



PRESS RELEASE

Nanogate AG: Sales increased by almost a third, consolidated net income doubled

Sales increased by around 28 % in the first half of 2013 – EBITDA increased despite cash investment for growth strategy – strong incoming orders in the strategic growth areas – earnings forecast raised slightly for the full-year 2013

Göttelborn, Germany, 30 September 2013. Nanogate AG (ISIN DE000A0JKHC9), a leading international integrated systems provider for high-performance surfaces, experienced a growth in consolidated net income which outpaced the rise in sales in the first half of 2013. The Group expanded its business activities by around 28 % to EUR 24.2 million, while consolidated net income more than doubled. Consolidated EBITDA increased, despite the use of funds to implement the growth strategy, to EUR 3 million. The company has raised its earnings forecast for 2013 in view of the positive business performance.

Ralf Zastrau, CEO of Nanogate AG: "Nanogate is making better progress than expected in its implementation of the growth strategy. As with operating business, we have also been experiencing extremely brisk demand in incoming orders, which has meant that we have been expanding our capacities much more quickly than originally planned. From both a strategic and operational perspective, Nanogate can look back on the best first half-year in the history of the company. We consider the order from Volkswagen, with which Nanogate has been established as a Tier 1 supplier, to be a milestone. Thanks to a number of new orders and production start-ups, such as for Porsche, we expect sales to achieve growth in the double-digit percentage range in the current 2013 financial year."

Business activities significantly expanded

Group sales increased by some 28 % to EUR 24.2 million (previous year: EUR 18.9 million). The company benefited from strong demand, notably in the strategic growth fields of energy efficiency and innovative plastics, an improved order and product mix, as well as consolidated effects. The gross profit margin came to 66.5 % (previous year: 65.3 %). The earnings position is characterised on the one hand by the strong business performance and on the other by the use of significant levels of funds for opening up new markets and integration. Despite these negative effects, consolidated EBITDA rose to EUR 3.0 million (previous year: EUR 2.8 million), corresponding to a consolidated EBITDA margin of 12.3 %. Given the costs associated with implementing the growth strategy, consolidated EBIT came to EUR 1.1 million (previous year: EUR 1.4 million). Consolidated net income climbed to EUR 0.5 million (previous year: EUR 0.3 million), and the earnings per share to EUR 0.19 (previous year: EUR 0.10, diluted).

The Group is equipped to continue with its implementation of the growth strategy with a consistently high equity ratio of 42.5 % (31.12.2012: 55.3 %). Cash and cash equivalents came to EUR 10.5 million at the balance sheet date (31.12.2012: EUR 11.7 million). The Group also benefited from a new, low-interest loan in the double-digit million range, which has already been partly drawn down. The arrangement with several credit institutions was made with the involvement of KfW.

The interim financial statements have been prepared on the assumption that an extraordinary shareholders' meeting on 6 November 2013 will approve a profit and loss transfer agreement with the subsidiary GfO AG, and that this will take effect upon GfO AG being entered in the commercial register. Given the significant financial benefits conferred by the profit and loss transfer agreement, the company expects its shareholders to grant their approval. Furthermore, as a result of a change in accounting guidelines pursuant to IAS 19, the values from the previous year have been adjusted.



Order base significantly bolstered – double-digit growth expected

Nanogate remains on a path for growth: Numerous major orders, such as those from Volkswagen, Porsche and August Brötje GmbH as well as the exclusive partnership with the international sports brand FILA, confirm the company's good strategic position and the unwaveringly high demand for multifunctional high-performance surfaces. The order base in the double-digit million range has risen again and safeguards the business. The Group is therefore already able to reliably assess business performance in the coming quarters. Utilisation remains high, which means that Nanogate will continue to expand its capacities – such as by building the integrated centre of excellence for glazing and plastic applications. In the course of its growth strategy, the Group is making considerable investments, releasing funds to open up new markets and for the integration of the new subsidiary Plastic-Design GmbH. Nanogate therefore expects that it will be able to achieve double-digit growth in sales again in 2013. Despite the significant level of funds and investments being made, the Group has increased its earnings forecast in view of the good business performance and now expects operating results (EBITDA) to be at least equivalent to those of the previous financial year.

“As part of our ongoing strategy programme, Nanogate has achieved some major objectives: We have expanded our international business as well as our technology portfolio and production capacities on a continued basis. With our focus on energy efficiency and innovative plastics such as glazing applications, we are addressing two attractive, strategic growth areas. This is bringing us much closer to our stated medium-term goal of achieving annual sales of EUR 50 million. We are currently in the process of developing growth scenarios for the next phase of the company. Our fundamental focus is on expanding our international market position, the rising demand for our systems in the two strategic growth areas and on further, selective, external growth,” says the Nanogate CEO, explaining the strategy.

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Nanogate AG:

Nanogate is a leading international integrated systems provider for high-performance surfaces. The Group, which is based in Göttelborn (Saarland), enables the programming and integration of additional properties – such as non-stick, scratchproof and anti-corrosive – into materials and surfaces. True to its slogan 'A world of new surfaces', Nanogate opens up the diverse possibilities of multifunctional surfaces based on new materials for companies in a wide range of industries.

Nanogate provides its customers with technologically and optically high-quality systems. To do so, the company uses its extensive knowledge of innovative materials, including existing expertise in nanomaterials, nanosurfaces and nanostructures. The aim is to improve customers' products and processes by means of high-performance surfaces while achieving environmental benefits. The Group concentrates on the four sectors automotive/mechanical engineering, buildings/interiors, sport/leisure and functional textiles as well as on the strategic growth areas of innovative plastics (e.g. glazing) and energy efficiency. Nanogate has a unique combination of extensive materials expertise paired with comprehensive, first-class process and production know-how. As a systems provider, Nanogate offers services throughout the entire value chain, from the purchase of raw materials, to the synthesis and formulation of the material systems, right through to the enhancement and production of the finished surfaces. The Group focuses primarily on optically high-quality plastic and metal coatings for all surface types (two and three-dimensional components). Its value drivers are the opening up of new, international markets, the development of new applications for the strategic growth areas of innovative plastics (e.g. glazing) and energy efficiency, as well as external growth. In the medium term, Nanogate also intends to achieve a considerable revenue share from environmentally friendly systems and cleantech applications.

The Nanogate Group has first-class references (e.g. Airbus, Audi, August Brötje, BMW, Bosch-Siemens Haushaltsgeräte, FILA, Jaguar, Junkers, Kärcher, REWE International). Several hundred projects have already gone into mass production. The company also has strategic partnerships with many international corporations. Nanogate comprises Nanogate Industrial Solutions GmbH, Eurogard B.V., Nanogate Textile & Care Systems GmbH, Nanogate Glazing Systems B.V., a majority stake in GfO Gesellschaft für Oberflächentechnik AG and a strategic 76% holding in Plastic-Design GmbH.

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