	58,102,150.03
B. SPECIAL ITEM FOR INVESTMENT GRANTS TO FIXED ASSETS	2,339,693.32	1,743,915.52
C. ACCRUALS		
1. Tax provisions	349,231.34	484,532.10
2. Other provisions	2,301,395.15	1,289,266.83
	2,650,626.49	1,773,798.93
D. LIABILITIES		
1. Liabilities to credit institutions	6,367,807.25	8,130,426.82
2. Payments received	89,816.81	62,400.00
3. Liabilities from goods and services	3,017,499.71	4,474,006.50
4. Other liabilities	1,699,719.69	2,018,241.11
- thereof from taxes: EUR 140,183,76 (previous year: EUR 129,281,66)		
- of which within the framework of social security: EUR 334,88 (previous year: EUR 374,88)		
	11,174,843.46	14,685,074.43
E. DEFERRED EXPENSES	1,154.30	1,154.30
F. DEFERRED TAX LIABILITIES	803,346.86	821,632.16
	76,356,690.14	77,127,725.37

Consolidated Income Statement for the Financial Year from 1 January 2022 to 31 December 2022

in €	2022	2021
1. Revenues	53,944,469.91	44,088,979.16
2. Increase in stock of finished and unfinished goods	4,299,496.54	1,145,002.93
3. Other own work capitalized	357,215.60	435,244.65
4. Other operating income - of which is from currency conversion: EUR 382.979,97 (previous year: EUR 116.174,97)	1,710,884.03	3,114,787.79
	60,312,066.08	48,784,014.53
5. Cost of materials		
a) Expenses for raw, auxiliary, and supplies and for purchased goods	-29,665,824.29	-22,250,429.06
b) Expenses for purchased services	-2,189,241.34	-1,051,365.11
	-31,855,065.63	-23,301,794.17
6. Personnel expenses		
a) Wages and salaries	-11,333,769.07	-10,103,280.19
b) Social charges and expenses for pension and for support - of that for pensions: EUR 124.950,15 (previous year: EUR 126.805,24)	-2,038,515.36	-1,886,922.97
	-13,372,284.43	-11,990,203.16
7. Amortization of intangibles Fixed assets and tangible assets	-4,750,031.06	-4,593,178.25
8. Other operating expenses - of which is from currency conversion: EUR 367.896,01 (previous year: EUR 128.856,45)	-8,399,392.42	-7,960,372.56
9. Other interest and similar income - of which from discounting provisions: EUR 1.430,17 (previous year: EUR 0,00)	2,326.05	26,641.96
10. Depreciation of financial assets and securities of current assets	0.00	-7,525.00
11. Interest and similar expenses - thereof from compounding of provisions: EUR 65,44 (previous year: EUR 390,77)	-281,132.83	-475,740.65
	-278,806.78	-456,623.69
12. Taxes on income and earnings - of which income (prior year: expense) from the change in recognized deferred taxes EUR 18.285,30 (previous year: EUR 605.101,08)	-343,525.80	-687,819.70
13. Result after taxes	1,312,959.96	-205,977.00
14. Other taxes	-28,084.28	-28,654.61
15. Consolidated net income (prior year: consolidated net loss)	1,284,875.68	-234,631.61
16. Profit carried forward from the previous year	12,624,969.23	12,859,600.84
17. Retained earnings	13,909,844.91	12,624,969.23

Consolidated Cash Flow Statement for the Financial Year from 1 January 2022 to 31 December 2022

in € thousand	2022	2021
1. Cash flow from operating activities		
Net income	1,285	-235
Depreciation of fixed assets	4,750	4,593
Depreciation of securities of current assets	0	8
Increase in provisions	967	79
Income from the release of the special item	-261	-295
Extraordinary expenses in connection with the cash capital increase	0	1,998
Disbursements in connection with the cash capital increase	0	-1,998
Extraordinary income from the write-up of the TBTC intermediate	-1,666	0
Extraordinary income from insurance benefits	0	-2,000
Deposit from insurance benefits	0	2,000
Losses from asset disposals	0	4
Increase in trade accounts receivable and other assets	-7,345	-8,724
Increase (+) / decrease (-) in trade payables and other liabilities	-1,348	2,223
Interest expense (-) / Interest income (+)	279	449
Income tax expense / income	344	687
Income taxes paid (-) / refunded (+)	-275	82
Cash flow from operating activities	-3,270	-1,129
2. Cash flow from investing activities		
Proceeds from disposals of property, plant and equipment	38	17
Disbursements for investments in intangible assets	-438	-233
Disbursements for investments in tangible assets	-9,590	-4,312
Disbursements (-) / Deposits (+) due to financial investments within the scope of short-term financial planning	10,505	-10,513
Interest received	1	26
Cash flow from investing activities	516	-15,015
3. Cash flow from financing activities		
Proceeds for equity injections	0	25,500
Proceeds from investment grants	857	48
Proceeds from taking out financial loans	0	2,000
Disbursements from the repayment of financial loans	-2,176	-6,006
Interest paid	-222	-475
Cash flow from financing activities	-1,541	21,067
4. Cash funds at the end of the period		
Change in cash and cash equivalents (subtotals 1 – 3)	-4,295	4,923
Cash funds at the beginning of the period	7,422	2,499
Cash funds at the end of the period	3,127	7,422
5. Composition of cash funds		
Cash and cash equivalents	3,127	7,422
Cash funds at the end of the period	3,127	7,422

Consolidated Statement of Changes in Equity for the Financial Year from 1 January 2022 to 31 December 2022

in € thousand	Subscribed Capital	Capital Reserve	Legal Reserve	Other Retained Earnings	Retained Earnings	Equity Capital
As of 1 January 2021	4,000	15,500	300	177	12,860	32,837
Capital increase	750					750
Transfer to the capital reserve		24,750				24,750
Annual shortfall					-235	-235
As of 31 December 2021	4,750	40,250	300	177	12,625	58,102
As of 1 January 2022	4,750	40,250	300	177	12,625	58,102
Annual net profit					1,285	1,285
As of 31 December 2022	4,750	40,250	300	177	13,910	59,387

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OF IBU-TEC ADVANCED MATERIALS AG

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I. General Information

The consolidated financial statements of the IBU-tec Group for the period 1 January 2022 to 31 December 2022 were prepared in accordance with the provisions of the German Commercial Code (HGB).

For the consolidated financial statements, the statutory outline scheme of Section 290 HGB was followed.

There were no special circumstances that would prevent the financial statements from giving a true and fair view of the net assets, financial position and results of operations (Section 264 (2) sentence 2 HGB).

II. Scope of Consolidation

The consolidated financial statements include the wholly owned subsidiary, BNT Chemicals GmbH, Bitterfeld-Wolfen, ("BNT GmbH" or "Subsidiary"), over which IBU-tec AG exercises a direct or indirect controlling influence.

Use was made of permissible facilitations in accordance with the German Commercial Code (HGB).

IBU-tec advanced materials AG ("Parent Company") has its registered office in Weimar and is registered in the commercial register at the Jena District Court under the number HRB 503021.

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III. Consolidation Principles

When BNT GmbH was included for the first time on 30 June 2018, the assets, liabilities and deferred income included in the consolidated financial statements were revalued or recognized as part of the purchase price allocation. The hidden reserves on the properties led to a higher valuation compared to the annual financial statements of the subsidiary. On the basis of these hidden reserves, statutory taxes were determined and recognized in the consolidated balance sheet.

In addition, goodwill was recognized as an asset in the consolidated balance sheet. Existing tax loss carryforwards at BNT GmbH led to the recognition of external taxes, the formation of which took place as part of the first-time consolidation on 30 June 2018. In the following years, there was a gradual reversal as part of the subsequent consolidations on the

balance sheet date, which were included in the income statement through profit or loss.

Receivables and liabilities between the Group companies were offset.

In the consolidated income statement, the income and expenses from the intra-group recalculations as well as the internal interest income or interest expenses from the shareholder loan granted by IBU-tec AG to BNT GmbH were eliminated in the course of consolidation.

Goodwill from the first-time consolidation is amortized on a straight-line basis over a period of 10 years.

IV. Accounting and Valuation Principles

Fixed assets

The following depreciation methods have been applied for the depreciation of fixed assets:

Asset Item	Depreciation Method	Service Life
Purchased and self-created intangible assets	linear	up to 11 years
Commercial buildings	linear	up to 40 years
Technical equipment and machines	linear	up to 30 years
Other equipment, operating and office equipment	linear	up to 33 years

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Acquired intangible assets and property, plant and equipment were measured at cost and, if subject to wear and tear, less depreciation and amortization. In principle, the straight-line depreciation method was used. Depreciation was carried out pro rata temporis.

Movable fixed assets that are subject to wear and tear are fully depreciated in the year of receipt, provided that their respective acquisition costs do not exceed €0.8 thousand.

The capitalization option pursuant to Section 248 (2) sentence 1 HGB was exercised by IBU-tec AG in fiscal year 2022. Development costs of €26 thousand (previous year: €22 thousand) for the development of a new production process, which also correspond to the total amount of research and development costs recognized and not incurred on behalf of customers, were capitalized under internally generated intangible assets from

Current assets

Within inventories, raw materials and supplies were valued at the lower of cost using the moving average price method or replacement cost at the balance sheet date.

Work in progress and finished goods are valued at manufacturing cost using the standard price method (previous year: valuation at moving average price). In addition to the mandatory components under commercial law, appropriate proportions of the costs of general administration were included in the calculation of production cost. All identifiable storage and inventory risks were taken into account by means of sufficiently measured value adjustments.

the date on which the Group assumes with overwhelming probability that an asset will be created. The capitalized development costs correspond to the production costs in accordance with the lower value limit under commercial law. They are capitalized from the date on which IBU-tec AG assumes that the project has been successfully completed and thus that an asset has been created. Disposals in the amount of €0 thousand were posted in the fiscal year (previous year: €5 thousand). Taking into account the deferred tax liabilities attributable to the capitalized amount, this results in a distribution-restricted amount of €95 thousand (previous year: €76 thousand) in accordance with Section 268 (8) HGB.

In the event of an expected permanent impairment, impairment losses on intangible assets and property, plant and equipment are incurred.

Receivables and other assets were generally measured at par value. Sufficient account was taken of the default risk by means of a lump-sum value adjustment on receivables.

The securities were valued at cost or the lower market price on the balance sheet date.

Cash and cash equivalents are measured at par value.

The deferred income items include advance payments made, which represent expenses for a certain period after the balance sheet date.

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Deferred taxes were determined due to temporary or quasi-permanent differences between the valuations of assets, liabilities and deferred income, and their tax valuations. These are measured at the company-specific tax rates (29.83% and 30.875% respectively) at the time the differences are reduced. With the exception of the amounts recognized in the context of first-time consolidation, deferred taxes are not capitalized due to the tax loss carryforwards existing at the level of the separate financial statements, as in the previous year. The amounts of the resulting tax relief and relief are not discounted. Deferred tax assets and liabilities are netted in accordance with Sections 306 and 274 of the German Commercial Code (HGB).

The subscribed capital is measured at par.

Liabilities have been created for public investment grants, which are to be released in accordance with the depreciation and amortization in accordance with the useful lives of the subsidized fixed assets.

Tax provisions and other provisions take into account all identifiable risks and uncertain obligations. The valuation is carried out in each case in

V. Deviations from Accounting Policies

The accounting policies described in Section IV have been applied unchanged with the following exception.

Changes in accounting

Since fiscal year 2022, costs for external processing of tin tetrachloride (€690 thousand) have no longer been reported as expenses for raw materials, auxiliary materials and operating materials due to the external pro-

the amount of the performance amount that is necessary according to a reasonable commercial assessment to cover future payment obligations. Future price and cost increases are taken into account, provided that sufficient objective evidence is available for their occurrence. Provisions with a residual maturity of more than one year are discounted at the average market interest rate of the Deutsche Bundesbank over the past seven financial year's corresponding to their remaining term.

The liabilities are recognized with their settlement amount.

Deferred income includes advance payments received that represent income for a certain period after the balance sheet date.

Assets and liabilities denominated in foreign currencies were generally translated at the foreign exchange mid-market rate at the balance sheet date. With a remaining term of more than one year, the implementation principle (Section 252 para. 1 no. 4 half sentence 2 HGB) and the acquisition cost principle (Section 253 para. 1 sentence 1 HGB) were observed.

curement of the service, but under expenses for purchased services. The previous year's amounts (€514 thousand) were not adjusted.

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VI. Information and Explanatory Notes on Individual Items of the Balance Sheet

Fixed assets

The development of fixed assets is shown in the investment index.

When BNT GmbH was included for the first time on 30 June 2018, the assets, liabilities and deferred income included in the consolidated financial statements were revalued or recognized as part of the pur-

chase price allocation. The hidden reserves on the properties led to a higher valuation compared to the annual financial statements of the subsidiary. In addition, goodwill was recognized as an asset in the consolidated balance sheet. Goodwill is amortized on a straight-line basis over a period of ten years.

Supplies

in € thousand	31 Dec 2022	31 Dec 2021
Raw materials, auxiliary materials and operating materials	12,675	10,075
Work in progress, unfinished services	749	400
Finished products	7,424	3,72
Total	20,847	13,947

Receivables and other assets

The total amount of receivables and other assets in the amount of €9,607 thousand (previous year: €7,708 thousand) consists of trade receivables in the amount of €8,093 thousand (previous year: €6,978 thousand) and other assets in the amount of €1,514 thousand (previous year: €731 thousand).

As in the previous year, all receivables and other assets have a remaining term of less than one year.

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Securities

As of 31 December 2022, there were no more securities in the Group's portfolio.

In € thousand	31 Dec 2022	31 Dec 2021
Other securities	0	10,505
Total	0	10,505

Cash on hand and balances with credit institutions

Balances with banks decreased from €7,422 thousand in the previous year to €3,127 thousand in the year under review.

Further information is to be found in the cash flow statement in Appendix 1.3.

Accrual

Accruals and deferred income mainly includes prepaid business insurance –premiums and other cost accruals. At IBU-tec AG, the accrual of a non-performance-related front-up fee of €15 thousand (previous year: €20 thousand) is also included.

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Equity

Group equity developed in 2021 as follows:

in € thousand	31 Dec 2021	Capital Reserves	Capital Increase	Dividend	Consolidated Annual Result	31 Dec 2022
Subscribed capital	4,750	-	-	-	-	4,750
Capital reserves	40,250	-	-	-	-	40,250
Legal reserve	300	-	-	-	-	300
Other profit backlogs	177	-	-	-	-	177
Retained earnings	12,625	-	-	-	1,285	13,910
Total	58,102	-	-	-	1,285	59,387

Special items

Special items have been created for all investment grants for fixed assets, which are released according to the term of the subsidized fixed assets.

in € thousand	31 Dec 2022	31 Dec 2021
Special item for investment grants	2,340	1,744

Provisions

Tax provisions (€349 thousand; previous year: €485 thousand) were recognized for corporation tax and solidarity surcharges still to be paid (€130 thousand) as well as trade taxes (€219 thousand) and relate to the assessment period 2022 with €139 thousand and previous years with €210 thousand.

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Other provisions are as follows:

in € thousand	31 Dec 2022	31 Dec 2021
Samples & Archiving	88	90
Outstanding supplier invoices	864	216
Personnel	1,000	527
Other	349	456
Total	2,301	1,289

Miscellaneous other provisions include costs for the audit of the annual financial statements and for obligations arising from guarantees.

Liabilities

The liabilities are composed as follows:

in € thousand	Total	Up to 1 year	1 to 5 years	More Than 5 Years
Liabilities to banks	6,368	1,768	4,500	100
<i>Previous year</i>	8,130	1,765	6,065	300
Advance payments received on orders	90	90	0	0
<i>Previous year</i>	62	62	0	0
Trade accounts payable	3,017	3,017	0	0
<i>Previous year</i>	4,474	4,474	0	0
Other liabilities	1,700	796	904	0
<i>Previous year</i>	2,018	711	1,307	0
Total	11,175	5,671	5,404	100
<i>Previous year</i>	14,684	8,319	6,065	300

Liabilities to Commerzbank in the amount of €1,100 thousand are secured by a land charge of €2,000 thousand on the commercial premises in Bitterfeld-Wolfen.

Liabilities to Sparkasse are secured in the amount of €3,152 thousand with land charges of €2,033 thousand on the commercial premises and with a security transfer of the photovoltaic system.

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As collateral provided under the loan agreement with Sparkasse, there is also an assignment of claims against the savings bank in the amount of €384 thousand from the feed-in tariff of the photovoltaic system, as well as assignments of rights and claims in the same amount from the plant construction contract and from the maintenance and repair contract of the photovoltaic system. In addition, a global assignment of receivables

from deliveries of goods and services against all customers or debtors was agreed with the Sparkasse.

There are two contracts with Deutsche Leasing GmbH for the transfer by way of security of assets over €1,060 thousand.

Deferred tax liabilities

When BNT GmbH was included for the first time on 30 June 2018, the assets, liabilities and deferred income included in the consolidated financial statements were revalued or recognized as part of the purchase price allocation. The calculated hidden reserves on the properties in the amount of €612 thousand led to a higher valuation compared to the annual financial statements of the subsidiary. On the basis of these hidden reserves and on the basis of a tax rate (corporation tax and trade tax) of 29.8%, deferred tax liabilities amounting to €183 thousand were calculated and recognized in the consolidated balance sheet. As the land is not subject to scheduled depreciation, this deferred tax liability is also recognized in the same amount in subsequent consolidations.

Due to the reserve formed at BNT GmbH in 2020 for replacement procurement in accordance with EStR 6.6. in the tax balance sheet, there were deviations between the commercial and tax balance sheets. This resulted in deferred tax liabilities of €620 thousand (previous year: €605 thousand), which are recognized by the controlling company, IBU-tec AG, on the basis of the profit and loss transfer agreement with BNT GmbH. Overall, deferred tax liabilities thus amounted to €803 thousand (previous year: €822 thousand).

The composition of deferred tax items is shown in the table below.

in € thousand	31 Dec 2022	31 Dec 2021	Change
Hidden reserves of land	-183	-183	0
Reserve for replacement procurement according to EStR 6.6.	-620	-605	-15
Loss carryforwards	0	0	0
Internally generated intangible assets	0	-34	+34
Total overhang (+) assets / (-) deferred tax liabilities	-803	-822	+19

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VII. Notes to the Income Statement

The income statement was prepared in accordance with § 275 HGB (German Commercial Code) according to the total cost procedure.

In 2022, the following revenue shares were generated from the individual areas of activity of the Group:

in € thousand	2022	2021	Change
Production services	986	38,561	+128%
Process development	23,692	3,928	+24%
Materials development	10,401	558	-17%
Engineering	14,274	432	+51%
Other	4,591	610	+78%
Total	53,944	44,089	+22%

Sales revenues were generated in the following geographic markets:

in € thousand	2022	2021	Change
Germany	18,706	19,067	-2%
Rest of the EU	13,538	10,086	+34%
Rest of the world	21,701	14,936	+45%
Total	53,944	44,089	+22%

The capitalized own work includes own work performed by employees of IBU-tec AG and BNT GmbH in the context of various investment projects in the amount of €357 thousand (previous year: €435 thousand).

The cost of materials increased by €8,553 thousand to €31,855 thousand (previous year: €23,302 thousand) due to inflation-related price increases and the purchase of larger quantities of raw materials. This was partly offset by the extraordinary income of €1,666 thousand from the write-up of the "TBTC intermediate", which was offset against expenses for raw materials and consumables.

Personnel expenses increased by €1,382 thousand to €13,372 thousand (previous year: €11,990 thousand), which is mainly attributable to a higher number of employees and salary increases.

Other operating expenses increased by €439 thousand to €8,399 thousand (previous year: €7,960 thousand).

Interest and similar expenses include, among other things, interest expenses for non-current liabilities in the amount of €219 thousand (previous year: €281 thousand).

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VIII. Other Information

The average number of employees employed in the financial year can be found in the following diagram.

Headcount (excluding managing directors/board members, trainees, employees in development cooperation)	2022	2021
Employees	217.00	211.75
as at 31 Dec	218.00	214.00

Due to the existing internal reporting structures, the company does not break down employees by group.

In 2022, contributions of €61 thousand (previous year: €61 thousand) were made to management for existing and newly concluded indirect occupational pension obligations. For the promised benefits, appropriate reinsurance policies were taken out by the contracted insurance institutions.

As of the balance sheet date, there were other financial obligations of €5,402 thousand (previous year: €7,967 thousand) in open orders and obligations from rents, leases and leasing in the amount of €641 thousand (previous year: €608 thousand). Obligations arising from maintenance contracts amounted to €493 thousand (previous year: €45 thousand).

In 2022 and subsequent years, there were annual payment obligations from leases in the amount of €111 thousand (previous year: €75 thousand), thereof to affiliated companies in the amount of €27 thousand. The main lease in the amount of €53 thousand per year was concluded with a term until 30 June 2023 and will be extended by a further 12 months, if not terminated by 30 June 2023. The lease for €16 thousand per year was concluded for an indefinite period.

Furthermore, there are financial obligations on the basis of a leasing contract for a forklift in the amount of €1 thousand p.a. up to and including April 2023 and a leasing contract for five containers until 13 May 2030 in the amount of €47 thousand.

As of 31 December 2022, there are other financial obligations of €256 thousand from order commitments for major investments currently being implemented.

As of 31 December 2022, contingent liabilities existed in the amount of €35 thousand (previous year: €35 thousand) in the form of a contract performance guarantee to a customer, in the form of a down payment guarantee in the amount of €45 thousand to a customer (previous year: €0 thousand) and in the amount of €81 thousand (previous year: €81 thousand) in the form of a guarantee for waste shipments for BNT Chemicals GmbH vis-à-vis the State Administration Office of Saxony-Anhalt. In addition, there are two guarantees to secure investment credit agreements in the amount of €713 thousand (previous year: €713 thousand) and €1,250 thousand (previous year: €1,250 thousand).

There were no off-balance sheet transactions until the balance sheet date.

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Due to existing insurance cover, we see no risk of claiming the guarantees in the amount of €35 thousand and €45 thousand. For the guarantee in the amount of €81 thousand, there is no significant risk of utilization due to a significant reduction in the volumes to be transported. With regard to the guarantees granted to secure investment loans, we do not see any risk of drawdown due to the adequate financial situation of IBU-tec AG and the present repayment planning.

IX. Derivative Financial Instruments

In fiscal year 2022, there were no interest rate limitation agreements or hedging transactions.

X. Related Party Transactions

The wife of the Chairman of the Executive Board is employed as an assistant to the Executive Board. The annual remuneration from this service contract amounts to €30 thousand (previous year: €25 thousand).

The daughter of the CEO worked as an intern at IBU-tec AG until 31 December 2022. The remuneration from this contractual relationship amounted to €0.4 thousand for the financial year (previous year: €0.4 thousand).

Ulrich Weitz, Chairman of the Executive Board, granted IBU-tec AG a loan of €2,000 thousand in the financial year 2021. The agreed conditions correspond to customary market conditions. By 31 December 2022, repayments of €399 thousand had been made (previous year: €299 thousand), so that the loan was still valued at €1,302 thousand as of the balance sheet date (previous year: €1,701 thousand).

Between IBU-tec AG and a former employee there is a consulting contract with service provision from 2018, which, however, is currently suspended, as well as a patent/know-how purchase agreement, which has been challenged by IBU-tec AG due to a possible breach of contract by the other party. The litigation ended with a settlement in December 2022.

Consulting contracts have been concluded with the Supervisory Board members Dr. Thau and Ms. Cailleteau, which are currently on hold. The agreed conditions correspond to customary market conditions. In the financial year, as in the previous year, there were no liabilities from these activities and no fees were paid.

Both consulting contracts were submitted to the Supervisory Board and approved by ordinary resolutions.

The total remuneration of the Supervisory Board, including cost reimbursements, amounted to €98 thousand in the financial year (previous year: €79 thousand).

With reference to the safeguard clause pursuant to Section 314 (3) in conjunction with Section 286 (4) of the German Commercial Code (HGB), the disclosure of directors' remuneration of the Executive Board is waived.

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XI. Other Mandatory Information

IBU-tec AG, based in Weimar, is the sole shareholder of BNT Chemicals GmbH.

The annual financial statements of BNT GmbH are included in the consolidated annual financial statements of the IBU tec Group. IBU tec AG prepares the consolidated financial statements for both the largest group (Section 285 (14) HGB) and the smallest group of companies (Section 285

(14a) HGB). The consolidated financial statements are published in the Federal Gazette. IBU-tec AG itself is not included in any consolidated financial statements as a subsidiary.

The auditors' total fee of €87 thousand for the 2022 financial year (previous year: €83 thousand) is divided into fees for the following services:

in € thousand	31 Dec 2022	31 Dec 2021	Change
Final examination services	87	73	+19%
Other confirmation services	0	10	-100%
Total	87	83	+5%

XII. Supplementary Report

After the balance sheet date, no transactions of particular importance occurred that have a significant financial impact.

XIII. Proposal for the Appropriation of Profits

The Executive Board proposes the distribution of a dividend of €0.04 per share.

The Annual General Meeting 2023 resolves on the appropriation of the parent company's net retained earnings totaling €9,240,188.71.

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XIV. Legal and Economic Foundations of the Parent Company

Company: IBU-tec advanced materials AG

Registered office: Hainweg 9-11
99425 Weimar

Legal form: Joint-stock company

Commercial register: Amtsgericht Jena
HRB 503021

Object of the company: Research and development services as well as contract manufacturing in the field of inorganic chemistry by means of thermal process engineering. On the basis of a modern and innovative technology platform, IBU-tec generates special materials (advanced materials) from the product idea to industrial production. Through IBU-tec's complex offer, the customer acquires a coordinated and reproducible product specification and the know-how of the production process of the desired materials in the shortest possible time. Development risks of new products of the customer are thus significantly reduced, since IBU-tec closes the gap between the individual phases of experimental product development in the laboratory up to the secured production process.

Fiscal year: Calendar year

Share capital: €4,750,000.00 divided into 4,750,000 no-par value bearer shares.

Executive Board: Ulrich Weitz, Dipl.-Ing., Berlin
Jörg Leinenbach, Dipl.-Kfm., Püttlingen
Dr. rer. nat. Arndt Schlosser, Dipl.-Chem., Stammham

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Supervisory Board:

Dr. Hans-Joachim Müller, CEO Azelis Group NV, Munich (Member of the Supervisory Board and Chairman until 4 May 2022)
 Sandrine Cailleateau, Managing Director Bryan, Garnier & Co, Paris (Chairwoman since 4 May 2022)
 Dr. Jens T. Thau, Lawyer THAU Rechtsanwälte, Berlin (Deputy Chairman)
 Dr. Achim Kampker, Professor for Production Engineering of E-Mobility Components, Aachen (Member of the Supervisory Board since 4 May 2022)

Power of Attorney:

at the time of drawing up the appendix:

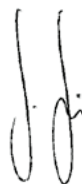
Käthe Buschtöns, Weimar OT Gelmeroda
 Dr. Toralf Rensch, Weimar
 Robert Süße, Weimar
 Dr. Matthias Ommer, Jena
 Christiane Bär, Weimar
 Christian Kühnert, Jena
 Lars Riedel, Mechelroda

in each case individual power of attorney

Weimar, 13 March 2023



Ulrich Weitz
(CEO of IBU-tec AG)



Jörg Leinenbach
(Deputy CEO of IBU-tec AG)



Dr. Arndt Schlosser
(Executive Board Member of IBU-tec AG)

Consolidated Financial Statements for the Fiscal Year from 1 January 2022 to 31 December 2022

Asset History Sheet

in €	Acquisition or Production Costs					Depreciation				Book Values	
	As of 1 Jan 2022	Additions	Disposals	Transfers	As of 31 Dec 2022	As of 1 Jan 2022	Additions	Disposals	As of 31 Dec 2022	As of 31 Dec 2022	As of 31 Dec 2021
I. Intangible assets											
1. Self-created industrial property rights and similar rights and values	110,579.25	25,703.00	0.00	0.00	136,282.25	0.00	0.00	0.00	0.00	136,282.25	110,579.25
2. Acquired concessions, industrial property rights and similar rights and values as well as licenses to such rights and values	1,528,071.48	112,847.46	0.00	109,185.78	1,750,104.72	1,240,336.48	112,736.49	0.00	1,353,072.97	397,031.75	287,735.00
3. Goodwill	5,149,183.60	0.00	0.00	0.00	5,149,183.60	1,801,260.29	514,918.36	0.00	2,316,178.65	2,833,004.95	3,347,923.31
4. Advance payments made	32,330.00	300,000.00	0.00	0.00	332,330.00	0.00	0.00	0.00	0.00	332,330.00	32,330.00
	6,820,164.33	438,550.46	0.00	109,185.78	7,367,900.57	3,041,596.77	627,654.85	0.00	3,669,251.62	3,698,648.95	3,778,567.56
II. Tangible assets											
1. Land, leasehold rights to immovable property and buildings including buildings on third-party land	19,031,314.19	150,530.03	0.00	71,316.17	19,253,160.39	6,960,390.16	773,944.70	0.00	7,734,334.86	11,518,825.53	12,070,924.03
2. Technical equipment and machinery	58,193,307.15	2,269,039.84	30,296.01	546,685.84	60,978,736.82	42,096,689.65	2,751,232.48	19,463.31	44,828,458.82	16,150,278.00	16,096,617.50
3. Other equipment, factory and office equipment	8,446,447.39	487,516.22	151,684.72	39,489.24	8,821,768.13	6,269,183.22	597,199.03	123,989.79	6,742,392.46	2,079,375.67	2,177,264.17
4. Payments on account and assets under construction	3,226,263.53	6,682,943.55	0.00	-766,677.03	9,142,530.05	16,080.20	0.00	0.00	16,080.20	9,126,449.85	3,210,183.33
	88,897,332.26	9,590,029.64	181,980.73	-109,185.78	98,196,195.39	55,342,343.23	4,122,376.21	143,453.10	59,321,266.34	38,874,929.05	33,554,989.03
Total fixed assets	95,717,496.59	10,028,580.10	181,980.73	0.00	105,564,095.96	58,383,940.00	4,750,031.06	143,453.10	62,990,517.96	42,573,578.00	37,333,556.59

INDEPENDENT AUDITORS' REPORT

To IBU-tec advanced materials AG, Weimar

Audit Assessments

We have audited the consolidated financial statements of IBU-tec advanced materials AG, Weimar, and its subsidiaries (the Group) – consisting of the consolidated balance sheet as of 31 December 2022, the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement – for the fiscal year from 1 January to 31 December 2022, as well as the notes to the consolidated financial statements, including the presentation of the accounting and valuation methods.

In addition, we audited the group management report of IBU-tec advanced materials AG for the financial year from 1 January to 31 December 2022.

In accordance with German legal requirements, we have not examined the content of the components of the group management report mentioned in the “Other information” section of our auditor’s report.

According to our assessment on the basis of the findings of the audit

- the accompanying consolidated financial statements comply with German commercial law regulations in all material respects and, in compliance with the German principles of proper accounting, give a true and fair view of the Group’s net assets and financial position as of 31 December 2022 and its results of operations for the financial year from 1 January to 31 December 2022, and
- overall, the attached group management report gives an accurate picture of the Group’s position. In all material respects, this group management report is in line with the consolidated financial statements, complies with German legal requirements and accurately presents the opportunities and risks of future development. Our opinion on the group management report does not extend to the content of the components of the group management report mentioned in the “Other information” section.

In accordance with Section 322 (3) sentence 1 of the German Commercial Code (HGB), we declare that our audit did not lead to any objections to the regularity of the consolidated financial statements and the group management report.

Basis for the Audit Opinions

We conducted our audit of the consolidated financial statements and the group management report in accordance with Section 317 of the HGB in compliance with the German principles of proper auditing established by the Institute of Public Auditors (IDW). Our responsibility under these rules and principles is further described in the section "Responsibility of the Auditor for the Audit of the Consolidated Financial Statements and the Group Management Report" of our auditor's report. We are independent of

the Group companies in accordance with German commercial and professional regulations and have fulfilled our other German professional obligations in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to serve as a basis for our opinions on the consolidated financial statements and the group management report.

Other Information

The legal representatives or the Supervisory Board are responsible for the other information. The other information includes the following non-audited components of the group management report:

- voluntary non-financial disclosures contained in the group management report and marked as unaudited.

The other information also includes the annual report expected to be made available to us after the date of this audit report. Other information does not include the consolidated financial statements, the content-audited group management report disclosures and our related audit report.

Our opinions on the consolidated financial statements and the group management report do not extend to other information and, accordingly, we do not express an opinion or any other form of audit conclusion.

In connection with our audit, we have a responsibility to read the other information mentioned above and to assess whether the other information:

- has material inconsistencies with the consolidated financial statements, the content of the group management report disclosures audited or the knowledge we have acquired during the audit, or
- otherwise appear to be substantially misrepresented.

Responsibility of the Legal Representatives and the Supervisory Board for the Consolidated Financial Statements and the Group Management Report

The legal representatives are responsible for the preparation of the consolidated financial statements, which comply with German commercial law regulations in all material respects, and for ensuring that the consolidated financial statements give a true and fair view of the Group's net assets, financial position and results of operations in compliance with the German principles of proper accounting. In addition, the legal representatives are responsible for the internal controls they have determined to be necessary in accordance with German accounting principles to enable the preparation of consolidated financial statements that are free from material misstatement due to fraud (i.e. accounting manipulation and financial loss) or error.

When preparing the consolidated financial statements, the legal representatives are responsible for assessing the Group's ability to continue its activities. Furthermore, they have the responsibility to disclose facts related to the continuation of the company's activities, where relevant. In addition, they are responsible for accounting on the basis of the going concern accounting principles, unless there are factual or legal circumstances to the contrary.

In addition, the legal representatives are responsible for preparing the group management report, which as a whole gives an accurate picture of the Group's position and is in line with the consolidated financial statements in all material respects, complies with German legal requirements and accurately presents the opportunities and future development risks. Furthermore, the legal representatives are responsible for the precautions and measures (systems) that they have deemed necessary to enable the preparation of a group management report in accordance with the applicable German legal regulations and to be able to provide sufficient appropriate evidence for the statements in the group management report.

The Supervisory Board is responsible for monitoring the Group's accounting process for the preparation of the consolidated financial statements and the group management report.

Responsibility of the Auditor for the Audit of the Consolidated Financial Statements and the Group Management Report

Our objective is to obtain reasonable assurance as to whether the consolidated financial statements as a whole are free from material misstatement due to fraud or error, and whether the group management report as a whole gives an accurate view of the Group's position and is consistent in all material respects with the consolidated financial statements and with the findings of the audit, complies with German legal requirements and accurately presents the opportunities and risks of future development, as well as to issue an auditor's report containing our opinions on the consolidated financial statements and the group management report.

Sufficient certainty is a high degree of certainty, but not a guarantee that an audit carried out in accordance with Section 317 HGB in compliance with the German principles of proper auditing established by the Institute of Public Auditors will always reveal a material misstatement. Misrepresentations may result from malicious acts or mistakes and are considered material if it could reasonably be expected to affect, individually or altogether, the economic decisions of users made on the basis of these consolidated financial statements and group management report.

During the audit, we exercise due discretion and maintain a critical attitude. In addition

- identify and assess the risks of material misstatement in the consolidated financial statements and group management report due to fraudulent acts or errors, plan and perform audit procedures in response to these risks, and obtain audit evidence that is sufficient and appropriate to serve as a basis for our audit opinions. The risk that material misstatements resulting from fraudulent acts will not be detected is higher than the risk that material misrepresentations resulting from errors will not be detected, as fraudulent acts may involve collusion, falsification, intentional omissions, misleading representations, or overriding of internal controls.
- the risk of material misrepresentations not being detected is higher for breaches than for inaccuracies, as breaches may involve fraudulent collaboration, falsification, intentional incompleteness, misleading representations or the suspension of internal controls.
- we gain an understanding of the internal control system relevant for the audit of the consolidated financial statements and the arrangements and measures relevant for the audit of the group management report in order to plan audit procedures that are appropriate in the circumstances, but not with the aim of expressing an opinion on the effectiveness of these systems.
- we assess the appropriateness of the accounting policies used by the legal representatives as well as the reasonableness of the estimated values presented by the legal representatives and related disclosures.
- we draw conclusions about the appropriateness of the accounting principle applied by the legal representatives of the continuation of the company's activities and, on the basis of the audit evidence obtained, whether there is a material uncertainty in connection with events or there are circumstances that may raise significant doubts about the

Group's ability to continue its business activities. If we conclude that there is a material uncertainty, we are obliged to draw attention to the related disclosures in the consolidated financial statements and the group management report in the auditor's report or, if these disclosures are inappropriate, to modify our respective opinions. We draw our conclusions on the basis of the audit evidence obtained up to the date of our audit report. However, future events or circumstances may mean that the Group will no longer be able to continue its business activities.

- we assess the presentation, structure and content of the consolidated financial statements in total, including the disclosures, as well as whether the consolidated financial statements present the underlying business transactions and events in such a way that the consolidated financial statements give a true and fair view of the Group's net assets, financial position and results of operations, in compliance with the German principles of proper accounting.
- we obtain sufficient appropriate audit evidence for the accounting information of the companies or business activities within the Group in order to deliver opinions on the consolidated financial statements and the

group management report. We are responsible for the guidance, supervision and execution of the audit of the consolidated financial statements. We are solely responsible for our audit opinions.

- we assess the consistency of the group management report with the consolidated financial statements, its compliance with the law and the image it conveys of the Group's position.
- we carry out audit procedures on the forward-looking disclosures presented by the legal representatives in the group management report. On the basis of sufficient suitable audit evidence, we in particular follow the significant assumptions on which the legal representatives base the forward-looking disclosures and assess the appropriate derivation of the forward-looking information from these assumptions. We do not give an independent opinion on the forward-looking disclosures or on the underlying assumptions. There is a significant unavoidable risk that future events will differ materially from the forward-looking statements.

We discuss with those responsible for monitoring, among other things, the planned scope and timing of the audit, as well as significant audit findings, including any significant deficiencies in the internal control system that we identify during our audit.

Jena, 13 March 2023

KPMG AG

Wirtschaftsprüfungsgesellschaft

gez. Lauer
Auditor

gez. Leser
Auditor

FINANCIAL CALENDAR

FINANCIAL DATES OF IBU-TEC ADVANCED MATERIALS AG

22 March 2023	Annual Report 2022
26 April 2023	Annual General Meeting, Weimar
15-17 May 2023	Spring Conference, Frankfurt/Main
14-15 November 2023	Munich Capital Markets Conference (MKK), Munich
27-29 November 2023	German Equity Forum, Frankfurt/Main

You can also open up the current financial calendar of IBU-tec AG via the following link:

www.ibu-tec.com/investor-relations/financial-calendar/

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