

SEMI-ANNUAL REPORT 2024

SMART PROCESS SOLUTIONS & PRODUCTS



KEY FIGURES

FOR THE PERIOD
FROM 1 JANUARY
TO 30 JUNE 2024

According to HGB, figures in EUR thousand			Change 2024 to 2023
	H1 2024	H1 2023	+/-
Sales revenue	24,793	25,278	-2 %
from Engineering	359	605	-41 %
from specialty chemicals	10,202	9,379	9 %
from Service & Recycling	4,867	4,749	2 %
from glass coating	6,860	7,189	-5 %
from battery material	2,505	3,356	-25 %
Overall performance	27,046	28,562	-5 %
EBITDA	154	2,857	-95 %
EBITDA margin	0.6 %	11.3 %	
EBIT	-2,324	504	-561 %
EBIT margin	-9.4 %	2.0 %	
EBT	-2,543	326	-881 %
EBT margin	-10.3 %	1.3 %	
Net result	-3,154	373	-946 %
Earnings per share (in euros)	-0.66	0.08	-946 %
Total assets	77,195	81,571	-5 %
Equity capital	53,557	59,562	-10 %
Equity ratio based on economic equity (in %)	69.4 %	73.0 %	
Liquid assets	812	1,864	
Operating cash flow	1,617	-1,852	
Cash flow from investments	-3,592	-4,621	
Free Cash Flow	433	-1,263	
Employees / HGB (excluding trainees) - annual average	229	227	1 %
Sales per employee	108	111	-3 %

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.



04 HIGHLIGHTS

05 FOREWORD

07 THEY ARE WRONG – A CALL TO ELECTRIC MOBILITY SKEPTICS



10 ESG BY IBU-TEC – TAKING RESPONSIBILITY FOR THE ENVIRONMENT, PEOPLE AND PRODUCTS

12 IBU-TEC ON THE CAPITAL MARKET

14 INTERIM GROUP MANAGEMENT REPORT

28 INTERIM CONSOLIDATED FINANCIAL STATEMENTS

33 ABBREVIATED NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

40 FINANCIAL CALENDAR / IMPRINT

HIGHLIGHTS



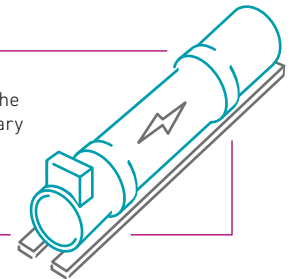
Launch of the new European LFP battery material IBUvolt® LFP402 with a CO₂ footprint approximately 40% below market.

Launch of research project to develop an innovative cathode active material based on sodium iron phosphate (NEP) for sodium-ion battery systems for use in material handling equipment together with Jungheinrich and UniverCell.



IBU-tec Annual General Meeting elects Ulrich Weitz to the Supervisory Board and the Supervisory Board elects Ulrich Weitz as Chairman of the Supervisory Board, all other items on the agenda are approved by a large majority.

Order from Johnson Matthey for the supply of a CO₂-saving electric rotary kiln and other engineering orders.



Januar

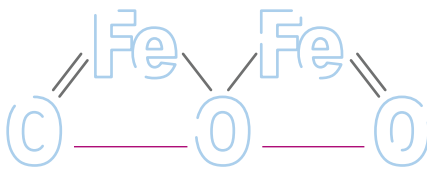
Februar

März

April

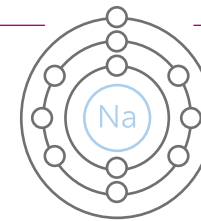
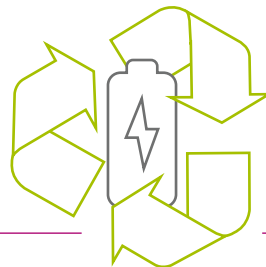
Mai

Juni



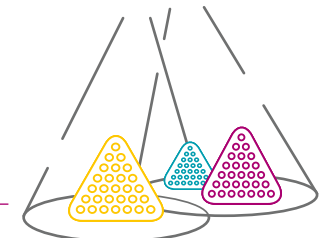
LANXESS launches cooperation to jointly develop innovative iron oxide product for LFP battery material to create a European value chain with improved performance of LFP cathode material and significantly lower carbon footprint.

Partnership and pilot project with GRS Batterien for the recycling of battery materials and the production of pollutant-free "green mass" from end-of-life LFP batteries.



Start of the "ENTISE" research project led by a renowned industrial group to develop an innovative cell chemistry for sodium-ion batteries for industrially scalable energy storage systems.

Presentation of the IBUvolt battery product portfolio at the BATTERY SHOW EUROPE in Stuttgart, Europe's largest trade fair for battery materials and electric vehicles.



FOREWORD

**Dear Shareholders,
Customers, and
Employees,**

The first half of the year was still challenging for our company. However, there are clear signs of a noticeable upturn in the coming quarters, both in the sectors that are important to us and in IBU-tec's micro-perspective. While developments in some areas, such as glass coating, fell short of expectations, the hoped-for recovery in our high-revenue specialty chemicals business has already begun in the first half of 2024. IBU-tec recorded a significant increase in sales in this business. As

a result, we have been able to buck the generally subdued mood in the specialty chemicals industry.

**WE ARE VERY CONFIDENT THAT
THE COMING QUARTERS WILL BE
CHARACTERIZED BY A SIGNIFICANT
INCREASE IN BATTERY SALES.**

However, IBU-tec's most important long-term growth area remains battery materials. In Germany, we have seen a temporary slowdown in the electromobility market in recent months, which has been accompanied by some critical comments. However, we do not believe that this will affect IBU-tec's fundamental growth path in battery materials in the coming years and decades. We explain the reasons for this in an "Interjection to the Skeptics of



Jörg Leinenbach
CEO

Electric Mobility" in this Half-Year Report (pp. 7-9). In this article, you will also learn about the significant and very concrete progress we have made in recent months in addressing our customers and marketing our products worldwide.

In the first half of the year, more than one in ten euros of our 24.8 million euros sales (previous year: 25.3 million euros) came from battery materials. We view the year-on-year decline as a normal fluctuation in a general ramp-up curve. As the dynamic progress in the market approach for our battery materials becomes increasingly evident, we are very confident that the coming quarters will be

characterized by a significant increase in battery sales. We are also optimistic that we will achieve further strategic milestones in this area. In the first half of the year, we have already recognized a significant amount of approximately EUR 1 million in related upfront costs. On this basis, we are optimistic that EBITDA for the second half of the year will also be significantly higher than the EUR 0.2 million for the reporting period (previous year: EUR 2.9 million).

At BNT GmbH, we also expect a positive earnings development in the coming months, in addition to the traditional product business, combined with the further expansion of the service business and the associated restructuring measures. Our operating cash flow developed positively at the end of the first half-year and amounted to +1.6 million Euro (previous year: -1.9 million Euro).

Today, in the late summer of 2024, our focus is on the market success of our battery products - based on a broadly diversified business model, comprehensive know-how and a strong product portfolio. This applies both to our promising LFP battery products and to new material combinations that we are currently working on at full speed - for example in the field of sodium-ion batteries. It is becoming clear

that we will be able to take the next significant steps in monetizing our battery activities together with our partners and customers in the near future. We see it as our task to move forward quickly, while at the same time carefully making the far-reaching decisions that will determine the long-term success of IBU-tec. We would like to thank all those who have accompanied us on this journey for their continued support and our employees in all business units for their commitment to IBU-tec.

**IT IS BECOMING CLEAR THAT
WE WILL BE ABLE TO TAKE THE
NEXT SIGNIFICANT STEPS
IN MONETIZING OUR BATTERY
ACTIVITIES TOGETHER WITH OUR
PARTNERS AND CUSTOMERS
IN THE NEAR FUTURE.**

Sincerely,



Jörg Leinenbach (CEO)

THEY ARE WRONG

A CALL TO ELECTRIC MOBILITY SKEPTICS

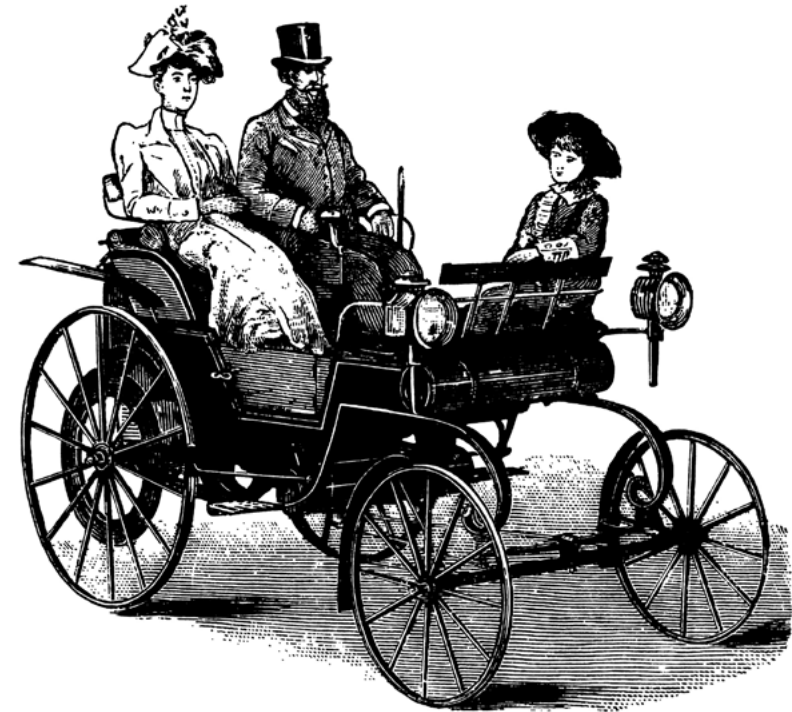
They are there, the doubters, naysayers and prophets of doom for electric mobility. And the negative news - in German-speaking countries. This shows once again that history repeats itself. With almost every disruptive technology, the initial euphoria and ever-higher targets were followed by a phase of calming down and market consolidation. There have always been many critical voices about the future of technology. Even from experts.

70 SAMPLES OF THE BATTERY MATERIAL HAS IBU-TEC SENT TO POTENTIAL CUSTOMERS AND PARTNERS IN THE FIRST HALF OF THE YEAR, MANY OF WHICH WERE SUBJECT TO A FEE.

for many applications, and the first applications and user interfaces had little to do with user-friendliness. No wonder many people were talking about the end of the Internet boom. And yet... Just a few years later...

When IBM chief Thomas Watson said in 1943 that the world market for computers would probably be five units, it sounded plausible. After all, the machines weighed tons, took up hundreds of square feet of space, and were incredibly expensive. And yet... Just a few years later...

The Internet is just a short-term hype, predicted a certain Bill Gates back in 1993. After the initial euphoria, the experts' pessimistic predictions seemed to come true. The bandwidth was too small



IBU-TEC IS EUROPE'S ONLY MANUFACTURER OF LFP MATERIALS

CONTRIBUTING TO A SUSTAINABLE EUROPEAN SUPPLY CHAIN FOR THE PRODUCTION OF BATTERIES FOR ELECTRIC CARS AND STATIONARY ENERGY STORAGE SYSTEMS.

Failure has a long tradition in the automotive industry. At the end of the 19th century, Gottlieb Daimler estimated the market potential for the automobile at one million units - worldwide. The inventor and entrepreneur knew how to put his finger on the limiting factor: There were no more chauffeurs. And yet... Just a few years later...

It always seemed that the undeniable benefits of technology development would be slowed by limiting factors such as bandwidth, price, space requirements (and chauffeurs). However, technological progress and infrastructure development soon overcame these limitations. The situation today is similar for electric mobility. Charging infrastructure, range and price have long been moving in the right direction. Only in some cases more slowly than was euphorically predicted a few years ago.

~40%

BELOW MARKET LEVEL IS THE CO₂ FOOTPRINT OF THE LFP MATERIAL IBUVOLT® LFP402, WHICH WILL BE LAUNCHED AT THE BEGINNING OF 2024.

The pessimism about electromobility in German-speaking countries is currently fueled primarily by stagnating or even declining new registrations of electric cars in Germany. This overlooks the fact

that the regional snapshot is only a limited reflection of the global reality. Last year, nearly 15 million electric vehicles were registered worldwide, 37 percent more than in the previous year. China again accounted for the largest share, with 9 million new electric cars. China is currently playing a leading role in many aspects of electric mobility, including government subsidies. The top position as the world's largest electric car manufacturer is currently changing between BYD of China and Tesla of the United States.

In a globalized world, it seems naive to assume that the dynamics of the diffusion of a technology and its products will remain limited to one region, especially China. Anyone who assumes this is mistaken. Rather, the demand for electric mobility in Europe and Germany will gain momentum in the coming years. Demand for electric and hybrid cars in Europe has already increased significantly in recent months. Vehicle production increased by 13.7 percent, especially for hybrid vehicles with a market share of 29 percent and electric cars with a market share of 12 percent of total sales.

>30

EMPLOYEES AT IBU-TEC WORK EXCLUSIVELY IN THE FIELD OF BATTERIES, INCLUDING R&D, SALES AND PROJECT MANAGEMENT.

Batteries for electric cars are already being developed today that will have a range of up to 2,000 kilometers - up to 1,000 kilometers are already possible on paper in production

vehicles. Under more realistic practical conditions, up to 600 kilometers can be achieved. The number of charging points for electric cars is growing dynamically around the world. China has the highest number, with more than 10 million charging stations for electric cars (by mid-2024).

This is a doubling from last year.

>6
MILLION
EUROS

HAS IBU-TEC INVESTED IN THE EXPANSION OF LFP PRODUCTION (EXCLUDING PERSONNEL COSTS), INCLUDING A NEW SPRAY DRYER AND A BUTTON CELL ROBOT, AS WELL AS THE FURTHER EXPANSION OF TECHNOLOGY.

IN THE DOUBLE-DIGIT RANGE ARE IBU-TECS NEGOTIATIONS UNDERWAY WITH COMPANIES IN THE AUTOMOTIVE AND CHEMICAL INDUSTRIES, AS WELL AS BATTERY CELL MANUFACTURERS, TO SELL THE AUTOMOTIVE BUSINESS. JOINT VENTURES, DEVELOPMENT AND MANUFACTURING PARTNERSHIPS

IBU-tec is also currently experiencing at first hand how focused the major European and North American manufacturers are working to further shape the development of electromobility on the supplier side. The companies can build on comprehensive know-how, extensive sales and service networks, high global

brand awareness, great financial strength and, last but not least, political support.

IN THE DOUBLE-DIGIT RANGE

ARE THE RESEARCH AND DEVELOPMENT PARTNERSHIPS THAT IBU-TEC CURRENTLY HAS IN PLACE FOR BATTERY MATERIAL DEVELOPMENT, INCLUDING A COOPERATION WITH LANXESS FOR THE FURTHER DEVELOPMENT OF THE INNOVATIVE IRON OXIDE PRODUCT FOR LFP MATERIAL.

In direct discussions, during the delivery and analysis of sample materials, and in professional exchanges, we learn almost daily how high a priority the topic of electromobility is for Western car manufacturers as well as for battery cell manufacturers and other players along the value

chain. We are therefore convinced that the cautious signals from the industry will turn significantly positive. The question is not if, but how quickly. Therefore: Skeptics who are currently proclaiming a lasting crisis in electromobility are wrong. Just like Gates, Watson and Daimler, all three of whose companies have played a major role in ensuring that technologies that were declared dead not only live longer, but also change the world forever.

5

INTERNATIONAL AND NATIONAL BATTERY TRADE SHOWS HAS IBU-TEC ATTENDED IN THE FIRST HALF OF THE YEAR, INCLUDING INTERBATTERY IN KOREA AND BATTERY SHOW EUROPE.



Technological progress, ecological sense and global data that speak a clear language show that the trend towards electromobility is no longer reversible. IBU-tec is proud to be part of this development and the establishment of a European supply chain for battery materials. We are consistently implementing our strategy and are confident that we are not wrong.

ESG by IBU-tec

TAKING RESPONSIBILITY FOR THE ENVIRONMENT, PEOPLE AND PRODUCTS

Acting responsibly in the areas of the environment, social affairs and corporate governance is one of IBU-tec's corporate principles. Our products and services are important building blocks for a sustainable future, be it battery materials, efficient recycling processes or glass coating. With our engineering expertise, we support our customers in reducing environmentally harmful emissions. In the first half of 2024, we further expanded our activities in this area.



Environment: Recycling of valuable raw materials and improving the CO₂ balance



For us, sustainability means not only reducing CO₂ emissions at our production sites, but also using valuable raw materials responsibly. Together with our partners, we are driving the development of a European value chain for the production of battery materials. We ensure that expensive and valuable raw materials are reused and that our products are returned to the circular economy. By developing efficient recycling processes, we contribute to a more environmentally friendly production of materials for industry. In the first half of 2007, for example, we signed a cooperation agreement with GRS Batterien Service GmbH and the Stiftung Gemeinsames Rücknahmesystem Batterien to develop a sustainable recycling material called "Green Mass" based on used lithium-ion batteries. In

the field of battery materials, we also launched a new European product, IBUvolt® LFP402, with a carbon footprint that is approximately 40% below the average of comparable products.

We also continue to invest in expanding the use of renewable energy and reducing emissions from facilities at our sites. We are also helping our customers to reduce CO₂ emissions at their plants through our orders for electrification of rotary kilns.

We also participated as a company in the STADTRADELN Weimar initiative to set an example for a more climate-friendly future and avoid carbon dioxide emissions. As part of this campaign, 30 IBU-tec employees cycled around 6,000 km in 21 days, saving the emission of around one ton of CO₂.



Social: Strengthening employee satisfaction



During the first week of the Thuringian summer vacation, we once again offered a free vacation program for the children of IBU-tec employees. Under the motto „Kids vs. Wild“, the children experienced many big and small adventures on the grounds of the Weimar Canoe Club near the IBU-tec headquarters. Under the supervision and guidance of trained educators, they carved together, built a clay oven, constructed shelters, rode rafts, ate well and swam.

The staff turnover rate dropped from 5.95% to 5.25% and the sickness rate from 6.09% to 5.48%.



Governance: Anchoring corporate principles

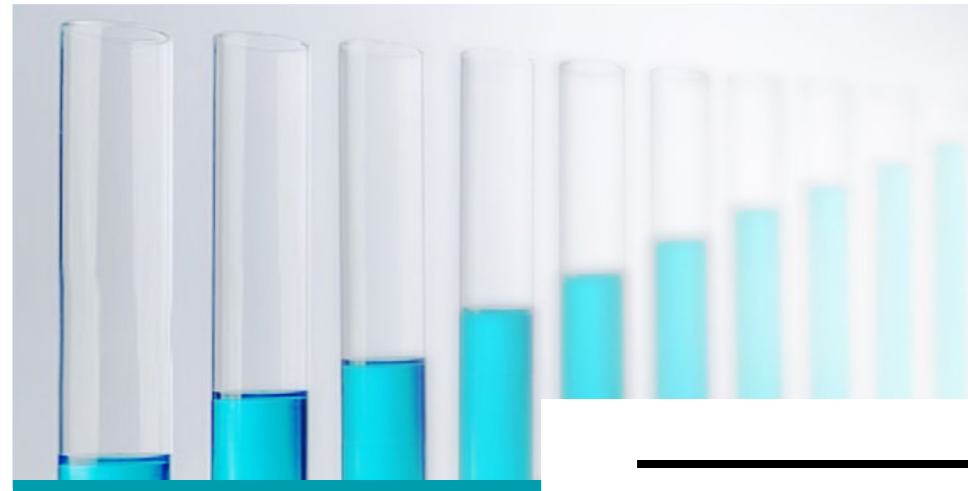
We take responsibility for our actions and their impact on society and the environment by establishing policies to ensure that our business processes and supply chains comply with the law. In a separate Code of Business Ethics, we commit to promoting human rights and fair working conditions in our company. Both policies apply to all employees, suppliers and business partners of IBU-tec.

IBU-TEC ON THE CAPITAL MARKET

Stock markets were mixed in the first half of the year. Germany's leading index, the DAX, reached new record highs in the first six months of the year, closing the first half at 18,235 points, up nearly 9% from the end of 2023. However, the picture was quite different for German mid-caps: The MDAX lost more than 7% in the first half of the year compared to the end of 2023, ending the period at 25,176 points. The SDAX, on the other hand, performed very solidly with a gain of 2.5% to 14,317 points. The Scale 30 index closed at 1,005 points at the end of the first half of the year, up 4.7% compared with the end of the previous year.

Companies in the chemical industry were severely affected by the difficult economic conditions, with interest rates remaining high in the first half of the year. IBU-tec shares closed the first half of 2024 at a closing price of EUR 10.30, compared to EUR 18.06 at the end of 2023. This means that IBU-tec shares fell by more than 42% in the first half of 2024. The highest closing price was EUR 17.14 on January 29, 2024. The lowest closing price was 9.42 Euros and was recorded on March 19, 2024. A total of 15,285 IBU-tec shares were traded per day on German stock exchanges, of which more than 32% were traded on the Xetra electronic trading system.

At the Annual General Meeting on April 30, the shareholders elected Ulrich Weitz, the founder and main shareholder of IBU-tec, to the Supervisory Board. The previous member of the Supervisory Board, Prof. Dr. Achim Kampker, resigned at his own request. A total of 52.4% of the share



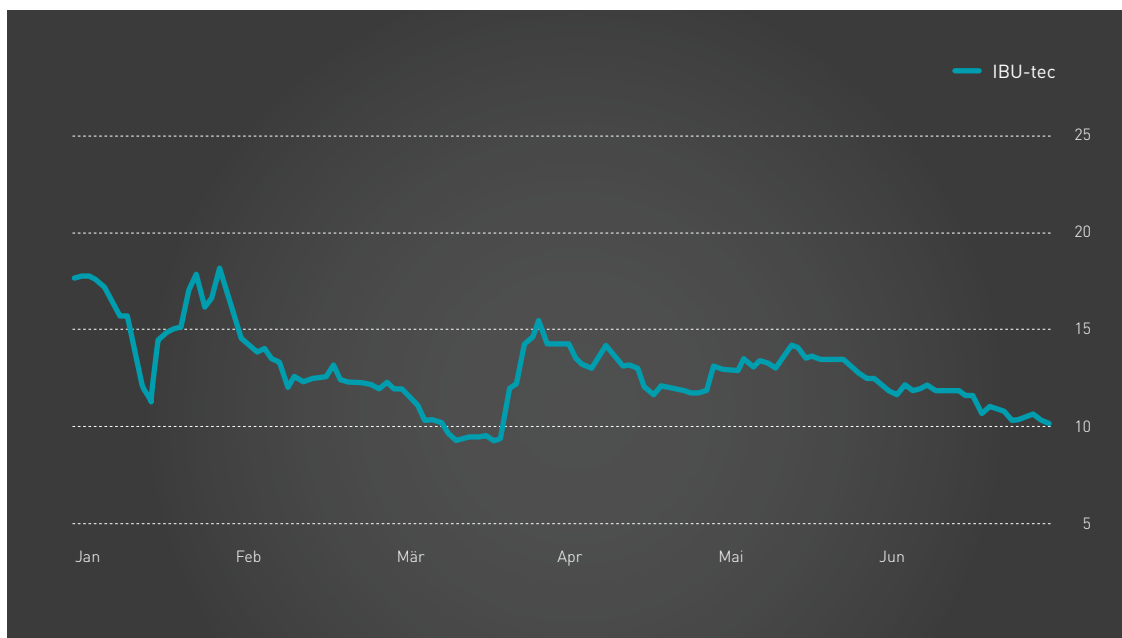
capital was represented at the Annual General Meeting. The shareholders also approved all other items on the agenda with a clear majority of over 91.6%. In the subsequent constituent meeting of the new Supervisory Board, Ulrich Weitz was elected Chairman.

In order to provide market participants with continuous and comprehensive information, especially in challenging times, IBU-tec presented itself at capital market conferences such as the spring conference of the German Equity Forum in Frankfurt am Main. In addition, IBU-tec published a video statement on the market and share price situation.

**HAUCK AUFHÄUSER LAMPE
PRIVATBANK RECOMMENDS
HOLDING THE SHARE WITH A TARGET
PRICE OF 14.50 EUROS, WHICH
CORRESPONDS TO AN UPSIDE
POTENTIAL OF ALMOST 40%
COMPARED TO THE PRICE LEVEL
OF MID-JULY 2024.**

IBU-tec is currently covered by the research department of “Hauck Aufhäuser Lampe Privatbank”. According to the research report of March 2024, the bank recommends holding the share with a target price of 14.50 euros, which corresponds to an upside potential of almost 40% compared to the price level of mid-July 2024.

IBU-tec 2022 Share Price Development in the First Half of 2024 in Euro



Basic data of the IBU-tec share

ISIN / WKN	ISIN: DE000A0XYHT5 / A0XYHT
Ticker symbol	IBU
Stock market segment	Scale, an over-the-counter market of the Frankfurt Stock Exchange
Venues	Xetra, Frankfurt, Berlin, Dusseldorf, Hamburg, Munich, Stuttgart, Tradegate
Initial listing	March 30, 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	ICF BANK AG
Research	Hauck Aufhäuser Lampe Privatbank
Market Cap (June 30, 2024)	48.92 million Euro
Shareholder structure	1.12% Management Board 47.00% Weitz family 51.88% free float

INTERIM GROUP MANAGEMENT REPORT

OF IBU-TEC ADVANCED MATERIALS AG FOR THE FIRST HALF OF 2024

1. Fundamentals of the Group
2. Economic Report
3. Opportunity and Risk Report
4. Outlook

1. Fundamentals 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. Its range of products covers the entire value chain from wet chemicals to thermal process technology. 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 the Group has been primarily active as a development and production service provider in the past, 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 battery material based on LFP (lithium iron phosphate), which is used in electric vehicles, stationary energy storage and numerous industrial and medical technology applications, among other things, it has significantly realigned itself and opened new revenue streams in a highly attractive growth market. The Group has unique technologies, some of which are patent protected, which 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 three individual companies: the parent company IBU-tec advanced materials AG (IBU-tec AG), Weimar, the operating subsidiary BNT Chemicals GmbH (BNT GmbH), Bitterfeld-Wolfen, and IBUvolt battery materials GmbH in Weimar, which, as a pure shell company, currently does not yet have any active business operations, but is to include the battery business in the future. The two operating companies are closely linked on organizational level. As the parent company, IBU-tec AG assumes strategic and operational management of the Group and its subsidiaries finances and accounting.

This is achieved by the fact that essential management functions, such as administration, are partly taken over by managers from the structure of the parent company. In addition, IBU-tec AG coordinates sales, business development, research and development from within its organization and provides central functions such as personnel support, preparation of financial statements, quality management, central purchasing and controlling.

1. Fundamentals of the Group
2. Economic Report
3. Opportunity and Risk Report
4. Outlook

1.2.1 IBU-tec advanced materials AG (IBU-tec AG)

As a development and production partner of the industry, IBU-tec AG generates functional chemicals with changed material properties from the product idea to production with its thermal processes and can thus significantly reduce the material and process risk of its customers. It complements this portfolio with its own battery materials, with which it has been a manufacturer on the market since 2021.

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

1.2.2 BNT Chemicals GmbH (BNT GmbH)

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

1.3 Goals and strategy

The framework for the Group's strategic orientation and Group goals is provided by the "IBU2025" strategy paper, which was presented in January 2021 and revised at the beginning of 2022. In doing so, the Executive Board is driving forward the transformation of the Group from a company that primarily acts as a development and production service provider to an independ-

try are important target markets for IBU-tec AG. This includes the greentech future areas of electromobility, energy storage, recycling and life science. In this way, it addresses global megatrends through its customer base, such as green mobility (e-mobility and automotive catalytic converters), green economy (including CO₂-reduced building materials, rare earths, stationary energy storage) and medical technologies (including artificial joints and dentures). The basis of IBU-tec AG's market success is its own, flexibly applicable technology platform, patent-protected processes and the know-how of its employees.

precipitation, synthesis and distillation, which are upstream of IBU-tec AG's thermal processes. This enables the Group to map an end-to-end value chain and offer a comprehensive range of services on the market. Sales are carried out worldwide.

ent manufacturer of high-quality products. This step is intended to generate growth, reduce the sometimes-high dependence on large individual customers in the service business and increase the long-term stability and predictability of revenues.

- 1. Fundamentals of the Group
- 2. Economic Report
- 3. Opportunity and Risk Report
- 4. Outlook

The focus of the "IBU2025" strategy is to expand the portfolio with products and solutions for global megatrends. With the marketing of its own LFP battery material as of the fourth quarter of 2021, IBU-tec has positioned itself as a manufacturer of powder materials in the growing market for high-performance batteries for the automotive industry, industrial applications and stationary energy storage systems. Other key growth drivers for the Group's future business include capacity expansion in the glass coating area and further developments in the service and recycling business. The Group is quite active in the important, promising and high-margin areas that can be subsumed under the term "greentech".

1.4 Control system

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

Accordingly, the Group is managed on the basis of the two key performance indicators: revenue and EBITDA margin. In addition, other variables such as

2. Economic Report

2.1 Macroeconomic environment

According to the German Chemical Industry Association (VCI), the global economy grew moderately in the first quarter of 2024. Europe was the laggard among the major economic regions. However, there was no turnaround in the

In addition, the strategic orientation of the IBU-tec Group is completed by the following: process developments and production services in the field of specialty catalysts for the chemical industry, and for exhaust gas reduction in the automotive industry, the development of processes for the regeneration of rare earths, the development of new areas of application for tin and organometallic catalysts and the production of catalytically active powders for the automotive industry, together with specifically marketed engineering services.

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

gross profit margin, EBITDA, EBIT, EBT, cash flow and capital expenditures are considered for operational and strategic management. Monthly reporting with target/actual comparisons and variance analyses forms the basis for the commercial management of the group.

industrial sector. All major industrial sectors cut back production. Germany remains one of the weakest EU countries¹. According to the Deutsche Industrie- und Handelskammer (DIHK), the German economy has been stagnating

¹ DIHK Konjunktur Insight, <https://www.dihk.de/de/themen-und-positionen/wirtschaftspolitik/konjunktur-und-wachstum/konjunkturumfrage-herbst-2023/dihk-konjunktur-insight-industrieller-mittelstand--106324> [30.07.2024]

1. Fundamentals of the Group
2. Economic Report
3. Opportunity and Risk Report
4. Outlook

since the second quarter of 2022. Inflation is falling slowly and prices remain high. Production is not picking up and new orders are declining. According to the DIHK economic forecast for 2024, the backlog of orders is melting, especially in the manufacturing sector². According to the Federal Statistical Office, industrial companies in Germany received 0.4 percent fewer orders in March 2024 alone than in the previous month, adjusted for price, calendar and seasonal factors³. The German economy continued to contract in the second

2.1.1 Chemical

According to the first quarterly report of the German Chemical Industry Association (VCI), the order situation in the chemical industry (excluding pharmaceuticals) improved due to empty inventories in target markets and increasing demand from outside Europe. Production and sales increased compared with the previous quarter⁴. There are no signs yet of a sustained recovery in demand for chemical products. In addition, structural problems in Ger-

2.1.2 Automotive industry

According to a economic survey by the ifo Institute, the business climate in the automotive industry improved in the first half of the year. Companies in the automotive industry assess their current business situation somewhat more positively. Nevertheless, the order backlog is still estimated to be relatively weak⁹. Despite increasing competition from Asian car manufacturers and sup-

plier, the European car market in particular recorded an increase in spring 2024. Vehicle construction increased by 13.7 percent, especially for hybrid vehicles with a market share of 29 percent and electric cars with a market share of 12 percent of total sales. The cause is increasing demand from France and Belgium¹⁰.

many are slowing economic development. Lack of orders and cost problems continue to depress sentiment, especially among companies in the chemical industry⁷. According to a recent economic survey by the ifo Institute, an increasing number of chemical companies in Germany are unable to compete internationally on price. The reasons for this include high energy costs, complex bureaucracy and high labor costs.⁸

2 Entwicklung und Ausblick der Wirtschaft, Dr. Jupp Zenzen, DIHK, Wirtschaftsbriefing des VCI (26. Juli 2024) <https://www.vci.de/services/termine-veranstaltungen/chemiegeschaeft-juli-2024-konjunkturelle-erholung.jsp> (26.07.2024)
3 <https://www.dihk.de/de/aktuelles-und-presse/aktuelle-informationen/noch-keine-trendwende-bei-den-neuauftraegen-117020> (07.05.24)
4 <https://www.zeit.de/news/2024-07/30/deutsche-wirtschaft-im-zweiten-quartal-leicht-geschrumpft> (30.07.2024)
5 DIHK Konjunktur Insight, <https://www.dihk.de/de/themen-und-positionen/wirtschaftspolitik/konjunktur-und-wachstum/konjunkturumfrage-herbst-2023/dihk-konjunktur-insight-industrieller-mittelstand--106324> (30.07.2024)
6 <https://www.vci.de/ergaenzende-downloads/vci-quartalsbericht-q1-2024.pdf> (15.05.2024)
7 <https://www.vci.de/ergaenzende-downloads/vci-quartalsbericht-q1-2024.pdf> (15.05.2024)
8 <https://www.ifo.de/fakten/2024-08-06/geschaeftsklima-der-chemischen-industrie-gesunken> (06.08.2024)
9 Ifo Konjunkturumfrage 2. Mai 2024, <https://www.ifo.de/fakten/2024-05-02/stimmung-der-automobilindustrie-verbessert> (02.05.2024)
10 <https://www.wiwo.de/unternehmen/auto/nach-daempfer-europaeischer-automarkt-im-aufschwung/29811886.html> (22.05.2024)

1. Fundamentals of the Group
2. **Economic Report**
3. Opportunity and Risk Report
4. Outlook

2.2 Key events in the first half of 2024

The first six months of 2024 were again characterized by macroeconomic challenges for the IBU-tec Group. As a company in the chemical industry, we had to contend with high interest rates and inflation, recessionary fears and the market dominance of Asian companies. In addition, IBU-tec and BNT were burdened by high energy and raw material procurement costs, a lack of orders due to the economic situation, and high price pressure. Nevertheless, we focused on implementing our IBU2025 growth strategy in the Group and achieved important milestones, particularly in the area of battery materials. Mainly by improving material properties and attracting new potential customers and partners, we were able to further expand our market position and received a lot of positive feedback on the properties and specifications of our products, both for lithium iron phosphate (LFP) and sodium manganese oxide (NMO). Based on the positive feedback from the market, we have accelerated the expansion of the battery business even more than originally planned. An additional EUR 1 million was invested directly in technology, infrastructure, personnel and sales for battery materials during the period.

We remain the only manufacturer of LFP battery materials in Europe. This is reflected not least in our continued strong business with development and service projects for companies from various industries that are working with us to develop novel cathode and anode materials for the batteries of the future. These projects made a significant contribution to Battery Materials sales in the first half of the year. In general, the majority of battery materials used in the automotive sector still come from China¹¹. This market dominance opens up opportunities for IBU-tec to position itself as an alternative supplier to the European and US automotive industry. This development is supported

by current political efforts in the European Union, such as the Battery Pass, which aims to make the supply chains for battery production transparent. The U.S. Inflation Reduction Act also requires battery manufacturers to source at least 40 percent of the battery materials they use either from the United States or from countries with which the United States has a free trade agreement. It requires electric vehicle batteries to contain a certain percentage of critical minerals mined, processed or recycled in North America to reduce reliance on Chinese supply chains¹². These developments are also drivers for our growth strategy in the area of battery materials. This is also reflected in our current sales activities, where we are receiving a strong response, particularly from customers in the USA and the UK.

An important milestone in the expansion of our market position in battery materials was the introduction of the LFP cathode material IBUvolt® LFP402 for use in batteries for electric cars. After completing the development phase in fiscal 2023, we produced significant quantities of the material at the Weimar site in the first half of 2024 as agreed and further optimized the material properties. IBU-tec's new active LFP cathode material has optimized physical properties for high energy density and is compatible with existing electrode production facilities. The electrochemistry was tested on cells built using our Cellerate Cell Assembly & Sealing System (CASS) to ensure maximum throughput and data security. In addition to the usual sample shipments, 50% of the samples have been sold. IBU-tec has already sent out 70 samples of battery materials to potential customers and partners in the first half of the year, the majority of which are subject to a fee.

¹¹ <https://www.isi.fraunhofer.de/de/blog/themen/batterie-update/globale-batterieproduktion-analyse-standorte-mengen-zellen-lfp-nmc-nca-kathoden.html> [19.07.2023]

¹² https://www.diw.de/de/diw_01.c.864937.de/publikationen/wochenberichte/2023_06_1/us-investitionspaket_inflation_reduction_act_erfordert_schnelles_strategisches_handeln_der_eu.html [01.06.2023]

1. Fundamentals of the Group
2. **Economic Report**
3. Opportunity and Risk Report
4. Outlook

The increased capacity and energy density achieved by coating electrodes with IBUvolt® LFP402 has been confirmed by external measurements commissioned by us and by our customers' laboratories. As a result of the excellent performance, we have already received two tenders from battery cell manufacturers and automotive manufacturers for larger supplies, and our materials are being qualified by more customers. We are currently working with with a double-digit number of companies in the automotive and chemical industries as well as battery cell manufacturers on joint projects or are in concrete negotiations for joint ventures and partnerships in the areas of research, materials development and production. In addition, we have significantly improved the process steps required for production, thereby increasing the efficiency of the systems. This gives us greater range to offer our products at competitive prices.

At the beginning of the fiscal year, cooperation with the specialty chemicals company LANXESS was launched to develop an innovative European iron oxide product for LFP battery material. Among other things, LANXESS operates one of the world's largest production facilities for synthetic iron oxides. Together, we are developing a cathode material that improves the performance of lithium-ion batteries and reduces their CO2 footprint by using local raw materials. The newly developed material is a key component for batteries in electric cars and stationary energy storage systems. By jointly developing the product, we are pooling our expertise and driving the development of the European LFP battery market. By using European raw materials and resources, we are making an important contribution to sustainability and building a European value chain in the field of battery materials. We are also ensuring greater independence from markets such as China. In addition, we are using this joint cooperation to further market development opportunities.

After intensive cooperation on the development and production of an LFP cathode material for use in passenger cars with a renowned global automotive group, intensive discussions are underway for the following joint activities. Very good results have been achieved in cooperation with a major commercial vehicle manufacturer and we continue to work together on the specification of the battery materials.

In line with our plans for the current year, we have significantly expanded our sales of battery materials in recent months, especially for IBUvolt LFP and IBUvolt NMO products. In total, we exhibited and attended five trade shows and conferences, where we made many valuable contacts with international battery and cell manufacturers. Among others, we presented the IBUvolt product portfolio at the BATTERY SHOW EUROPE in Stuttgart, Europe's largest trade fair for battery materials and electric vehicles. The target industries of these companies cover the entire range of applications for batteries: from electromobility to stationary energy storage and special industrial applications. In addition to the sales meetings, we held intensive discussions with several international companies in the first half of the year regarding potential partnerships in the development, production and supply of cathode active materials for various applications.

Our engineering services were in high demand. For example, we received a major order from Johnson Matthey for the supply of an electric carbon-saving rotary kiln in the seven-figure euro range. IBU-tec's optimized new rotary kiln design can increase throughput and improve the energy efficiency of the plant while reducing waste, Carbon emissions and energy requirements. A further order for engineering services for the Center for Solar Energy and Hydrogen Research Baden-Württemberg was completed with the delivery of a rotary kiln pilot plant in the first half of 2024.

1. Fundamentals of the Group
2. **Economic Report**
3. Opportunity and Risk Report
4. Outlook

In the service and recycling of battery materials, discussions are underway to initiate partnerships for the joint development of efficient processes for recycling battery materials. Among other things, we have started a pilot project with GRS Batterien Service GmbH and the GRS Foundation Joint Take-Back System Batteries to develop a sustainable recycling mass "Green Mass" from used LFP batteries. As part of this cooperation, the black mass produced during the recycling of LFP batteries will be enriched with lithium and thermally treated to produce a pollutant-free "green mass".

IBU-tec is thus further strengthening its position in the fast-growing battery recycling market. This market has high growth potential. One of the drivers is the EU Battery Directive, which came into force at the beginning of the year. Manufacturers of industrial and electric car batteries are required to use recycled battery materials from end-of-life batteries in the production of new lithium batteries. According to a PwC study, recycled battery materials are expected to increase tenfold between 2030 and 2040. In particular, the growth is expected to accelerate from 2030 as the first wave of electrification reaches the end of its life. By 2030, PwC expects investments of more than €2 billion in the European recycling market.

IBU-tec's own research and development has focused 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 needs. The new e-chemistry laboratory in particular has played a major role in this, allowing us to extensively test and fine-tune the properties of our cathode material.

The joint project KeNaB-ART, funded by the German Federal Ministry of Education and Research, for the development of phase-pure cathode active material made of sodium manganese oxide (NMO) for future sodium batteries has been successfully completed. The project results are currently being analyzed and will be published in a report in the financial year. A patent application has been filed for the development of this high-performance and environmentally friendly powder.

Together with Jungheinrich and UniverCell, we have launched the "NiBlog" research project to develop an innovative cathode active material based on sodium-iron-phosphate (NEP) for sodium-ion battery systems for use in industrial vehicles.

Under the leadership of VARTA, we are a partner in the "ENTISE" research project for the development of innovative cell chemistry for sodium-ion batteries for industrially scalable energy storage systems. The project is funded by the German Federal Ministry of Education and Research.

A key event at BNT GmbH in the first half of 2024 was the further ramp-up of the new production facility for the glass coating product monobutyltin trichloride (MBTC). This has created the basis for doubling our production capacity for MBTC to around 1,000 metric tons per year. The proprietary process increases material yield and has been filed for patent. The new plant will enable us to meet strong demand and further expand our leading market position as the only manufacturer of MBTC in Europe.

1. Fundamentals of the Group
2. Economic Report
3. Opportunity and Risk Report
4. Outlook

In the area of research and development at BNT GmbH, the development of alternatives to organotin catalysts was further expanded in order to respond to the increasing demand for more environmentally friendly catalysts and to open up new market potential. To this end, the expansion of the portfolio of tin-free crosslinking catalysts, solid catalysts and PVC stabilizers was further advanced. Two new bismuth-based liquid catalysts have been developed. These can be used as more environmentally friendly alternatives to organotin compounds in polyurethane production. In particular, they are used in the coatings, adhesives and plastics industries to replace organotin catalysts in

esterification and polycondensation reactions, which have been classified as environmentally hazardous by the European Chemicals Agency (ECHA).

At the Annual General Meeting of the IBU-tec Group on April 30, 2024, a total of 52.44% of the share capital was represented. Supervisory Board member Prof. Dr. Achim Kampker has resigned from office at his own request. The shareholders elected Ulrich Weitz to the Supervisory Board with a large majority of votes. In the subsequent constituent meeting of the new Supervisory Board, Mr. Weitz was elected Chairman.

2.3 Turnover by sector of activity

In total, the IBU-tec Group generated sales of €24,793 thousand in the first half of 2024 (previous year: €25,278 thousand). The individual areas of activity contributed to the total turnover as follows:

Revenue breakdown by sector of activity (in €T)	H1 2024	H1 2023	compared to the previous year
Engineering	359	605	-41%
Specialty	10,202	9,379	9%
Service & Recycling	4,867	4,749	2%
Glass coating	6,860	7,189	-5%
Battery Material	2,505	3,356	-25%
Total	24,793	25,278	-2%

In the Specialty Chemicals division, we recorded slight sales growth of 9% compared to the previous year, despite the tense situation in the chemical industry.

1. Fundamentals of the Group
2. Economic Report
3. Opportunity and Risk Report
4. Outlook

2.4 Net assets, financial position and results of operations

2.4.1 Financial situation

Consolidated total assets decreased by €4,376 thousand to €77,195 thousand compared to the previous year (€81,571 thousand).

Net assets (in T€)	30.06.2024	30.06.2023	compared to the previous year
Balance sheet total	77,195	81,571	-5%
Equity	53,557	59,562	-10%

As of 30.06.2024, the IBU-tec Group's equity totaled €53,557 (previous year: €59,562 thousand). The equity ratio¹³ is around 69% (previous year: 73%).

Fixed assets in the current financial year amount to €46,217 thousand, which is around €1,375 thousand higher than the previous year's figure (€44,842 thousand). The scheduled investments of around €5,323 thousand are offset by depreciation and amortization of €4,875 thousand. The intangible assets include goodwill resulting from the acquisition of BNT GmbH in the amount of around €2,061 thousand, the depreciation of which is also included in the before mentioned value.

Current assets were around €5,792 thousand lower than in the previous year (€36.369 thousand). The decrease in inventories (€5,159 thousand), trade receivables (€744 thousand) and cash and bank balances (€1,052 thousand) offset the increase in other assets by €1,163 thousand. The reduction in inventories is mainly due to the destocking and sale of an intermediate product at BNT GmbH.

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

As of the reporting date, liabilities to banks amounted to €10,884 thousand, which represents a decrease of €892 thousand compared to the previous year (€11,776 thousand).

At €1,556 thousand, other liabilities were almost at the previous year's level (€1,482 thousand).

Due to the reserve for replacement procurement in accordance with EStR 6.6 in the tax balance sheet formed at BNT GmbH in 2020, there were discrepancies between the commercial and tax balance sheets. This resulted in deferred tax liabilities, which are recognized by the controlling entity, IBU-tec AG, on the basis of the profit and loss transfer agreement with BNT GmbH. In total, deferred tax liabilities amounted to €438 thousand (previous year: €741 thousand).

¹³ Equity ratio = Balance sheet equity/total capital

1. Fundamentals of the Group
2. Economic Report
3. Opportunity and Risk Report
4. Outlook

2.4.2 Financial situation

Taking into account the half-year results and depreciation and amortization recorded in the first half of 2024 (€2,478 thousand), the decrease in trade receivables and other assets (including inventories) (€1,426 thousand) and provisions (€340 thousand), as well as the increase in trade payables and other liabilities (€1,207 thousand), the cash flow from operating activities amounted to €1,617 thousand.

The cash flow from investing activities of €-3,592 thousand corresponds to the investments made in the first half of 2024.

The cash flow from financing activities of €2,408 thousand includes the exhaustion of existing current account lines on the one hand and the scheduled repayments of existing bank loans in the 1st half of 2024 on the other.

2.4.3 Earnings

In the first half of 2024, the Group generated the following shares of sales in the Engineering, Specialty Chemicals, Service & Recycling, Glass Coating, and Battery Materials segments:

Revenue breakdown by sector of activity (in €T)	H1 2024	H1 2023	compared to the previous year
Engineering	359	605	-41%
Specialty	10,202	9,379	9%
Service & Recycling	4,867	4,749	2%
Glass coating	6,860	7,189	-5%
Battery Material	2,505	3,356	-25%
Total	24,793	25,278	-2%

The first six months of the year were again characterized by macroeconomic challenges for the IBU-tec Group, which led to a sales development that remained below the previous year's level. EBITDA of €154 thousand was significantly lower than the EBITDA of the previous year (€2,857 thousand).

Almost constant depreciation and amortization led to an EBIT of €-2,324 thousand, which was around €2,828 thousand below the previous year's level.

Earnings before other taxes and taxes on income and earnings (EBT) amounted to €-2,543 thousand, with a financial result almost comparable to the previous year.

The developments described above led to a consolidated net loss of €-3,154 thousand, which is €3,527 thousand below the previous year.

1. Fundamentals of the Group
2. Economic Report
3. Opportunity and Risk Report
4. Outlook

Earnings situation in € thousand	30.06.2024	30.06.2023	compared to the previous year
EBITDA	154	2,857	-95%
EBT	-2,543	326	-881%
Net income	-3,154	373	-946%

2.5 Colleague

The number of employees of the IBU-tec Group was 228.5 on average for the first half of the year (previous year: 226.5). The IBU-tec Group lives up to its social obligation to provide vocational training and employed an average of ten

trainees in various training occupations during the period under review (industrial mechanic, chemical laboratory technician, chemical technician, office management assistant, electronics technician for industrial engineering).

Staff (without Executive Board, trainees and employees on parental leave)	H1 2024	H1 2023	compared to the previous year
Average according to HGB	228,5	226,5	+0.88%
to 30.06.	229	230	-0.43%

3. Opportunity and Risk Report

The opportunities and risks for the further development of the Group are described in detail in the chapter "Opportunities and Risk Report" of the Group Management Report in the Annual Report 2023 and are essentially still valid for the first half of 2024.

A particular risk is posed by the significant economic slowdown in Germany. The chemical industry in particular is reporting a sharp decline in orders. As a company in the raw materials industry and a development service provider, IBU-tec AG is exposed to an increased risk of having to accept an above-average decline in orders in the event of a further deterioration in the economic situation. 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 profitability.

The issue of energy security will continue to play a major role for German industry this year. Although gas storage facilities are currently full, there is a risk of gas shortages in the coming winter months. 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

1. Fundamentals of the Group
2. Economic Report
3. Opportunity and Risk Report
4. Outlook

will be able to continue operating laboratory and electric rotary kilns on a smaller scale even in the event of a gas shortage and the associated rationing of gas for industry. At BNT, we currently have no possibility to replace natural gas. Overall, we assess the probability of a gas supply disruption as low to medium and the impact as severe. The production of alkyl chlorides and organometals at BNT GmbH in Bitterfeld produces tin-containing residues, over which BNT GmbH has been in a legal dispute with the Saxony-Anhalt State Administration Office since last year. The supervisory authority is of the opinion that this is waste that must be disposed of. BNT GmbH, on the

other hand, considers these substances to be valuable due to their tin content and plans to process them further in accordance with the Circular Economy Act. BNT has the technology and the corresponding treatment channels for this. The permit for the plant is still in the application process. BNT won the proceedings in the first instance, but the Saxony-Anhalt State Administration Office has requested reconsideration. If the legal dispute is decided against BNT GmbH, negative effects on the result are to be expected. We rate the probability of occurrence as low, the effects as severe.

4. Outlook

4.1 Future economic and industry development

The ifo Institute expects positive prospects for further economic development. According to the report, the German economy is slowly working its way out of the crisis again. The price-adjusted gross domestic product is forecast to grow by 0.2 to 0.4% this year and by 1.5% next year. According to the ifo forecast, the inflation rate will decline noticeably from 5.9% in 2023 to 2.2% in 2024 and to 1.7% in 2025¹⁴. The Federal Ministry of Economics also sees signs

of a slight economic brightening and that the economy is slowly moving out of the weak phase. The positive development prospects are justified by the lower electricity and gas costs on the stock exchange to the level before the energy price shock. According to the report, prices have fallen faster than many predicted, benefiting industry in the form of rising production, especially in energy-intensive industries¹⁵.

¹⁴ Ifo Konjunkturprognose, <https://www.ifo.de/fakten/2024-06-20/ifo-konjunkturprognose-sommer-2024-neue-hoffnung-aber-noch-kein-sommermaerchen>, (20. Juni 2024)

¹⁵ <https://www.bmwk.de/Redaktion/DE/Pressemitteilungen/2024/04/20240424-fruehjahrensprojektion-2024.html> (24.04.2024)

1. Fundamentals of the Group
2. Economic Report
3. Opportunity and Risk Report
4. Outlook

4.1.1 Chemical

The German Chemical Industry Association (VCI) expects production to increase by 3.5 percent for 2024 as a whole thanks to a slight increase in demand. An increase of 1.5 percent is also forecast for industry turnover. Impulses for this come primarily from abroad¹⁶. The ifo Institute also confirms a slight recovery for the chemical industry. According to the report, the

business climate in the chemical industry in Germany has recovered since May and companies' view of the coming months has become more optimistic again due to the slight increase in demand for chemical products based on improved export expectations¹⁷.

4.1.2 Automotive industry

According to a current Statista forecast on the sales development of the automotive industry, sales are expected to continue to rise until 2025. In total, the turnover of the entire industry is expected to grow to around 605 billion euros¹⁸. In the field of electric cars, the Association of the German Automotive

Industry (VDA) forecasts a 5 percent increase in production figures in Germany in 2024 compared to the previous year, which corresponds to around 1.33 million electric cars. This adjusted forecast is based on a weaker development in demand for electric cars than expected¹⁹.

4.2 Future development of the IBU-tec Group

For 2024, the company's previous forecast remains unchanged, with the full year expected to end with significant revenue growth and above-average EBITDA growth. This also translates into an improvement in the EBITDA margin compared to the previous year.

In order to achieve our goals, we are driving forward the further development of battery material and researching new, innovative materials and possible applications. At the same time, we are continuing to expand the necessary structures and sales.

¹⁶ VCI Quarterly Report 1.2024, <https://www.vci.de/ergaenzende-downloads/vci-quartalsbericht-q1-2024.pdf> (15.05.2024)

¹⁷ <https://www.ifo.de/fakten/2024-06-06/chemische-industrie-erstmal-wieder-zuversichtlich> (06.06.2024)

¹⁸ <https://de.statista.com/statistik/daten/studie/248362/umfrage/prognose-zum-umsatz-in-der-automobilindustrie-in-deutschland/> (05.07.2024)

¹⁹ https://www.vda.de/de/presse/Pressemeldungen/2024/240703_PM_Nationale_PM_Pkw-Produktion_in_Deutschland_im_Juni_2024 (03.07.2024)

1. Fundamentals of the Group
2. Economic Report
3. Chancen- und Risikobericht
4. Outlook

Our assessment is based on a noticeable increase in demand for our services and products. In the battery sector, we have established ourselves as a reliable partner for research and development services by further building up our know-how and capacities. In addition, services in the service environment have already been provided in the first half of the year, which will be included in sales in the second half of the year. We are currently in several, very concrete talks with potential customers from the automotive, chemical and battery cell manufacturing sectors, in which we are discussing different cooperation scenarios. In addition to ramp-up material supply quantities (material qualifications up to test materials on an industrial scale), technological consulting services and licensing models of our production process are the subject of discussions. At IBU-tec AG, we are currently seeing an increased demand for service projects in the field of material and process development for customers in various industries. In the area of contract production, we expect orders in the battery environment and the processing of powder materials for precious metal catalysts, for example, which should have a positive impact on the second half of the year.

Weimar, 27. August 2024



Jörg Leinenbach
(Board of Directors)

At BNT GmbH, we also expect a positive earnings development in the coming months, in addition to the classic product business, combined with the further expansion of the service business and the associated restructuring measures. After the commissioning of the new production plant for our glass coating product MBTC, we plan to successively increase sales volumes by the end of the year. For our United States catalyst business, as well as for our organotin-free glass coating alternative product, we continue to see very good prospects and brisk demand in the second half of the year.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

— OF IBU-TEC ADVANCED MATERIALS AG FOR THE
PERIOD FROM 1 JANUARY TO 30 JUNE 2024

29 CONSOLIDATED BALANCE SHEET

30 CONSOLIDATED INCOME STATEMENT

31 CONSOLIDATED CASH FLOW STATEMENT

32 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

33 NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Balance Sheet as of 30 June 2024

ASSETS	H1 2024 € thousand	H1 2023 € thousand
Fixed assets		
Intangible assets	3,663.06	3,557.32
Tangible assets	42,553.70	41,285.11
Financial investments	-	-
	46,216.75	44,842.43
Current assets		
Inventories	19,996.39	25,155.59
Requests from deliveries and services	8,124.45	8,868.74
Securities	-	-
Other financial assets	1,644.43	480.98
Cash and cash equivalents	812.45	1,863.99
Prepaid expenses	30,577.73	36,369.30
Deferred tax assets	400.14	358.81
	77,194.63	81,570.55

LIABILITIES	H1 2024 € thousand	H1 2023 € thousand
Equity capital		
Subscribed capital	4,750.00	4,750.00
Capital reserve	40,250.00	40,250.00
Retained earnings	477.18	477.18
Net profit	8,079.60	14,085.13
	53,556.79	59,562.31
Special item for investment grants for fixed assets	4,165.87	2,924.65
Provisions	3,373.51	2,450.23
liabilities		
Liabilities to credit institutions	10,884.11	11,776.04
Advance payments received	856.63	879.56
liabilities from goods and services	2,362.12	1,753.61
Other liabilities	1,556.46	1,481.53
	15,659.32	15,890.74
Prepaid expenses	1.34	1.34
Deferred tax liabilities	437.80	741.28
	77,194.63	81,570.55

Consolidated Income Statement for the period from 1 January to 30 June 2024

€ thousand	H1 2024	H1 2023
Sales revenue	24,792.76	25,277.96
Change in inventory of finished and unfinished products	1,240.58	1,937.07
Other capitalized own work	468.31	266.24
Other company income	543.94	1,080.61
Material costs	14,584.90	14,729.22
Personnel expenses	7,469.27	7,005.57
Other operating expenses	4,837.28	3,970.48
EBITDA	154.14	2,856.62
Depreciation of intangible assets and property, plant and equipment	2,477.74	2,352.48
EBIT	-2,323.59	504.14
Other interest and similar income	0.17	8.27
Interest and similar expenses	219.35	186.82
Earnings before taxes (EBT)	-2,542.78	325.59
Tax expenses/income (-)	611.27	-47.19
dv. From changes in deferred taxes		
Period result	-3,154.05	372.78
Earnings per share in EUR	-0.66	0.08
Number of shares	4,750,000	4,750,000

Consolidated Cash Flow Statement for the period from 1 January to 30 June 2024

€ thousand	H1 2024	H1 2023
Cash flow from operating activities		
Period result	-3,154	373
Depreciation on fixed assets	2,478	2,352
Increase (+)/decrease (-) in provisions	-340	-200
Other non-cash income (-)	-	-
Profit (-) / loss (+) from disposal of fixed assets	-	-
Increase (-)/decrease (+) in trade accounts receivable and other assets (including inventories)	1,426	-4,208
Increase (+)/decrease (-) in trade accounts payable and other liabilities	1,207	-169
Income (-) from investment grants	-	-
Cash flow from operating activities	1,617	-1,852
Cash flow from investing activities		
Cash inflows (+) from disposals of property, plant and equipment	-	-
Payments (-) for investments in property, plant and equipment	-3,592	-4,621
Payments (-) for investments in intangible assets	-	-
Cash inflows (+) from sold financial assets as part of short-term financial management	-	-
Cash flow from investing activities	-3,592	-4,621
Cash flow from financing activities		
Cash inflows (+) from equity contributions	-	-
Allocation of capital reserves (+)	-	-
Payments (-) to company owners (dividend)	-	-190
Proceeds (+) from shareholder loans	-	-
Deposit (+) from taking out financial loans	3,491	6,493
Payments (-) from the repayment of financial loans	-1,083	-1,093
Cash flow from financing activities	2,408	5,210
Cash funds at the end of the period		
Cash-effective change in financial resources (subtotals 1.-3.)	433	-1,263
Financial resources at the beginning of the period	380	3,127
Cash funds at the end of the period	812	1,864

Consolidated Statement of Changes in Equity for the period from 1 January to 30 June 2024

€ thousand	Subscribed capital	Capital reserve	Statutory reserve	Other retained earnings	Retained profit (including profit/loss carried forward)	Equity capital
As of 01.01.2024	4,750.00	40,250.00	300.00	177.18	11,233.66	56,710.84
Annual profit					-3,154.05	-3,154.05
As of 30.06.2024	4,750.00	40,250.00	300.00	177.18	8,079.60	53,556.79

ABBREVIATED NOTES FOR THE 1ST HALF OF 2024

OF IBU-TEC ADVANCED MATERIALS AG

I. General Information

II. Consolidation

- III. Consolidation principles
- IV. Accounting policies
- V. Disclosures and explanatory notes on individual items of the balance sheet
- VI. Notes to the income statement
- VII. Related Party Transactions

I. General Information

The half-year financial report of the IBU-tec Group for the period 01.01.2024 to 30.06.2024 was prepared in accordance with the provisions of the German Commercial Code (HGB).

For the consolidated annual financial statements, the statutory structure of Section 290 of the German Commercial Code (HGB) was followed.

There were no special circumstances that mean that the financial statements do not give a true and fair view of the net assets, financial position

and results of operations (Section 264 (2) sentence 2 of the German Commercial Code (HGB)).

Permissible facilitations in accordance with the German Commercial Code (HGB) were used.

IBU-tec advanced materials AG („parent company“) has its registered office in Weimar and is entered in the commercial register at the Jena District Court under the number HRB 503021.

II. Consolidation

The consolidated financial statements include the wholly owned subsidiaries, BNT Chemicals GmbH, Bitterfeld-Wolfen, („BNT GmbH“ or „Subsidiary“) and IBUvoltage battery materials GmbH, Weimar, („IBUvoltage GmbH“

or „Subsidiary“), over which IBU-tec AG directly or indirectly exercises a dominant influence.

- I. General Information
- II. Consolidation
- III. Consolidation principles
- IV. Accounting policies
- V. Disclosures and explanatory notes on individual items of the balance sheet
- VI. Notes to the income statement
- VII. Related Party Transactions

III. Consolidation principles

When BNT GmbH was consolidated for the first time as of June 30, 2018, the assets, liabilities and deferred income included in the consolidated financial statements were revalued or recognized as part of the purchase price allocation. The hidden reserves in the real estate resulted in a higher valuation compared to the subsidiary's financial statements. Based on these hidden reserves, deferred tax liabilities were determined and recorded in the consolidated balance sheet.

In addition, goodwill was recognized as an asset in the consolidated balance sheet. Existing tax loss carryforwards at BNT GmbH led to the recognition of deferred tax assets, which were created as part of the first-time consolidation as of June 30, 2008. In the following years, the deferred tax assets were gradually reversed as part of the subsequent consolida-

tions at the balance sheet date, with the reversal being recognized in the income statement.

Receivables and liabilities between the Group companies were offset.

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

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

IV. Accounting policies

Fixed assets

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

The capitalization option pursuant to Section 248 (2) sentence 1 of the German Commercial Code (HGB) for self-created intangible assets of fixed assets is exercised in relation to patents filed.

Current assets

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

- I. General Information
- II. Consolidation
- III. Consolidation principles

IV. Accounting policies

- V. Disclosures and explanatory notes on individual items of the balance sheet
- VI. Notes to the income statement
- VII. Related Party Transactions

Receivables and other assets

The receivables and other assets were generally valued at par value. The risk of default was sufficiently taken into account by a lump-sum value adjustment on receivables.

Cash and cash equivalents

Cash and cash equivalents are valued at par.

Prepaid expenses and deferred charges

Prepaid expenses include prepayments made that represent expenses for a certain period after the balance sheet date. Deferred taxes were calculated on the basis of temporary or quasi-permanent differences between the carrying amounts of assets, liabilities and prepaid expenses under commercial law and their tax carrying amounts. These are measured at the company-specific tax rate at the time the differences are reversed.

Subscribed capital

The subscribed capital is set at par.

Public investment grants

A liability item has been created for public investment subsidies, which is to be reversed in accordance with the depreciation in accordance with the useful life of the subsidized assets.

- I. General Information
- II. Consolidation
- III. Consolidation principles

IV. Accounting policies

V. Disclosures and explanatory notes on individual items of the balance sheet

- VI. Notes to the income statement
- VII. Related Party Transactions

Tax and other provisions

Tax provisions and other provisions consider all identifiable risks and uncertain obligations. The valuation is carried out in each case in the amount of the settlement amount that is necessary according to reasonable commercial assessment to cover future payment obligations. Future price and cost increases will be considered if there are sufficient objective

indications that they will occur. Provisions with a remaining maturity of more than one year are discounted at the average market interest rate of the Deutsche Bundesbank over the past seven financial year's corresponding to their remaining term.

Accounts payable

The liabilities are accounted for with their settlement amount.

Advances from demand

Advance payments received on orders are set at face value.

Deferred income

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

V. Disclosures and explanatory notes on individual items of the balance sheet

Fixed assets

Intangible assets

In the case of self-created intangible assets, the capitalization option for self-created intangible assets for own development projects had already been exercised in previous years. In total, expenses of EUR 840 thousand

have been capitalized so far, of which € 283 thousand are attributable to the 1st half of 2024 (previous year: € 162 thousand).

- I. General Information
- II. Consolidation
- III. Consolidation principles
- IV. Accounting policies
- V. Disclosures and explanatory notes on individual items of the balance sheet
- VI. Notes to the income statement
- VII. Related Party Transactions

In addition, the intangible assets include goodwill of around €2,061 thousand resulting from the acquisition of BNT GmbH.

Property, plant and equipment as of 30.06.2024 amounted to €42,553 thousand (previous year: €41,285 thousand). In the operational area,

the investments mainly include further advance payments made as part of the planned construction of a spray tower. The focus of BNT GmbH's investment activities was on the final capacity expansion of the planned MBTC production plant, general optimization measures in the production area and renovations of the existing production infrastructure.

Current assets

Current assets were around €5,792 thousand lower than in the previous year (€36,369 thousand). The decrease in inventories (€5,159 thousand), trade receivables (€744 thousand) and cash and bank balances (€1,052

thousand) offset the increase in other financial assets (€1,163 thousand). The decline in inventories is also due to the destocking of an intermediate product at BNT GmbH.

Equity

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

Debt

As of the reporting date, liabilities to banks amounted to €10,884 thousand, which represents a reduction of €892 thousand compared to the previous year (€11,776 thousand).

Accounts payable other

Other liabilities increased from €1,482 thousand in the previous year to €1,556 thousand.

I.	General Information
II.	Consolidation
III.	Consolidation principles
IV.	Accounting policies
V.	Disclosures and explanatory notes on individual items of the balance sheet
VI.	Notes to the income statement
VII.	Related Party Transactions

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 2024, the following revenue shares were generated from the Group's individual areas of activity:

Revenue breakdown by sector of activity (in €T)	H1 2024	H1 2023	to the previous year
Engineering	359	605	-246
Specialty	10,202	9,379	823
Service & Recycling	4,867	4,749	118
Glass coating	6,860	7,189	-329
Battery Material	2,505	3,356	-851
Gesamt	24,793	25,278	-485

Changes in inventories include unfinished work in the amount of €1,044 thousand (previous year: €930 thousand).

The capitalized in-house work includes in-house work provided by employees of IBU-tec AG and BNT GmbH in the context of various investment projects in the amount of €468 thousand (previous year: €266 thousand).

Due to sale's development, the cost of materials decreased by €144 thousand to €14,585 thousand (previous year: €14,729 thousand).

Personnel expenses increased by €464 thousand to €7,469 thousand (previous year: €7,006 thousand), which is mainly due to a slightly higher number of employees and salary increases.

Other operating expenses amounted to €4,837 thousand, an increase of €867 thousand compared to the previous year (€3,970 thousand). This increase is mainly due to the increased expansion of the battery segment and general price increases.

Interest and similar expenses include, among other things, interest expense on short- and long-term liabilities in the amount of €219 thousand (previous year: €187 thousand).

- I. General Information
- II. Consolidation
- III. Consolidation principles
- IV. Accounting policies
- V. Disclosures and explanatory notes on individual items of the balance sheet
- VI. Notes to the income statement

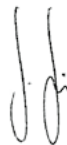
VII. Related Party Transactions

VII. Related Party Transactions

There is an employment relationship with the wife of the Chairman of the Supervisory Board as an assistant to the Management Board. The annual remuneration from this service contract amounts to €28 thousand (previous year: €30 thousand).

The Chairman of the Supervisory Board, Mr. Weitz, is employed by IBU-tec advanced materials AG.

Weimar, 27 August 2024



Jörg Leinenbach

(Board of Directors)

Consulting contracts have been concluded with the Supervisory Board members Ms. Cailleteau and Dr. Thau, which are currently suspended. The agreed conditions correspond to customary market conditions. In the 1st half of 2024, as in the previous year, there were no liabilities from these activities and no fees were paid.

FINANCIAL CALENDAR

FINANCIAL DATES OF IBU-TEC ADVANCED MATERIALS AG

25 - 27 November 2024	German Equity Forum, Frankfurt/Main
30 April 2025	Annual General Meeting 2025

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/

IMPRINT

Publisher

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

Text and Content Concept

IBU-tec advanced materials AG

edicto GmbH – Agentur für Finanzkommunikation
und Investor Relations | www.edicto.de

Design and Implementation

abeler bollmann werbeagentur GmbH | www.abelerbollmann.de

Photos

Susann Nürnberger, Thomas L. Fischer,
Steffen Walther, IBU-tec, iStockphoto.com

IBU | tec

IBU-tec advanced materials AG

Hainweg 9-11
99425 Weimar

Telefon: +49 (0) 3643 8649-0
Telefax: +49 (0) 3643 8649-30
E-Mail: mail(at)ibu-tec.de

www.ibu-tec.de