

SEMI-ANNUAL REPORT 2023

SMART PROCESS SOLUTIONS & PRODUCTS



KEY FIGURES

FOR THE PERIOD
FROM 1 JANUARY
TO 30 JUNE 2023

in € thousand			Changes 2023 vs. 2022
	H1 2023	H1 2022	+/-
Revenues	25,278	29,551	-17%
therefrom Engineering	605	467	+23%
therefrom Specialty Chemicals	9,379	14,846	-58%
therefrom Service & Recycling	4,749	5,005	-5%
therefrom Glass Coating	7,189	7,276	-1%
therefrom Battery Materials	3,356	1,957	+42%
Total Output	28,562	33,816	-18%
EBITDA	2,857	3,738	-31%
EBITDA Margin	11.3%	12.6%	
EBIT	504	1,422	-182%
EBIT Margin	2.0%	4.8%	
EBT	326	1,292	-297%
EBT Margin	1.3%	4.4%	
Net Result	373	491	-32%
Earnings per Share (in €)	0.08	0.10	-32%
Balance Sheet Total	81,571	77,052	+6%
Equity	59,562	58,593	+2%
Equity Ratio Based on Economic Capital (in %)	73.0%	76.0%	
Cash and Cash Equivalents	1,864	4,768	
Operating Cash Flow	-1,852	-4,837	
Cash Flow from Investments	-4,621	3,064	
Free Cash Flow	-1,263	-4,837	
Employees (excluding Apprentices) - Annual Average	227	214	+6%
Revenue per Employee	111	138	-24%

CONTENT



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

Functionality only guaranteed when viewed in Adobe Acrobat® or Acrobat Reader®.

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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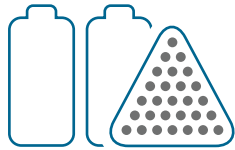
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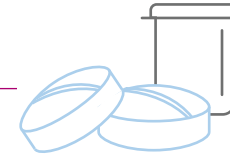
HIGHLIGHTS



Battery subsidiary established:
 The wholly owned subsidiary IBUvolt battery materials GmbH will focus on the development, production and sale of battery materials. The company's managing director is IBU-tec founder Ulrich Weitz.

January

March



New major customer from Asia: An international generics manufacturer orders around 100 tons of a chemical catalyst for the production of blood pressure medication. This further strengthens IBU-tec's position as a supplier of high-quality catalysts to the pharmaceutical industry. Sales are expected to be in the single-digit million-euro range.

May

February



Completion of the new glass coating facility:
 The new plant enables IBU-tec subsidiary BNT Chemicals to double its production capacity for MBTC to around 1,000 tons per year. After commissioning, a capacity increase of 55 percent compared to 2022 is already planned for the current year. The plant is expected to be fully utilized by 2025.

April

Order from a global automotive company: IBU-tec develops and produces battery material for electrically powered passenger cars for a major international customer. After the development phase, the production of significant quantities of the material at the Weimar site is already planned for the second half of 2023.

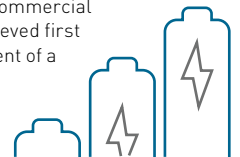


June



Further business expansion in Asia: The focus is on technologically demanding, high-margin industries with high value-added potential, such as the automotive and pharmaceutical industries. A Chinese automotive supplier orders several tons of cathodic dip coating materials.

Milestone in development project: As part of a partnership with an international commercial vehicle manufacturer, IBU-tec achieved first promising results in the development of a new cathode active material.



FOREWORD

Dear Shareholders, Customers and Employees,

The first six months of the year were marked by macroeconomic challenges for the IBU-tec Group: High interest rates and various inflationary price increases, recessionary fears and supply uncertainties have left their mark in recent months, particularly on industrial companies, especially in the chemical sector. As a result, our sales of EUR 25.3 million in the first half of 2023 were below the previous year's figure of EUR 29.5 million, which was also due to falling tin prices. Our EBITDA amounted to EUR 2.9 million, compared to EUR 3.7 million in the first half of 2022. At 11.3 percent, the EBITDA margin was above our forecast of 10.4 to 10.6 percent for this year.

Strategically, we used the period as planned and made significant progress in expanding our market position and growth strategy. With a multi-pillar business model that includes other growth areas in addition to our two drivers, LFP battery material and glass coating, we believe we are very well positioned for long-term and sustainable positive development. In the first half of the year, we achieved important milestones in our growth markets and gained some new international key customers.



Jörg Leinenbach
CEO

During the reporting period, we received a development and production order for LFP battery material from a global automotive manufacturer. The plan is to develop a new type of LFP cathode material for e-mobility customers. Following the development phase, we will produce this material at our Weimar site in the second half of the year. This partnership shows once again how much our battery expertise is in demand in the market, especially from large global players. This is reflected in the figures: with an increase in sales of around 71 percent, the battery sector in the first half of 2023 was significantly higher than in the same period of the previous year.

But we are also diversified and serving future markets with other innovative IBU-tec products, such as the glass coating product MBTC or in the fast-growing recycling sector. At the beginning of the year, we completed our new glass

coating plant, which will enable us to increase the production volume of MBTC to around 1,000 metric tons per year. In the current fiscal year, we expect to increase capacity by more than 50 percent compared to last year. We have also won a new major customer in the pharmaceutical sector for the production of a hypertension drug. The Asian customer has placed an initial order for 100 metric tons of IBU-tec's chemical catalyst tributyltin chloride in the current fiscal year, with expected sales in the single-digit million range. With this major order, we aim to further strengthen our position in the healthcare sector and are currently in advanced discussions with other potential customers in the pharmaceutical industry. High blood pressure medicines in particular have enormous market potential worldwide due to the rising incidence of hypertension. During the period, we also received another major order from Asia from a Chinese automotive supplier. We will supply several tons of cathodic dip coating material. The order has an initial volume in the mid six-digit euro range.

We remain the only manufacturer in Europe of both LFP battery materials and the glass coating product MBTC. This gives us a strong position in these important future markets. In addition, the new EU Battery Directive provides us with a significant regulatory tailwind. Batteries manufactured in Europe are expressly desired. Many customers also want to reduce their dependence on specific supply regions and are increasingly turning to European companies.

IBU-tec is positioned as an innovation driver, particularly in the field of battery materials, where we will continue to develop our product range. During the reporting period, we took an important step in this direction by establishing the subsidiary IBUvolt battery materials GmbH, whose managing director is our company founder Ulrich Weitz. This will enable us to better reflect the strong growth in LFP battery materials and to focus fully on the further development of the battery product.

Despite a challenging first half of the year, we are confirming our forecast for the full year - provided that economic development remains within the forecast range and we are able to realize the expected order intake. Our medium-term forecast of revenues of EUR 102 million to over EUR 130 million by 2025 remains valid.

We would like to thank our shareholders for their confidence in the first half of 2023 and look forward to your continued support.

Sincerely,



Jörg Leinenbach (CEO)

**WITH A MULTI-PILLAR
BUSINESS MODEL WE
BELIEVE WE ARE VERY
WELL POSITIONED
FOR LONG-TERM AND
SUSTAINABLE
POSITIVE DEVELOPMENT.**

“IBU-TEC PRODUCTS ARE IN HIGH DEMAND WORLDWIDE”

INTERVIEW WITH JÖRG LEINENBACH,
CEO OF IBU-TEC ADVANCED MATERIALS AG

The overall economic situation remains challenging, especially for many German chemical and industrial companies. How is IBU-tec positioned in the current phase?

Leinenbach: We have a very solid, broadly diversified portfolio: from LFP battery material and glass coating to pharmaceuticals and recycling. This means that we are well equipped even in challenging times. In addition, we have a unique selling point as the only manufacturer of LFP battery materials and the glass coating product MBTC in Europe. Nevertheless, we have also felt the effects of the difficult macroeconomic situation in recent months, which is why our sales and earnings for the first half of the year are lower than last year, although the EBITDA margin developed better overall than planned. Furthermore, we are currently in advanced discussions with potential customers – both in our traditional business of service and development projects and in the area of battery materials – and are confident that we will continue to grow strongly in our future markets. We continue to adhere to our medium-term forecast in line with the “IBU2025” strategy with expected sales of EUR 102 million to over EUR 130 million. On a political level, the new EU battery regulation is also a positive development that will benefit the battery market in Germany and thus also IBU-tec.

THE NEW EU BATTERY REGULATION IS A POSITIVE DEVELOPMENT THAT WILL BENEFIT THE BATTERY MARKET IN GERMANY AND THUS ALSO IBU-TEC.



Could you elaborate on this point? How does the legislation relate to IBU-tec’s LFP battery material?

Leinenbach: According to the EU Commission, two thirds of the batteries needed for applications such as e-mobility will soon be produced in Europe. The EU therefore has an interest in ensuring that the focus of the battery industry remains in Europe. The digital battery passport is also intended to make the supply chains of battery production transparent. As a European manufacturer of battery materials with a focus on sustainability, we naturally benefit from such developments as they strengthen Europe and Germany as a business location. We expect that this will further increase the demand for our battery products and our development expertise in this area.

At the beginning you mentioned IBU-tec's broad positioning and product range – could you describe these markets in more detail?

Leinenbach: The LFP battery product and the glass coating division are our two strong growth drivers, which will account for a significant share of the IBU-tec Group's sales in the medium term. In the area of battery materials, we aim to achieve sales of EUR 21 to 36 million by 2025. In the Glass Coating segment,

we expect sales of EUR 19 million in the medium term. We also have other strong business. In the area of services, for example, we are in great demand when it comes to developing new materials and bringing them to market – across all industries, from the chemical industry to the raw materials and building materials industry to the automotive industry. All in all, IBU-tec stands for the production of a wide range of high-quality products for various applications. Accordingly, there are also other important growth areas, such as the pharmaceutical sector. In addition to an existing major customer from Asia, we acquired another major Asian pharmaceutical customer in May, for whom we produce tributyltin chloride (TBTCI), which is used in the growing market for antihypertensive drugs. We also see strong growth potential in the recycling business as industry becomes more aware of sustainability and recycling. Among other things, we have been experimenting with the processing of rare earths, which are used in certain processes and become contaminated. We are also very active in the recycling of batteries and construction materials. Our products and applications address fast-growing, sustainable markets of the future.

IBU-TEC STANDS FOR THE PRODUCTION OF A WIDE RANGE OF HIGH-QUALITY PRODUCTS FOR VARIOUS APPLICATIONS.



How fast does IBU-tec want to grow internationally?

Leinenbach: We are already a global player with a strong international customer base. Last year, we generated around 65 percent of our group sales outside Germany. We reached an important milestone in the spring of this year with a major LFP development order from a global automotive manufacturer. This shows that our LFP expertise is also highly regarded worldwide.



But the cooperation with the major Asian pharmaceutical customer also underscores the strong demand for IBU-tec products worldwide. Especially in Asia, we want to further expand our market position, particularly in the field of organotin products and also with other innovations from IBU-tec.

Back to battery materials. In the first half of this year, you founded the subsidiary IBUvolt battery materials GmbH. What was the background to the foundation and what are the goals of the subsidiary?

Leinenbach: According to our medium-term forecast, our battery materials business – both in terms of our own LFP battery material IBUvolt and in terms of joint development with major international customers – will be the No. 1 growth driver. That's why it was important for us to better reflect this growth structurally by establishing our own battery company. This not only opens up various strategic options for accelerating the successful development of our No. 1 growth driver, but also enables us to act as an independent brand in sales. We will benefit from the excellent network of Ulrich Weitz, Managing Director and former CEO of IBU-tec. With his many years of experience, he will play a key role in driving the development of the IBU-tec Group's battery division and opening up new markets and applications for us.

**OUR LFP EXPERTISE
IS ALSO HIGHLY REGARDED
WORLDWIDE.**

ESG at IBU-tec

FOCUS ON SUSTAINABILITY

Sustainability is a central part of IBU-tec's corporate DNA. Our products and solutions are important building blocks for a sustainable future, whether they are battery materials, glass coatings or efficient recycling processes. We also take responsibility for the environment and society within the company. In the first half of 2023, we further expanded our activities in this area.

Greenhouse gas emissions: For the first time, we have started to draw up a greenhouse gas balance for the IBU-tec Group, covering all three dimensions (Scope 1, Scope 2, Scope 3). This involves a comprehensive assessment of where emissions are generated at IBU-tec – from our factories to our transportation and our employees' daily commutes.

ESG rating: With an overall score of 67 points, IBU-tec has significantly improved its EcoVadis rating compared to the last rating (2021: 59 points). We have once again received the "EcoVadis Silver" award for our sustainability management. As a result, the IBU-tec Group continues to be among the top 10 percent of companies in its industry evaluated by the platform worldwide. EcoVadis had already ranked IBU-tec's ESG performance in the top 25 percent of all companies.



7 MB

Further details and key figures on our sustainability activities can be found in the **Annual Report 2022** starting on page 42.

IBU-TEC ON THE CAPITAL MARKET

The capital markets were largely friendly in the first half of the year. Despite inflation, rising interest rates, and recessionary trends in Germany, the DAX performed very well and set several new records. On 30 June 2023, the German benchmark index closed the first half of the year at 16,148 points, approximately 16% higher than at the end of 2022. The MDAX (27,610.50 points, +9.93%) and SDAX (13,401.24 points, +12.37%) also performed strongly, recouping their year-end losses and returning to their previous year's highs.

The performance of small and mid caps outside the DAX family was less positive in the first six months of the year. With a closing price of 1,197 points, the Scale 30 was only 3.07% above the closing price of 2022. The Scale All Share closed the first half of the year at 1,141 points, down 0.62%.

Some sectors did not follow the positive trend in the capital markets. These included the chemical industry and companies in the battery sector. Accordingly, the IBU-tec share closed the first half of the year with a price of EUR 24.40, clearly in the red (-28.86%). In view of the positive outlook in the field of battery materials, the analysts of Bankhaus Hauck Aufhäuser Lampe continue to rate the share as "buy" with a target price of EUR 51.00 in their research report dated 22 May 2023.

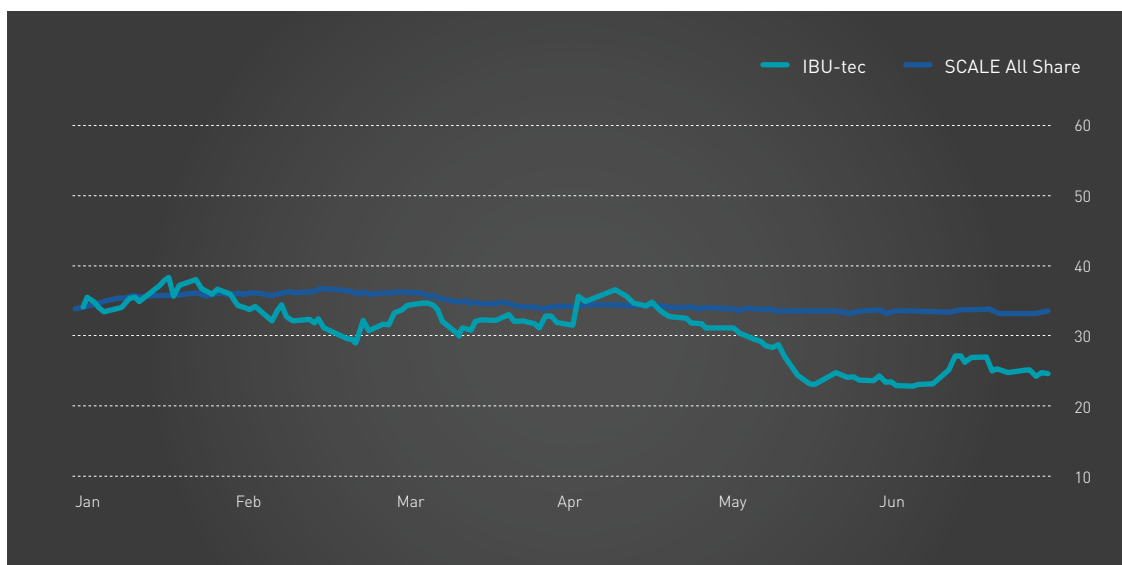
**IN VIEW OF THE POSITIVE
OUTLOOK IN THE FIELD OF
BATTERY MATERIALS,
THE ANALYSTS CONTINUE TO
RATE THE SHARE AS "BUY".**



At the IBU-tec Annual General Meeting on 26 April 2023, the shareholders resolved to pay a dividend of EUR 0.04 per share for the past financial year. They also elected Isabelle Weitz, a member of the major shareholder family, to the Supervisory Board, which now consists of four members. In total, 55.38 percent of the share capital was represented at the Annual General Meeting. At the end of the Annual General Meeting, Jörg Leinenbach took over as CEO of IBU-tec from Ulrich Weitz, who, as previously announced, did not renew his contract and will concentrate on the management of IBUvolt battery materials GmbH.

IBU-tec 2022 Share Price Development in the First Half of 2023

in Euro



Basic data of the IBU-tec share

ISIN / WKN	DE000A0XYHT5 / A0XYHT
Ticker symbol	IBU
Stock market segment	Scale, Open Market of the Frankfurt Stock Exchange
Venues	Xetra, Frankfurt, Berlin, Dusseldorf, Hamburg, Munich, Stuttgart, Tradegate
Initial Listing	30 March 2017
Current share capital	4.750.000,00 Euro
Total number of shares	4,750,000 pieces
Share type	Ordinary bearer shares with no par value (no-par value shares)
Related Index	SCALE 30, SCALE All Share
Designated Sponsor	Bankhaus Hauck Aufhäuser Lampe
Research	Bankhaus Hauck Aufhäuser Lampe
Market Cap (30 June 2023)	EUR 115.9 million
Shareholder structure	1.12% Executive Board 47.00% Weitz family 51.88% Free float

INTERIM GROUP MANAGEMENT REPORT

OF IBU-TEC ADVANCED MATERIALS AG FOR THE FIRST HALF OF 2023

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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), with headquarters in 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 manage-

ment of the Group and the subsidiary. This is mainly achieved through the role of the Head of Finance of IBU-tec AG. 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 now 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-

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

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. Accordingly, the battery materials business will account for at least 30% of total sales. Specialty chemicals are also planned to account for up to 30%, while glass coating and service and recycling will each contribute around 20% to sales. 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

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.

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.

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 AG has positioned itself as a manufacturer of powder materials in the growing market of high-performance batteries for the automotive industry, industrial applications, and

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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. Thus, the Group occupies important, promising, and high-margin sectors that fall under the term Greentech.

Furthermore, the process development and production services for 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.

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 reach a volume of €102 to 130 million. The battery materials business alone is expected to account for around one third of Group sales.

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.

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.

2. Economic Report

2.1 Macroeconomic Conditions

The German economy developed largely negatively in the first months of the year. The German Institute for Economic Research reported a 0.3% decline in GDP for the first quarter.¹ Falling energy prices and the recovery of the global economy following the end of the coronavirus pandemic had a positive impact.

On the other hand, high inflation, which led to high uncertainty and weak consumer spending, had a negative impact. In particular, the manufacturing sector suffered from falling demand for goods, according to the ifo Institute – Leibniz Institute for Economic Research at the University of Munich.²

¹ DIW Weekly Report 24/2023 – DIW Economic Forecast, p. 305, https://www.diw.de/documents/publikationen/73/diw_01.c.875348.de/23-24-2.pdf (19 July 2023)

² Ifo Economic Forecast Summer 2023, p. 8, <https://www.ifo.de/DocDL/sd-2023-sonderausgabe-juni-wollmershaeuser-et-al-ifo-konjunkturprognose.pdf> (19 July 2023)

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2.1.1 Chemical Industry

The German Chemical and Pharmaceutical Industry Association (VCI) was disappointed with the first half of the year, stating that hopes of a recovery after the mild winter and significantly lower gas and electricity prices had not been fulfilled. According to the report, production in the first six months of the year was 10.5% lower than in the previous year. Only pharmaceutical

production remained stable compared to the previous year. As a result, the industry experienced a general decline in new orders, both domestic and foreign. Overall, the Association recorded a difficult sales and earnings situation for its member companies in the first half of the year.³

2.1.2 Automotive Industry

According to the German Association of the Automotive Industry (VDA), the German automotive industry recorded increasing market volume in the first half of 2023. However, the number of new registrations was still 24% lower than in the pre-crisis year of 2019. The electrically powered passenger cars – plug-in

hybrids and battery electric vehicles – sector additionally failed to provide any positive impetus. According to the VDA, the number of newly registered electric vehicles fell by 2% year-on-year to 299,500 passenger cars in the first six months of 2023.⁴

2.2 Important Events in the First Half of 2023

The first six months of the year were characterized by macroeconomic challenges for the IBU-tec Group: High interest rates and inflation, recessionary fears and generally difficult economic conditions have weighed on industrial companies, especially in the chemical industry. Nevertheless, the Group focused on implementing its IBU2025 growth strategy and made important progress, particularly in the field of battery materials.

The signing of a contract for the development and production of a battery material for electric mobility with a renowned global automotive group represents a further milestone in the expansion of our market position. A new

type of LFP cathode material is planned for electric passenger cars. After the development phase, we will produce significant quantities of the material at the Weimar site as early as the second half of 2023, as agreed. The contract underlines the importance of our expertise in battery materials, which enables us to work directly with global companies. This is also reflected in our continued strong business with development and service projects for companies from various industries who are working with us to research novel cathode and anode materials for the batteries of the future. In the first half of the year, these projects made a significant contribution to sales in the Battery Materials business. In general, it can be stated that the majority of battery

³ <https://www.vci.de/presse/pressemitteilungen/erste-jahreshalfte-enttaeuscht.jsp> [21 July 2023]

⁴ https://www.vda.de/de/presse/Pressemeldungen/2023/230705_PM_Deutscher_Pkw-Markt_nach_erstem_-Halbjahr_noch_24_Prozent_unter_Vorkrisenniveau [19 July 2023]

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materials used in the automotive sector still come from China.⁵ This market dominance opens up opportunities for IBU-tec as the only European manufacturer of LFP to position itself as an alternative supplier for the European automotive industry in order to reduce the risk of dependencies. This development is supported by current political efforts of the European Union, such as the battery passport, which is intended to transparently map the supply chains of battery production.

In order to transparently map and strengthen our future growth in this area, we have established a new, wholly owned subsidiary, IBUvolt battery materials GmbH. Its core business will focus entirely on the development, manufacture and sale of battery materials, including the business of development services for cathode and anode active materials for international battery sector customers. The bundling of this business in an independent company will open up strategic options for potential future cooperation with partners, which we are not able to map in IBU-tec AG. Ulrich Weitz has been appointed Managing Director of IBUvolt GmbH.

In line with our plans for the current year, we have significantly expanded our sales activities in the field of battery materials in recent months. In total, we participated in six trade shows and conferences as exhibitors or visitors, where we were able to establish numerous valuable contacts with international battery and cell manufacturers. The target industries of these companies cover the entire spectrum of battery applications, from electromobility to stationary energy storage and special industrial applications. In addition to sales meetings, in the first half of the year we also held intensive discussions with several international groups regarding potential partnerships in the development, manufacture and supply of cathode active materials for various applications. In addition to the battery business, we were able to secure an important order

for the processing of rare earths. We use systems from both IBU-tec AG and BNT GmbH to remove impurities from materials used in the manufacture of other products and prepare them for reuse in the production process. We have taken over important steps from our customer and are now an integral part of its process chain.

The focus of IBU-tec's own research and development was on the further development of its own battery materials. The aim is to further improve individual aspects of the LFP and to optimize the material for different applications and customer requirements. In particular, our new e-chemistry laboratory plays an important role, allowing us to extensively test and fine-tune the properties of our cathode material. In addition, we achieved important milestones in the KeNaB-ART joint project funded by the German Federal Ministry of Education and Research, developing and producing phase-pure sodium manganese layer oxide cathode active material for future sodium batteries.

The most important event at BNT GmbH at the beginning of the year was the mechanical completion of the new production plant for the glass coating product monobutyltin trichloride (MBTC). We have thus created the basis for doubling our production capacity for MBTC to around 1,000 metric tons per year by the end of 2023. The proprietary process enables an increase in material yield and has already been filed for patent. With the new plant, we are meeting the strong demand and further expanding our leading market position as the only manufacturer of MBTC in Europe.

Another major success for BNT GmbH in the first half of the year was the expansion of its business in Asia. First, an order was received from an Asian pharmaceutical company and generic manufacturer for the supply of tributyltin chloride (TBTCI). This chemical catalyst is used in the production of blood

⁵ <https://www.isi.fraunhofer.de/en/blog/themen/batterie-update/globale-batterieproduktion-analyse-standorte-mengen-zellen-lfp-nmc-nca-kathoden.html> (19 July 2023)

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pressure medication. The total volume of the order is initially around 100 metric tons in the current year, with expected sales in the single-digit million euro range. This will largely compensate for the planned loss of major customer Novartis. A Chinese automotive supplier ordered several tons of our material for cathodic dip coating. The order has an initial volume in the mid-six-figure euro range, and we anticipate that annual sales potential with this customer in the short to medium term will be in the significant millions of euros.

2.3 Turnover by Activity Sector

Overall, the IBU-tec Group generated sales of €25,278 thousand in the first half of 2023 (previous year: €29,551 thousand). The individual areas of activity contributed to total sales as follows:

Turnover by Activity Sector (in € thousand)	H1 2023	H1 2022	Change
Engineering	605	467	+30%
Specialty Chemicals	9,379	14,846	-37%
Service & Recycling	4,749	5,005	-5%
Glass Coating	7,189	7,276	-1%
Battery Materials	3,356	1,957	+71%
Total	25,278	29,551	-14%

With sales up by around 71% in the first half of 2023, the battery business recorded the strongest growth compared with the prior-year period. The key factor here was the upturn in business with development services. Another factor in the sales performance was a sharp year-on-year drop in tin prices,

At the Annual General Meeting of the IBU-tec Group on 26 April 2023, the shareholders resolved to pay a dividend of €0.04 per share for the past financial year. They elected Isabelle Weitz to the Supervisory Board, which now consists of four members, by a large majority of votes. A total of 55.38% of the share capital was represented at the Annual General Meeting. At the end of the Annual General Meeting, Jörg Leinenbach took over the position of CEO of IBU-tec AG from Ulrich Weitz, who, as announced, did not renew his contract and will focus on the management of IBUvoltage battery materials GmbH.

which impacted the specialty chemicals and glass coating businesses in particular, which is why the roughly 23% increase in MBTC sales in the half-year under review is not reflected in revenues.

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2.4 Net assets, Financial Position and Results of Operations

2.4.1 Net Assets

Consolidated total assets increased by €4,519 thousand year-on-year (€77,052 thousand) to €81,571 thousand.

Financial position (in € thousand)	30 June 2023	30 June 2022	Change
Balance sheet total	81,571	77,052	+6%
Equity	59,562	58,593	+2%

The IBU-tec Group's equity totaled €59,562 thousand as of 30 June 2023 (previous year: €58,593 thousand).

The equity ratio⁶ is around 73% (previous year: 76%).

Fixed assets in the current financial year amount to €44,842 thousand and are thus around €7,414 thousand higher than in the previous year (€37,428 thousand). Scheduled capital expenditure of around €12,201 thousand is offset by scheduled depreciation of €4,787 thousand. Intangible assets include goodwill of around €2,576 thousand resulting from the acquisition of BNT GmbH, the amortization of which is also included in the above figure.

Current assets are approximately €2,751 thousand lower than in the previous year (€39,120 thousand). The final repayment of securities investments of €5,030 thousand is mainly offset by the increase in inventories (€5,410 thousand) and trade receivables (€639 thousand) as well as the decrease in other financial assets (€865 thousand) and cash and cash equivalents by €2,904 thousand. The increase in inventories continues to be attributable to the build-up of inventories of an intermediate product at BNT GmbH. In the current fiscal year, a new MBTC production plant was completed, the novel

production process of which improves the raw material yield and enables the processing of inventories of the "MBTC intermediate".

The subscribed capital of IBU-tec AG remains unchanged at €4,750 thousand, which is divided into 4,750,000 bearer shares that are fully paid in.

As of the reporting date, liabilities to banks amounted to €11,776 thousand, which represents an increase of €4,528 thousand compared to the previous year (€7,248 thousand) and is attributable to the partial exhaustion of existing current account lines.

Other liabilities decreased from €1,724 thousand in the previous year to €1,482 thousand, mainly as a result of the planned repayment in tranches of a shareholder loan granted in the penultimate fiscal year.

⁶ Equity ratio=Balance sheet equity/total capital

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As a result of the reserve created in the tax balance sheet of BNT GmbH in 2020 for replacement procurement in accordance with EStR 6.6, there were discrepancies between the commercial and tax balance sheets. This resulted in deferred tax liabilities, which were recognized by the controlling company,

2.4.2 Financial Situation

Taking into account the net profit for the half-year as well as the depreciation and amortization charged (€2,352 thousand), the increase in trade receivables and other assets (including inventories) (€4,208 thousand), the increase in provisions (€200 thousand) and the decrease in trade payables and other liabilities (€169 thousand), the cash flow from operating activities amounts to €-1.852 thousand.

2.4.3 Earnings

The Group generated the following shares of sales in the Engineering, Specialty Chemicals, Service & Recycling, Glass Coating and Battery Materials sub-segments in the first half of 2023:

Turnover by Activity Sector (in € thousand)	H1 2023	H1 2022	Change
Engineering	605	467	+30%
Specialty Chemicals	9,379	14,846	-37%
Service & Recycling	4,749	5,005	-5%
Glass Coating	7,189	7,276	-1%
Battery Materials	3,356	1,957	+71%
Total	25,278	29,551	-14%

The first six months of the year were characterized by macroeconomic challenges for the IBU-tec Group, which led to sales development below the previous year's level. As a result, EBITDA of €2,857 thousand was lower than in the

IBU-tec AG, on the basis of the profit and loss transfer agreement with BNT GmbH. In total, deferred tax liabilities amounted to €741 thousand (previous year: €824 thousand).

Cash flow from investing activities of €4,621 thousand corresponds to the investments made in the first half of 2023.

Cash flow from financing activities in the amount of €5,210 thousand includes the exhaustion of existing current account lines on the one hand and the scheduled repayments of existing bank loans on the other.

previous year (€3,738 thousand), while the EBITDA margin of 11.3% reached a similar level as in the previous year (12.6%), which is above our planning for the full year of 10.4% to 10.6%.

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Depreciation and amortization remained virtually unchanged, resulting in EBIT of €504 thousand, which is around €918 thousand lower than in the previous year.

Earnings before other taxes and taxes on income (EBT) amounted to €326 thousand, with the financial result almost comparable to the previous year.

The above developments resulted in a consolidated net profit of €373 thousand, which is €119 thousand lower than in the previous year.

Earnings in € thousand	30 June 2023	30 June 2022	Change
EBITDA	2,857	3,738	-24%
EBT	326	1,292	-75%
Group Result	373	491	-24%

2.5 Personnel

The number of employees in the IBU-tec Group averaged 226.5 in the half-year (previous year: 213.5). The IBU-tec Group lives up to its social obligation of vocational training and employed an average of nine apprentices in various

trades (industrial mechanic, chemical laboratory technician, chemical technician, office management assistant) during the period under review.

Staff (excluding board of directors, apprentices and employees on parental leave)	H1 2023	H1 2022	Change
Average according to German Commercial Code	226.5	213.5	+6,1%
As at 30 June	230	215	+7,0%

3. Opportunity and Risk Report

The opportunities and risks for the further development of the Group are described in detail in the "Opportunity and Risk Report" section of the Group management report in the Annual Report 2022 and essentially remain applicable for the first half of 2023.

The significant weakening of the German economy poses a particular risk. The chemical industry, in particular, is reporting a very gloomy order situation. As a company in the raw materials industry and a development service provider, IBU-tec is exposed to an increased risk of having to accept an

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above-average decline in orders if the economic situation continues to deteriorate. We currently rate the probability of this happening as high and the potential impact as serious. With our diversified positioning, broad customer base and increasing internationalization, we are confident that we can minimize the risk to the IBU-tec Group's earnings situation.

The issue of energy security continues to play a major role for German industry this year. Even though the gas storage facilities are currently full, there is a risk of a gas shortage in the coming winter half-year. IBU-tec AG is highly dependent on gas, as around two thirds of our thermal plants are gas-fired. In addition, depending on the material systems being processed, the resulting exhaust gases must also be thermally treated in electrically operated rotary kilns, which also require natural gas. We currently assume that IBU-tec AG will be able to continue operating laboratory and electric furnaces on a smaller scale even in the event of a gas shortage and the associated rationing

of gas for industry. At BNT GmbH, we currently have no possibility to replace natural gas. Overall, we assess the probability of a gas supply freeze as low to medium and the consequences as serious.

In the production of alkyl chlorides and organometals at BNT GmbH in Bitterfeld, Germany, tin-containing residues are generated, about which BNT GmbH is currently in litigation with the Saxony-Anhalt state authorities. The regulatory authority is of the opinion that this is waste that must be disposed of. BNT GmbH, on the other hand, considers these materials to be valuable due to their tin content and plans to process them in accordance with the Recycling Management Act. BNT GmbH has the technology and the appropriate treatment channels to do so and is currently in the process of obtaining approval for the facility. If the lawsuit is decided against BNT GmbH, negative effects on the result are to be expected. We assess the probability of occurrence as low and the impact as serious.

4. Outlook

4.1 Future Economic and Industry Development

Both the German Institute for Economic Research and the ifo Institute expect the German economy to recover in the second half of the year. This is due to declining inflation and improving real incomes, which will lead to higher private consumption. For the year as a whole, the institutes expect a decline in GDP of -0.2 and -0.4 percentage points, respectively. The construction

and manufacturing sectors in particular are expected to suffer from weak momentum. The situation will remain tense, especially for energy-intensive industries. For 2024, both institutes forecast a continuation of the economic recovery with a GDP of 1.5%.⁷

⁷ DIW Weekly Report 24/2023 – DIW Economic Forecast, p. 307, https://www.diw.de/documents/publikationen/73/diw_01.c.875348.de/23-24-2.pdf (19 July 2023); ifo Economic Forecast Summer 2023, p. 9, <https://www.ifo.de/DocDL/sd-2023-sonderausgabe-juni-wollmershaeuser-et-al-ifo-konjunkturprognose.pdf> (19 July 2023)

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4.1.1 Chemical Industry

The German Chemical and Pharmaceutical Industry Association (VCI) expects the negative trend to continue in the second half of 2023. Due to weak industrial activity, production will fall by 8%, and by excluding the pharmaceutical business 11%. Industry sales will decline by as much as 14%, with prices fall-

ing across the board. In addition to the economic downturn, the association sees fundamental structural problems that should complicate the situation for the chemical industry in Germany.⁸

4.1.2 Automotive Industry

After an overall positive first half of 2023, the German Association of the Automotive Industry raised its full year forecast slightly to market growth of 6% to 2.8 million passenger cars sold. Total passenger car production in Germany will grow by 15% to 4.0 million units.⁹ However, sentiment had already deteriorated significantly in June. Compared to the same month last year, the

association recorded around 20% fewer incoming orders from Germany.¹⁰ For the market of electric vehicles – plug-in hybrids and battery electric vehicles – the association had already forecast an 8% decline in February, which was mainly attributed to the reduction in government subsidies.¹¹

4.2 Future IBU-tec Group Developments

Despite a challenging first half of the year and the overall negative outlook for the German economy, we are sticking to our published forecast for the IBU-tec Group's fiscal year 2023. For the full year, we continue to plan on the forecast published in the Annual Report 2022 of €62-64 million in consolidated sales, an EBITDA margin of between 10.4% and 10.6% and EBITDA of between €6.5 million and €6.8 million. This assumes that the economic development remains within the forecast range and that we are able to realize the expected order intake.

Our assessment is based on a noticeable increase in demand for our services and products. In the battery sector in particular, we have established ourselves as a reliable partner for research and development services. We are currently engaged in several discussions with potential customers from various industries about battery-related service projects. In addition, we are in close contact with an Asian company that is very interested in purchasing a triple-digit tonnage of our LFP battery material. After extensive testing of the material at the customer's site, we expect to receive an order in the sec-

⁸ <https://www.vci.de/presse/pressemitteilungen/erste-jahreshaefte-enttaeuscht.jsp> [21 July 2023]

⁹ https://www.vda.de/de/presse/Pressemeldungen/2023/230720_PM_VDA_passt_Markt_und_Produktionsprognosen_an [21 July 2023]


¹⁰ https://www.vda.de/de/presse/Pressemeldungen/2023/230705_PM_Deutscher_Pkw-Markt_nach_erstem_Halbjahr_noch_24_Prozent_unter_Vorkrisenniveau [19 July 2023]

¹¹ https://www.vda.de/de/presse/Pressemeldungen/2023/230206_PM_Deutscher_Elektro-Pkw-Markt_2023_-VDA_erwartet_R-ckgang [19 July 2023]

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ond half of the year. IBU-tec is also currently receiving several enquiries for service projects from other industries, including the development of innovative chemical catalysts, projects for raw material extraction and recycling processes for building materials. In the area of contract manufacturing, we expect orders in the battery area, including the production of anode material, as well as the processing of powders for catalysts, from which we should benefit in the second half of the year.

Weimar, 24 August 2023



Jörg Leinenbach

(CEO)

We also expect a positive earnings development at BNT GmbH in the coming months. Following the commissioning of the new production facility for our MBTC glass coating product, we plan to gradually increase sales volumes by the end of the year. We continue to see great potential for incoming orders in the growing Asian business market, especially for our intermediate for the chemical market and our pharmaceutical precursor tributyltin chloride (TBTCI).

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

— OF IBU-TEC ADVANCED MATERIALS AG FOR THE
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Consolidated Balance Sheet as of 30 June 2023

ASSETS	H1 2023 € thousand	H1 2022 € thousand
Fixed Assets		
Intangible assets	3,557.32	3,487.51
Property, plant and equipment	41,285.11	33,940.68
Financial assets	-	-
	44,842.43	37,428.19
Current assets		
Inventories	25,155.59	19,745.93
Trade receivables	8,868.74	8,230.06
Securities	-	5,029.50
Other financial assets	480.98	1,346.21
Cash and cash equivalents	1,863.99	4,768.43
	36,369.30	39,120.12
Deferred expenses	358.81	503.40
Deferred tax assets	-	-
	81,570.55	77,051.71

LIABILITIES	H1 2023 € thousand	H1 2022 € thousand
Equity		
Subscribed capital	4,750.00	4,750.00
Capital reserve	40,250.00	40,250.00
Retained earnings	477.18	477.18
Retained profit	14,085.13	13,116.28
	59,562.31	58,593.47
Special item for investment grants to fixed assets	2,924.65	1,652.77
Accruals	2,450.23	2,428.88
Liabilities		
Liabilities to credit institutions	11,776.04	7,247.93
Payments received	879.56	111.52
Liabilities from goods and services	1,753.61	4,468.15
Other liabilities	1,481.53	1,724.20
	15,890.74	13,551.80
Deferred expenses	1.34	1.15
Deferred tax liabilities	741.28	823.64
	81,570.55	77,051.71

Consolidated Income Statement for the period from 1 January to 30 June 2023

€ thousand	H1 2023	H1 2022
Revenues	25,277.96	29,550.96
Change in stock of finished and unfinished goods	1,937.07	3,154.66
Other own work capitalized	266.24	189.61
Other operating income	1,080.61	920.56
Cost of materials	14,729.22	19,548.01
Personnel expenses	7,005.57	6,527.88
Other operating expenses	3,970.48	4,001.94
EBITDA	2,856.62	3,737.95
Amortization of intangible fixed assets and tangible assets	2,352.48	2,315.76
EBIT	504.14	1,422.20
Other interest and similar income	8.27	20.73
Interest and similar expenses	186.82	151.16
Earnings before taxes on income (EBT)	325.59	1,291.77
Tax expense/income (-)	-47.19	800.46
thereof from change in recognized deferred taxes		
Net income	372.78	491.32
Earnings per share in €	0.08	0.10
Number of shares	4,750,000	4,750,000

Consolidated Cash Flow Statement for the period from 1 January to 30 June 2023

€ thousand	H1 2023	H1 2022
Cash flow from operating activities		
Net income	373	491
Depreciation of fixed assets	2,352	2,316
Increase (+) / decrease (-) in provisions	-200	655
Other non-cash income (-)	-	-
Gain (-) / loss (+) on disposal of fixed assets	-	-
Increase (-) / decrease (+) in trade receivables and other assets (including inventories)	-4,208	-7,959
Increase (+) / decrease (-) in trade accounts payable and other liabilities	-169	-340
Income (-) from investment grants	-	-
Cash flow from operating activities	-1,852	-4,837
Cash flow from investing activities		
Proceeds (+) from disposals of property, plant and equipment	-	-
Disbursements (-) for investments in tangible assets	-4,621	-2,395
Disbursements (-) for investments in intangible assets	-	-16
Proceeds (+) from financial investments within the scope of short-term financial planning	-	5,475
Cash flow from investing activities	-4,621	3,064
Cash flow from financing activities		
Proceeds (+) for equity injections	-	-
Allocation to capital reserve (+)	-	-
Disbursements (-) to company owners (dividend)	-190	-
Proceeds (+) from shareholder loans taken out	-	-
Proceeds (+) from government grants	6,493	-
Disbursements (-) from the repayment of financial loans	-1,093	-881
Cash flow from financing activities	5,210	-881
Cash funds at the end of the period		
Change in cash and cash equivalents (subtotals 1.-3.)	-1,263	-2,654
Cash funds at the beginning of the period	3,127	7,422
Cash funds at the end of the period	1,864	4,768

Consolidated Statement of Changes in Equity for the period from 1 January to 30 June 2023

€ thousand	Subscribed Capital	Capital Reserve	Legal Reserve	Other Retained Earnings	Retained earnings (incl. profit/loss carried forward)	Equity Capital
As of 1 January 2023	4,750.00	40,250.00	300.00	177.18	13,902.34	59,379.53
Capital increase						
Transfer to the capital reserve						
Dividends					-190.00	-190.00
Net income					372.78	372.78
As of 30 June 2023	4,750.00	40,250.00	300.00	177.18	14,085.13	59,562.31

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS 2023

OF IBU-TEC ADVANCED MATERIALS AG

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I. General Information

The IBU-tec Group's half-year financial report for the period 1 January 2023 to 30 June 2023 was prepared in accordance with the provisions of the German Commercial Code (HGB).

For the half-year financial statements, the statutory classification scheme pursuant to Section 290 HGB was followed.

There were no special circumstances that would result in the financial statements not 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 wholly owned subsidiary, BNT Chemicals GmbH, Bitterfeld-Wolfen, ("BNT GmbH" or "subsidiary"), over which IBU-tec AG directly or indi-

Use was made of permissible relief pursuant to HGB.

IBU-tec advanced materials AG ("parent company") has its registered office in Weimar and is entered in the Commercial Register at Jena Local Court under the number HRB 503021.

rectly exercises a dominant influence, was included in the consolidated financial statements.

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III. Consolidation Principles

When BNT GmbH was consolidated for the first time as of 30 June 2018, the assets, liabilities and prepaid expenses included in the consolidated financial statements were revalued or recognized as part of the purchase price allocation. In this context, the hidden reserves relating to the land led to a higher valuation compared with the annual financial statements of the subsidiary. Deferred tax liabilities were calculated on the basis of these hidden reserves 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 resulted in the recognition of deferred tax assets, which were recognized as part of the initial consolidation as of 30 June 2018. In the following years, the

deferred tax assets were gradually reversed as part of the subsequent consolidations at the balance sheet date.

Receivables and liabilities between Group companies were offset.

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

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

IV. Accounting and Valuation Principles

Fixed Assets

Movable fixed assets that can be used independently and are subject to wear and tear are written off in full in the year of acquisition, provided their acquisition costs do not exceed €0.8 thousand (previous year: €0.4 thousand).

The capitalization option pursuant to Section 248 (2) sentence 1 HGB for internally generated intangible fixed assets is exercised in respect of patents filed.

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Current Assets

Within inventories, raw materials and consumables were measured at cost at the moving average price or at the lower replacement cost at the reporting date.

Provisions

Deferred taxes arising from temporary or quasi-permanent differences between the carrying amounts of assets, liabilities and prepaid expenses in the financial statements and their tax bases, or from tax loss carry-forwards, are measured using the tax rates applicable in the individual companies at the time the differences reverse, and the amounts of the resulting tax benefit and tax credit are not discounted. In accordance with Section 274 (1) of the German Commercial Code, deferred tax liabilities are recognized in the balance sheet under provisions.

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

Fixed Assets

Intangible assets include goodwill of around €2,576 thousand resulting from the acquisition of BNT GmbH.

Property, plant and equipment amounted to €41,285 thousand as of 30 June 2008 (previous year: €33,941 thousand). In the operating area, the investments include the conversion to a rotary kiln plant (IDO 5E), the

final construction of an e-chemistry laboratory at the Weimar site and the advance payments made in connection with the planned construction of a spray tower. At BNT GmbH, investments focused on the final capacity expansion of the planned MBTC production plant, general optimization measures in the production area and the renovation of the existing production infrastructure.

Current Assets

Current assets are approximately €2,751 thousand lower than in the previous year (€39,120 thousand). The final repayment of securities investments of €5,030 thousand is mainly offset by the increase in inventories

(€5,410 thousand) and trade receivables (€639 thousand) as well as the decrease in other financial assets (€865 thousand) and cash and cash equivalents of €2,904 thousand.

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The increase in inventories continues to be due to the build-up of inventories of an intermediate product at BNT GmbH. In the current fiscal year, a new MBTC production plant was completed, the novel production process

of which improves the raw material yield and enables the processing of inventories of the "MBTC intermediate".

Equity

The subscribed capital of IBU-tec AG remains unchanged at €4,750 thousand, which is divided into 4,750,000 bearer shares that are fully paid in.

Financial Liabilities

As of the reporting date, liabilities to banks amounted to €11,776 thousand, which represents an increase of €4,528 thousand compared to the previous year (€7,248 thousand) and is attributable to the partial exhaustion of existing current account lines.

Other Liabilities

Other liabilities decreased from €1,724 thousand in the previous year to €1,482 thousand, mainly as a result of the planned repayment in tranches of a shareholder loan granted in the penultimate fiscal year.

Deferred Tax Liabilities

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 discrepancies between the commercial and tax balance sheets. This resulted in deferred tax liabilities, which are recognized by the controlling

company, IBU-tec AG, on the basis of the profit and loss transfer agreement with BNT GmbH. In total, deferred tax liabilities amounted to €741 thousand (previous year: €824 thousand).

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VI. Notes to the Income Statement

The income statement was prepared in accordance with Section 275 of the German Commercial Code (HGB) in accordance with the total cost method.

In the first half of 2023, the following revenue shares were generated from the Group's individual areas of activity:

Turnover by Activity Sector (in € thousand)	H1 2023	H1 2022	Change
Engineering	605	467	+30%
Specialty Chemicals	9,379	14,846	-37%
Service & Recycling	4,749	5,005	-5%
Glass Coating	7,189	7,276	-1%
Battery Materials	3,356	1,957	+71%
Total	25,278	29,551	-14%

Sales were generated in the following geographic markets:

in € thousand	H1 2023	H1 2022	Change
Germany	8,342	10,638	-22%
Rest of the EU	6,572	6,797	-3%
Rest of the World	10,364	12,116	-14%
Total	25,278	29,551	-14%

Own work capitalized includes own work performed by employees of IBU-tec AG and BNT GmbH in the context of various investment projects in the amount of €266 thousand (previous year: €190 thousand).

The cost of materials declined by €4,819 thousand to €14,729 thousand (previous year: €19,548 thousand) due to the development of sales.

Personnel expenses rose by €478 thousand to €7,006 thousand (previous year: €6,528 thousand), which is mainly attributable to a higher number of employees and salary increases.

At €3,970 thousand, other operating expenses were almost at the previous year's level of €4,002 thousand.

Interest and similar expenses include, among other things, interest expenses for current and non-current liabilities in the amount of €187 thousand (previous year: €151 thousand).

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VII. Related Party Transactions

There is an employment relationship as an Executive Board assistant with the wife of the Chairman of the Executive Board in office until the Annual General Meeting on 26 April 2023. The remuneration from this employment contract up to the date of the Annual General Meeting amounted to €9 thousand (first half of 2022: €13 thousand).

Weimar, 24 August 2023



Jörg Leinenbach
(CEO)

Consulting agreements have been concluded with the Chairwoman of the Supervisory Board, Ms. Cailleteau, and the Supervisory Board member Dr. Thau, which are currently suspended. The agreed terms are in line with normal market conditions. In the first half of 2023, as in the prior year, there were no liabilities from these activities and no fees were paid.

FINANCIAL CALENDAR

FINANCIAL DATES OF IBU-TEC ADVANCED MATERIALS AG

24 August 2023	Semi-Annual Report 2023
14-15 November 2023	Munich Capital Markets Conference (MKK), Munich
27-29 November 2023	German Equity Forum, Frankfurt/Main
27 March 2024	Annual Report 2023
30 April 2024	Annual General Meeting

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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IBU-tec advanced materials AG

Hainweg 9-11
99425 Weimar

Germany

Phone: +49 (0) 3643 8649-0

Fax: +49 (0) 3643 8649-30

E-Mail: mail[at]ibu-tec.de

Internet: www.ibu-tec.de

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Hainweg 9-11
99425 Weimar
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