

Notice on the Declaration of Compliance and Corporate Governance Report

Nabaltec AG has discontinued its former practice of voluntarily issuing a declaration of compliance in accordance with § 161 of the German Stock Corporation Act and a corporate governance report and will no longer be issuing a declaration of compliance and corporate governance report on a voluntary basis starting in Financial Year 2020.

The Government Commission for the German Corporate Governance Code has made significant revisions and additions to the Code nearly every year since its introduction in 2002 and has already published a draft for 2020 which would completely rewrite the Code. Although some of the previous changes to the Code have contributed to improvements in corporate governance, the work and consulting expenses associated with the ongoing revisions and the complete rewriting of the Code are out of reasonable proportion to the benefits for the company's shareholders, in the view of the Management and Supervisory Boards. Moreover, the Code's focus has shifted considerably towards large publicly traded companies, so that many of the Code's recommendations now have very limited connection to the reality of small and mid-sized companies and implementing these recommendations would not produce any clear benefit for the company or its shareholders.

Since Nabaltec AG is not a publicly traded company and is therefore not required to issue a declaration of compliance or prepare a corporate governance report in accordance with § 161 of the German Stock Corporation Act, the Management Board and Supervisory Board have decided, after extensive deliberation, to discontinue its practice of voluntarily issuing a declaration of compliance and corporate governance report starting in Financial Year 2020.

The Management Board and Supervisory Board of Nabaltec AG remain convinced that adhering to the principles of good corporate governance is in the interests of the company and its shareholders and continue to view themselves as bound by the principles of good corporate governance. Accordingly, Nabaltec AG will continue to adhere to the high standards of corporate governance which it has been maintained in the past and will continue to base its conduct on the Corporate Governance Code whenever possible and expedient in the company's viewpoint and in the interest of the shareholders, but it will no longer explain this conduct in a formal Declaration of Compliance.

Schwandorf, February 2020

Management Board

Supervisory Board