

# SEMI-ANNUAL REPORT 2022

SMART PROCESS SOLUTIONS AND PRODUCTS



# Key Metrics

for the Period from 1 January to 30 June 2022

in € thousand	unadjusted		Changes	adjusted for	Changes
	1. HY 22	1. HY 21	2022 vs. 2021	insurance settle- ments and expen- ses for the capital increase	2022 vs. 2021
			+/-	1. HY 21	+/-
Revenues	29,551	20,037	+47%	20,037	+47%
Therefrom Production	26,564	17,185	+55%	17,185	+55%
Therefrom Process Development / MEA / Engineering / Other.	2,987	2,852	+5%	2,852	+5%
Total Output	33,816	21,418	+58%	21,394	+58%
EBITDA	3,738	1,419	+163%	1,616	+131%
EBITDA Margin (in %)	12.6%	7.1%		8%	
EBIT	1,422	-876	+262%	-679	+309%
EBIT Margin (in %)	4.8%	-4.4%		-3.4%	
EBT	1,292	-1,098	+218%	-901	+243%
EBT Margin (in %)	4.4%	-5.5%		-4.5%	
Net Result	491	-1,113	+144%	-916	+154%
Earnings per Share (in €)	0.10	-0.23	+144%	-0.19	+154%
Balance Sheet Total	77,052	74,789	+3%	74,986	+3%
Equity	58,593	57,224	+2%	57,421	+2%
Equity Ratio Based on Economic Capital (in %)	76.0%	76.5%		76.6%	
Cash and Cash Equivalentents	4,768	9,107		9,304	
Operating Cash Flow	-4,837	-1,320		-1,123	
Cash Flow from Investments*	3,064	-14,648		-14,648	
Free Cash Flow	-2,654	6,608		6,805	
Employees (excluding Apprentices) - Annual Average	214	201	+6%	201	+6%
Revenue per Employee	138	100	+38%	100	+38%

\*incl. purchase of fixed-income securities (€13,024 thousand)

04 **HIGHLIGHTS 1ST HALF-YEAR 2022**

05 **FOREWORD**

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08 **IBU-TEC IN THE  
CAPITAL MARKET**

- 09 Share Price Development
- 09 Basic Share Data

10 **"IBU2025" STRATEGY:  
THE PATH TO RECORD SALES**

- 10 Energy and Raw Materials:  
Long-Term Outlook Remains  
Unchanged
- 11 Battery Materials:  
High Market Interest
- 11 Glass Coating: New Production  
Plant and Further  
Capacity Expansion

12 **ESG: ACTIVE FOR A  
SUSTAINABLE SOCIETY**

- 12 Quality and Environmental  
Management Recertified
  - 13 New Social and  
Healthcare Benefits
  - 13 Social Engagement
- 

14 **INTERIM GROUP MANAGEMENT REPORT**

24 **INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

28 **NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

33 **FINANCIAL CALENDAR / IMPRINT**

**Disclaimer**

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

# Highlights

## 1<sup>st</sup> half-year 2022

## IBU 2025

**January**

In terms of personnel, IBU-tec gears up for long-term growth in line with the IBU2025 strategy: Jörg Leinenbach becomes IBU-tec's Co-CEO. Leinenbach has been IBU-tec CFO for many years and will continue to hold this position in the future.



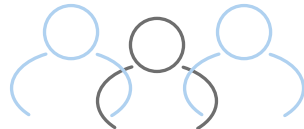
Portfolio of own battery products expanded: New product IBUvolt® LFP200 introduced. With a smaller particle size, new application possibilities present themselves. Combined with IBUvolt® LFP400 allows for a more homogeneous cathodes coating yielding increased energy density and battery performance.

**April**



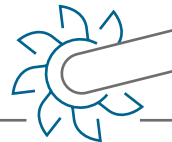
Agreement reached with Morrow Batteries: IBU-tec to supply up to 200 tons per year of LFP cathode material for a pilot plant. Joint high-performance batteries development project initiated, in addition to proposal enactments for creation of a sustainable, European sourced, battery materials supply chain.

**May**



Prominent new addition to the IBU-tec Supervisory Board: Annual General Meeting elects Prof. Dr. Achim Kampker, Head of the Chair of Production Management at the Faculty of Mechanical Engineering at RWTH Aachen University and a proven expert in electromobility, to the Supervisory Board. Sandrine Cailleteau becomes Chairwoman of the Supervisory Board.

**June**



Securing raw material sources for battery materials: IBU-tec concludes framework agreements with international suppliers of lithium, iron oxide and phosphoric acid contractually defining materials quantity and establishing set price ranges.

# Foreword

## Dear Shareholders, Customers and Employees,

The first half of 2022 of the IBU-tec Group went according to our expectations. We were able to improve all key financial figures, although we were confronted with a difficult market environment triggered by the Ukraine war, supply bottlenecks, inflation and the energy crisis. EBITDA increased by 131% year-on-year to €3.7 million. The EBTIDA margin improved from 8.0% to 12.6%. Revenues grew to €29.5 million in the first half of 2022, up from €20.0 million in the first half of 2021.

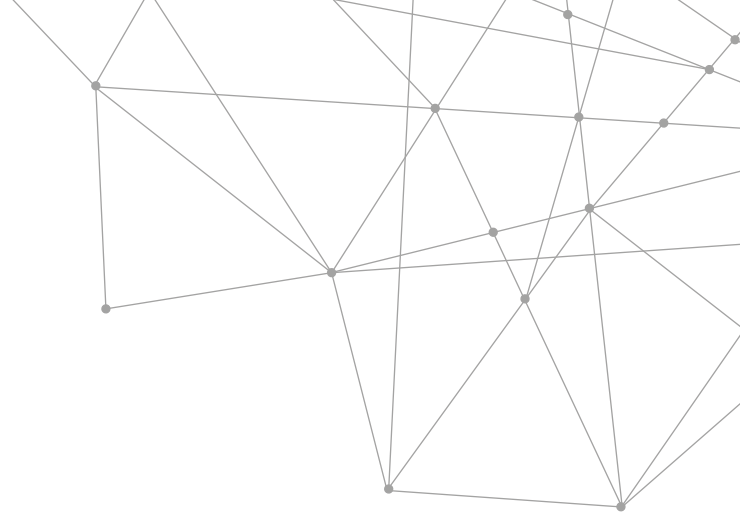
Our focus in the reporting period was on our own high-quality products, such as the LFP battery material IBUvolt® and the glass coating product MBTC. In line with our "IBU2025" strategy, these will form the key growth drivers of the IBU-tec Group in the coming years. Due to the positive market and demand development for our own products, we again adjusted our medium-term forecast at the beginning of the year. We are now planning sales of at least 102 to more than 130 million euros in fiscal 2025, compared with 80 to more than 100 million euros previously. This illustrates that we are active in important future markets with battery materials, glass coating and recycling, which are highly relevant particularly for the global energy transition. We have thus once again significantly strengthened our positioning as a modern greentech company.

Another milestone in the first six months of the year was the agreed partnership with the Norwegian battery manufacturer Morrow Batteries. We concluded a memorandum of understanding (MoU) for the supply of up to 200 metric tons of IBUvolt® battery material per year to the battery

manufacturer. Together with Morrow Batteries, we plan to develop high-performance batteries for various applications. Our long-term goal is to establish a sustainable supply chain for battery materials from European production. The current energy crisis and the continuing difficulties in supplying products from the Far East have once again clearly shown us how important it is to be independent of Asian markets. As currently the only LFP producer in Europe, we are particularly concerned and focused on establishing a strong European supply chain for battery materials.

In addition, we have concluded agreements with some international raw material suppliers of lithium, iron oxide and phosphoric acid to secure these materials on a sustainable basis. Through the agreements, we aim to ensure that we can meet the high demand for our LFP battery product in line with our growth strategy. We also added IBUvolt® LFP200 to our LFP portfolio in the first half of the year. In combination with the already established product LFP400, the battery can show significant performance advantages due to the addition of the new particle size. Many customers are stocking up on battery material and testing our product. Thus, we have shipped sample material in mid-double-digit numbers.

Our glass coating product MBTC, which is manufactured by our subsidiary BNT Chemicals, was also in strong demand in the reporting period. We are confident that we will be able to start up our new production facility from the fourth quarter of 2022, which will again significantly increase our capacities in the glass coating business.





Jörg Leinenbach  
Co-CEO/CFO

Ulrich Weitz  
CEO

Dr. Arndt Schlosser  
CSO

We also felt the challenges on the global markets in the IBU-tec Group in the first half of the year, but thus far have been able to cope well with the difficult market conditions. We have largely passed on the sharp increases in raw material and energy prices to our customers. We are also currently examining whether our industrial plants at IBU-tec and BNT can be operated with energy sources other than natural gas – one third of the thermal plants at IBU-tec already run independently of natural gas. We would therefore be well equipped even in the event of a possible halt to supplies of Russian natural gas, although this would involve major restrictions.

We believe that the IBU-tec Group is strongly positioned in terms of operations and personnel to continue our growth strategy as planned. We are sticking to our forecast for the full year 2022 with sales of 55-57 million euros, provided that the political and economic conditions do not deteriorate significantly.

We would be pleased if you would continue to accompany us on our growth path and thank you for your trust in the first half of the year.

Sincerely,

Handwritten signature of Ulrich Weitz in black ink.

**Ulrich Weitz**  
(CEO)

Handwritten signature of Jörg Leinenbach in black ink.

**Jörg Leinenbach**  
(Co-CEO/CFO)

Handwritten signature of Dr. Arndt Schlosser in black ink.

**Dr. Arndt Schlosser**  
(CSO)



# IBU-tec in the Capital Market

International capital markets came under significant pressure in the first half of 2022. The Ukraine war, high inflation rates, interest rate hikes by central banks and growth concerns have led to market uncertainty impacting investment behavior. Added to this is the ongoing COVID-19 pandemic, which has led to widespread lockdowns and renewed logistics and supply bottlenecks in China, among other places. In addition, commodity and energy prices, which have risen sharply in some cases as a result of the war in Ukraine, and concerns about a complete halt to Russian natural gas supplies to Germany are having a negative impact.

Against this backdrop, all German share indices fell considerably compared with the year-end price. At 12,783 points, the DAX had lost 19.5% by 30 June 2021, while the MDAX

stood at 25,823 points, down 26.5% versus 30 December 2021. The SDAX (11,881.19 points, -27.6%) and the Scale 30 (1,240.21 points, -24.4%) and Scale All Share (1,374.13 points, -23.8%) indices also suffered significant losses.

Following this downward trend, IBU-tec shares also lost value with a 30 June 2021 closing price of 24.55 euros, down from 46.00 euros at the end of 2021. IBU-tec shares are thus significantly below the price target of the analysts at Bankhaus Hauck Aufhäuser Lampe, who rated it a “buy” with a target of 64.50 euros in their research report dated 25 February 2022.

At the IBU-tec Annual General Meeting, which was again held in virtual form on 4 May 2022, the shareholders elec-



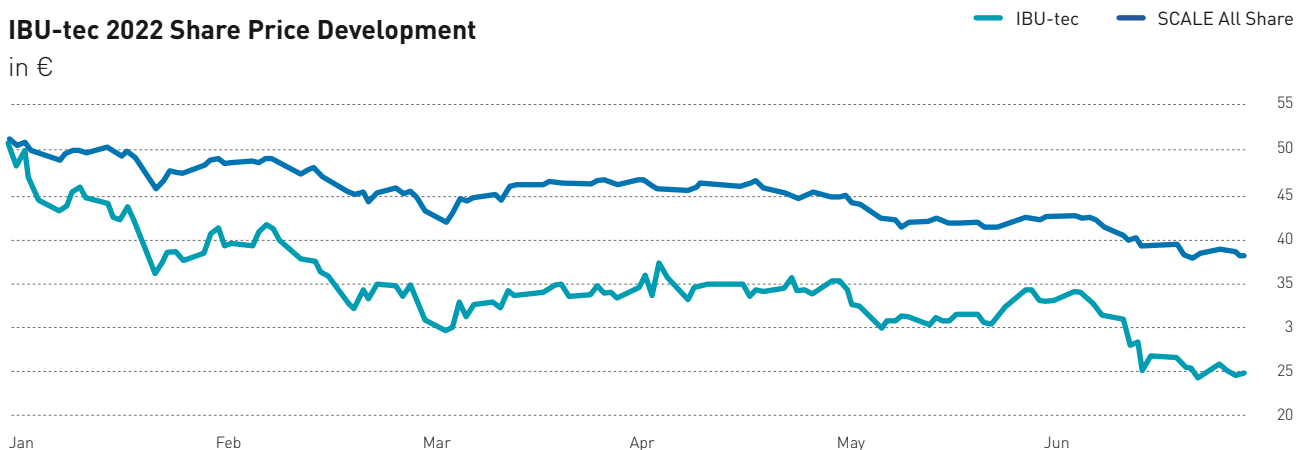


ted a new Supervisory Board. For the first time, the board now includes Prof. Dr. Achim Kampker, Head of the Chair of Production Management at the Faculty of Mechanical Engineering at RWTH Aachen University and co-founder of StreetScooter GmbH. The two Supervisory Board members Sandrine Cailleateau and Dr. Jens Thau were re-elected. The previous Chairman of the Supervisory Board, Dr. Hans-Jo-

achim Müller, did not stand for re-election. He would like to concentrate on his duties as CEO at Azelis S.A.. At its constituent meeting, the Supervisory Board appointed Sandrine Cailleateau as its new Chairperson. The Annual General Meeting also resolved to increase the number of Supervisory Board members to four from 2023.

### IBU-tec 2022 Share Price Development

in €



### IBU-tec Basic Share Data

ISIN / WKN	DE000A0XYHT5 / A0XYHT
Ticker Symbol	IBU
Stock Market Segment	Scale, Open Market of the Frankfurt Stock Exchange
Trading Venues	Xetra, Frankfurt, Berlin, Düsseldorf, Hamburg, München, Stuttgart, Tradegate
Initial Listing	30 March 2017
Share Capital	EUR 4,750,000.00
Total Number of Shares	4,750,000 Shares
Type of Shares	No-par value bearer shares without nominal value (unit shares)
Corresponding Index	SCALE All Share
Designated Sponsor	Bankhaus Hauck Aufhäuser Lampe
Research	Bankhaus Hauck Aufhäuser Lampe
Market Cap (as of 30 June 2022)	EUR 116.6 Mio.
Shareholder Structure	14.69% Executive Board (incl. Ulrich Weitz) 33.42% Weitz Family 51.89% Free Float

# "IBU2025" Strategy: The Path to Record Sales

In our "IBU2025" strategy paper, at the beginning of 2021 we formulated clear IBU-tec Group growth targets and identified our relevant growth markets: Battery Materials, Glass Coating and Recycling. After the October 2021 successful market launch of our own LFP product IBUvolt®, beginning in 2022 we adjusted our strategy to account for foreseeable volume and price increases.

We now plan to achieve consolidated sales of at least 102 to over 130 million euros in fiscal 2025 (previously: 80 to over 100 million euros). The main growth driver will be the battery materials business, predicted to contribute at least 30% to sales amounting to around 30-60 million euros

based on conservative price assumptions. The reason for this adjustment is due to anticipated volume and price effects expected from the production of our own battery materials. The update also reflects developments in raw material prices, which have particular impact on the glass coating business. We now forecast sales of 19 million euros for 2025 (previously: 12 million euros). We continue to assume a Group-wide EBITDA margin of over 20%

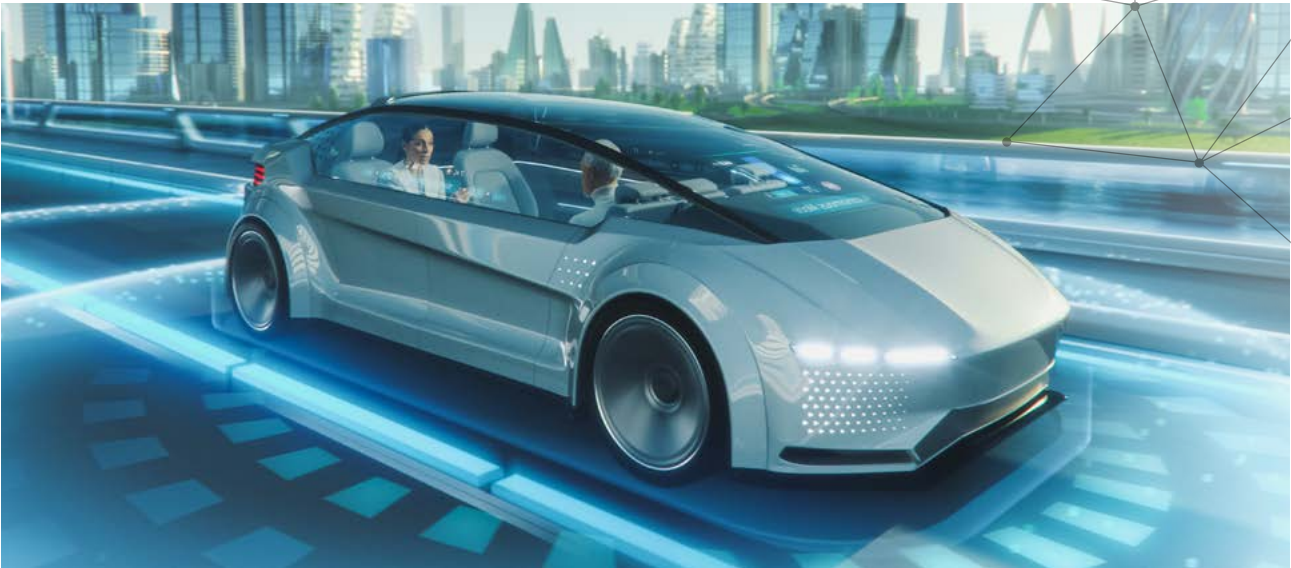
## **ENERGY AND RAW MATERIALS: LONG-TERM OUTLOOK REMAINS UNCHANGED**

We remain committed to these strategic growth targets despite the overall downturn in the global economic situation and the challenging economic conditions of the first half of 2022. Our natural gas dependency exposes us to the possibility of short-term sales losses in the event of a comprehensive supply stoppage, we do not however anticipate this risk to have medium to long-term impact.

Around a third of our thermal plants are already operating independently of natural gas. We are at present diligently examining the total conversion to alternative energy sources for IBU-tec and our subsidiary BNT. Crude oil for example has been identified as a possible substitute. However, these changes would require a corresponding lead time. In the event of a supply stop for natural gas, our operations would be maintained, but with noticeable associated restrictions until conversion.

Additionally, against the background of intensifying international demand for raw materials, we have successfully concluded agreements with suppliers of lithium, iron oxide and phosphoric acid, thus safeguarding access to increased volumes as needed and establishing defined price ranges in an era of extreme market volatility. These actions secure our long-term supply of important raw materials for battery materials production – even at increased volumes.





Overall, we feel the Group is well insulated and positioned to meet any potential challenges arising from a continuing raw materials and/or energy crisis, with negligible growth path impact. With the production start of our own battery material, IBU-tec became the only European manufacturer of LFP for cathode coating currently producing and delivering. We intend to use our multi-year head start over our competitors to strategic advantage.

### **BATTERY MATERIALS: HIGH MARKET INTEREST**

Approximately eight months post IBUvolt® market launch and we are in productive discussions with numerous companies, including cell and battery producers from a variety of industries, as well as national and international vehicle manufacturers interested in our LFP battery materials. To date, we have shipped several tons of IBUvolt® sample battery material for rigorous and extensive qualification testing for series production.

Depending on the application and size of the planned batteries, these processes take between twelve months and several years. We have already received initial positive feedback from several customers, which is why we expect further significant orders for IBUvolt® from 2023 at the latest.

In parallel, we have begun the necessary investment processes to be able to meet anticipated increased volume demand. For example, we are in close talks with partners for the expansion of our drying capacities, an important upstream process in the production of LFP cathode mate-

rial. We are examining various options with which we may expand both the necessary equipment and volumes available to us in the short and medium term.

We have also expanded our research activities in order to offer customers customized product variants depending upon need. An initial result is the new particle size IBUvolt® LFP200, which in combination with IBUvolt® LFP400 can significantly increase the energy density of batteries.

### **GLASS COATING: NEW PRODUCTION PLANT AND FURTHER CAPACITY EXPANSION**

Glass coating was a primary focus of our activities in the first half of 2022. With construction of a pilot plant in the past fiscal year, in the first six months of this year we have continued to expand capacity for the MBTC glass coating product. Commissioning is scheduled for the second half of the year, so that we will then have a total capacity of around 1,000 metric tons – doubling our current maximum volume.

With these measures to implement “IBU2025” we have taken the essential steps to position IBU-tec as a green-tech company in important future markets. At the same time, we are driving forward the transformation of the IBU-tec Group: our strong business as a research and development service provider will be supplemented by our own products in attractive growth markets. This will enable us to continue our success story in the coming years.

# ESG:

## Active for a Sustainable Society

The principles of **E**nvironment, **S**ocial, **G**overnance – **ESG** for short – guide our actions at IBU-tec. Whether with our innovative technologies and products from the greentech sector or through our comprehensive quality and environmental management system – we actively contribute to a more sustainable society. In the 2021 Annual Report, we published comprehensive key figures on our ESG activities for the first time with the voluntary non-financial statement as part of the management report.

External ratings last year demonstrated the IBU-tec Group's strong sustainability focus. For example, EcoVadis, the wor-

ld's largest provider of sustainability ratings for companies, awarded us the "EcoVadis Silver" distinction. With an overall score of 59 points, the IBU-tec Group was among the top 20% of its industry sector and the top 25% of total companies evaluated by the platform. In addition, imug rating rated the IBU-tec Group's sustainability plan as "good" with an overall score of 70 out of 100 possible points. IBU-tec scored especially best in the key social figures area, including numerous opportunities for employee training, attention to occupational health and safety, and company social benefits in particular came to the fore.

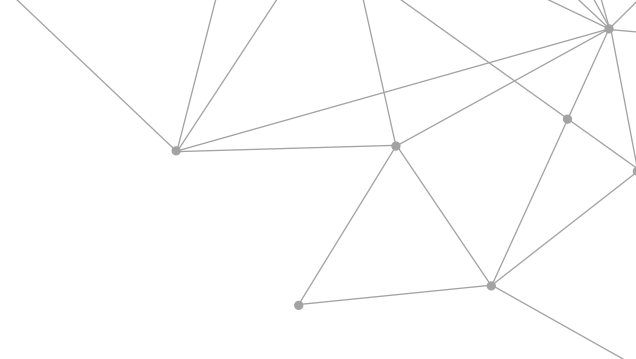
### QUALITY AND ENVIRONMENTAL MANAGEMENT RECERTIFIED

We continued our extensive sustainability activities in the first half of 2022. The focus was on an intensive certification audit for our Group-wide integrated quality and environmental management systems in accordance with DIN EN ISO 9001 and 14001 by TÜV Thüringen which we successfully completed. Above all, the strong synergies between IBU-tec and the subsidiary BNT Chemicals were positively highlighted. In particular, the intensive communication and cooperation between the individual specialist departments of the two companies, for example in sales, human resources, the laboratory and R&D, were positively highlighted. In May 2022, the energy management system at BNT was also audited in accordance with DIN EN ISO 50001 by TÜV Thüringen and also passed successfully. With our environmental management system, we have established effective processes to ensure that no environmental damage is caused by our operational activities. In addition, we operate a photovoltaic system at our Weimar headquarters and a combined heat and power plant at BNT to actively reduce emissions. As a further contribution to the ener-

gy and mobility transformation, we set up a new charging infrastructure for electric cars at our sites at IBU-tec in Weimar and at BNT in Bitterfeld in the first half of the year. Both parking lots now have four charging stations where employees, customers and visitors can recharge their vehicles for free.



- 58% of electricity comes from renewable energy
- PV system and combined heat and power plant yields 582 tons of CO<sub>2</sub> savings compared to conventional sources
- 27% electric and hybrid vehicles in the Group
- Critical waste volume reduced to 586.9 tons (previous year: 659.8 tons)
- New charging infrastructure for e-cars



### NEW SOCIAL AND HEALTHCARE BENEFITS

All IBU-tec employees have long benefited from extensive social and healthcare benefits. For example, there is a health fund that provides subsidies for medical treatment, preventive examinations and glasses, regular health days and free weekly running and exercise training.

At employee suggestion, we decided to introduce additional offerings in the first half of the year. These include massage services, a yoga course and smoke-free seminars.

To improve the work-life balance, we also decided to restructure the vacation arrangements at IBU-tec. Thus, starting in 2023, all employees will receive an annual vacation of 30 days, regardless of the length of their employment – previously, the vacation entitlement had increased from



- Kindergarten subsidy and leisure time activities for employees' children
- Wage ratio 1:1 for women and men
- Turnover rate of 15.7%, well below the German average
- More vacation days for employees
- Health services, e.g. yoga and massages

25 to 30 days with each year of employment. In addition, 24 and 31 December will in future be considered days off in their entirety, for which no vacation time need be taken. Employees who work shifts will also benefit from improvements in shift scheduling that will make it easier for them to organize their daily lives.

### SOCIAL ENGAGEMENT

This year we continued the popular leisure time program for children of IBU-tec employees. Every year during school vacations, we organize this event with professional supervision, where children from the age of six playfully learn about an aspect of the world.

The Russian war of aggression against Ukraine has affected us at IBU-tec very much. Thus IBU-tec has chosen to financially support SV Einheit Legefild e.V., a friendly soccer club from the neighborhood of our Weimar headquarters. The club started collecting in kind donations for the people in the war zones shortly after fighting began. Many of our employees privately responded to calls to action.



- Strict Code of Conduct that applies to employees, suppliers, and customers
- Rejection of child labor, inhumane working conditions, corruption, and bribery
- Protection of data is of paramount importance – external data protection officer
- Financial support for victims of the Ukraine war
- Employment of a war refugee from Ukraine

In June, we hired a new colleague who fled Ukraine with her mother and daughter. We are delighted to not only provide her with a fresh start in Germany, but particularly one over by her constant drive and incredible qualifications. We are honored to have her on board.

*Further details and key figures on our sustainability activities can be found in the 2021 Annual Report starting on page 57.*

# Interim Group Management Report

## of IBU-tec advanced materials AG for the First Half of 2022

### 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. The business model consists of research and development as well as production services including the manufacture of 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, the Group significantly realigned itself in October 2021 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 management of the Group and the subsidiary. This was concluded 31 December 2021, mainly through the CEO of IBU-tec AG, Ulrich Weitz, who was also part of the management of the subsidiary. On 1 January 2022, the CSO of IBU-tec AG, Dr. Arndt Schlosser, took over this task. 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.

##### 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.

In addition to the automotive industry, the chemical industry, the building materials industry and electrical engineering, ceramics and the glass industry 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 sciences. Through its customer base, it addresses global megatrends such as green mobility (e-mobility and car catalysts), green economy (including CO<sub>2</sub>-reduced building materials, rare earths, stationary energy storage) and recycling (e.g. battery and building materials). 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. 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. 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 further increase growth dynamics, broaden the customer base and increase sales predictability.

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. Thus, IBU-tec occupies important, promising and high-margin greentech markets.

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 organometallic 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 roadmap 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, more than double 2021 numbers. 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 EBIT-DA 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 Russian war against Ukraine has drastically changed both the German and European economic outlook. According to the Leibniz Institute for Economic Research at the University of Munich, overall economic output increased by 0.2% in the first half of 2022, but economic output stagnated in the manufacturing sector. In addition, the negative impact of high inflation, which the Institute predicts to be 6.8% for the year in total, is at its highest levels since 1974.<sup>1</sup>

#### 2.1.1 Chemical Industry

According to the Association of the Chemical-Pharmaceutical Industry (VCI), the chemical industry suffered particularly from rising raw material and energy prices in the first half of the year, which had a negative impact on the earnings of many companies. For example, all business units in the industry accepted production losses in the first half of 2022. The Fine and Specialty Chemicals segment was particularly affected, recording a 9% decline. Overall, first half of the year production grew by only 0.5%. Excluding pharmaceuticals, the sector lost 3%.<sup>2</sup>

#### 2.1.2 Automotive Industry

The general conditions for the automotive industry have also deteriorated significantly since the beginning of the year, reports the German Association of the Automotive Industry (VDA). The lacking availability of intermediate products and raw materials, in particular a shortage of semiconductors, has had a negative impact on the markets. The industry also suffered due to an increase in interest rates in the USA and Europe and was further hampered by continued supply chain constraints, further exacerbated by war in Ukraine and corona lockdowns in China. Accordingly, the association significantly reduced its forecasts for the current year.<sup>3</sup>

### 2.2 Important Events in the First Half-Year 2022

Overall, the IBU-tec Group developed positively in the first half of 2022. Despite difficult economic conditions with energy and raw material price increases, international supply chain problems and a first quarter COVID-19 wave, which in some cases led to project postponements, we still achieved our targets for the first six months of the year and are optimistic about the second half.

The focus of activities at IBU-tec AG was on battery materials. Therefore, we expanded our LFP portfolio with IBUvolt® LFP200 by an additional particle size. Combination with IBUvolt® LFP400 enables a more homogeneous coating of cathodes. Battery and cell manufacturers can thus significantly increase the energy density of batteries and achieve performance advantages. In addition, we have entered into a development partnership with the Norwegian battery manufacturer Morrow Batteries to jointly develop high-performance batteries for various applications.

1 <https://www.ifo.de/fakten/2022-06-15/ifo-konjunkturprognose-sommer-2022-inflation-lieferengpaesse-und-krieg-bremsen> (11 July 2022; in German)

2 <https://www.vci.de/presse/pressemitteilungen/wettbewerbsproblem-standort-deutschland-halbjahresbilanz-chemisch-pharmazeutische-industrie.jsp> (11 July 2022; in German)

3 [https://www.vda.de/vda/de/presse/Pressemeldungen/220620\\_PM\\_Internationale-Automobilmaerkte-VDA-passt-Prognosen-an](https://www.vda.de/vda/de/presse/Pressemeldungen/220620_PM_Internationale-Automobilmaerkte-VDA-passt-Prognosen-an) (11 July 2022; in German)



The memorandum of understanding also provides for the supply of LFP cathode material for a Morrow pilot plant in the amount of up to 200 tons per year. In addition, to secure the planned expansion of our production capacities for LFP battery material as part of our IBU2025 strategy, we have concluded agreements with international suppliers of lithium, iron oxide and phosphoric acid that define both volume and price ranges.

In terms of sales, we held intensive talks with manufacturers of battery and cell systems from all sectors in the first half of the year and sent out a significant double-digit number of samples. In addition, we were able to win several interesting development orders in the battery materials field, both in the anode and cathode area with a variety of materials. With regard to orders for our LFP battery material, we are slightly below our expectations as of the half-year reporting date. This is due to delays on the part of customers, including in the construction of production facilities and production delays, as well as the fact that announced orders have not yet been called off.

At the same time, we were able to successfully market our expertise in battery materials production as a research service, exceeding our previous forecast. At IBU-tec AG, for example, we supported several cell and battery manufacturers – including an international automotive group – in the development of both cathodes and anodes with different materials. In addition, we continued trials in battery recycling with various partners. We also conducted further trials in the recycling of catalysts and sand – e.g. for mold making. The contract manufacturing business also developed positively despite the delays in project implementations in the first half of the year.

In addition to research orders from customers, our in-house products and processes development team formed a central research focus for IBU-tec in the first half of the year. For example, we worked intensively on spray drying processes for LFP battery material, which we were able to test successfully on a laboratory scale. For this purpose, we have newly constructed and commissioned our own test plant. In addition, we made important progress in the development of our nanoscale zinc oxide, which we will market in the future under the name IBUpart®. This transparent material is particularly suitable for use as UV protection in cosmetics and sun creams. In benchmark tests, we successfully produced two formulations and determined the sun protection factor. We also made very good development progress in the area of coating additives with UV protection.

BNT GmbH benefited from a more stable market environment and high order volumes. The first six months of the year saw sustained high demand for the glass coating product monobutyltin trichloride (MBTC). The construction of our new production facility has progressed well and we firmly anticipate commissioning in the fourth quarter of 2022, significantly increasing our capacities as of 2023.

The by-product which we market launched last year was in strong demand in the first half of the year. We won our first orders after sampling various customers in the adhesives and sealants market last year. By contrast, the coatings additives business suffered from the war- and pandemic-related decline in production in the automotive industry. However, we succeeded in winning customers from other product application areas, which enabled us to absorb some of the lost sales.

A particular challenge in the first half of the year, specifically for BNT GmbH, was the sharp rise in energy and raw material prices. Thanks to transparent pricing, we were able to pass these costs on to our customers as much as possible. We use formula prices with price escalator clauses linked to developments in the raw materials markets. In addition, we levy an energy cost contribution. This transparency has been well received by our customers.

In research and development, BNT GmbH made considerable progress in development projects in the field of organotin alternatives and the recycling of tin by-products. In addition, we continued to pursue the subject of crosslinking catalysts and achieved initial test results in cooperation with customers. With the resulting new products, we were able to build up knowledge for various applications.

At the Annual General Meeting of the IBU-tec Group, which was again held in virtual form on 4 May 2022, the shareholders elected a new Supervisory Board. For the first time, the board now includes Prof. Dr. Achim Kampker, Head of the Chair of Production Management at the Faculty of Mechanical Engineering at RWTH Aachen University and co-founder of Street-Scooter GmbH, which is known for its all-electric postal vehicles. The two Supervisory Board members Sandrine Cailleateau and Dr. Jens Thau were re-elected. At its constituent meeting, the Supervisory Board appointed Sandrine Cailleateau as its new Chairwoman. Former Supervisory Board Chairman Dr. Hans-Joachim Müller did not stand for re-election. In the future, he would like to concentrate on his activities as CEO of Azelis S.A.. The Annual General Meeting also resolved to increase the number of Supervisory Board members to four from the beginning of 2023.

## 2.3 Turnover by Activity Sector

Overall, the IBU-tec Group generated sales of €29,551 thousand in the 1<sup>st</sup> half of 2022 (previous year: €20,036 thousand). The individual areas of activity contributed to total sales as follows:

in € thousand	1. HY 2022	1. HY 2021	Change
Production	26,564	17,185	+55%
Process development	2,035	2,083	-2%
Engineering	467	201	+132%
MEA/Laboratory/R&D	268	209	+28%
Other	217	358	-39%
<b>Total</b>	<b>29,551</b>	<b>20,036</b>	<b>+47%</b>

## 2.4 Net assets, Financial Position and Results of Operations

### 2.4.1 Net Assets

Consolidated total assets increased by €2,262 thousand year-on-year (€74,789 thousand) to €77,051 thousand.

Financial position (in € thousand)	30 June 2022	30 June 2021	Change
Balance sheet total	77,051	74,789	+3%
Equity	58,593	57,224	+2%

The IBU-tec Group's equity totaled €58,593 thousand as of 30 June 2022.

The equity ratio is around 76% as in the previous year.<sup>4</sup>

<sup>4</sup> Equity ratio = Balance sheet equity/total capital

Fixed assets in the current financial year amount to €37,428 thousand and are thus around €695 thousand higher than in the previous year. Scheduled capital expenditure of around €2,395 thousand is offset by scheduled depreciation of €2,316 thousand. Intangible assets include goodwill of around €3,090 thousand resulting from the acquisition of BNT GmbH, the amortization of which is also included in the above figure.

Current assets are around €1,407 thousand higher than in the previous year (€37,713 thousand). The targeted reduction of securities investments by €7,994 thousand is primarily offset by the increase in inventories (€12,636 thousand) and trade receivables (€497 thousand), which also explains the decrease in cash and bank balances by €4,338 thousand. The increase in inventories results from two production campaigns of battery materials carried out at IBU-tec AG, which were pre-produced for potential customer orders. The increase in inventories continues to be attributable to the inventory build-up of an intermediate product at BNT GmbH. In the current fiscal year, the introduction of a novel production process for processing the "MBTC intermediate" is planned.

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 €7,248 thousand, which represents a reduction of €1,765 thousand compared to the previous year (€9,013 thousand). This decrease is attributable to the scheduled repayment of existing bank loans.

Other liabilities decreased from €2,567 thousand in the previous year to €1,724 thousand, mainly as a result of the planned repayment in tranches of a shareholder loan granted in the previous year.

Deferred tax liabilities increased by €650 thousand compared with the previous year. As a result of the reserve for replacement purchases formed at the subsidiary BNT GmbH in 2020 in accordance with EStR 6.6. tax balance sheet, there were deviations between the commercial and tax balance sheets in the reporting year, which alone led to an increase in deferred tax liabilities of €605 thousand.

#### **2.4.2 Financial Situation**

Taking into account the net profit for the half-year as well as the depreciation and amortization charged (€2,316 thousand), the increase in trade receivables and other assets, which include inventories (€7,959 thousand), the increase in provisions (€655 thousand) and the increase in trade payables and other liabilities (€340 thousand), the cash flow from operating activities amounts to €-4,837 thousand.

Due to the inclusion of the sales of securities made (€5,475 thousand) in the calculation of the cash flow from investing activities, a positive cash flow from investing activities of €3,064 thousand was generated, taking into account the investments made of €2,395 thousand.

The cash flow from financing activities of €-881 thousand includes the scheduled repayments of existing bank loans.

### 2.4.3 Earnings

The increase in sales was partly due to higher sales at the subsidiary BNT GmbH. Strong increases in energy and raw material prices were passed on to BNT's customers under negotiated price escalation clauses.

The Group generated the following shares of sales in the production, process development, materials development and engineering subsegments in the first half of 2022:

in € thousand	1. HY 2022	1. HY 2021	Change
Production	26,564	17,185	+55%
Process development	2,035	2,083	-2%
Engineering	467	201	+132%
MEA/Laboratory/R&D	268	209	+28%
Other	217	358	-39%
<b>Total</b>	<b>29,551</b>	<b>20,036</b>	<b>+47%</b>

An increase in the cost of materials (+€9,846 thousand) associated with the higher sales and the production campaigns for battery materials as well as lower other expenses (-€426 thousand), which in the previous year still included the non-recurring expenses incurred in the course of the capital measure carried out, led to an increase in EBITDA of around 163% to €3,738 thousand compared with the unadjusted EBITDA of the same period of the previous year (€1,418 thousand). Compared with the adjusted EBITDA for the first half of 2021 (€1,616 thousand), which does not include the costs of the capital increase and the insurance settlements received and thus reflects IBU-tec's operating performance, the increase amounted to 131%.

Depreciation and amortization remained virtually unchanged, resulting in EBIT of €1,422 thousand, which is around €2,298 thousand higher than in the previous year.

Earnings before other taxes and taxes on income (EBT) amounted to €1,292 thousand, with the financial result almost comparable to the previous year.

The above developments resulted in a consolidated net profit of €491 thousand, which is €1,604 thousand higher than in the previous year.

Earnings in € thousand	30 June 2022	30 June 2021	Change	30 June 2021 adjusted	Change
EBITDA	3,738	1,418	+163%	1,616	+131%
EBT	1,292	-1,098	+218%	-901	+243%
Annual net profit	491	-1,113	+144%	-916	+154%

## 2.5 Personnel

The number of employees in the IBU-tec Group averaged 213.5 in the half-year (previous year 200.5). The IBU-tec Group lives up to its social obligation of vocational training and employed an average of twelve apprentices in various trades (mechatronics technician, electronics technician for industrial engineering, chemical laboratory technician, chemical technician, office management assistant) during the period under review.

Staff (excluding board of directors, apprentices and employees on parental leave)	1. HY 2022	1. HY 2021	Change
Average according to German Commercial Code	213.5	200.5	+6.5%
As of 30 June	215	202	+6.5%

## 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 2021 and essentially remain applicable for the first half of 2022.

A particular risk is the threat of a supply stop for Russian natural gas. IBU-tec AG is highly dependent on natural gas, as around two thirds of our thermal plants are natural gas-fired. In addition, in the case of electrically operated rotary kilns, depending on the material systems processed, the waste gases produced must also be thermally post-treated, for which natural gas is also required. The Board has examined the possibilities of alternative fuels such as liquefied gas and hydrogen. However, in addition to their safe storage, the conversion of burner technology poses a major challenge which can only be solved in the medium to long term. 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 complete gas supply freeze and the associated rationing for industry. At BNT GmbH, we do have the option of replacing a large part of the natural gas required to operate our plants with steam, which we can obtain from the Bitterfeld Chemical Park. However, it is to be expected that steam production will also be affected in the event of gas rationing. We are therefore currently examining the extent to which we can make further provision by oil to minimize our dependence. Since the German glass industry in particular, as a customer of our coating product MBTC, would be strongly affected by the restrictions, a lack of natural gas supplies would also have an impact on BNT GmbH to some extent in terms of sales if orders from Germany were cancelled. IBU-tec AG would also see a drop in orders, as customers from the chemical industry and other energy-intensive sectors would feel the consequences of gas rationing. On the other hand, we see the efforts of some customers to expand their own stockpiling as a precautionary measure and to use IBU-tec AG as a contract producer for this purpose as an opportunity. Overall, we classify the probability of occurrence of a gas supply stop as medium to high, and the impact as very high. Thanks to our liquidity reserves, we would be able to bridge even a production stop lasting several weeks.

Commodity prices initially jumped after the start of the Russian war of aggression against Ukraine. While lithium was down only slightly from its peak in April by the reporting date of 30 June, the price of tin fell sharply again and at the end of June was lower than at the beginning of the year. By contrast, prices for electricity and natural gas continued to rise in June, mainly due to the threat of a gas supply freeze. We have so far been able to pass on fluctuating purchase prices for raw materials and energy to our customers by means of price escalator clauses. However, there is a risk that we may not be able to absorb another sharp increase. The impact would be at a medium level, although we currently assess the probability of occurrence as low to medium.

## 4. Outlook

### 4.1 Future Economic and Industry Development

Against the background of the Ukraine war, the German Council of Economic Experts lowered its forecast for 2022 from the original 4.6% to only 1.8% in March. In view of inflation, persistent supply bottlenecks and the Ukraine war, the ifo Institute also assumes an increase in gross domestic product of only 2.5% in 2022 in its June report. For the second half of the year, the Institute expects supply bottlenecks to ease and commodity prices to fall, which will lead to a recovery in the overall economic situation. In its latest study, the International Monetary Fund (IMF) expects growth of only 1.2% for Germany as a whole with a strongly increased probability of recession at the same time.<sup>7</sup>

#### 4.1.1 Chemical Industry

The German Chemical Industry Association (VCI) does not expect the situation in the chemical sector to improve. In addition to supply bottlenecks and high raw material prices, the sharp rise in energy prices in particular is having a negative impact on companies' earnings. It is true that industry sales increased by 22% year-on-year to €130 billion, mainly due to higher producer prices. For 2022 as a whole, however, the VCI expects production to decline by 1.5% overall and by up to 4.0% in the chemicals sector alone. The threat of a cut in natural gas supplies from Russia is also a particular problem.<sup>8</sup>

#### 4.1.2 Automotive Industry

The automotive industry is also being hit by supply chain disruptions, a shortage of raw materials and high energy prices. Accordingly, the VDA lowered its market forecasts for 2022 in June, predicting that the number of passenger cars sold in Germany will increase by only 3% year-on-year instead of 5%, corresponding to around 2.7 million vehicles. Although the industry is benefiting from a very high order backlog, supply-side difficulties are weighing on the industry. Internationally, the association even expects sales volumes to stagnate or decline.<sup>9</sup>

<sup>5</sup> [https://www.sachverstaendigenrat-wirtschaft.de/fileadmin/dateiablage/Konjunkturprognosen/2022/KJ2022\\_Gesamtausgabe.pdf](https://www.sachverstaendigenrat-wirtschaft.de/fileadmin/dateiablage/Konjunkturprognosen/2022/KJ2022_Gesamtausgabe.pdf) (11.07.2022)

<sup>6</sup> <https://www.ifo.de/fakten/2022-06-15/ifo-konjunkturprognose-sommer-2022-inflation-lieferengpaesse-und-krieg-bremsen> (11 July 2022; in German)

<sup>7</sup> International Monetary Fund: World Economic Outlook Update, July 2022, S. 4-7.

<sup>8</sup> <https://www.vci.de/presse/pressemitteilungen/wettbewerbsproblem-standort-deutschland-halbjahresbilanz-chemisch-pharmazeutische-industrie.jsp> (11 July 2022; in German)

<sup>9</sup> [https://www.vda.de/vda/de/presse/Pressemeldungen/220620\\_PM\\_Internationale-Automobilmaerkte-VDA-passt-Prognosen-an](https://www.vda.de/vda/de/presse/Pressemeldungen/220620_PM_Internationale-Automobilmaerkte-VDA-passt-Prognosen-an) (11 July 2022; in German)

## 4.2 Future IBU-tec Group Developments

Despite the noticeable deterioration in the general conditions for economic development in Germany, we are maintaining our published forecast for the IBU-tec Group's fiscal year 2022 due to the robust order situation and market interest in our products. We continue to plan for consolidated sales of €55-57 million and a slight increase in the EBITDA margin compared to 2021, provided that the economic situation does not deteriorate further and, in particular, that natural gas volumes for industry are not restricted. We are confident that we will be able to pass on higher purchase prices for raw materials and energy to our customers in the future, provided the price spiral does not accelerate further.

In view of our current order situation, we at IBU-tec AG believe we are well positioned for the second half of the year. We plan to successively work off the project postponements of the first two quarters in the coming months. Additionally, we expect orders for our own battery material in the double-digit tonnage range to be called off in the fourth quarter. Furthermore, the engineering business is developing very positively compared with the previous year and should benefit from several contract awards in the second half of the year.

We also expect earnings at BNT GmbH to remain stable overall. Subject to a possible gas supply freeze, we expect to utilize capacity for our glass coating product MBTC again this year, as well as for the intermediate product for the chemical market. In the pharmaceuticals sector, one customer has announced its withdrawal from the production of a specific drug in which our pharmaceutical precursor tributyltin chloride (TBTCI) is used for synthesis. The associated decline in orders has already been taken into account in the 2022 planning and can be partially compensated for by other customers.

Weimar, 31 August 2022



**Ulrich Weitz**  
(CEO)



**Jörg Leinenbach**  
(Co-CEO/CFO)



**Dr. Arndt Schlosser**  
(CSO)

# Interim Consolidated Financial Statements

as at 30 June, 2022

## Balance Sheet of the IBU-tec Group\*

<b>ASSETS</b>	<b>1. HY 2022</b>	<b>1. HY 2021</b>
	€ thousand	€ thousand
<b>Fixed Assets</b>		
Intangible assets	3,487.51	3,929.29
Property, plant and equipment	33,940.68	32,803.43
Financial assets	-	-
	<b>37,428.19</b>	<b>36,732.72</b>
<b>Current assets</b>		
Inventories	19,745.93	7,109.85
Trade receivables	8,230.06	7,733.54
Securities	5,029.50	13,023.50
Other financial assets	1,346.21	739.86
Cash and cash equivalents	4,768.43	9,106.63
	<b>39,120.12</b>	<b>37,713.39</b>
<b>Deferred expenses</b>	503.40	343.14
<b>Deferred tax assets</b>	-	-
	<b>77,051.71</b>	<b>74,789.25</b>
<b>LIABILITIES</b>		
<b>Equity</b>		
Subscribed capital	4,750.00	4,750.00
Capital reserve	40,250.00	40,250.00
Retained earnings	477.18	477.18
Retained profit	13,116.28	11,746.46
	<b>58,593.47</b>	<b>57,223.64</b>
<b>Special item for investment grants to fixed assets</b>	1,652.77	1,858.18
<b>Accruals</b>	2,428.88	1,014.61
<b>Liabilities</b>		
Liabilities to credit institutions	7,247.93	9,012.78
Payments received	111.52	41.37
Liabilities from goods and services	4,468.15	2,851.79
Other liabilities	1,724.20	2,566.92
	<b>13,551.80</b>	<b>14,472.86</b>
<b>Deferred expenses</b>	1.15	1.15
<b>Deferred tax liabilities</b>	823.64	218.80
	<b>77,051.71</b>	<b>74,789.25</b>

\* All figures unadjusted for costs of the capital increase and insurance settlements



### Consolidated Income Statement of the IBU-tec Group\*

	<b>1. HY 2022</b>	<b>1. HY 2021</b>
	€ thousand	€ thousand
Revenues	29,550.96	20,037.23
Increase (previous year: decrease) in stock of finished and unfinished goods	3,154.66	-214.55
Other own work capitalized	189.61	24.38
Other operating income	920.56	1,571.39
Cost of materials	19,548.01	9,701.89
Personnel expenses	6,527.88	5,869.38
Other operating expenses	4,001.94	4,428.52
<b>EBITDA</b>	<b>3,737.95</b>	<b>1,418.66</b>
Amortization of intangible fixed assets and tangible assets	2,315.76	2,294.93
<b>EBIT</b>	<b>1,422.20</b>	<b>-876.27</b>
Other interest and similar income	20.73	16.29
Interest and similar expenses	151.16	238.01
<b>Earnings before taxes on income (EBT)</b>	<b>1,291.77</b>	<b>-1,097.98</b>
Tax expense/income (-)	800.46	15.15
thereof from change in recognized deferred taxes	-	-
<b>Net income</b>	<b>491.32</b>	<b>-1,113.14</b>
<b>Earnings per share in EUR</b>	0.10	-0.23
<b>Number of shares</b>	4,750,000	4,750,000

\* All figures unadjusted for costs of the capital increase and insurance settlements

## Consolidated Cash Flow Statement of the IBU-tec Group

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

### Consolidated Statement of Changes in Equity of the IBU-tec Group for the period from 1 January 2022 to 30 June 2022

in € thousand	Subscribed Capital	Capital Reserve	Legal Reserve	Other Retained Earnings	Retained earnings (incl. profit/ loss carried forward)	Equity Capital
As of 1 January 2022	<b>4,750.00</b>	<b>40,250.00</b>	<b>300.00</b>	<b>177.18</b>	<b>12,624.97</b>	<b>58,102.15</b>
Transfer to the capital reserve						
Dividends						
Net income					491.32	491.32
<b>As of 30 June 2022</b>	<b>4,750.00</b>	<b>40,250.00</b>	<b>300.00</b>	<b>177.18</b>	<b>13,116.28</b>	<b>58,593.47</b>

# Notes to the Interim Consolidated Financial Statements 2022

## I. General Information

The IBU-tec Group's half-year financial report for the period 1 January 2022 to 30 June 2022 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).

Use was made of permissible relief pursuant to HGB.

IBU-tec 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.

## Scope of Consolidation

The consolidated financial statements include BNT GmbH (subsidiary), over which the Company directly or indirectly exercises a controlling influence.

## 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.

Receivables and liabilities between Group companies were offset.

In the consolidated income statement, income and expenses from intercompany 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.

## II. 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.

### Current Assets

Within inventories, raw materials and supplies were valued at the moving average price or at the lower replacement cost on the balance sheet 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 carryforwards, 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.

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

### Fixed Assets

Intangible assets include goodwill of around €3,090 thousand resulting from the acquisition of BNT GmbH.

Property, plant and equipment as of 30 June 2022 amounts to €33,941 thousand (previous year: 32,803 thousand). In the operating area, investments include, for example, the construction of a hazardous materials warehouse at the IBU-tec AG site in Bitterfeld, the conversion of a rotary kiln (IDO 5E) and the construction of an e-chem lab at the Weimar site. The main focus of investment activity at BNT GmbH was on the ongoing capacity expansion of the planned MBTC production plant, general optimization measures in the production area, and refurbishment of the existing production infrastructure.

## Current Assets

Current assets are around €1,407 thousand higher than in the previous year (€37,713 thousand). The targeted reduction of securities investments by €7,994 thousand is primarily offset by the increase in inventories (€12,636 thousand) and trade receivables (497 thousand), which also explains the decrease in cash and bank balances by €4,338 thousand.

The increase in inventories results from two production campaigns of battery materials carried out at IBU-tec AG, which were pre-produced for potential customer orders. The increase in inventories continues to be attributable to the inventory build-up of an intermediate product at BNT GmbH. The introduction of a new production process for processing the "MBTC intermediate" product is planned for the current financial year.

## 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 €7,248 thousand, which represents a reduction of €1,765 thousand compared to the previous year (€9,013 thousand). This decrease is attributable to the scheduled repayment of existing bank loans.

## Other Liabilities

Other liabilities decreased from €2,567 thousand in the previous year to €1,724 thousand, mainly as a result of the planned repayment in tranches of a shareholder loan granted in the previous year.

## Deferred Tax Liabilities

Deferred tax liabilities increased by €650 thousand compared with the previous year. As a result of the reserve for replacement purchases formed at the subsidiary BNT GmbH in 2020 in accordance with EStR 6.6. in the tax balance sheet, there were deviations between the commercial and tax balance sheets in the reporting year, which alone led to an increase in deferred tax liabilities of €605 thousand.

#### IV. Notes to the Income Statement

The increase in sales was partly due to higher sales at the subsidiary BNT GmbH. Strong increases in raw material prices were passed on to BNT's customers under negotiated price escalation clauses.

The Group generated the following shares of sales in the production, process development, materials development and engineering subsegments in the first half of 2022:

in € thousand	1. Half-year 2022	1. Half-year 2021	Change
Production	26,564	17,185	+55%
Process development	2,035	2,083	-2%
Engineering	467	201	+132%
MEA/Lab/R&D	268	209	+28%
Other	217	358	-39%
<b>Total</b>	<b>29,551</b>	<b>20,036</b>	<b>+47%</b>

An increase in the cost of materials (+€9,846 thousand) associated with the higher sales and the production campaigns for battery materials as well as lower other expenses (-€426 thousand), which in the previous year still included the non-recurring expenses incurred in the course of the capital measure carried out, led to an increase in EBITDA of around 163% to €3,738 thousand compared with the unadjusted EBITDA of the same period of the previous year (€1,418 thousand). Compared with the adjusted EBITDA for the first half of 2021 (€1,616 thousand), which does not include the costs of the capital increase and the insurance settlements received and thus reflects IBU-tec's operating performance, the increase amounted to 131%.

Depreciation and amortization remained virtually unchanged, resulting in EBIT of €1,422 thousand, which is around €2,298 thousand higher than in the previous year.

Earnings before other taxes and taxes on income (EBT) amounted to €1,292 thousand, with the financial result almost comparable to the previous year.

The above developments resulted in a consolidated net profit of €491 thousand, which is €1,604 thousand higher than in the previous year.

## V. Related Party Transactions

There is an employment relationship with the wife of the Chairman of the Executive Board as an Executive Board assistant. The remuneration from this employment contract in the first half of 2022 amounts to €13 thousand (first half of 2021: €13 thousand).

There is a minor employment relationship with the daughter of the Chairman of the Executive Board for translation work. The compensation from this employment contract in the first half of 2022 amounts to €250.

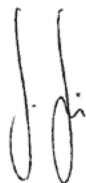
Consulting agreements have been concluded with the Chairwoman of the Supervisory Board, Ms. Cailleteau, and the Supervisory Board member Dr. Thau, which are currently suspended. The agreed terms are in line with normal market conditions. In the first half of 2022, as in the prior year, there were no liabilities from these activities and no fees were paid.

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

Weimar, 31 August 2022



**Ulrich Weitz**  
(CEO)



**Jörg Leinenbach**  
(Co-CEO/CFO)



**Dr. Arndt Schlosser**  
(CSO)



# Financial calendar

Financial calendar of IBU-tec advanced materials AG

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<b>15 September 2022</b>	12th ZKK – Zurich Capital Markets Conference (Zurich)
<b>15 to 16 November 2022</b>	34th MKK – Munich Capital Markets Conference (Munich)
<b>28 to 30 November 2022</b>	German Equity Forum 2022 (Frankfurt)
<b>22 March 2023</b>	Annual Report 2022
<b>26 April 2023</b>	Annual General Meeting

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You can also view the current financial calendar of IBU-tec via the following link:

[www.ibu-tec.com/investor-relations/financial-calendar/](http://www.ibu-tec.com/investor-relations/financial-calendar/)

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