

OUR KNOW-HOW for **your safety**

Annual Report 2025



NABALTEC GROUP

Key figures

FOR THE FINANCIAL YEAR 1 JANUARY TO 31 DECEMBER 2025

in TEUR	2025 (IFRS)	2024 (IFRS)	Change
Revenues			
Total revenues	197,048	203,602	-3.2%
thereof			
Functional Fillers	144,066	148,028	-2.7%
Specialty Aluminas	52,982	55,574	-4.7%
Foreign share (%)	76.7	76.6	
Earnings			
EBITDA	26,777	34,177	-21.7%
EBIT	15,177	22,258	-31.8%
Consolidated result after taxes	9,675	14,261	-32.2%
Earnings per share (EUR)	1.10	1.62	-32.1%
Financial position			
Cash flow from operating activities	15,834	35,159	-55.0%
Cash flow from investing activities	-24,821	-32,103	-22.7%
Assets, equity and liabilities	12/31/2025	12/31/2024	
Total assets	300,709	298,258	0.8%
Equity	158,284	153,210	3.3%
Non-current assets	152,393	157,014	-2.9%
Current assets	148,316	141,244	5.0%
Employees¹ (number of persons)	509	501	1.6%

¹ on the reporting date 31 December, including trainees

REVENUES in TEUR

2021	— 187,017
2022	— 218,839
2023	— 200,133
2024	— 203,602
2025	— 197,048

EBIT in TEUR

2021	— 24,551
2022	— 29,167
2023	— 18,339
2024	— 22,258
2025	— 15,177

OPERATING CASH FLOW in TEUR

2021	— 33,164
2022	— 32,437
2023	— 16,452
2024	— 35,159
2025	— 15,834



Nabaltec AG, with registered office in Schwandorf, a chemicals business which has received multiple awards for innovativeness, manufactures, develops and distributes highly specialized products based on aluminum hydroxide and aluminum oxide on an industrial scale through its product segments, "Functional Fillers" and "Specialty Aluminas." The markets for Nabaltec products remain intact in the long-term, although the economic situation, particularly in the chemical industry, remains challenging.

SUSTAINABLE practices

Nabaltec products have an extremely diverse range of applications and are the preferred choice whenever utmost quality, safety, eco-friendliness and durability are required. The combination of these characteristics offers outstanding long-term prospects for growth for Nabaltec's various specialty chemical products and is the basis for the company's many years of continuous growing economic success.

Beyond economic aspects, however, Nabaltec AG also attaches particular importance to ecological and social responsibility. Over the years, a certified environmental management system, an occupational health and safety management system and an energy management system have been introduced.



NABALTEC IN DIALOGUE
www.nabaltec.de/en

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EMPLOYEES

Sustainable employee development is important to Nabaltec AG in order to be prepared for future personnel challenges and in order to position itself as an attractive employer. As a family-friendly company which has been recognized multiple times, Nabaltec is committed to promoting young talent and values work/life balance.



INNOVATIONS

Nabaltec's success is based largely on the company's high level of innovation. For this, Nabaltec is regularly honored with national and international prizes and awards. In 2025, for example, the company once again and already several times in a row, received the "Best Managed Companies Award" for excellently managed medium-sized companies and thereby achieved platinum status.

NABALTEC

worldwide

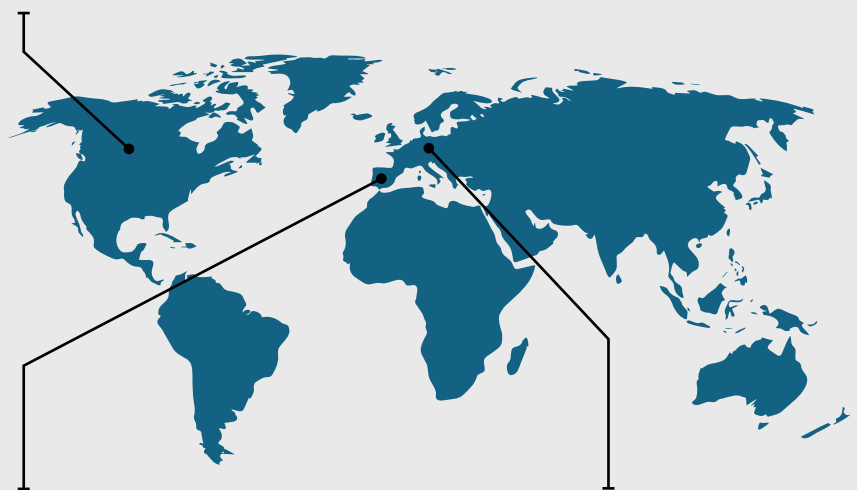
REVENUE SHARES 2025

13.7%

USA

9.0%

Rest of the world



54.0%

Europe
(without Germany)

23.3%

Germany

As an internationally active specialty chemicals company, Nabaltec AG is represented in key sales markets worldwide. The company's global orientation enables it to address regional market requirements in a targeted manner and to supply customers with both standardized and application-specific solutions.

Through its international presence, high product quality, and technical expertise, Nabaltec is able to secure and further develop its market position in selected segments. Its global footprint continues to form a central strategic foundation for the company's sustainable development.

PRODUCT SEGMENTS

of Nabaltec

Functional Fillers



EUR 144.1 million
revenues

EUR 23.7 million
EBITDA

EUR 15.0 million
EBIT

In the product segment “**Functional Fillers,**” Nabaltec AG produces highly specialized **aluminum hydroxide-based** products for a wide variety of applications, and is among the leading manufacturers in the world in this area.

In addition to current market trends, the development of **eco-friendly flame retardant fillers** and **functional additives** is driven above all by the specific requirements of its customers – an example is the relatively young market segment battery for applications in electromobility. Nabaltec assesses itself as one of the leading manufacturers of boehmites for coating materials for separator films and viscosity optimized hydrates for composite materials and gap fillers.

Specialty Aluminas



EUR 53.0 million
revenues

EUR 3.1 million
EBITDA

EUR 0.2 million
EBIT

In the product segment “**Specialty Aluminas,**” Nabaltec manufactures innovative materials for a wide variety of industries and applications **based on aluminum oxide.**

The company is constantly investing in optimizing its production facilities, in **innovative technologies** and in **improving production processes** in order to enable the company to consistently supply tailor-made qualities which meet customers’ needs.

VALUE CHAIN

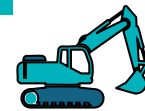
of Nabaltec

The value chain of Nabaltec covers all key process stages – from raw material extraction to application by the end customer. Raw materials such as aluminum oxide and -hydroxide are sourced from large alumina refineries, which are themselves vertically integrated and derive their end products from bauxite. Many producers have direct access to their own bauxite mines. The further beneficiation of the oxide or hydroxide through to the finished product takes place in Schwandorf and at the two subsidiaries, Nashtec and Naprotec, in USA.

Upstream indirect



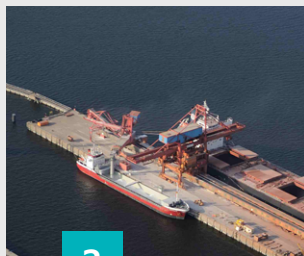
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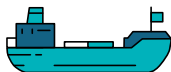
Bauxite mining

Bauxite is formed in equatorial regions as a result of intense weathering conditions, is extracted through open-pit mining, and can be mined in a comparatively environmentally responsible manner through best-practice measures such as immediate land rehabilitation. Global reserves are sufficient for approximately 200 years.

Upstream indirect



2



Bauxite transport

Bauxite is primarily transported by ship using large bulk carriers with a loading capacity of approximately 60,000 to 180,000 tons. It is delivered to alumina refineries, which are often located in coastal areas, near aluminum smelters, or in regions with access to cost-effective energy supplies.

Upstream direct

Alumina refinery



3



Production and transport of raw materials

The processing of bauxite takes place in alumina refineries with capacities of over 1 million tons per year, where aluminum hydroxide is extracted from the ore, separated from residues, and subsequently precipitated. It is then either converted into aluminum oxide through calcination for aluminum production or, together with aluminum hydroxide, beneficiated by Nabaltec AG into high-quality specialty products. The transport of oxides and hydroxides for Nabaltec is carried out primarily by rail from seaports, coastal alumina refineries, or the Weserport in Bremen.

Weserport



4



Group

5

**Production**

Nabaltec AG produces high-quality functional fillers and specialty aluminas from aluminum hydroxide and aluminum oxide. The production process – ranging from the calcination of aluminum oxide and chemically refined hydroxides to highly specialized flame retardant or ceramic products – is technically far more complex than in a conventional alumina refinery and generates higher value added.

6

**Transport of products**

Nabaltec primarily transports its packaged finished products domestically and across Europe by truck. Bulk goods are becoming increasingly popular, as they require less packaging material and are therefore significantly more environmentally friendly. For global exports, transport is carried out in standardized sea containers, with containerized goods delivered to ports by rail in an environmentally friendly manner.

Downstream direct**Downstream direct**

7

**Sales / Application of products**

Nabaltec distributes its products through its own sales organization as well as through distribution partners in order to serve customers in all target markets worldwide quickly and effectively. The products are used in high value-added applications such as flame retardant plastics, battery technology, ceramics, refractory materials, polishing materials, and catalytic processes.



Johannes Heckmann,
Chief Executive Officer

"We are driving our growth through increased activities in the 'Functional Fillers' product segment, which is gaining momentum from applications in e-mobility as well as the expansion of AI infrastructure such as data centers."



Günther Spitzer,
Chief Financial Officer

"Following a decline in revenues in 2025, we expect a return to revenue growth in the Financial Year 2026, despite a continued challenging market environment."



Dr. Alexander Risch,
Chief Operating Officer

"In a volatile market environment, we support our customers through reliability, dependable delivery, and competitive specialty products, thereby laying the foundation for future market share growth."

FOREWORD

of the CEO

*Ladies and Gentlemen,
Dear Shareholders and Business Partners,*

Given the challenging economic environment for Nabaltec AG, Financial Year 2025 ended with an unexpectedly weak fourth quarter, which did not meet our expectations. With a decline in revenue of 7.7% compared to the same quarter of the previous year, it was characterized by significantly weaker business performance than we had expected, especially in December. We generated revenues of EUR 197.0 million in Financial Year 2025, corresponding to a decrease of 3.2% from the previous year. Although we therefore performed slightly better than the German chemical industry, which declined by 3.8% in the same period, we fell slightly short of our own forecast, which had assumed a decline in revenue of around 2%. The important thing is that we achieved our earnings targets. With EBIT of EUR 15.2 million and an EBIT margin (EBIT as a percentage of total performance) of 7.7%, we have met our forecast. In a volatile environment, this is proof of the operational stability and structural resilience of our business model.

Reasons for the weak year-end business

A key development in 2025 was that customers in many of our target industries shortened their order cycles even further and reduced their inventories to a minimum. This behavior is typical for phases of weak economic activity and subdued demand. Precisely this type of environment characterized the past year. At the start of 2025, many market participants were still assuming that the situation would improve over the course of the year. This expectation was not met. To the contrary, the situation in the chemical industry and in numerous downstream stages of the value chain deteriorated even further. The effects were amplified, especially for us, by the fact that Nabaltec has always stood for exceptionally high delivery reliability. European customers in particular benefit from this reliability and have been able to further optimize their inventories – a strategic advantage for our customers, even though this is temporarily reflected in lower order volumes. Year-end business was compounded by the fact that many customers were expecting prices to fall in 2026 and had reduced their inventories again. To a limited extent, Chinese overcapacity also played a role, which – instead of being exported

Further information on Nabaltec AG's global growth markets can be found at www.nabaltec.de/en/company/we-at-nabaltec



to the US – generated additional price pressure in some markets such as Turkey. On a positive note: This was not due to a structural decline in demand in certain product ranges. Our market position is intact. The fundamental market drivers remain effective, and our products are still more than competitive.

At year-end, numerous customers again reduced their inventories in anticipation of lower prices – with the corresponding dampening effects on business

Stable start to 2026

The start of Financial Year 2026 has been stable. This confirms our assessment that the weak December 2025 was not a sign of a further deterioration in the market, but primarily the result of the inventory and price effects described above. There were already signs that the “Specialty Aluminas” product segment had bottomed out in the course of 2025. We expect a gentle recovery in this regard in 2026, primarily due to impetus from reactive aluminum oxides. Within the “Functional Fillers” product segment, fine hydroxides in particular should also show growth again. As part of our market strategy, we will also take the general price trend into account in 2026. So far, we have been able to successfully counteract the price erosion that is noticeable in some areas. For the current year, however, we see the possibility of gaining additional market share through targeted volume growth and coordinated pricing.

E-mobility and the battery cell industry

The development of electromobility and the battery cell industry in particular continues to play an important role for us. We remain fundamentally positive here. In 2026, the focus will increasingly be on our viscosity optimized hydrates, which enable significantly better planning and clearly develop more dynamically. We supply these additives, which support thermal management in batteries, to major international chemical companies and the world's leading manufacturers of industrial adhesives. As a partner to these global companies, we benefit from the high esteem for our products on the market. The positive trend was also evident in 2025 and should continue in 2026. The development of our boehmite products, on the other hand, depends heavily on the speed at which European battery cell production is established and is therefore still difficult to predict.

Viscosity optimized hydrates continue to develop dynamically, and will remain in demand in 2026 as well from leading manufacturers of industrial adhesives

US activities as a strategic building block

We also remain optimistic about our activities in the United States. The development of Nashtec and fine hydroxides was already encouragingly stable in 2025. We are continuing to work on improving the earnings situation for Naprotec products. Although the economic environment in the US is currently somewhat more robust than in Europe, the willingness of potential customers to switch is still limited. In addition, environmental aspects have recently taken a back seat in the US. However, the structural market drivers remain intact. Market penetration takes time – and we are consistently pursuing this path. Overall, our US involvement helps us to partially avoid the still high-cost burdens in Germany and Europe and to strengthen our international presence.

Operative strength in a challenging environment

Especially in an environment with intact market drivers but a lack of momentum, it is crucial to do your homework consistently. We achieved this in 2025. We were able to increase our gross profit as a percentage of total performance to 50.8%, compared to 49.7% in the previous year. Our strength was also evident at the EBIT level. With an EBIT margin (EBIT as a percentage of total performance) of 7.7%, we achieved our targets. Consolidated result after taxes amounted to EUR 9.7 million. This puts us in a position to continue our current dividend policy. At the 2026 annual general meeting, we will once again propose a dividend of EUR 0.29 per share to our shareholders.

*Nabaltec will continue
its current dividend
policy*

Looking ahead with confidence

We remain optimistic about the future. We benefit from long-term trends such as the growing importance of fire protection, the irreversible increase in the use of environmentally friendly processes and solutions and the growing importance of electromobility, energy storage and electrification. If the economy in Germany and Europe picks up again, particularly in our key target markets such as the cable industry and the refractories/ steel sector, or if European battery cell production moves beyond the announcement stage, then we will be in an excellent position to benefit disproportionately.

*Nabaltec combines
innovative and
environmentally friendly
products with the
highest quality and
delivery performance*

We combine innovative products, environmentally friendly applications, top quality and reliable delivery performance. At the same time, we retain the advantages of a medium-sized specialty chemicals company: Speed, flexibility (e.g. in investment projects) and consistent cost and process discipline. In this way, we will secure our solid earning power even in a challenging market environment and create long-term added value for our shareholders, customers and employees. Overall, we expect an increase in revenue in the range of 4% to 6% and an EBIT margin (EBIT as a percentage of total performance) in the range of 5% to 7% in 2026. At the present time, it is unclear how the current escalation of the Middle East conflict will affect our business.

I would like to thank our employees for their commitment, which has enabled us to hold our own in this challenging environment. I would also like to thank our shareholders and our customers for their trust and look forward to continuing our journey together.

Schwandorf, March 2026

Yours,



JOHANNES HECKMANN

Chief Executive Officer

REPORT

of the Supervisory Board

Ladies and Gentlemen, Dear Shareholders,

In the relevant markets of Nabaltec, development in the Financial Year 2025 was overall declining and once again characterized by a very challenging and uncertain environment. This resulted in high volatility in the sales markets, with pronounced short-term behavior on the customer side. Nabaltec was also unable to escape this development in the past financial year and was affected by a decline in revenue, which at 3.2% was slightly higher than the originally forecasted decrease of up to 2%. In general, the established, long-standing business areas proved comparatively robust, and the development of Nabaltec was in line with the overall development in the industry, which, according to the German Chemical Industry Association (VCI), recorded an overall decline in revenue of 3% over the course of the year.

Long-standing
business areas of Nabaltec
proved to be comparatively
robust

The Supervisory Board is always keeping a close eye on Nabaltec's business development, especially in light of current market and economic developments. Unchanged, market opportunities in the medium term lie in future-oriented markets such as the e-mobility sector or in the expansion of data centers and the growing digitalization. Nabaltec closely monitors these market developments and adapts its activities to the prevailing conditions.

Collaboration between the Supervisory and Management Boards

The Supervisory Board duly performed its assigned tasks in Financial Year 2025 in accordance with the law, the Articles of Association and the Rules of Procedure and was routinely informed by the Management Board in detail as to the performance and position of the company. The Supervisory Board advised the Management Board in accordance with the underlying information and exercised utmost care in monitoring and supervising the Management Board. The Supervisory Board was involved at an early stage in all decisions of fundamental importance for the company and was kept directly and fully informed by the Management Board.

Major events, as well as questions relating to strategy, planning, business development, the risk position, risk management, compliance and sustainability were considered by the Supervisory Board both internally and in conjunction with the Management Board. The Supervisory Board voted on the reports and draft resolutions submitted by the Management Board after careful deliberation and review. All transactions requiring approval in Financial Year 2025 were decided positively.

All transactions requiring
approval in Financial Year
2025 decided positively

In the Supervisory Board's estimation, all three of its current members should be considered independent. However, the Supervisory Board reserves the right to approve consulting and employment agreements between individual members of the body and the company if the Management Board and Supervisory Board concur that the conclusion of such an agreement is in the company's interest in that particular case.

The Supervisory Board does not form committees. With three members, the Supervisory Board is of suitable size for all matters to be considered and decided by the full Supervisory Board. No conflicts of interest for individual Supervisory Board members arose in the course of deliberations or voting by the Supervisory Board, or in the Board's exercise of its supervisory mandate in the 2025 reporting year. The Board again refrained from forming an audit committee. These tasks are also performed by the full Board.

Efficiency review of
the Supervisory Board
once again yielded a
positive result

The Supervisory Board performed a self-assessment of its activities in the past year (efficiency check) and has reached once again a positive conclusion. The focuses of this self-assessment were above all on procedures and the timely and adequate provision of information.

Changes in the composition of the Management Board and Supervisory Board

In Financial Year 2025, there were no changes in the composition of the Management Board and the Supervisory Board. The appointment of Dr. Alexander Risch as a member of the Management Board of the company, which was due to expire on 30 September 2025, was extended by five years – from 1 October 2025 to 30 September 2030 – by resolution of the Supervisory Board on 28 February 2025.

Supervisory Board
held four meetings in
2025, with all members
in attendance

Meetings of the Supervisory Board and focus of deliberations

Four regular ordinary meetings of the Supervisory Board were held in the reporting period: on 30 April, on 25 June following the Annual General Meeting, on 26 September and on 18 December. All meetings in 2025 were held in person, with all members of the Supervisory Board present. No additional meetings took place in 2026 prior to the Supervisory Board meeting on 23 April 2026 (held as an in-person meeting), in which the Board votes on adoption of the financial statements. In addition to in-person meetings, the members of the Supervisory Board also deliberated in writing and by telephone. Outside of Supervisory Board meetings, two written resolutions were adopted by the Supervisory Board in 2025, which, among other things, concerned the reappointment of Dr. Alexander Risch as a member of the Management Board until the end of September 2030.

The following issues were the subject of particularly intensive consideration in Financial Year 2025:

- ◆ the 2024 annual financial statements and consolidated financial statements including the proposal for the appropriation of distributable profit;
- ◆ planning for 2026 and mid-term planning through 2028;
- ◆ investment program 2026 and financial planning for the period from 2026 through 2028;
- ◆ 2026 sales plan for the Nabaltec Group;
- ◆ equipment investments at the Nashtec site, USA;
- ◆ operational planning for 2026, measures related to the current macroeconomic situation, as well as authorization to conclude electricity and raw material supply contracts.

The goals and realization status of innovative projects, the effectiveness of the risk management system, the accounting process in Nabaltec AG and Nabaltec Group, as well as the monitoring of the internal controlling system were also focuses of the Supervisory Board's work in Financial Year 2025. The Supervisory Board also dealt with environmental, social and governance (ESG) issues across all topics.

Even outside the Supervisory Board meetings, the Supervisory Board was routinely notified of important events of essential importance for assessing the position, performance and management of the company. The company's current situation, the development of the business position, important transactions and key decisions by the Management Board were also the subject of discussions between the Management Board and the Supervisory Board and were addressed in written reports as well. In particular, the Supervisory Board was notified of market trends, the risk and competition situation, the development of sales, revenues and earnings and the degree to which projections were met in monthly and quarterly reports. Other aspects of importance for business development, such as energy, resources and macroeconomic developments in Germany and Europe, were also regularly discussed. To this end, the Chairman of the Supervisory Board maintained a close and routine exchange of information and thoughts with the Management Board.

Audit of the 2025 Annual and Consolidated Financial Statements

Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Nuremberg, has audited the annual financial statements and management report of Nabaltec AG, prepared in accordance with the German Commercial Code, as well as the consolidated financial statements, prepared based on the IFRS (International Financial Reporting Standards), pursuant to § 315e of the German Commercial Code, as well as the consolidated management report, each for 31 December 2025, and has issued unqualified auditor's opinions. The auditor designated by the auditing firm as primarily responsible for conducting the audit rotated internally in 2025.

The Supervisory Board engaged the auditor in accordance with the resolution of the Annual General Meeting of 25 June 2025. The focus of the audit for Financial Year 2025 was determined by the auditor to be the valuation of non-current assets in the consolidated financial statements and of financial assets in the annual financial statements.



*Annual financial statements
for Nabaltec AG and Group
for 31 December 2025
reviewed and approved by
the Supervisory Board*

All documents relating to the financial statements, as well as the auditor's reports, were made available to the Supervisory Board in a timely manner for independent review. The members of the Supervisory Board have examined the documents in detail. These documents and reports were the subject of intensive consideration at the session on 23 April 2026. The auditor was present at this meeting, reported on the key findings of the audit and was available for further questions. The auditor also confirmed its independence to the Supervisory Board; there were and are no discernible circumstances that could give rise to fears of bias on its part. Based on its independent review of the annual financial statements, the consolidated financial statements, the management report and the consolidated management report, the Supervisory Board adopts the findings of the auditor Deloitte GmbH. The Supervisory Board has furthermore declared that it has no objections to the audit's findings. The Supervisory Board therefore approved the annual financial statements prepared by the Management Board for Nabaltec AG and Nabaltec Group for 31 December 2025. The annual financial statements of Nabaltec AG for 2025 are therefore adopted.

Thanks

The Supervisory Board would like to thank the Management Board as well as all employees for their commitment and the work performed during the reporting year. With great dedication and professionalism, everyone involved has contributed to the development of the company. In a market environment that remains challenging, the overall revenue development of Nabaltec was in line with the industry. On this basis, the Supervisory Board considers the company to be solidly positioned to face upcoming challenges and to take advantage of emerging opportunities.

Schwandorf, 23 April 2026



GERHARD WITZANY

Chairman of the Supervisory Board

NABALTEC SHARE

The stock market 2025

ISIN/WKN: DE000A0KPPR7/A0K PPR

Since 24 November 2006, Nabaltec share has been listed in the Frankfurt Stock Exchange, where it is traded in the Scale market segment.

Analysts' recommendations of Nabaltec share are available online at www.nabaltec.de/en/investor-relations/share

KEY DATA FOR NABALTEC SHARE (XETRA)

	2025	2024
Number of shares	8,800,000	8,800,000
Market capitalization (cutoff date, in EUR million)	107.8	118.8
Average price (in EUR)	14.20	14.87
High (in EUR)	16.75	19.10
Low (in EUR)	11.90	12.55
Closing price (cutoff date, in EUR)	12.25	13.50
Average daily turnover (in shares)	5,296	6,459
Earnings per share (in EUR)	1.10	1.62

Earnings per share

The earnings per share (EPS) in 2025 came to EUR 1.10. In the previous year, this key figure was EUR 1.62.

Earnings per share of EUR 1.10 in 2025

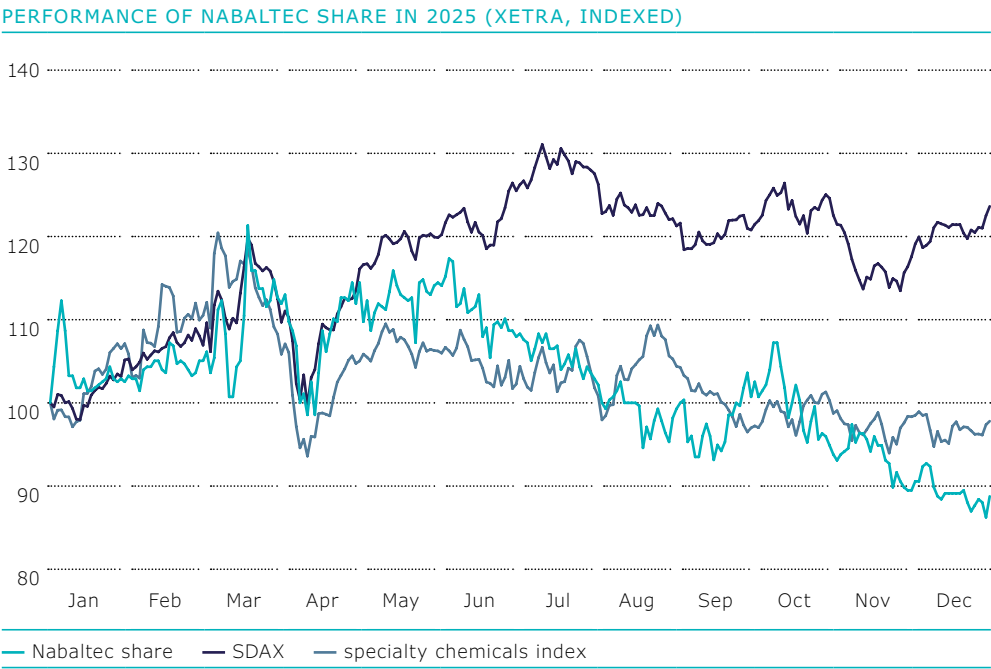
Share performance

The price performance of the Nabaltec share in the Financial Year 2025 was similar to that of the specialty chemicals index: it followed a sideways trend with price losses, particularly in the fourth quarter. By the end of 2025, the sector index had declined by 2.0%, while the Nabaltec share recorded an overall annual loss of 9.3%. The closing price of Nabaltec share on 31 December 2025 was EUR 12.25. In contrast, the benchmark index SDAX gained 25.3% over the course of the year. This once again highlights the overall challenging situation within the specialty chemicals sector.

Specialty chemicals index with a 2.0% decline in value

Nabaltec share reached its annual high of EUR 16.75 on 18 March 2025 and its annual low of EUR 11.90 on 29 December 2025. With a total of 8,800,000 shares outstanding, the market capitalization amounted to EUR 107.8 million as of 31 December 2025.

Annual high of Nabaltec share at EUR 16.75



Average daily trading volume on Xetra amounted to 5,296 shares and, over the year as a whole, corresponded to around 34% of the free float

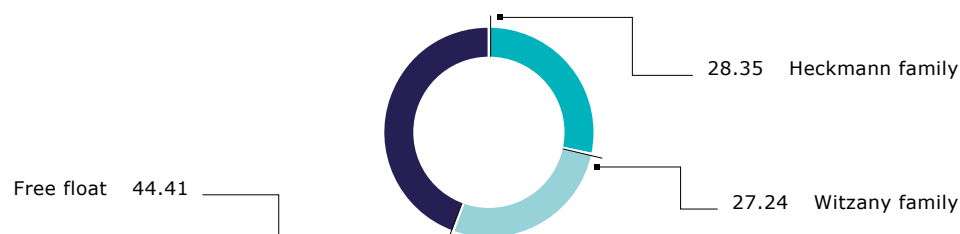
Trading volume

The daily average trading volume of the Nabaltec share on Xetra in 2025 was 5,296 shares, thus remaining at a high level. In the previous year, 6,459 shares were traded on a daily average. A total of approximately 1.34 million shares were traded on Xetra in the reporting year. The proportion of traded shares in the free float is therefore approximately 34%, compared to about 42% in the previous year. Nabaltec AG has voluntarily supported the tradability of the share since the beginning of the listing through designated sponsoring, which is currently being carried out by Baader Bank AG and Hauck Aufhäuser Lampe Privatbank AG.

Shareholder structure

The majority of the 8,800,000 Nabaltec shares continue to be held by the Heckmann and Witzany families. As of the reporting date, the Heckmann family held 28.35% of the company’s capital stock and the Witzany family held 27.24%. The remaining 44.41% of the shares were in free float.

SHAREHOLDER STRUCTURE (IN %)



Analyst recommendations

The recommendations of the analysts of Baader Bank AG and NuWays AG regarding the Nabaltec share are positive for the long-term.

NuWays AG analyses the Nabaltec share continuously in research reports, publishing six studies and updates on the Nabaltec share in the past financial year, each issued with a “buy” recommendation. At the beginning of the year, the target price had been set at EUR 25.00 and was reduced to EUR 24.00 in May 2025 and to EUR 18.00 in August 2025. After the balance sheet date, the target price of EUR 18.00 was confirmed on 9 February 2026.

Analysts' price targets at EUR 18.00 and EUR 15.50, respectively

Baader Bank AG also analyzes Nabaltec AG regularly, publishing five studies on the share in 2025. Over the course of the year, the target price was gradually adjusted. At the beginning of the year, it was set at EUR 20.00 with a “buy” rating. In May 2025, Baader Bank rated the company as “add” with a target price of EUR 16.50 and, while maintaining the “add” rating, adjusted the target price to EUR 15.50 in July 2025.

The analysts' recommendations of Nabaltec share can be found online at www.nabaltec.de/en/investor-relations/share.

Capital market communications

Since the start of its listing on the Frankfurt Stock Exchange in 2006, Nabaltec AG has continuously kept its investors informed, exceeding the prescribed minimum standards. Quarterly reporting in accordance with IFRS in German and English, the timely publication of the annual report, and coverage by regular analyst reports are some examples of this. In addition, inclusion in the Scale market segment of the Frankfurt Stock Exchange is associated with an increased transparency obligation.

Since its stock exchange listing, Nabaltec has reported continuously beyond the prescribed minimum standards



Investor and analyst events for 2026 can be found in this annual report in the financial calendar on page 118

In Financial Year 2025, Nabaltec AG continued its intensive investor relations activities. It presented itself in several investor and analyst events with participants from Germany and abroad which were held in the form of face-to-face events, including the Spring Conference in May 2025, the Baader Investment Conference in September 2025 as well as the German Equity Forum in November 2025.

Financial communications activities were supplemented by regular earnings calls and discussions with representatives of the press, particularly in connection with the publication of the annual and quarterly results.

On the company's website, www.nabaltec.de/en, investors can find all the information they need about Nabaltec share (in the Investor Relations section) and about the company.

BASIC DATA FOR THE NABALTEC SHARE

ISIN (International Security Identification Number)	DE000A0KPPR7
Stock symbol	NTG
Stock exchanges	Frankfurt (Open Market), over-the-counter in Berlin, Düsseldorf, Hamburg, Munich, Stuttgart
Index membership (31 December 2025)	Scale All Share, Scale 30, DAXsector All Chemicals, DAXsubsector All Chemicals, Specialty

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**REPORT ON OUTLOOK,
OPPORTUNITIES AND RISKS**



CONSOLIDATED MANAGEMENT REPORT

for Financial Year 2025

1. Description of the business enterprise

1.1 The Group's business model

Business operations

Environmentally friendly
and highly specialized
products

Nabaltec AG develops, manufactures and distributes with its Group companies environmentally friendly and simultaneously highly specialized products based on mineral raw materials. The Nabaltec Group is one of the world's leading suppliers of functional fillers and specialty aluminas on the basis of aluminum hydroxide (ATH) and aluminum oxide. Annual production capacity of all Group companies is currently around 265,000 tons.

Nabaltec products are used in a very wide range of applications:

- ◆ flame retardant filling material for the plastics industry used e.g. for cabling for data centers, photovoltaic and wind power plants, in tunnels, airports, high-rise buildings and electronic devices;
- ◆ fillers and additives, e.g. as coating materials in separators and electrodes in lithium-ion batteries, as well as an all-natural barrier layer and flame retardants in battery covers or in gap fillers and adhesives to improve thermal conductivity;
- ◆ ceramic raw materials applied in the refractory industry, in technical ceramics and abrasives industry;
- ◆ highly specialized ceramic raw materials for ballistics, microelectronics and ceramic filters.

Outstanding growth
prospects for Nabaltec
products

Nabaltec products can be used wherever the highest standards of quality, safety, environmental compatibility, and durability are required. This combination of key properties forms the basis for attractive long-term growth prospects. This development is driven by a growing global awareness of environmental and safety issues, stricter international and national regulations, and voluntary industry commitments to use lower-emission and safer materials.

The demand for high-performance fire protection solutions – particularly flame retardant compounds in the plastics and cable industries – will continue to rise in the coming years. Market studies show that global demand for fire-resistant cables will continue to grow. According to FMI, the market is driven by several structural trends: the massive expansion of energy and data infrastructures, the electrification of industry and mobility, increasing urbanization, and the modernization of existing building and industrial structures. At the same time, requirements for material performance, thermal stability, and fire protection are continuously increasing, further strengthening the demand for high-quality functional fillers.¹ In order to benefit from this development, production capacities for environmentally friendly, flame retardant fillers were specifically expanded in the “Functional Fillers” product segment. Today, Nabaltec is one of the world’s leading suppliers in this area. Nabaltec continues to serve a promising market with applications in e-mobility. With viscosity optimized hydrates for thermal management and boehmites for coating materials, Nabaltec is according to its own account a globally relevant manufacturer.

In the “Specialty Aluminas” product segment, Nabaltec sees growth prospects in global competition, particularly for reactive aluminas, due to increasing quality requirements from the refractory industry. Due to the large number of applications and the relevant target markets in the field of technical ceramics, Nabaltec expects to be able to consolidate its market position in the long term.

Nabaltec maintains very close contacts with customers through its sales team and its technical support staff. This proximity to our clients is fundamental for the concerted development of our products with a focus on market needs and applications.

Corporate and Group structure

Nabaltec AG, based in Schwandorf, Germany, was formed in 1994 and, in 1995, acquired the specialty aluminas division of VAW aluminium AG. In September 2006, the company was converted into a German joint stock corporation (Aktiengesellschaft). Nabaltec AG shares have been listed in the Open Market division of the Frankfurt stock exchange since November 2006 and have consistently been traded in high-quality segments of the exchange. Nabaltec share has been listed in the Scale market segment since March 2017.

Nabaltec share listed since 2006 in the Open Market division of the Frankfurt Stock Exchange

Since its initial public offering in 2006, Nabaltec has had intact access to the capital market. This is proven by the issue of bonds in 2010 as well as the loans against borrower’s note in 2013, 2015 and 2022 and the capital increase in 2017. This market access, maintained by transparent and reliable communications at all times, secures Nabaltec a balanced and largely independent means of financing.

Nabaltec holds a 100% interest in Nashtec LLC (USA) and Naprotec LLC (USA) through Nabaltec USA Corporation, which was formed in 2018. In addition to administrative functions, sales activities for Nabaltec Group in North America are also concentrated in Nabaltec USA Corporation. Nashtec LLC and Naprotec LLC are strictly production companies, primarily for products in the halogen-free flame retardant application area.

Naprotec LLC and Nashtec LLC bundled in Nabaltec USA Corporation

¹ Future Market Insights, Report Cable Material Market Growth – Trends & Forecast 2025 to 2035

Nabaltec (Shanghai) Trading Co., Ltd., based in Shanghai, China, was formed in 2018. This company is a wholly-owned subsidiary of Nabaltec and maintains an in-country warehouse, allowing it to offer shorter delivery times and invoicing in the national currency.

No further participations or subsidiaries currently exist.

Reflecting the characteristics of the target and buyers’ markets, the Nabaltec Group divided its operations into two product segments, each in turn comprised of market segments.

**Product segment
„Functional Fillers“**

Market segments:

- ◆ Wire & Cable
- ◆ Resins, Dispersions & Adhesives
- ◆ Battery
- ◆ Rubber & Elastomers

**Product segment
„Specialty Aluminas“**

Market segments:

- ◆ Refractory
- ◆ Technical Ceramics
- ◆ Polishing
- ◆ Adsorption & Catalysis

1.2 Objectives and strategies

1. Optimizing customer benefits by continuously improving production processes and product quality

Product and
process development are
continually optimized

Through continuous exchange with customers, Nabaltec optimizes its own products and processes and aligns them with customer-specific requirements. Product improvements and upscaling take place in close consultation with customers. Particularly in the e-mobility segment, Nabaltec will face new challenges requiring it to continually adapt its processes in order to meet the requirements of this market. In addition, Nabaltec pursues a global release and provision policy for equivalent products from different locations for customers worldwide. This approach makes use of standardized release and change management processes, ensuring a further improvement in customer benefits while at the same time optimizing internal processes.

Nabaltec continuously invests in internal research and development departments, the analysis center, its own testing facility and a pilot plant. Moreover, the company has also been collaborating with various research institutions for years, as well as taking part in research consortia. Process optimization includes the gradual automation of production processes using the latest web-based process control technology, efficient energy use, which is underpinned by DIN EN 50001 certification, and comprehensive environmental protection. Nabaltec has set itself clear goals of reducing specific energy consumption, working virtually wastewater-free and minimizing CO₂ emissions. By using packaging with recycled content, Nabaltec is closing material cycles.

2. Systematic expansion of the product range

Nabaltec currently develops its own product portfolio along three dimensions:

- ◆ through development of new products, often in close collaboration with key customers. One example is the development of new ceramifying flame retardants for heat barriers, for example for battery housings in electric vehicles;
- ◆ through focused development of existing products with a view towards improving performance, which is generally designed to meet specific customer requirements. Products from the fine hydroxides product range are a good example of this;
- ◆ through further development of existing products for new applications, such as thermally conductive plastics.

Thanks to its own testing facility at the Schwandorf site, Nabaltec is optimally equipped to scale up, i.e. to transition newly developed products from laboratories and testing centers into sample production on a scale of up to several hundred tons. As a result, the pilot plant can serve as the basis for industrial product launches in addition to its role in process development.

The company's own testing facility in Schwandorf provides optimal equipment for the scaling-up process

3. Strategic expansion and utilization of the production capacities created in the "Functional Fillers" product segment

To capitalize on the long-term growth expected in the battery and cable market segments – which are economically significant for the Nabaltec Group – the company is focusing on expanding its viscosity optimized hydrates product range and efficiently utilizing the production capacity created through the use of boehmites and fine hydroxides.

4. Flexible and quick adaption of capacities and cost structures thanks to targeted controlling processes

Nabaltec pursues a margin-oriented capacity policy. Fluctuations in demand and changes in batch size have to be taken into account as soon as possible if production processes are to remain profitable, since production processes in the specialty chemicals sector cannot be varied without inherent delays. Therefore, Nabaltec has developed a fast-acting and highly differentiated controlling system, so that it has at its disposal the appropriate instruments so as to align costs to a large extent with fluctuations in demand and batch size.

Nabaltec pursues a margin-oriented capacity policy

5. Securing future investments through a strong financing base

In order to take full advantage of market potential relating to both product segments, further investments are necessary. This investment activity, along with possession of the necessary know-how, are at the same time a high market entry barrier for potential new suppliers. In order to ensure that the required investment capital will be available, Nabaltec relies on a financing base consisting of a balanced mix of equity and debt.

1.3 Controlling

Target agreement
process defines
responsibilities

Nabaltec has implemented a Group-wide incentive scheme, assigning responsibilities and defining specific objectives even for the smallest units of the company. Comprehensive earnings, cost and performance forecasts facilitate analysis for achievement of the company's objectives. Comparisons of estimates against results are available online, indicating a need for action at an early stage and promoting the process of agreement on targets. Comparisons of estimates against results are conducted on a monthly basis for all cost centers and cost units.

"Microsoft Dynamics 365 Business Central" ERP software is used in all commercial departments. All cost accounting at Nabaltec, including earnings statements, are presented based on the "macs Complete" controlling software. Revenues and EBIT margin are the key control parameters which are used as a basis for business decisions in the Group.

1.4 Basics of the remuneration system for corporate officers

The remuneration of the Management Board and Supervisory Board members is explained in greater detail in the Consolidated Notes (Section 7.4).

Management Board

Variable remuneration
system for members of
the Management Board

The remuneration of Management Board members includes fixed and variable components; the latter are based on annual business performance on a recurring basis and are capped relative to the member's fixed annual salary. This remuneration covers all activities of the individual Management Board members for the company and its subsidiaries and holdings.

The assessment basis for the variable compensation is calculated as follows: The Management Board Chairman receives a profit share equal to 4%, and each other member receives 2%, of the amount by which the positive pre-tax consolidated result in accordance with IFRS, adjusted for non-controlling interests and subtracting losses carried forward from the year before, exceeds EUR 4.2 million. Variable compensation is capped at 100% of the fixed annual salary.

As a part of the fixed compensation component, the company provides Management Board members with ancillary benefits in addition to the fixed salary, such as use of a company car, accident insurance, health and long-term care insurance subsidies which conform to the statutory rules for employees and continued payment of wages for a limited time in case of illness and death. The Management Board Chairman also receives a pension upon retirement amounting to up to 67%, and all other Management Board members receive a pension of up to 50% of their last fixed gross salary. Moreover, surviving spouses are entitled to up to 75% of the pension as a widow's pension in the case of the Management Board Chairman and up to 60% in the case of all other Management Board members.

Management Board members are covered by a D&O insurance policy with an insured sum of EUR 25.0 million, with a deductible amounting to 10% of the claim, as required by law, up to one and half times the amount of their fixed annual compensation. Insurance premiums are paid by Nabaltec.

Supervisory Board

The members of the Supervisory Board each receive fixed compensation of EUR 18,000.00 per financial year, payable after the end of the financial year, and an attendance fee of EUR 1,500.00 per Supervisory Board meeting. The Chairman of the Supervisory Board receives fixed remuneration of EUR 27,000.00 per financial year, payable after the end of the financial year, and an attendance fee of EUR 2,250.00 per Supervisory Board meeting. If the term of a Supervisory Board member begins or ends over the course of a financial year, the member is entitled to fixed remuneration on a prorated basis.

The members of the Supervisory Board are included (unchanged since 1 January 2020) in a pecuniary loss liability insurance policy taken out by the company in the interests of the company for directors and other officers of the company and its affiliated companies (D&O insurance) with an insured sum of up to EUR 25.0 million without any deductible for the insured members of the Supervisory Board. Insurance premiums are paid by Nabaltec.

In the interest of the company, members of the Supervisory Board are covered by a company D&O insurance

In addition, the members of the Supervisory Board receive reimbursement of their expenses and any statutory value-added tax payable on the Supervisory Board remuneration.

1.5 Research and development

Research and development activities play a central role within the context of Nabaltec's overall strategy. A key element of the research and development strategy is close collaboration and joint development efforts with customers. In all product ranges, the focus is on providing customers with an optimal product and helping them achieve a competitive advantage. As a leading supplier of highly specialized products, Nabaltec considers research and development to be one of its central core competencies. Research and development expenses accounted for 2.6% of revenues in 2025.

R&D activities play a key role in the company

The results from the cooperation with customers flow directly into the development work of the technical areas of application technology, process development and production. This is true both for the optimization of established products and for the development of new products.

In order to ensure continued success in a global market, the optimization of production processes is also a high priority for R&D work. Energy and resource efficiency have been key drivers here and will be given additional weight in the ESG process.

The optimization of production processes is of high importance in the context of resource efficiency

Nabaltec works closely with universities and institutes. Currently, three public-funded industrial collective research projects by the Industrial Collective Research (“Industrielle Gemeinschaftsforschung”, IGF) are being worked on by Nabaltec employees through project committees. Research partners include the Fraunhofer Institute for Applied Polymer Research (IAP) in Potsdam, the Fraunhofer Institute for Mechanics of Materials (IWM) in Freiburg, the Plastics Center (SKZ) in Würzburg, the European Center for Dispersion Technologies (EZD) in Selb, and Darmstadt University of Applied Sciences. Nabaltec moreover cooperates with the Eastern Bavarian College of Applied Sciences (OTH) Amberg-Weiden in the form of a membership in the PartnerCircle.

In addition to the effort to work out new ideas for products, processes and applications and to start corresponding new developments, Nabaltec’s research and development activities are also aimed at further developing and refining existing products and processes.

As part of the strategy development process, interdisciplinary teams comprised of employees from development, sales, plant and process development, depending on the product and application, analyze market data in light of identified trends. This ensures that new applications, processes and products are implemented in a timely manner, in conformance with the strategy. The objectives and key results (OKR) method introduced supports the effectiveness of the process by identifying clearly focused objectives and key results.

R&D activities remain
marked in particular by
challenges relating to
electric mobility

By 2025, the focus in research and development for lithium-ion batteries has shifted further toward safety in manufacturing and operation. In addition to the further development of existing products and ongoing product approvals for increasingly thinner coatings on separator films, technical consulting on the application of our boehmites for cathode edge coatings (edge coating) is steadily gaining in importance.

Thermal management
and flame retardancy in
e-mobility battery systems
are important areas of
development for Nabaltec

Applications related to thermal management and flame retardancy in battery systems showed further revenue growth in 2025. The focus of application technology and development work for the APYRAL® HC products used in gap fillers and adhesive tapes has therefore focused on application technology consulting and assistance in upscaling customer processes. In addition, the company is working closely with process engineering, production and quality control/product safety to expand production capacities for ground hydroxides and viscosity optimized hydrates, which include the APYRAL® HC range. At the same time, we are working closely with customers on the next generation of thermal management products.

In the case a battery cell catches fire and explodes, to prevent flames from spreading to the entire vehicle on ignition, the battery housing must also provide an appropriate barrier function. The materials used should form a mechanically stable barrier that prevents the battery cover from burning through.

The products presented by Nabaltec under the name ACTILOX® HTB include special flame retardants optimized for the respective plastic matrix. These have undergone intensive further development and, in addition to applications for battery covers, have also been sampled by customers who are testing ACTILOX® HTB in other transportation applications, construction applications and industrial plant engineering.

Nabaltec's innovative and environmentally friendly flame retardant products are the basis of its long-term growth. With the process-optimized fine hydroxide APYRAL® 40 CDO, significant year-over-year sales growth was achieved in 2025. To meet higher throughput requirements, particularly in thin-walled applications such as data cables, Nabaltec is continuously developing optimized fine hydroxide grades in cooperation with key customers.

Innovative and environmentally friendly flame retardant products are the guarantors of the Nabaltec long-term growth

The Group has been seeing a long-term trend in the refractory industry towards increased use of highly reactive aluminum oxides. To expand its market position in this area, Nabaltec is working to increase the efficiency of manufacturing processes for reactive aluminum oxides. Many new applications in technical ceramics require materials with higher levels of properties where available standard products have reached their limits. Nabaltec has developed NABALOX® HPA 40 for this purpose, a new, high-purity aluminum oxide with an Al₂O₃ content of over 99.9%. Due to the reduced primary particle size of around only 200 nm, the material is extremely sinter-reactive and can therefore be sintered at significantly lower temperatures. Due to these properties, NABALOX® HPA 40 can be used for applications such as semiconductor production, medical technology and components for renewable energies.

2. Financial report

2.1 Macroeconomic and industry-related conditions

2.1.1 Macroeconomic situation

The global economy showed itself to be overall stable in 2025

In its January 2026 assessment, the International Monetary Fund (IMF) assumed global economic growth reaching 3.3% in 2025.² This is in line with the IMF's forecast from the previous year and matches the figure from the previous year.³ Accordingly, the global economy once again proved to be stable overall. According to the Kiel Institute for the World Economy (IfW), global production only slightly lost in momentum last year despite burdensome trade conflicts and the resulting increased uncertainty. Global trade actually increased, with the boom in AI technology continuing to drive trade and investment.⁴

In the eurozone, the IMF computed economic growth of 1.4%. The subdued growth rate is attributed to ongoing structural problems. Compared to other regions, the eurozone is benefiting less from the recent, technology-driven investment surge. The lingering effects of the sustained rise in energy prices since Russia's invasion of Ukraine continued to weigh on industry. This was further exacerbated by the real appreciation of the euro against the currencies of countries exporting similar products.⁵

According to the IfW, the German economy has stabilized at a low level but remained largely stagnant last year. Following the ups and downs in the first two quarters of 2025, which were largely shaped by reactions to US tariff policies, economic activity moved almost sideways in the second half of the year. At its core, the overall economic weakness continues to be shaped by the crisis in the industrial sector.⁶

2.1.2 Industry situation

Production of the chemical-pharmaceutical industry decreased by 0.5%

Overall, the situation in the chemical and pharmaceutical industry did not improve in 2025 but instead, according to the German Chemical Industry Association (VCI), continued to deteriorate. Production in the chemical and pharmaceutical industry fell by 0.5% year-over-year, while producer prices dropped by 0.1%. Capacity utilization stood at a historic low of just 70%, and the industry's revenue declined by 1.4% compared to the previous year. Production in the chemical sector actually fell by 3.3%, while revenue dropped by 3.8%.⁷

² IMF – World Economic Outlook, January 2026

³ IMF – World Economic Outlook, January 2025

⁴ Kiel Economic Report No. 128 (2025/Q4), Global Economy in winter 2025

⁵ IMF – World Economic Outlook, January 2026

⁶ Kiel Economic Report No. 129 (2025/04), German economy in winter of 2025

⁷ VCI Press Release "2025 Annual Review," 10 December 2025; VCI Chemical Barometer, 6 February 2026

The long-term upward trend in demand for halogen-free flame retardant fillers, particularly aluminum hydroxide (ATH), remains unchanged. Independent market analyses forecast continued growth, with Frost & Sullivan reporting an expected revenue CAGR of 4.7% (2024–2031) for the global retardant market. These figures underscore the continued relevance of halogen-free systems such as ATH, as stricter regulations, sustainability requirements, and infrastructure and electrification projects are driving the substitution of potentially environmentally harmful flame retardants. The fine hydroxides product range in particular is benefiting from this development, as it combines effective flame retardancy with good processability and a favorable environmental profile.⁸ In 2025, the viscosity optimized hydrates product range made gains in the field of thermal conductivity for thermal management in e-mobility. Ever shorter and faster charging cycles require more powerful and cost-effective battery and component management. For boehmite in the application areas of separator foil and electrode coating, Nabaltec expects a slight recovery following a low point in 2025.

The long-term trend of growing demand for non-halogenated flame retardant fillers remains intact

Although the refractory market will be slowed in the short term by weaker steel demand, the structural trend toward higher-value refractory solutions and wear-resistant technical ceramics remains intact. A CAGR of approximately 3.9% (2025 to 2031) is forecasted for the refractory sector.⁹ The technical ceramics market is expected to grow at a CAGR of around 6.0% (2025 to 2031), reflecting strong demand from electronics/5G, electromobility, medical technology, and renewable energy.¹⁰

2.2 Course of business

Financial Year 2025 was significantly more subdued for Nabaltec than the previous year. The industrial slump in 2025, which the chemical industry in particular could not escape, did not see a positive turnaround over the course of the year. In addition to currency effects, ongoing geopolitical unrest, and increased market uncertainties due to US tariff policy, the persistently weak demand for products for the refractory industry and e-mobility continued to weigh on the Group's revenue performance. Significant market downturns were particularly noticeable in the second quarter, with a 4.7% decline in revenue, and in the fourth quarter, with a 7.7% decline in revenue, in each case compared to the same quarter of the previous year.

2025 was significantly more subdued for Nabaltec, particularly due to industrial weakness

Nabaltec's consolidated revenues amounted to TEUR 197,048 in 2025, down from TEUR 203,602 in the previous year (–3.2%). Nabaltec's operating profit (EBIT) amounted to TEUR 15,177 in 2025, compared to TEUR 22,258 in the previous year (–31.8%). The EBIT margin (EBIT as a percentage of total performance) fell by approximately three percentage points to 7.7% in 2025 (previous year: 10.8%). Earnings before interest, taxes, depreciation, and amortization (EBITDA) amounted to TEUR 26,777 in 2025, compared to TEUR 34,177 in the previous year (–21.7%).

⁸ Frost & Sullivan, *Flame Retardants Market Global 2024–2031*, 2024

⁹ Lucintel, *Refractory Market Report: Trends, Forecast and Competitive Analysis to 2031*

¹⁰ Lucintel, *Advanced Ceramic Market Report: Trends, Forecast and Competitive Analysis to 2031*

Earnings development
within the forecast
range

Nabaltec’s earnings performance was thus in line with the forecast, which had projected an EBIT margin in the range of 7% to 9%. In terms of revenue, the company slightly missed the revenue forecast revised downward in July, which had anticipated a revenue decline of up to 2% for 2025 as a whole compared to the previous year. Nabaltec had originally expected a year-over-year revenue increase in the range of 3% to 5%.

2.3 Situation

2.3.1 Earnings position

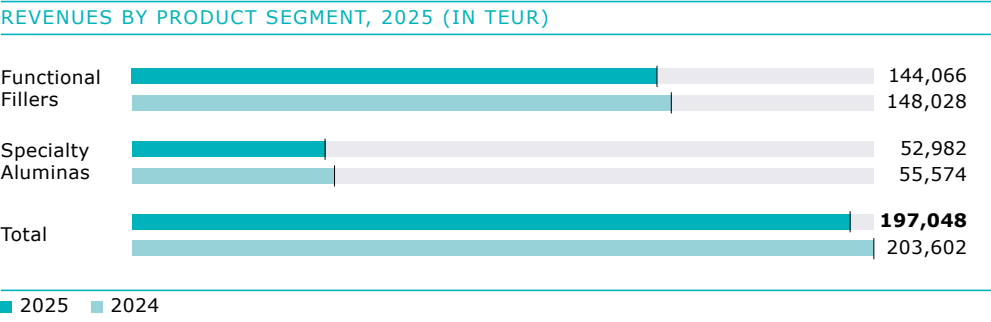
The Nabaltec Group earned TEUR 197,048 in revenues in Financial Year 2025, compared to TEUR 203,602 in the previous year (-3.2%). Sales volume decreased by a total of 2.7% in 2025. Additionally, changes resulted from price and currency effects as well as from the product mix.

Revenue developed as follows on a quarterly basis: In the first three months of 2025, Nabaltec’s consolidated revenues amounted to TEUR 54,707, up from TEUR 54,049, representing a 1.2% increase over the same quarter of the previous year. The first significant market downturn in 2025 occurred in the second quarter: With total revenues of TEUR 51,782, Nabaltec was 4.7% behind the same quarter of the previous year (TEUR 54,323). In the third quarter of 2025, the decline compared to the same period of the previous year was more moderate at -2.4%, with revenues of TEUR 48,615 compared to TEUR 49,793. However, this trend could not be sustained; the fourth quarter of 2025 saw revenues of TEUR 41,944, which was 7.7% below the prior-year quarter’s figure of TEUR 45,437. The significant decline in revenue was primarily due to near-term order cancellations and very weak business in December. This once again clearly underscores the high volatility and short-term nature of the markets.

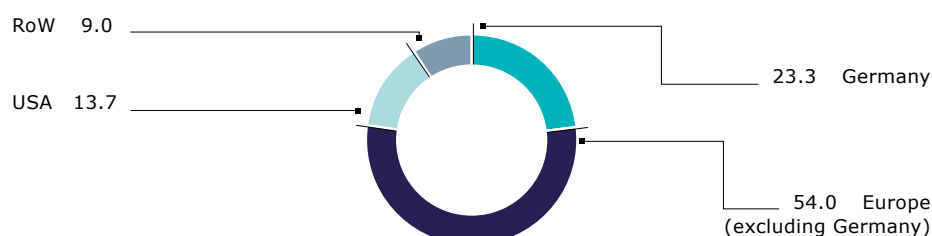
Revenue in the “Functional
Fillers” product segment
amounted to TEUR 144,066
in 2025

The “Functional Fillers” product segment attained revenues of TEUR 144,066 in 2025, compared to TEUR 148,028 in the previous year. On an annual basis, the decline in the product segment was thus 2.7%.

In the “Specialty Aluminas” product segment, revenues in 2025 amounted to TEUR 52,982, compared to TEUR 55,574 in the previous year (-4.7%).



REVENUES BY REGION, 2025 (IN %)



At 76.7%, Nabaltec once again achieved a foreign share at the already high level of the previous year (76.6%). In 2025, the company exported 54.0% within Europe (excluding Germany), thereby slightly increasing its revenue share in Europe by 1.6 percentage points. Revenues from the US accounted for 13.7%, remaining at the previous year's level (13.6%). In Asia, the revenue share declined compared to the previous year.

Export ratio with 76.7% at a high level

Orders received amounted to TEUR 187,921 over 2025 as a whole. In Financial Year 2024, incoming orders amounted to TEUR 207,376. Orders throughout 2025 continued to be of a rather short-term nature and were placed by customers with a strong focus on current needs. Nabaltec ended 2025 with an orders backlog in the amount of TEUR 32,664 (previous year: TEUR 41,791).

With total performance of TEUR 197,357 in 2025, Nabaltec was 4.6% behind the previous year's figure of TEUR 206,833. In addition to revenue in 2025, this development was primarily driven by a reduction in inventory of finished goods and work in progress amounting to TEUR 1,134. In the prior year, inventory had been specifically built up, particularly in the "Specialty Aluminas" product segment (TEUR 1,910).

Total performance in the year 2025 at TEUR 197,357

Other operating income decreased to TEUR 3,336 in the financial year (previous year: TEUR 4,285). This includes currency gains of TEUR 1,246 and subsidies of TEUR 752.

OPERATING EXPENSE RATIOS AS A PERCENTAGE OF TOTAL PERFORMANCE (IN %)

	2025	2024
Cost of materials	49.2	50.3
Personnel expenses	20.9	19.4
Other operating expenses	18.0	15.9

The depreciation ratio (depreciation as a percentage of total performance) was 5.9% in 2025, nearly matching the previous year's level (5.8%). Depreciation in 2025 amounted to TEUR 11,600 compared to TEUR 11,919 in the year before. In 2025, various projects with a total value of TEUR 38,373 were commissioned and capitalized, which will lead to increased depreciation in subsequent periods. The remaining assets under construction will be completed and commissioned primarily in 2026.

Lower raw material costs had a positive impact on the cost of materials

The cost of materials ratio (cost of materials as a percentage to total performance) improved from 50.3% in the prior year to 49.2%. In particular, the lower cost of raw materials had a positive impact here. In absolute terms, the cost of materials in 2025 was TEUR 97,126, compared to TEUR 104,051 in the previous year.

The gross profit margin (gross profit as a percentage of total performance) increased slightly from 51.8% in the previous year to 52.5% in 2025. In absolute terms, Nabaltec achieved gross profit of TEUR 103,567 in 2025, compared to TEUR 107,067 in the previous year.

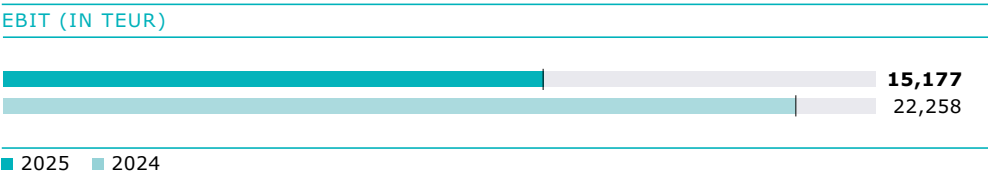
With 509 employees in the Group at year-end 2025 (31 December 2024: 501), the personnel expense ratio (personnel expenses as a percentage of total performance) increased from 19.4% in the previous year to 20.9% in the reporting period. In absolute terms, personnel expenses rose from TEUR 40,106 in 2024 to TEUR 41,256 in the reporting year, primarily due to wage increases.

Other operating expenses totaled TEUR 35,534, an increase of 8.4% compared to the previous year's figure of TEUR 32,784. In particular, these include freight costs, selling expenses, currency losses and third-party services for repairs, among other things. The cost share of other operating expenses as a percentage of total performance amounted to 18.0% compared to 15.9% in the previous year. The increase compared to the previous year is primarily attributable to currency losses of TEUR 2,138 (previous year: TEUR 884) as well as an increase in repair costs of TEUR 858.

EBITDA 2025 at TEUR 26,777; EBITDA margin at 13.6%

In terms of earnings before interest, taxes, depreciation, and amortization (EBITDA), the Nabaltec Group generated TEUR 26,777 in 2025, compared to TEUR 34,177 in the previous year (-21.7%). The EBITDA margin (EBITDA as a percentage of total performance) amounted to 13.6% in 2025 (previous year: 16.5%).

Operating profit (EBIT) for 2025 amounted to TEUR 15,177, down from TEUR 22,258 in the previous year (-31.8%). The EBIT margin (EBIT as a percentage of total performance) was 7.7% in 2025 (previous year: 10.8%).



Earnings before taxes (EBT) in 2025 amounted to TEUR 13,208. In the previous year, EBT amounted to TEUR 20,179 (-34.5%). This includes the net financial income for 2025 of TEUR -1,969, which amounted to TEUR -2,079 in the previous year. Interest income amounted to TEUR 1,821 in 2025 (previous year: TEUR 2,628) while interest expense totaled TEUR 3,790 (previous year: TEUR 4,707). The net financial income was significantly influenced by the lower interest rate environment in Financial Year 2025.

Tax expenses came to TEUR 3,533 in Financial Year 2025 after TEUR 5,918 in 2024.

The consolidated result after taxes for the financial year just closed was TEUR 9,675, compared to TEUR 14,261 in the previous year. This corresponds to an earnings per share (EPS) in 2025 of EUR 1.10. In the previous year, earnings per share had been EUR 1.62.

Given the difficult situation in the chemical industry, the Management Board considers Nabaltec's overall earnings performance to be satisfactory.

The earnings situation is considered satisfactory

Segment report: Developments in the product segments

FUNCTIONAL FILLERS (IN TEUR)

	2025	2024
Revenue	144,066	148,028
EBITDA	23,686	30,625
EBIT	15,008	21,506
Investments	21,121	25,818

In the "Functional Fillers" product segment revenue declined by 2.7% in Financial Year 2025 to TEUR 144,066 (previous year: TEUR 148,028). Sales volume was 1.7% lower than in the previous year. Within the "Functional Fillers" product segment, the boehmites product range continued to perform disappointingly. There were again no signs of renewed growth. Revenue in this product range reached TEUR 7,858 in 2025, down from TEUR 12,496 in the previous year (-37.1%). The share of boehmites in consolidated revenues therefore fell to around 4% after around 6% in the previous year. On the other hand, the continued development in the still-young product range of viscosity optimized hydrates, which are primarily used in e-mobility, was encouraging: Over 2025 as a whole, an increase of 2.9% to TEUR 16,849 was recorded (previous year: TEUR 16,372). Consequently, the share of total revenue rose slightly to 8.6% (previous year: 8.0%). Nabaltec continues to anticipate positive momentum in sales over the medium term and also expects a largely stable price trend. The long-term outlook and the fundamental market drivers for products in the "Functional Fillers" product segment remain intact.

In the "Functional Fillers" product segment, the fundamental market drivers are intact

REVENUES IN THE "FUNCTIONAL FILLERS" PRODUCT SEGMENT BY QUARTER (IN TEUR)



EBITDA in the “Functional Fillers” product segment fell from TEUR 30,625 in 2024 to TEUR 23,686 in the reporting period.

“Functional Fillers” product segment was the focus of investments in 2025

With about 85% of total investment, the “Functional Fillers” product segment was again the focus of investments in 2025 within the Nabaltec Group. Capital expenditure was made primarily for the expansion of capacities in the boehmites, fine hydroxides and viscosity optimized hydrates product ranges, as well as for replacement investments and the optimization of production processes.

SPECIALTY ALUMINAS (IN TEUR)

	2025	2024
Revenue	52,982	55,574
EBITDA	3,091	3,552
EBIT	169	752
Investments	3,744	6,329

Revenue in the “Specialty Aluminas” product segment continues to be affected by the weakness in the steel industry

Revenues in the “Specialty Aluminas” product segment came to TEUR 52,982 in the reporting period, compared to TEUR 55,574 last year (–4.7%). Sales volume declined by 5.2% over the year, although the second half of the year showed a slight improvement in sales momentum. The ongoing weakness in the steel industry is having a significant impact on the specialty alumina market.

REVENUES IN THE “SPECIALTY ALUMINAS” PRODUCT SEGMENT BY QUARTER (IN TEUR)



EBIDTA in the “Specialty Aluminas” product segment was TEUR 3,091 in the financial year just closed, compared to TEUR 3,552 in the previous year.

Around 15% of total investments went into the “Specialty Aluminas” product segment, primarily for replacement investments and process optimization.

2.3.2 Liquidity position

Financial management is assigned to the Management Board directly and primarily includes managing the capital structure, managing liquidity, interest rate and currency hedging and obtaining funds. The subsidiaries are integrated into the Group’s liquidity management system.

Nabaltec counters fluctuations in the USD/EUR exchange rate by using exchange rate hedging instruments when such a course is indicated due to the scope of the foreign exchange transactions.

Funding to finance sought growth and the investments made is secured by means of shareholders' equity via loans and through operating cash flow.

Nabaltec's loans against borrower's notes are subject to covenants tied to Group "leverage coverage ratios." None of the covenants in effect as of 31 December 2025 were breached in Financial Year 2025.

The Group has unused credit lines of TEUR 2,000 (previous year: TEUR 2,000).

Overall, the Management Board therefore considers Nabaltec's financial position to be very stable.

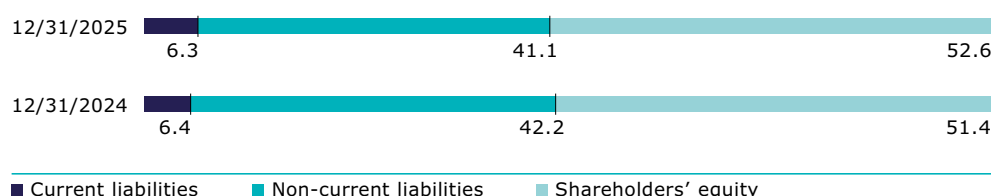
2.3.2.1 Capital structure

The capital stock of Nabaltec amounts to TEUR 8,800. Consolidated equity rose as a result of earnings to TEUR 158,284 as of 31 December 2025, after amounting to TEUR 153,210 in the previous year.

Equity increased to
TEUR 158,284 in 2025

At TEUR 123,519 as of 31 December 2025, non-current liabilities were slightly below the level as of year-end 2024 (TEUR 125,893). With trade payables increasing, but other liabilities and tax liabilities decreasing at the same time, current liabilities fell slightly from TEUR 19,155 at the end of 2024 to TEUR 18,906.

LIABILITIES STRUCTURE (IN %)



Other financing instruments

Nabaltec has concluded lease agreements with terms of up to ten years. In Financial Year 2025, these were not recognized in the consolidated financial statements on the basis of the option under IFRS 16.5 and materiality aspects. Nabaltec also makes use of factoring on a continuous basis for trade receivables, in part as a way of minimizing default risks. Nabaltec Group does not use any other instruments which can be categorized as financial engineering.

Nabaltec invested
TEUR 24,865 in 2025,
primarily in expanding
capacity in the boehmites
and viscosity optimized
hydrates product ranges

2.3.2.2 Investments

Nabaltec Group made TEUR 24,865 in investments in fixed assets in the financial year just closed, compared to TEUR 32,147 the year before. In 2025, the focus of investment was on the Schwandorf site. The funds were used in particular for technical equipment and machinery to expand capacities in the boehmites, fine hydroxides and viscosity optimized hydrates product ranges as well as for replacement investments, digitization projects and process optimization at the Schwandorf site.

Capital expenditures are set to rise again in 2026, primarily due to capacity expansion for viscosity optimized hydrates. Additional funds are planned for securing the energy supply, replacement investments, process optimization, infrastructure measures, and digitization projects.

2.3.2.3 Cash flow

Nabaltec Group's operating cash flow decreased to TEUR 15,834, compared to TEUR 35,159 in the previous year. The weaker result for the period and sharp changes in working capital had an effect here. Compared to the previous year, inventory levels rose significantly, mainly due to higher raw material stocks resulting from the declining sales volume at year-end. Trade receivables rose to TEUR 3,254 (previous year: TEUR 633) due to cut-off effects.

Cash outflow for investments decreased from TEUR 32,103 in the prior year to TEUR 24,821 in the past financial year.

The balance of cash flow from operating and investing activities results in negative free cash flow of TEUR -8,987 for 2025. In the previous year, free cash flow amounted to TEUR 3,056.

Dividend payment for
Fiscal Year 2024 was
TEUR 2,552

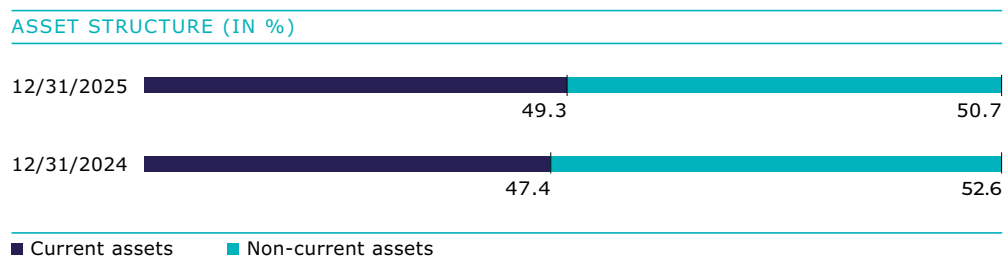
At TEUR -3,503, cash flow from financing activities in 2025 reached a similar level as in the previous year (TEUR -3,492). This includes a dividend payment for Financial Year 2024 in the amount of TEUR 2,552. Interest paid amounted to TEUR 2,736 and interest received to TEUR 1,785.

Nabaltec Group's total funds, consisting of the sum of cash and cash equivalents, amounted to TEUR 72,312 on 31 December 2025, compared to TEUR 86,527 on the reporting date of the year before.

2.3.3 Financial position

Total consolidated assets increased from TEUR 298,258 as of 31 December 2024 to TEUR 300,709. On the asset side, non-current assets decreased to TEUR 152,393 as of the reporting date (31 December 2024: TEUR 157,014). Property, plant and equipment totaled TEUR 150,473 due to investments made during the construction phase, including TEUR 28,867 in advance payments rendered and machinery in process of construction (31 December 2024: TEUR 41,479). As of the reporting date of the previous year, non-current assets included investments in time deposits amounting to TEUR 15,000 (31 December 2025: TEUR 0), which were reclassified as current assets. Current assets increased to TEUR 148,316 (31 December 2024: TEUR 141,244).

The Management Board considers the financial position to be stable.



2.4 Financial and non-financial performance indicators

2.4.1 Financial performance indicators

The success of Nabaltec's operations is based on a long-term growth strategy. Group management aims to ensure profitable and capital-efficient growth for the Group. Therefore, great importance is ascribed to revenues and the EBIT margin as performance indicators. Accordingly, the focus is on continually monitoring and optimizing these two major financial performance indicators, which also represent the basis for operational decisions and serve as the basis for forecasting as well.

Revenue growth and EBIT margin are used as key performance indicators

Nabaltec also uses the following financial performance indicators to gauge Group outcomes. The company's internal controlling and management system forms the basis for value-oriented management of the Group by the Management Board of Nabaltec AG.

RETURN ON EQUITY AND CAPITAL EMPLOYED (IN %)		
	2025	2024
Return on equity	6.1	9.3
Return on capital employed (ROCE)	7.2	11.5

The return on equity is calculated as the ratio of consolidated net income to shareholders' equity.

Return on capital employed (ROCE) is the ratio of EBIT to capital employed (non-current assets + working capital). Working capital is defined as current assets minus cash and cash equivalents, as well as short-term non-interest-bearing liabilities.

These two financial performance indicators are not used for the internal management of the Group.

2.4.2 Non-financial performance indicators

The non-financial performance indicators listed below are not used for the specific internal management of the company or the Group, but are considered by the company to be important for its future development and are therefore monitored on an ongoing basis.

Employees

At year-end 2025, the Nabaltec Group had a total of 509 employees (31 December 2024: 501), of whom 492 work in Germany (31 December 2024: 484). This figure also includes 46 trainees (31 December 2024: 45). Nabaltec sets a high value on good training. In Financial Year 2025 as well, the trainee ratio represented a remarkably large share of the workforce at 9.0%. Nabaltec's trainees are regularly among the best of their class. Nabaltec has currently filled or is offering apprenticeships in the following professions: industrial clerk, IT specialist for application development, IT system integration specialist, chemical laboratory technician, chemical technician, chemical production specialist, industrial mechanic and electronics technician for industrial engineering as well as a dual course of study in biotechnology and environmental process engineering.

Training ratio at a high level in the long term

Nabaltec offers employees extensive development opportunities and numerous measures as part of its company health management program

Nabaltec offers its employees numerous prospects and opportunities for advancement within the company in order to promote identification with the company by these means as well, and to encourage hard work and commitment. As part of its occupational health management program, the company carries out numerous measures to maintain and promote health. In this context, Nabaltec has again received silver-standard "Healthy Company" certification from the health insurance provider AOK Bayern in recognition of its strong commitment to corporate health management. The deployment of in-house care navigators and the establishment of an in-house addiction counseling service expand the range of support available to Nabaltec employees.

Customer relations

Nabaltec's goal is to continuously strengthen and selectively expand its own market position. As a premium provider, the company attaches great importance in its segments to high quality and excellent customer service, which is regularly confirmed by customers. As part of its strategic customer development, Nabaltec focuses on intensified collaboration to offer tailored solutions and secure long-term partnerships. In Financial Year 2025, the further development of customer relationships was marked by increasingly volatile markets. This dynamic required Nabaltec to demonstrate a high degree of flexibility as well as excellent service quality in order to mitigate risks and ensure stability for both customers and the company.

Sustainability is becoming a key factor in customer retention. Nabaltec is proactively addressing this trend and, through an optimized carbon footprint, offers clear added value to customers and partners across many product groups. In order to support Nabaltec customers in their own efforts to reduce CO₂ emissions, the company provides product carbon footprints that take into account the entire upstream value creation process, a so-called "cradle-to-gate" approach.

Customer demand in North America was impacted in 2025, in part by political uncertainties related to import tariffs imposed by the US government, which led to project delays in some cases. In general, the customer base in North America is being continuously expanded through the targeted expansion of Naprotec LLC's product portfolio. In Financial Year 2025, the supply chain for bulk goods was also successfully expanded in collaboration with Nashtec LLC and Naprotec LLC.

The sales subsidiary in Shanghai is driving forward e-mobility projects with a focus on thermal conductivity applications. Local stockpiling allows Nabaltec short delivery times and invoicing in local currency.

The company participates in various European associations in order to ensure 360-degree access to key markets and technologies. In addition to the two professional associations within Cefic, the European Chemical Industry Council, Pinfa, (the Phosphorus, Inorganic and Nitrogen Flame Retardants Association) and EPSA (European Producers of Specialty Aluminas), Nabaltec is also involved in the pan-European association of plastics producers, PlasticsEurope Deutschland e.V., Forschungsgesellschaft Kunststoffe e.V., a plastics research association, as well as the German Ceramics Society (DKG) and Wirtschaftsverband Deutsche Feuerfest-Industrie (the German Refractory Industry Association, DFFI).

Through its involvement in various associations, Nabaltec has full access to key markets

In the US and China, Nabaltec is involved in pinfa North America and pinfa China. Nabaltec is a member of the American Ceramic Society (ACerS) and plans to expand its association activities in this region in order to cover other major markets. Through these activities, Nabaltec is able to identify major trends in the primary markets, "flame retardants" and "ceramics," at a very early stage and on a global scale.

Management systems

Nabaltec has integrated management systems in the areas of quality and environment as well as occupational health and safety. In 2025, the existing ISO 9001 and ISO 14001 management systems at the Schwandorf site were once more successfully certified as part of repeat audits. The certificate of the occupational health and safety management system according to ISO 45001 was successfully renewed during a surveillance audit in 2025.

In order to be able to effectively meet the requirements of a continuously changing energy market, Nabaltec possesses a certified energy management system. The energy management system in accordance with ISO 50001 was successfully confirmed again in 2025 in the course of a surveillance audit.

The accreditation of Nabaltec's analysis center in accordance with the ISO/IEC 17025 standard was maintained in 2025.

In addition, the existing ISO 9001 quality management system at the subsidiary Nashtec LLC was successfully renewed in 2025 as part of a recertification audit. The ISO 9001 quality management system at the subsidiary Naprotec LLC was reviewed and confirmed as part of surveillance audits.

In April 2025, Nabaltec has repeatedly been recognized with silver status by the independent internationally recognized sustainability rating agency EcoVadis for its performance in the area of Environmental, Social & Governance (ESG). The assessment takes into account international sustainability standards such as the Global Reporting Initiative, the United Nations Global Compact, which the company has joined, and ISO 26000.

Nabaltec was once again awarded silver status by the sustainability agency EcoVadis

Sustainability and environmental protection

Sustainability and responsible business practices are an integral part of Nabaltec’s corporate strategy.

Nabaltec requires its own products to significantly contribute toward environmental protection and toward the improvement of the eco balance of a multitude of products. The increasing significance of environmental protection is one of the most important drivers for the global market success of Nabaltec products. They are a component of lithium-ion batteries, for instance, which make a significant contribution to CO₂ reduction in e-mobility. Other products can be found in plastics and mainly replace brominated flame retardants. This makes products safer and easier to recycle. In this respect, it is of central importance that research and development, production as well as up- and downstream logistics be as environmentally friendly as possible. The conservation of natural resources is a central concern for Nabaltec and a prerequisite for social acceptance of the Group. Nabaltec actively accepts responsibility for the environment: a commitment that extends well beyond its own site.

Within the framework of recyclability, material is reintegrated into the production process in the “Specialty Aluminas” product segment. In the “Functional Fillers” product segment, flushing material and other non-specific materials are reused internally as raw materials. This aids the sustainable use of raw materials. The separation of material flows for reuse is also a focus in the waste sector. In addition, a substantial percentage of Nabaltec’s energy requirements are met through renewable energy in collaboration with the Schwandorf special-purpose association for waste recycling. By obtaining thermal energy from the neighboring waste-to-energy plant in the form of steam, Nabaltec is doing its part at the head office in Schwandorf to reduce CO₂ emissions. The efficient use of thermal energy, which is one of the most important sources of energy at Nabaltec, is of particular importance in this context. For example, Nabaltec consistently relies on heat recovery in its drying processes by feeding the heat from the exhaust air back into the drying process.

Reduction of CO₂ emissions
by obtaining thermal energy
from the neighboring
waste-to-energy plant
in Schwandorf

In general, Nabaltec endeavors to develop production processes with a closed loop for all production facilities. Regarding the handling of chemicals, such as lye, which are used for the production of fine hydroxide, Nabaltec consistently seeks to keep them from being released into the environment and instead to ensure that they are reused in a closed-loop production cycle.

At the end of 2025,
Nabaltec’s first
sustainability report
was published

With the publication of its first comprehensive sustainability report at the end of 2025, Nabaltec AG has reinforced its commitment to designing and further developing its processes in a sustainable manner. The report was prepared in accordance with the requirements of the CSRD, ESRS, and the VSME standard and documents the company’s progress in the areas of environment, social responsibility, and corporate governance. In so doing, Nabaltec has created additional transparency for its stakeholders, strengthening its strategic focus on responsible conduct.

3. Report on outlook, opportunities and risks

3.1 Outlook

Overall statement on the prospective development

Nabaltec sees largely stable sales markets for its own products in 2026, albeit still at a low level in light of an uncertain market environment and increased volatility. Based on its existing market position and the reputation it has built up over many years, Nabaltec sees good prospects for its key products in the medium term.

Nabaltec foresees largely intact sales markets for its own products in 2026

Economic and sector conditions

In January 2026, the International Monetary Fund forecasted global growth of 3.3% for the current year. Growth is expected to reach 3.2% in 2027. The forecast includes a slight upward revision for 2026 and no change for 2027 compared to the World Economic Outlook (WEO) from October 2025. This development, which appears stable at first glance, is the result of a balance between opposing forces: The headwinds caused by changes in trade policies are offset by tailwinds from rapidly rising technology-related investments – including artificial intelligence (AI).¹¹

For the German economy, the IfW in Kiel expects stimulus from expansionary fiscal policy starting in 2026. However, the relatively high GDP growth rates of 1.0% for 2026 and 1.3% for 2027 mask the poor economic conditions. Apart from the fiscal stimulus and the higher number of working days due to the calendar, the underlying economic momentum will remain weak for the time being.¹²

The IfW expects continued weak economic momentum in Germany for 2026

GDP GROWTH FORECAST OVER PRIOR YEAR (IN %, PRICE- AND CALENDAR-ADJUSTED)

	2026	2027
World	3.1	3.2
USA	2.0	1.9
Eurozone	1.2	1.4
Latin America	1.9	2.4
Asia	5.2	5.1
Germany	0.7	1.2
France	1.2	1.1
Italy	1.1	1.3
United Kingdom	1.0	1.0
Japan	0.9	0.9
China	4.7	4.6
India	6.9	6.6

Source: IfW, Kiel Economic Report No. 128 "World Economy in Winter 2025," 10 December 2025

¹¹ IMF – World Economic Outlook Update, January 2026

¹² Kiel Economic Report No. 129 (2025/04), German Economy in Winter 2025

The VCI (German Chemical Industry Association) expects overall production in the chemical and pharmaceutical sector to stagnate in 2026, with a 1.0% decline specifically for the chemical industry. With falling prices and stagnating output, this translates to a revenue decline of around 2.0% – both domestically and in exports. The VCI attributes these pessimistic expectations to the operating conditions in Germany: uncompetitive production costs, high regulatory uncertainty, and slow approval processes. In addition, the industry is grappling with bureaucracy, high energy prices, and emissions and raw material costs. Furthermore, the strong euro, Chinese overcapacity, high US tariffs, and geo-economic uncertainty are placing additional strain on business.¹³

Long-term outlook in
key target markets is
largely positive

The long-term outlook in key target markets of Nabaltec is largely positive, however, in the company's view. In the short term, increased volatility is still to be expected due to current economic trends. In the medium and long term, Nabaltec again expects growth in almost all product ranges due to its promising product portfolio.

Outlook on the course of business

Financial Year 2025 was notably subdued for Nabaltec, as it was for the German chemical industry as a whole. In line with industry trends – which saw a 3.8% decline in revenue in the chemical industry – Nabaltec also fell within this range and, unlike in the previous year, was unable to escape market dynamics. Furthermore, the short-term nature of order patterns remained unchanged throughout 2025. Even at the start of 2026, demand remains characterized by short-term decision-making. The company does not expect any significant improvement in this regard in the foreseeable future.

Nabaltec expects stable
demand in the majority of
its product ranges

However, Nabaltec generally expects demand to remain largely stable at a low level for the majority of its product ranges in the current financial year. Overall, uncertainties in connection with energy prices as well as macroeconomic and geopolitical factors remain in 2026.

In the US, Nabaltec expects business to remain good at Nashtec LLC and to continue to improve successively at Naprotec LLC.

In 2026 as well, fine hydroxides will continue to be the most important product range by far within the "Functional Fillers" product segment. In addition, the viscosity optimized hydrates product range is becoming increasingly significant. The boehmite product range for e-mobility has stagnated significantly in its development recently, as capacity expansion in the production of battery cells in Europe and a structural change in the automotive industry for European value creation are still a long way off. In the "Specialty Aluminas" product segment, weak demand for products for the refractory industry continues to weigh on performance. However, a slight turnaround appears to be on the horizon here, following two years of declining business.

¹³ Press release VCI, 2025 annual balance sheet, 10 December 2025

Expected earnings, financial and liquidity position

Despite the difficult economic and industry-specific environment, Nabaltec expects revenues to increase in a range of 4% to 6% in 2026. On the earnings side, Nabaltec is expecting an EBIT margin in a range from 5% to 7%, compared to 7.7% in Financial Year 2025. The decline in the EBIT margin compared to the Financial Year 2025 results above all from increasing material expenses and a sharp increase in depreciation and amortization. The forecast is based on the assumption that the economy and the industries relevant to Nabaltec will develop in a stable fashion. At the time the forecast was prepared, it remains unclear at what speed or with what dynamics the economic situation will recover globally and in the markets relevant for Nabaltec. Inflation, high interest rates and the uncertain situation are putting the brakes on consumption and investment worldwide. In the event of continuing negative economic upheavals due to the geopolitical situation, adverse effects on the liquidity, financial and earnings situation cannot be ruled out.

Nabaltec is expecting revenue growth from 4% to 6% in 2026 and an EBIT margin in the range from 5% to 7%

The current escalation of the Middle East conflict is increasing geopolitical and economic uncertainties. A further intensification of the conflicts could place a strain on the global economy, particularly through rising energy prices, disrupted supply chains, and a weakening of demand. These factors may negatively impact the company's business performance during the forecast period.

Note with respect to uncertainties in the outlook

The forward-looking statements and information described are based on current expectations and assumptions. As a consequence, actual results may deviate from the statements and forecasts made in this report.

3.2 Opportunities and risks report

Risk management system

Nabaltec's risk management system is an integral part of corporate governance and plays a key role in ensuring the company's long-term viability in an international competitive and regulatory environment. Its importance stems from the company's business operations, its global activities, and the complexity of worldwide markets. The company's sustainable success depends largely on identifying opportunities and risks early on, managing them consciously, and effectively controlling risks.

Effective risk management is decisive to secure the company's prospects in the long term

Risk management is characterized by a holistic approach that encompasses all key business areas, is closely integrated with controlling and planning processes, and is supplemented by comprehensive communication, documentation, and an internal monitoring system. The continuous development of the system ensures that Nabaltec meets new legal, regulatory, and market-related requirements. Through the ongoing improvement of risk prevention tools, potential threats can be identified, assessed, and reduced or eliminated at an early stage.

The Management Board bears overall responsibility for Nabaltec's risk management

Overall responsibility for the risk management system lies with the Management Board, which is regularly informed about the risk situation and discusses it within the management circle. Risk officers have been appointed in the operational units and central functions, who are responsible for identifying, assessing, and managing the respective risks. The effectiveness and adequacy of the risk management system are regularly reviewed by the Corporate Controlling department, risk developments are monitored, and the results are reported to the Management and Supervisory Boards. Business opportunities are not captured in the risk management system.

The risk management process begins with the identification of all internally and externally identifiable risks. This is done both top-down from planning and bottom-up from operational processes. The risks are then assessed based on their probability of occurrence and their potential extent of damage. The aggregated presentation in a risk matrix enables prioritization and the assessment of materiality for the company. This matrix forms the basic framework for the assessment of potential risks and the identification of key risks.

For all risks classified as material, specific countermeasures are defined and their implementation is monitored. Regular review of the effectiveness of the risk management tools used and the reliability of the control systems is an integral part of the system. There is insurance coverage for casualty and liability risks, limiting the financial consequences for the company's liquidity, financial position and earnings as well as preventing situations that could jeopardize the continued existence of the company.

Forward-looking strategic planning is essential in order to leverage medium- and long-term opportunities and to identify risks at an early stage

To capitalize on medium- and long-term opportunities while identifying risks at an early stage, Nabaltec relies on forward-looking strategic planning. All relevant departments are involved in the strategy-formulation process, enabling developments to be assessed holistically from various perspectives. By involving experts early on in matters of competition, antitrust, tax, and environmental law, Nabaltec addresses potential risks as well as opportunities arising from new regulatory frameworks. Quality assurance measures limit product and environmental risks. These include, for example, the certification of activities according to international standards, the continuous improvement of facilities and processes, the development and refinement of products, as well as active participation in international expert committees, which ensure access to up-to-date expertise and promote professional exchange.

Assessment system

Risks are assessed using a standardized risk matrix that combines quantitative and qualitative criteria and enables risks to be classified as low, medium, or high. This supports clear prioritization and creates a reliable basis for managing the risk situation.

ASSESSMENT MATRIX

Scale of damage (in TEUR)	Likelihood of occurring within one year			
	< 10%	10% to < 20%	20% to < 50%	≥ 50%
Critical > 8,000	Medium	High	High	High
Large > 2,500 – 8,000	Low	Medium	High	High
Medium > 500 – 2,500	Low	Low	Medium	High
Small ≤ 500	Low	Low	Low	Medium

Weighted risk profile: Low Medium High

Overall assessment of opportunities and risks

Compared to the previous year, Nabaltec's opportunities and risks have not changed significantly. In the Management Board's assessment, barring unexpected economic and geopolitical developments, there are currently no significant risks to the future development of Nabaltec AG and the Group. The potential impact of existing risks is assessed as limited, and these risks are continuously monitored through an established risk management system. There are currently no discernible risks that could jeopardize the continued existence of the company. This assessment is based on the ongoing monitoring of relevant markets as well as the continuous development of the product portfolio and its adaptation to the needs of current and potential customers.

Existing risks are assessed as limited in their potential impact and are continuously monitored

Unless otherwise noted, the risks described apply across all segments. The risk profile indicated refers to the Group as a whole.

RISK CATEGORIES BY WEIGHTED RISK PROFILE

Risk categories	Weighted risk profile		
	Low	Medium	High
Sales market			•
Procurement market		•	
Financial market and liquidity	•		
Personnel	•		
Production and processes	•		
IT area	•		
Technological development	•		
Environmental protection and sustainability	•		
Legal framework	•		
Force majeure	•		

• The risk category contains at least one individual risk with this weighted risk profile.

Sales market

Nabaltec's sales markets are influenced by a variety of external factors that present both risks and opportunities. Key risks include the potential loss of major key accounts, loss of market share due to new technological developments, and increased market penetration by competitors. Additionally, geopolitical risks must be taken into account, which can have an impact through trade barriers or sanctions, for example. The recent import tariffs in the US highlight the volatility of international markets. Further risks arise from macroeconomic developments such as recession, inflation, or a potential energy crisis, which could negatively impact demand for our products.

Furthermore, there remain risks associated with the market penetration of Naprotec products in the US. If market requirements remain significantly below the original assumptions in the future, there is a risk of permanent underutilization, which may lead to adjustments to the value of assets.

Nabaltec addresses these sales-related risks through a strong market position, continuous monitoring of target markets, and diversification of production sites. In-house manufacturing in the US mitigates the impact of potential trade barriers and strengthens supply chains.

Risk in the sales markets can arise, among other things, from the loss of key accounts

Through a strong market position and continuous monitoring of its target markets, Nabaltec addresses risks in its sales markets

Opportunities arise from the development of new markets, adaptation to changing customer needs, and the development of innovative products that secure competitive advantages. Through close collaboration with customers, Nabaltec can respond early to market changes and jointly develop solutions that improve both quality and cost-effectiveness.

Market opportunities arise from the development of new markets

Procurement market

Nabaltec's procurement situation continues to be shaped by external factors that present both risks and opportunities. Key risks include the volatility of raw material and energy prices, as well as geopolitical uncertainties that can manifest as trade barriers or sanctions. Both electricity and natural gas are procured at spot market conditions, although existing contracts include price hedging options that are regularly utilized for partial volumes to cushion against extreme price fluctuations. Nevertheless, highly volatile energy prices can lead to unplanned cost burdens. Another risk is disproportionately rising logistics costs resulting from increased transportation expenses and general market changes.

Nabaltec addresses these risks by entering into medium- and long-term supply contracts for raw materials and by expanding efficient logistics solutions. The company's own rail siding enables cost-effective use of rail as a mode of transport. Following the commissioning of a new logistics hub in January 2026 at Weserport GmbH in Bremen, flexibility in raw material logistics will increase further.

Opportunities arise from the further expansion of the multi-supplier strategy, the use of efficient transport routes, and strategic cooperation with suppliers. These measures enhance supply security, support sustainable cost optimization, and thereby strengthen Nabaltec's long-term competitiveness.

Nabaltec has further expanded its supplier strategy and uses more efficient transport routes to leverage key opportunities in the procurement market

Financial market and liquidity

In the financial sector, Nabaltec remains exposed to exchange rate risks, particularly against the US dollar. These risks are mitigated as needed through targeted hedging measures. In addition, the strategy of conducting procurement, production, and sales in the same foreign currency whenever possible contributes to further risk minimization. Furthermore, interest rate changes on variable-rate loan agreements and non-compliance with financial covenants may pose potential risks. In the event of a breach of the covenants, the lender is entitled to adjust interest margins or exercise an extraordinary right of termination. There were no breaches of the covenants in Financial Year 2025. For 2026 as well, neither a significant interest rate risk in connection with variable interest rates nor the risk of a covenant breach is expected.

Financial and liquidity planning are subject to regular target-versus-actual comparisons

The Group's detailed financial and liquidity planning is subject to regular target versus actual comparisons and includes short-, medium-, and long-term monitoring of the liquidity position, taking planned investments into account. If additional liquidity needs become apparent, appropriate financing measures are initiated at an early stage. To reduce the default risk on trade receivables, Nabaltec continues to rely on true factoring, which secures a significant portion of trade receivables and strengthens liquidity.

Nabaltec has a solid financial structure and an established risk management system that enables the early identification and management of potential risks. The combination of flexible financing instruments, factoring to secure liquidity, and forward-looking planning strengthens the company's financial stability.

Personnel

Human resources risks arise from employee turnover in key positions as well as demographic changes, particularly the increasing retirement of the baby boomer generation. These developments can lead to a loss of expertise and bottlenecks in critical functions. In addition, the increasingly tight skilled labor market makes it more difficult to attract and retain qualified employees in the long term. Further risks arise from increasing demands for digital skills and the need to implement modern work models.

Training and development programs enhance employee qualifications and ensure the filling of key positions

Nabaltec addresses these risks through a comprehensive package of measures: Intensive continuing education and talent development programs enhance employee qualifications and ensure the staffing of key positions. Early succession planning and the establishment of technical and leadership career paths reduce the risk of unexpected vacancies in central functions. In addition, Nabaltec focuses on performance-based compensation, attractive career opportunities, and Group-wide development opportunities. The company's positioning as an innovative employer with a strong focus on research and development, a stable market position, and regional roots further strengthens its appeal as an employer and supports the recruitment of new talent.

Production and processes

Production and process risks arise primarily from technical malfunctions, quality deviations, or new regulatory requirements. Such risks can lead to production interruptions, increased costs, or delivery delays. Added to this are the increasing complexity of production processes and the need to efficiently integrate digital technologies and automation solutions.

Nabaltec addresses these risks through an integrated quality management system certified to ISO 9001, which is implemented across the entire Group and regularly audited. Preventive maintenance measures, continuous process monitoring, and investments in modern equipment ensure the stability of production processes. Furthermore, production processes are continuously optimized to ensure efficiency gains and compliance with high quality standards. The introduction of digital monitoring systems and the automation of individual process steps further contribute to risk minimization.

A Group-wide integrated quality management system ensures continuous process monitoring

IT area

Nabaltec's business-critical IT applications continue to be based on standardized software and high-quality hardware designed with redundancy. Access structures are regularly reviewed to ensure data protection and data security. Compliance with statutory data protection guidelines is ensured across the Group and is additionally monitored by an external data protection officer. Established cybersecurity mechanisms – including regular penetration tests – are continuously monitored and adapted.

Risk management identifies increasing threats in the IT sector from cyberattacks, ransomware, and social engineering attacks. Delays in implementing new security standards or insufficient employee awareness could increase the attack surface. To address these risks, Nabaltec is placing greater emphasis on awareness training, the expansion of monitoring systems, and the continuous development of the IT security architecture. At the same time, opportunities are emerging through the digitization of internal processes and the use of modern technologies that increase efficiency and transparency.

Technological development

Technological risks arise in particular from the substitution of Nabaltec products due to technological changes at customers, the delayed introduction of new technologies, or the failure to recognize relevant developments. If innovations are not adopted in a timely manner, this can lead to significant losses in market share. As an innovation leader, Nabaltec therefore aims to minimize these risks as much as possible through continuous research and development work and close collaboration with customers.

As an innovation leader, Nabaltec pursues the goal of conducting continuous research and minimizing technological risks through development activities

At the same time, technological advancements open up significant opportunities: With high product quality, Nabaltec can achieve sustainable competitive advantages, tap into new market segments through rapid product adaptations, and realize process, processing, and quality advantages in collaboration with customers. In this way, the company lays the foundation for long-term competitiveness and economic success.

Environmental protection and sustainability

Environmental risks for Nabaltec can arise in particular from exceeding permissible limits for noise and dust emissions, as well as from the release of hazardous substances. The company addresses these risks with a comprehensive, ISO 14001-certified environmental management system that is regularly audited and continuously improved. Production processes are also designed to operate largely in closed loops – for example, with water and lyes – to consistently minimize emissions, resource consumption, and other environmental impacts. With the publication of its comprehensive sustainability report at the end of 2025, Nabaltec has underscored its commitment to designing and further developing its processes in a sustainable manner.

Legal framework

Changes in the legal framework present both risks and opportunities for Nabaltec. Tighter environmental and climate regulations – such as stricter emission limits, new reporting requirements, or an expansion of CO₂ pricing – can lead to higher costs and additional adaptation efforts, particularly for energy-intensive companies like Nabaltec. At the same time, these regulatory developments open up new market potential, as global demand for environmentally friendly and sustainable products is rising and Nabaltec can benefit from this trend with its product portfolio.

Statutory conditions at the moment are creating additional market opportunities

Nabaltec addresses regulatory risks through active monitoring of relevant requirements, the early adaptation of processes and products, and the continuous development of compliance management.

Force majeure

Events of force majeure are beyond Nabaltec’s control and are neither foreseeable nor influenceable. These include natural disasters such as floods or earthquakes, pandemics, widespread power outages, and geopolitical crises. Such events can lead to significant disruptions to supply chains, production processes, and sales markets.

Nabaltec addresses these risks by establishing redundant supply chains, implementing emergency and crisis plans at its production sites, and securing insurance coverage against natural disasters and business interruptions. In addition, the IT infrastructure is continuously strengthened to ensure business continuity even in the event of external disruptions.

Schwandorf, 27 March 2026

Nabaltec AG
The Management Board



JOHANNES HECKMANN



GÜNTHER SPITZER



DR. ALEXANDER RISCH

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the Financial Year 1 January to 31 December 2025

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in TEUR	See Notes	01/01/-12/31/2025	01/01/-12/31/2024
Revenues	5.1	197,048	203,602
Change in inventories of finished goods and work in progress		-1,134	1,910
Own work capitalized	5.2	1,443	1,321
Total performance		197,357	206,833
Other operating income	5.3	3,336	4,285
Cost of materials	5.4	-97,126	-104,051
Gross earnings		103,567	107,067
Personnel expenses	5.5	-41,256	-40,106
Depreciation	5.7	-11,600	-11,919
Other operating expenses	5.8	-35,534	-32,784
Operating profit (EBIT)		15,177	22,258
Interest and similar income	5.10	1,821	2,628
Interest and similar expenses	5.11	-3,790	-4,707
Earnings before taxes (EBT)		13,208	20,179
Taxes on income	5.12	-3,533	-5,918
Net after-tax earnings		9,675	14,261
Earnings per share (in EUR)	7.5	1.10	1.62

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in TEUR	See Notes	01/01/-12/31/2025	01/01/-12/31/2024
Net after-tax earnings		9,675	14,261
Items which may be reclassified to profit and loss in the future			
Currency translation (after taxes)	5.12	-3,133	1,708
Total		-3,133	1,708
Items which will not be reclassified to profit and loss in the future			
Actuarial gains and losses (after taxes)	5.12	1,084	-2,105
Total		1,084	-2,105
Other comprehensive income	5.12	-2,049	-397
Total comprehensive income		7,626	13,864

CONSOLIDATED BALANCE SHEET

for 31 December 2025

ASSETS

in TEUR	See Notes	12/31/2025	12/31/2024
Non-current assets		152,393	157,014
Intangible assets		1,588	1,482
Concessions, proprietary rights and similar rights and assets, as well as licenses to such rights and assets	6.1	1,443	207
Advance payments made	6.1	145	1,275
Property, plant and equipment		150,473	139,950
Land, leasehold rights and buildings, including buildings on unowned land	6.2	38,941	33,717
Technical equipment and machinery	6.2	77,298	59,696
Other fixtures, fittings and equipment	6.2	5,367	5,058
Advance payments and assets under construction	6.2	28,867	41,479
Other assets	6.6	0	15,000
Deferred tax assets	5.12	332	582
Current assets		148,316	141,244
Inventories		50,933	47,896
Raw materials and supplies	6.3	34,288	30,002
Work in process	6.3	1,456	1,607
Finished goods and merchandise	6.3	15,189	16,287
Other assets and accounts receivable		25,071	6,821
Trade receivables	6.4	3,254	633
Taxes receivable	6.5	920	1
Other assets	6.6	20,897	6,187
Cash and cash equivalents	6.7	72,312	86,527
TOTAL ASSETS		300,709	298,258

LIABILITIES

in TEUR	See Notes	12/31/2025	12/31/2024
Shareholders' equity		158,284	153,210
Subscribed capital	6.8	8,800	8,800
Capital reserve	6.8	47,029	47,029
Other earnings reserve	6.8	9,699	9,699
Profit carryforward	6.8	88,754	77,045
After-tax earnings		9,675	14,261
Other changes in equity with no effect on profit and loss	6.8	-5,673	-3,624
Non-current liabilities		123,519	125,893
Pension reserves	6.9	30,260	31,389
Other provisions	6.9	1,442	1,400
Accounts payable to banks	6.10	89,980	89,973
Deferred tax liabilities	5.12	1,837	3,131
Current liabilities		18,906	19,155
Accounts payable from income taxes	6.10	77	1,407
Other provisions	6.9	198	205
Accounts payable to banks	6.10	800	883
Trade payables	6.10	14,160	12,323
Other accounts payable	6.10	3,671	4,337
TOTAL LIABILITIES		300,709	298,258

CONSOLIDATED CASH FLOW STATEMENT

for the Financial Year 1 January to 31 December 2025

CONSOLIDATED CASH FLOW STATEMENT

in TEUR	See Notes	01/01/– 12/31/2025	01/01/– 12/31/2024
Cash flow from operating activity			
Earnings before taxes (EBT)		13,208	20,179
+ Depreciation of fixed assets	5.7	11,600	11,919
-/+ Income/loss from the disposal of assets		-24	-2
- Interest income	5.10	-1,821	-2,628
+ Interest expenses	5.11	3,790	4,707
Net operating income before changes in working capital		26,753	34,175
+/- Increase/decrease in provisions		-655	-859
-/+ Increase/decrease in trade receivables and other assets not attributable to investment of financing activity		-2,329	743
+/- Decrease/increase in inventories	6.3	-3,037	3,235
+/- Increase/decrease in trade payables and other liabilities not attributable to investment or financing activity		1,168	2,670
Cash flow from operating activity before taxes		21,900	39,964
- Income taxes paid		-6,066	-4,805
Net cash flow from operating activity		15,834	35,159

CONSOLIDATED CASH FLOW STATEMENT

in TEUR	See Notes	01/01/– 12/31/2025	01/01/– 12/31/2024
Cash flow from investment activity			
+ Payments received from the disposal of property, plant and equipment		44	44
– Payments made for investments in property, plant and equipment	6.2	–24,640	–31,446
– Payments made for investments in intangible assets	6.1	–225	–701
Net cash flow from investment activity		–24,821	–32,103
Cash flow from financing activity			
– Dividends		–2,552	–2,464
– Interest paid		–2,736	–3,539
+ Interest received		1,785	2,511
Net cash flow from financing activity		–3,503	–3,492
Net change in cash and cash equivalents		–12,490	–436
Change in funds due to changes in exchange rates		–1,725	1,008
Funds at start of period	6.7	86,527	85,955
Funds at end of period	6.7	72,312	86,527

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

for the Financial Year 1 January to 31 December 2025

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

in TEUR	Subscribed capital	Capital reserve	Earnings reserve	
1 January 2024	8,800	47,029	9,699	
Dividend payments	—	—	—	
Actuarial gains and losses	—	—	—	
Currency translation	—	—	—	
Other comprehensive income	—	—	—	
Net income after taxes	—	—	—	
Net income	—	—	—	
31 December 2024	8,800	47,029	9,699	
1 January 2025	8,800	47,029	9,699	
Dividend payments	—	—	—	
Actuarial gains and losses	—	—	—	
Currency translation	—	—	—	
Other comprehensive income	—	—	—	
Net income after taxes	—	—	—	
Net income	—	—	—	
31 December 2025	8,800	47,029	9,699	

Profit carryforward	Other changes in equity with no effect on profit and loss	Consolidated shareholders' equity
79,509	-3,227	141,810
-2,464	—	-2,464
—	-2,105	-2,105
—	1,708	1,708
—	-397	-397
14,261	—	14,261
14,261	-397	13,864
91,306	-3,624	153,210
91,306	-3,624	153,210
-2,552	—	-2,552
—	1,084	1,084
—	-3,133	-3,133
—	-2,049	-2,049
9,675	—	9,675
9,675	-2,049	7,626
98,429	-5,673	158,284

STATEMENT OF CONSOLIDATED FIXED ASSETS

for the Financial Year 1 January to 31 December 2025

FOR THE FINANCIAL YEAR 1 JANUARY TO 31 DECEMBER 2025

in TEUR	Cost of acquisition/production					12/31/2025
	01/01/2025	Additions	Disposals	Reclassi- fication	Currency differences	
Intangible assets	5,026	225	0	0	0	5,251
Concessions, proprietary rights and similar rights and assets, as well as licenses to such rights and assets	3,751	221	0	1,134	0	5,106
Advance payments	1,275	4	0	-1,134	0	145
Property, plant and equipment	363,942	24,640	213	0	-9,749	378,620
Land, leasehold rights and building, including buildings on unowned land	69,006	4,179	0	3,627	-2,389	74,423
Technical equipment and machinery	234,530	6,866	11	20,798	-6,915	255,268
Other fixtures, fittings and equipment	18,927	1,451	202	97	-211	20,062
Advance payments and assets under construction	41,479	12,144	0	-24,522	-234	28,867
Total fixed assets	368,968	24,865	213	0	-9,749	383,871

FOR THE FINANCIAL YEAR 1 JANUARY TO 31 DECEMBER 2024

in TEUR	Cost of acquisition/production					12/31/2024
	01/01/2024	Additions	Disposals	Reclassi- fication	Currency differences	
Intangible assets	4,325	701	0	0	0	5,026
Concessions, proprietary rights and similar rights and assets, as well as licenses to such rights and assets	3,664	41	0	46	0	3,751
Advance payments	661	660	0	-46	0	1,275
Property, plant and equipment	327,533	31,446	93	0	5,056	363,942
Land, leasehold rights and building, including buildings on unowned land	66,751	918	1	77	1,261	69,006
Technical equipment and machinery	227,400	2,245	11	1,275	3,621	234,530
Other fixtures, fittings and equipment	17,954	911	81	35	108	18,927
Advance payments and assets under construction	15,428	27,372	0	-1,387	66	41,479
Total fixed assets	331,858	32,147	93	0	5,056	368,968

Depreciation					Book value	
01/01/2025	Additions	Disposals	Currency differences	12/31/2025	12/31/2025	12/31/2024
3,544	119	0	0	3,663	1,588	1,482
3,544	119	0	0	3,663	1,443	207
0	0	0	0	0	145	1,275
223,992	11,481	192	-7,134	228,147	150,473	139,950
35,289	1,934	0	-1,741	35,482	38,941	33,717
174,834	8,365	9	-5,220	177,970	77,298	59,696
13,869	1,182	183	-173	14,695	5,367	5,058
0	0	0	0	0	28,867	41,479
227,536	11,600	192	-7,134	231,810	152,061	141,432

Depreciation					Book value	
01/01/2024	Additions	Disposals	Currency differences	12/31/2024	12/31/2024	12/31/2023
3,445	99	0	0	3,544	1,482	880
3,445	99	0	0	3,544	207	219
0	0	0	0	0	1,275	661
208,548	11,820	51	3,675	223,992	139,950	118,985
32,549	1,834	1	907	35,289	33,717	34,202
163,388	8,775	11	2,682	174,834	59,696	64,012
12,611	1,211	39	86	13,869	5,058	5,343
0	0	0	0	0	41,479	15,428
211,993	11,919	51	3,675	227,536	141,432	119,865

CONSOLIDATED NOTES

for the Financial Year 1 January through 31 December 2025

1. General information

Nabaltec AG, with registered office in Schwandorf, Germany,¹ was formed by Company Agreement of 14 December 1994 with the corporate name Nabaltec GmbH and registered office in Schwandorf (entered into the Commercial Register of the Local Court of Amberg under Commercial Register No. B 3920). It acquired the specialty aluminas business of VAW aluminium AG in 1995. In 2006, the company was converted into a German joint-stock corporation (Aktiengesellschaft).

The corporate purpose pursuant to § 2 of the Articles of Association is the manufacture of products based on mineral raw materials, particularly aluminum hydroxide and aluminum oxide, and the distribution of those products.

The shares of Nabaltec AG have been listed in the open market division of the Frankfurt Stock Exchange since 24 November 2006. They have been listed in the new "Scale" segment since 1 March 2017.

The present consolidated financial statements were approved by the Management Board on 27 March 2026.

2. Accounting and valuation principles

The recognition and measurement methods presented below have been consistently applied.

2.1 Principles of accounting

The consolidated financial statements for the financial year from 1 January to 31 December 2025 were prepared in accordance with the International Financial Reporting Standards (IFRS) as applied in the EU, as well as the provisions of the German Commercial Code which are to be observed additionally in accordance with § 315e (1) of the German Commercial Code. The IFRS include the International Financial Reporting Standards and International Accounting Standards (IAS) published by the International Accounting Standards Board, as well as the interpretations by the International Financial Reporting Interpretations Committee (IFRIC) and the former Standing Interpretations Committee (SIC).

These are the consolidated financial statements of Nabaltec AG. All valid standards adopted by the EU were applied for Financial Year 2025, insofar as they were applicable to the consolidated financial statements.

Nabaltec AG's financial year runs from 1 January to 31 December of each year.

¹ Nabaltec AG, Alustraße 50 – 52, 92421 Schwandorf, Germany

The consolidated financial statements are presented in euros (EUR). Unless indicated otherwise, all amounts are rounded up or down to the nearest thousand euros (TEUR) using commercial rounding principles. It should be noted that differences may arise when using rounded numbers and percentages.

Disclosures distinguish between current and non-current assets and liabilities, which are detailed in the consolidated notes as necessary according to their time to maturity.

The consolidated statement of comprehensive income is prepared in accordance with the total cost method.

2.2 Accounting standards applied

All accounting standards whose application is mandatory for financial years beginning on 1 January 2025 were applied for Financial Year 2025. This particularly includes the following standards and interpretations, which were to be applied for the first time:

◆ **Amendments to IAS 21 – Lack of Exchangeability:** On 15 August 2023, the IASB published amendments to IAS 21 “The Effects of Changes in Foreign Exchange Rates.” The background to the amendments are differences in accounting practice with regard to the recognition of a lack of exchangeability. The amendments regulate the exchange rate to be used if the closing rate is not observable, thereby closing a loophole in IAS 21. If a currency is not exchangeable, information must be disclosed in the notes enabling users of the financial statements to gain an understanding of how the non-exchangeable currency affects the reporting entity’s financial, liquidity and earnings position as well as cash flows. The changes had no impact on the consolidated financial statements, as no transactions are conducted in non-convertible currencies.

The following standards and interpretations, which have been published but are not yet mandatory, have not been applied early:

◆ **IFRS 18 – Presentation and Disclosure in Financial Statements:** The IASB published “IFRS 18 – Presentation and Disclosure in Financial Statements” on 9 April 2024. IFRS 18 will replace IAS 1, “Presentation of Financial Statements.” The new standard essentially introduces the following new requirements. Companies are required to classify all income and expenses on the income statement into one of five categories: operating, investing, financing, income tax or discontinued operations. In addition, companies are required to present a newly defined subtotal “operating result.” The companies’ profit or loss for the period is not to change as a result. In addition, certain company-specific performance indicators (“management-defined performance measures,” MPMs) must be disclosed in a separate note in the consolidated financial statements. Improved guidelines for grouping information within the financial statements have also been introduced. In addition, all companies are required to use the operating result as the starting point for the cash flow statement if they present the cash flow from operating activities using the indirect method. The amendments are to apply in reporting periods beginning on or after 1 January 2027. Earlier application of the amendments is permitted, according to IASB. The effects of the new standard are currently being analyzed, particularly with regard to the structure of the consolidated income statement, the cash flow statement and the additional disclosure requirements for MPMs. The amendments will have a material impact on the consolidated financial statements.

◆ **IFRS 19 – Subsidiaries without Public Accountability – Disclosures:** On 9 May 2024, the IASB published “IFRS 19 – Subsidiaries without Public Accountability: Disclosures.” IFRS 19 allows certain subsidiaries to apply IFRS accounting standards with reduced disclosure requirements in the notes. IFRS 19 may be applied by a subsidiary if the subsidiary itself is not subject to public reporting requirements and its parent company prepares IFRS consolidated financial statements. A public accountability requirement exists particularly if the subsidiary has listed equity or debt instruments on a public market. If a subsidiary applies all IFRS standards in its individual or consolidated financial statements, the optional application of IFRS 19 substantially reduces the scope of the disclosures to be made in the notes compared to the other IFRS standards. However, the provisions on recognition, measurement and disclosure of the other IFRS standards must be applied. A subsidiary that applies IFRS 19 must clearly state in its explicit and unreserved declaration of compliance with IFRS standards that IFRS 19 has been applied. These amendments are to take effect in annual reporting periods beginning on or after 1 January 2027, subject to adoption into EU law. Earlier application of the amendments is permitted, according to IASB. Due to a lack of relevancy, the amendments are not to have an impact on the consolidated financial statements.

◆ **Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments:** On 30 May 2024, the IASB published amendments to IFRS 9 and IFRS 7 – “Classification and Measurement of Financial Instruments.” The adopted amendments clarify the classification of financial assets that are linked to environmental, social and governance (ESG) and similar characteristics. In practice, it was discussed how such ESG characteristics affect subsequent accounting, i.e. accounting at amortized cost or fair value. Subsequent accounting depends on the cash flow characteristics of the financial asset. With the amendments, the IASB wishes to clarify how the contractual cash flows of corresponding instruments are to be assessed in this context. In addition, the amendment addresses the fulfillment of liabilities through electronic payment systems. The discussion focused on problems with the application of the derecognition rules in IFRS 9 with regard to financial assets and financial liabilities in the case of electronic funds transfers. The amendments clarify when a financial asset or financial liability is to be derecognized. In addition, an option is introduced that allows a company to derecognize a financial liability before it delivers cash on the settlement date, provided certain criteria are met. With the amendments, the IASB has also introduced additional disclosure requirements with regard to investments in equity instruments measured at fair value through other comprehensive income and financial instruments with contingent features (e.g. ESG objectives). The amendments are to apply in reporting periods beginning on or after 1 January 2026. Earlier application of the amendments is permitted, according to IASB. The Group does not expect any effects on the consolidated financial statements; early adoption by Nabaltec is not planned.

◆ **Annual Improvements to IFRS Accounting Standards – Volume 11:** On 18 July 2024, the IASB published “Annual Improvements to IFRS Accounting Standards – Volume 11.” The IASB’s annual improvements are limited to amendments that either clarify the wording of an IFRS standard or correct relatively minor unintended consequences, oversights or conflicts between requirements in the standards. The amendments affect a total of five standards. IFRS 1, “First-time Adoption of International Financial Reporting Standards,” improves the comprehensibility of hedge accounting requirements for first-time adopters of IFRS. With regard to IFRS 7, “Financial Instruments: Disclosures,” the disclosures on the gain or loss from derecognition, the disclosures on credit risks and the disclosures on deviations of the transaction price from the fair value are specified. With regard to IFRS 9, “Financial Instruments,” ambiguities concerning the derecognition of a lease liability and the determination of the transaction price are eliminated. Furthermore, ambiguities in IFRS 10, “Consolidated Financial Statements,” regarding the determination of a de facto agent and a potential ambiguity regarding the term “cost method” in IAS 7, “Statement of Cash Flows,” are eliminated. The amendments are to apply in reporting periods beginning on or after 1 January 2026. Earlier application of the amendments is permitted, according to IASB. The amendments are not to have an impact on the consolidated financial statements.

◆ **Amendments to IFRS 9 and IFRS 7 – Contracts Relating to Nature-Dependent Electricity:**

On 18 December 2024, the IASB published amendments to IFRS 9 and IFRS 7 – “Contracts for the Supply of Nature-Dependent Electricity.” The amendments are intended to support companies in taking better account of the effects of power purchase agreements (PPAs) in their financial statements. Accounting challenges currently exist for such agreements, particularly with regard to the application of the own-use exemption and hedge accounting in accordance with IFRS 9. The scope of application of the regulations extends to contracts for nature-dependent electricity supply, in which a company is exposed to fluctuations in the underlying quantity of electricity, as the source of electricity generation is dependent on natural conditions (e.g. the weather). Such contracts regularly stipulate that the buyer will purchase the electricity produced by a particular plant in proportion to its share. This entails the risk that the company will have to buy electricity during a certain interval that it cannot use at that time. Even if a company is forced to sell unused electricity due to the design and functioning of the electricity market, the own-use exemption under IFRS 9.2.4 ff. is still applicable to the aforementioned contracts from the time the new regulations become applicable if the company has been a net buyer of electricity under the contract to date and is expected to remain so for the entire residual term of the contract. The amendments also contain simplifications regarding hedge accounting; for example, it is possible to designate a variable nominal volume as a hedged underlying transaction in a cash flow hedging relationship. In addition to the above amendments, new disclosure requirements for contracts for nature-based electricity supply are included. The amendments are to apply in reporting periods beginning on or after 1 January 2026. Earlier application of the amendments is permitted, according to IASB. According to the current situation, the amendments are not to have an impact on the consolidated financial statements.

◆ **Changes to IFRS 19 – Subsidiaries without Public Accountability – Disclosures:** On 21 August 2025, the IASB published amendments to IFRS 9, as it had originally based the development of the reduced disclosure requirements on the IFRS disclosure requirements in effect as of February 2021. The recently published amendments to IFRS 19 provide relief for subsidiaries with respect to a number of recent IASB pronouncements, particularly regarding:

- ◆ IFRS 18 – Presentation and Disclosure in Financial Statements;
- ◆ Supplier Finance Arrangements (Changes to IAS 7 and IAS 7);
- ◆ International Tax Reform – Pillar 2 Model Rules (Amendments to IAS 12);
- ◆ Lack of Fungibility (Amendments to IAS 21); as well as
- ◆ Changes to the classification and measurement of financial instruments (Amendments to IFRS 9 and IFRS 7).

With these amendments, IFRS 19 reflects the IFRS amendments that will take effect by 1 January 2027, when IFRS 19 becomes applicable for the first time. These amendments are to take effect in annual reporting periods beginning on or after 1 January 2027, subject to adoption into EU law. Earlier application of the amendments is permitted, according to IASB. Due to a lack of relevancy, the amendments are not to have an impact on the consolidated financial statements.

◆ **Amendments to IAS 21 – Effects of Foreign Exchange Changes:** On 13 November 2025, the IASB published amendments to IAS 21 that address the translation of financial statements from a functional currency that is not subject to hyperinflation into a hyperinflationary reporting currency. These amendments are to take effect in annual reporting periods beginning on or after 1 January 2027, subject to adoption into EU law. Earlier application of the amendments is permitted, according to IASB. As things stand, the amendments will have no impact on the consolidated financial statements, as Nabaltec's reporting currency is the euro, which is not affected by hyperinflation.

2.3 Subsidiaries and consolidated companies

The consolidated financial statements include the financial statements of the parent company and the companies it controls (its subsidiaries), insofar as they are material for presentation of the financial, earnings and liquidity position. The company obtains control when it

- ◆ can exercise power over the investee;
- ◆ is exposed to variable returns from its investment; and
- ◆ has the ability to affect those returns through its power over the investee.

The composition of the Group is evident from the table below:

NUMBER OF COMPANIES		
	12/31/2025	12/31/2024
Nabaltec AG and fully consolidated subsidiaries		
Domestic	1	1
Foreign	4	4

The following subsidiaries were included in the consolidated financial statements of Nabaltec AG as fully consolidated companies:

SUBSIDIARY			Share of capital and voting rights	
Name of subsidiary	Main business	Registered office	12/31/2025 in %	12/31/2024 in %
Nashtec LLC	Production of aluminum hydroxides	Corpus Christi, USA	100.00	100.00
Nabaltec USA Corporation	Administration and distribution	Corpus Christi, USA	100.00	100.00
Naprotec LLC	Production	Chattanooga, USA	100.00	100.00
Nabaltec (Shanghai) Trading Co., Ltd.	Marketing and distribution	Shanghai, China	100.00	100.00

There has been no change to the consolidation base since the consolidated financial statements as of 31 December 2024.

In Financial Year 2018, Nabaltec AG acquired land and buildings in Chattanooga, Tennessee, USA, for the construction of a production plant for refined hydroxide. Naprotec LLC was formed as a production company for this purpose. The shares in Naprotec LLC were contributed into the newly formed subsidiary Nabaltec USA Corporation in Financial Year 2018. The shares in Nashtec LLC were also contributed into Nabaltec USA Corporation.

Nabaltec AG also formed Nabaltec (Shanghai) Trading Co., Ltd. in October 2018, based in Shanghai, China. The formation of this trading company represents the logical continuation of Nabaltec's expansion of operations in Asia.

All financial statements of the consolidated companies, which are prepared in accordance with national law, were reconciled to IFRS and adapted to the Group's accounting policies.

The reporting dates of all companies included in the consolidated financial statements are 31 December.

2.4 Consolidation methods

All intercompany assets, liabilities, equity, income, expenses and cash flows in connection with transactions between Group companies are eliminated in full on consolidation. The cost of acquisition is equal to the fair value of the assets paid, the equity instruments issued and the liabilities incurred and assumed on the transaction date (the "date of exchange"), plus the costs directly attributable to the acquisition. Identifiable assets, liabilities and contingent liabilities in connection with a business combination are measured upon initial consolidation at their fair value as of the acquisition date, regardless of the amount of non-controlling interests. The amount by which the cost of acquisition exceeds the Group's share in the net assets of the subsidiary, measured at fair value, is recognized as goodwill. If the cost of acquisition is lower than the net assets of the acquired subsidiary, measured at fair value, the difference is recognized immediately in the consolidated statement of comprehensive income, following additional review.

The impact of all significant intercompany transactions are eliminated. Expenses and income as well as receivables and liabilities between Group companies were netted. Interim results from intercompany sales of assets which have yet to be resold to third parties are eliminated. The tax deferrals required in accordance with IAS 12 are performed on temporary differences arising from consolidation measures.

The results of subsidiaries which are acquired or sold over the course of the year are included in the consolidated statement of comprehensive income from the time the Group begins to exercise control until the time that such control ceases.

2.5 Foreign currency conversion

The consolidated financial statements were prepared in Euro.

Foreign-currency monetary items (liquid funds, accounts receivable, accounts payable) in the financial statements of consolidated companies which are prepared in the local currency are measured at the closing rate. Exchange differences are recognized in profit and loss. Non-monetary items denominated in foreign currency are recognized at the historical rates.

The translation of the financial statements of the consolidated companies, which are prepared in a foreign currency, is performed based on the functional currency concept in accordance with IAS 21, "The effects of changes in foreign exchange rates," using the modified closing rate method. Since the subsidiaries essentially operate independently in financial, economic and organizational terms, the functional currency is identical to each company's national currency.

Accordingly, assets and liabilities are translated at the closing rate, shareholders' equity at the historical rate and income and expenses at the average rate for the month. Differences arising from currency translation are not recognized in profit and loss and are instead recognized separately in shareholders' equity under "other changes in shareholders' equity with no effect on profit and loss."

Currency differences relative to currency translation in the previous year are recognized in shareholders' equity under "other changes in equity with no effect on profit and loss."

Initial historical costs and depreciation of fixed assets are translated at the exchange rate in effect on the last reporting date, while depreciation and all other transactions during the year are translated at the average exchange rate for the month. The translation of the foreign subsidiaries' fixed assets results in translation differences which are presented in separate columns in the statement of fixed assets.

3. Use of assumptions and estimates

Preparation of the consolidated financial statements in accordance with IFRS requires management to make certain assumptions and estimates which affect the measurement of assets and liabilities, the disclosure of contingent assets and liabilities as of the reporting date and the recognition of income and expenses. Due to the uncertainty associated with these assumptions and estimates, it may become necessary under certain circumstances to make substantial adjustments to the book values of the affected assets and liabilities in future periods. Assumptions, estimates and discretionary decisions are subject to increased uncertainty compared to previous years due to an increasingly complex and uncertain macroeconomic and geopolitical environment, particularly as a result of geopolitical conflicts, altered interest rates and the slowdown in economic growth in key markets. Effects on the consolidated financial statements may also arise from volatile foreign exchange rates, payment defaults, changing revenue and cost structures and uncertain forecasts with respect to the amount and timing of cash flows. These factors may affect the fair values and book values of assets and liabilities and the amount and timing of income realization. As a result, negative deviations from the assumptions made in advance may require impairments, while positive deviations may lead to the reversal of impairments. Estimates and discretionary decisions of relevance to the consolidated financial statements have been updated by management with due regard for available information about expected economic performance, as well as government measures in specific countries.

These assumptions and estimates relate primarily to the following:

- ◆ **Pensions** and other **post-employment benefits**: The valuation of the pension plans is determined using actuarial calculations. Actuarial measurement is performed based on assumptions with regard to discount rates, expected income from plan assets, future increases in wages and salaries, mortality and future pension increases. Such estimates are subject to considerable uncertainty in view of the long-term nature of these plans. Provisions for pensions and similar obligations amounted to TEUR 30,260 on 31 December 2025 (previous year: TEUR 31,389). Further details are presented in Section 6.9, "Current and non-current provisions."
- ◆ Recognition of **deferred taxes**: In assessing the realizability of deferred taxes, management ascertains the likelihood that all deferred tax assets will be realized. The ability to realize deferred tax assets is ultimately contingent upon whether sufficient taxable income is earned in the periods in which temporary differences are deductible. If that is not the case, the deferred tax assets are not used and are therefore not recognized. Deferred tax assets as of 31 December 2025 (prior to netting out with deferred tax liabilities) amounted to TEUR 5,146 (previous year: TEUR 6,678).
- ◆ **Impairment** of non-financial assets: Impairment tests of intangible assets and property, plant and equipment are performed as the circumstances require and are generally based on the estimated future discounted net cash flows which are to be expected from continued use of the asset and from disposal of the asset at the end of its useful life. Factors such as diminished revenues, resulting in lower net cash flows, as well as changes in discounting factors, may result in an impairment. Improved factors can, if necessary, lead to write-ups.

Actual results in future periods may deviate from estimates. If better information becomes available, changes are made with effect on profit and loss.

4. Major accounting policies

4.1 Revenue realization

Revenues from the sale of goods are recognized in accordance with the criteria established in IFRS 15 in the amount of the expected consideration once the customer obtains control over the goods and can derive benefits from them.

The point in time at which control over the delivered goods is transferred typically conforms to the time of delivery and/or the contractual date for passage of risk. The Group's revenues are realized exclusively at specific points in time. Accordingly, the timing of revenue realization within the Group does not involve significant discretionary decisions. Customers' payment targets are set within narrow periods and no financing components exist.

Revenues are diminished by variable consideration (cost of sales and discounts).

For more detailed information, please see Section 5.1, "Revenues."

4.2 Realization of expenses

Expenses were accrued and deferred. Operating expenses are recognized in profit and loss at the time of their accrual, or at the time the service is utilized.

4.3 Research and development costs

The Nabaltec Group invests part of its financial resources in research and development performances. In addition to internal development activities relating to the individual optimization of purchased software, this particularly includes research and development activities for the improvement of existing products and processes and the development of new products and processes.

Research costs are recognized as expenses in the period in which they accrued. The Group only recognizes development costs in connection with individual projects as intangible assets if it can demonstrate the technical feasibility that the asset will be completed so that it will be available for internal use or sale, as well as its intention to complete the asset and use or sell it. The Group must also show that the asset will generate a future economic benefit, the availability of resources to complete the asset and the ability to reliably determine the expenses attributable to the asset during its development.

Following the first-time recognition of development costs, the cost model is applied, i.e. the asset is recognized at cost less accrued depreciation and impairment costs. Costs include directly attributable personnel expenses and other direct costs, as well as a reasonable share of overhead costs. The capitalized amounts are depreciated over the useful life of the asset once it is commissioned.

Capitalized development costs are tested for impairment once a year if the asset has yet to be used or if there are indications of impairment over the course of the year.

Nabaltec generally capitalizes all material development costs which accrue in the development phase of internally developed software. Amortization of these costs (generally using the straight-line method) over the expected useful life begins at the time the developed software is ready for technical use.

Since the Group's development projects are often subject to official approval procedures and other unpredictable events, the requirements for the capitalization of costs accruing prior to approval are generally not met, or the amount of such costs in the brief period between the development/approval and market launch is immaterial.

No development costs were capitalized as of 31 December 2025 (previous year: TEUR 0).

4.4 Intangible assets

Purchased intangible assets are recognized at cost less corresponding depreciation. Scheduled depreciation of intangible assets is generally performed in a straight-line fashion over the useful life of the asset.

The depreciation term is as follows:

- ◆ IT software 4 to 5 years

The residual values of assets, useful lives and depreciation methods are examined at the end of each year and adapted if necessary. No such adjustments were made as of 31 December 2025.

Intangible assets with an indefinite useful life do not exist.

In relation to the capitalization of development costs as self-created intangible assets, reference is made to Section 4.3, "Research and development costs."

4.5 Property, plant and equipment

Property, plant and equipment are recognized at cost less depreciation, in accordance with the expected useful life of the asset. In addition to direct costs, the cost includes a reasonable share of attributable overhead costs as well as interest accrued during periods of construction.

Depreciation on property, plant and equipment is performed using the straight-line method.

The depreciation terms are as follows:

- ◆ Production and office buildings 20 to 50 years
- ◆ Technical equipment and machinery 5 to 22 years
- ◆ Fixtures, fittings and equipment 3 to 20 years

The residual values of assets, useful lives and depreciation methods are examined at the end of each year and adapted if necessary. No such adjustments were made as of 31 December 2025.

4.6 Borrowing costs

Borrowing costs directly associated with the acquisition, construction or production of qualified assets (i.e. assets which take a substantial period of time to get ready for use or sale) are included in the cost of the asset until such time as the asset is ready for its intended use or sale; see Section 6.2 "Property, plant and equipment."

Income earned from the temporary investment of specifically borrowed funds is subtracted from capitalizable borrowing costs until those funds are spent on qualified assets.

All other borrowing costs are recognized with effect on profit and loss in the period in which they accrue.

4.7 Government grants

Government investment subsidies are deducted from the cost of the relevant asset (IAS 20.24, Alternative 2). They are reversed over the useful life of the subsidized asset in the form of reduced depreciation.

Government grants that are paid as compensation for expenses already incurred are recognized in profit and loss in the period in which the corresponding claim arises.

4.8 Leases with the Group as lessee

The Group makes an evaluation upon the commencement of each contract to determine whether the contract establishes or contains a lease. This is the case when the contract gives the right to control the use of an identified asset for a specified period of time in return for compensation.

In accordance with IFRS 16, the Group recognizes right-of-use assets and corresponding lease liabilities at present value, provided those assets or liabilities are material. Exercising the option in accordance with IFRS 16.4, the Group does not apply the rules to leases of intangible assets.

Nabaltec has resolved to take advantage of the exemption in IFRS 16.5 and not to recognize rights of use and lease liabilities based on low-value assets or for short-term leases. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the term of the lease.

The Group recognized no right-of-use assets or corresponding lease liabilities as of 31 December 2025 due to materiality considerations (previous year: TEUR 0).

4.9 Impairment of non-financial assets

The capitalized book value of intangible assets with a limited useful life and property, plant and equipment is checked for impairment based on the expected future cash flows arising from use of the asset (discounted at a rate commensurate with the risk) and based on the net sale price of the asset (impairment test) if certain events or market developments indicate an adjustment of the estimated useful life of the asset, or that the value of the asset has decreased. On each reporting date, an assessment is made as to whether indications are present that non-current assets may be impaired. If such indications exist, the recoverable amount of the asset is determined and compared to its book value. If individual assets do not generate separate cash inflows that are largely independent of those of other assets or groups of assets, the impairment test is performed based on the smallest overarching cash-generating unit. In addition, intangible assets which are not yet ready for use are tested for impairment annually. If the net book value of the asset is higher than the recoverable amount (the higher of the asset's value in use and net realizable value), a write-down is performed. The determination of expected future cash flows takes into account current and expected future income as well as technological, economic and general developments and developments in the specific field of business. If the reason for an earlier write-down no longer applies, a write-up to the amortized cost of the asset is performed, to the extent permissible.

4.10 Financial assets

Upon initial recognition, financial assets are classified and measured as follows in accordance with IFRS 9:

- ◆ Financial assets at amortized cost (AC);
- ◆ Debt instruments at fair value through other comprehensive income (FVOCI): investments in debt instruments recognized at fair value with changes recognized in other comprehensive income (FVOCI – debt);
- ◆ Equity investments at fair value through other comprehensive income (FVOCI): equity investments recognized at fair value with changes recognized in other comprehensive income (FVOCI – equity);
- ◆ Financial assets at fair value through profit and loss (FVTPL): investments at fair value with changes in value in profit and loss (FVTPL).

Financial assets are not reclassified after initial recognition unless the Group changes its business model for the management of financial assets. In this case, all affected financial assets are reclassified on the first day of the reporting period which follows the change in the business model.

Financial assets are recognized at amortized cost if two of the following conditions are met and if the asset is not designated as a financial asset at fair value through profit and loss (FVTPL):

- ◆ the asset is held within a business model whose objective is achieved by holding financial assets in order to collect contractual cash flows; and
- ◆ the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is designated as a financial asset held at fair value through other comprehensive income (FVOCI) if one of the following two conditions are met and if the instrument is not designated as a financial asset at fair value through profit and loss (FVTPL):

- ◆ the debt instrument is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- ◆ the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Upon initial recognition of an equity investment not held for trading, the Group may irrevocably elect to recognize subsequent changes in the fair value of the investment in other comprehensive income. This election is made individually for each investment.

All financial assets not held at amortized cost or at fair value through other comprehensive income (FVOCI) are recognized at fair value through profit and loss (FVTPL). This includes all derivative financial assets as well as financial instruments held for trading which are voluntarily designated as financial assets at fair value through profit and loss (FVTPL).

Initial measurement

Upon initial recognition, financial assets are measured at fair value. For financial assets which are not measured at fair value through profit and loss, the measurement includes transaction costs which are directly attributable to acquisition of the asset.

All standard purchases and sales of financial assets are recognized on the trade date, i.e. the date on which the Group entered into an obligation to buy or sell the asset or liability. Regular way purchases and sales are purchases or sales of financial assets which call for the assets to be delivered within a period defined by market rules or conventions.

Subsequent measurement

Financial assets at amortized cost (AC)

Assets at amortized cost are measured using the effective interest method in subsequent measurement. Impairment costs are subtracted from the amortized cost of the asset. Interest income, exchange rate gains and losses and impairments are recognized in profit and loss. Gains or losses from derecognition are also recognized in profit or loss.

Debt instruments at fair value through other comprehensive income (FVOCI)

These assets are recognized at fair value in subsequent measurement. Interest income calculated using the effective interest rate method, exchange rate gains and losses and impairments are recognized in profit or loss. Other net gains or losses are recognized in other comprehensive income. Upon derecognition, cumulative other comprehensive income is reclassified as profit or loss.

Equity investments at fair value through other comprehensive income (FVOCI)

These assets are recognized at fair value in subsequent measurement. Dividends are recognized as income in profit and loss unless the dividends are clearly being paid in order to cover part of the cost of the investment. Other net gains or losses are recognized in other comprehensive income and are never reclassified as profit or loss.

Financial assets at fair value through profit and loss (FVTPL)

These assets are recognized at fair value in subsequent measurement. Net gains and losses, including any interest or dividend income, are recognized in profit and loss.

Derecognition of financial assets

A financial asset is derecognized when the company loses its ability to dispose over contractual rights to the cash flows comprising the financial asset.

If the Group transfers its contractual rights to the cash flows generated by an asset but neither transfers nor retains substantially all of the risks and rewards associated with ownership of the asset, so that the Group retains its ability to dispose over the transferred asset, the Group continues to recognize the transferred asset to the extent that it has a continuing involvement in the asset.

In some cases, trade receivables are sold to a factor in order to secure early payment. The affected receivables are derecognized at the time of the sale, since all risks and opportunities associated with ownership of the receivables are transferred to the buyer. The security deposit charged by the factoring partner is recognized under other current financial assets, consistent with the general rules of IFRS 9.

4.11 Impairment of financial assets

On each reporting date, a test is performed to determine whether financial assets or groups of financial assets are impaired. An impairment loss is recognized immediately in profit and loss.

Financial assets are subject to a standardized expected loss impairment model, which is broken down into a simplified approach for trade receivables and the three-stage general approach for all other financial assets. In the three-stage approach, expected losses upon acquisition of the asset are recognized in the amount of the present value of the expected losses over 12 months (Level 1). If there is a significant increase in credit risk, the loss allowance is to be increased up to the amount of the expected losses over the lifetime of the credit risk (Level 2). If there is objective evidence of impairment, interest is calculated based on the net book value (the book value minus the loss allowance; Level 3).

Trade receivables are recognized at amortized cost less reasonable allowances. Allowances on accounts receivable are performed based on the expected loss.

Allowances are performed on a case-by-case basis if doubts exist as to the recoverability of other assets recognized at amortized cost or financial instruments at fair value through other comprehensive income (FVOCI).

4.12 Inventories

Inventories are measured at the lower of cost or net realizable value.

Raw materials and supplies are recognized upon addition at cost plus ancillary costs less price reductions. Costs are determined by applying the weighted average method.

Finished goods and work in process are capitalized at their production cost. Production costs include directly attributable production costs as well as a share of attributable fixed and variable overhead production costs. The share of overhead costs is determined based on normal employment. Cost of sales, cost of general administration and borrowing costs are not capitalized.

Finished goods are combined into measurement units as part of a group valuation.

On the reporting date, inventories are written down to account for risks arising from extended storage or diminished realizability, taking into account their net realizable value.

4.13 Cash and cash equivalents

Cash and cash equivalents on the balance sheet include cash on hand, bank balances and short-term deposits within original terms to maturity of less than three months. The same definition is used for the purposes of consolidated cash flow statement. Accordingly, the Group's funds correspond to the "cash and cash equivalents" reported in the balance sheet. Measurement is performed at amortized cost.

4.14 Taxes

Actual income taxes

Actual tax liabilities and refund claims for the current and all earlier periods are recognized in the amount of the expected payment to or refund from the tax authority. This amount is calculated based on the tax rates and laws in effect as of the reporting date.

Deferred taxes

Deferred tax assets and liabilities are recognized for all temporary differences between tax and IFRS measurement and for consolidation measures with effect on profit and loss using the balance sheet method in accordance with IAS 12, "Income taxes." Pursuant to IAS 12.34, deferred tax assets for loss carryforwards or temporary differences may only be recognized to the degree that it is likely that future taxable income will be earned so as to enable deduction of these loss carryforwards.

Deferred taxes are calculated based on the tax rates in effect at the time of realization, based on the current legal situation. Changes in tax rates are taken into account insofar as they can be expected with adequate certainty.

Deferred tax assets and liabilities are netted out where possible.

4.15 Shareholders' equity

Shareholder contributions and payments into surplus capital are recognized, less transaction costs directly associated with the acquisition of shareholders' equity, and with due regard for a possible tax effect.

4.16 Other provisions and accrued liabilities

Pursuant to IAS 37, "Provisions, contingent liabilities and contingent assets," provisions are recognized insofar as a present obligation towards third parties arises from a past event which is likely to result in a future payment and which can be reliably estimated. This means that the probability of occurrence must be higher than 50%. Provisions are recognized for identifiable risks and contingent liabilities in their probable amount and recourse claims are not taken into account. Non-current other provisions are discounted. The settlement amount includes cost increases as of the reporting date.

For anniversary bonus obligations arising from company agreements, the accounting figures listed in Section 6.9 were used. Service anniversary bonus obligations are calculated using the projected unit credit method.

4.17 Pension reserves

Pension reserves are calculated using the projected unit credit method in accordance with IAS 19. This method takes into account known pensions and vested rights as of the reporting date as well as expected future increases in pensions and salaries, based on a careful assessment of the relevant factors. The calculation is based on an actuarial opinion with biometric assumptions.

The (net) interest component is determined at the start of the period by multiplying (net) pension obligations, i.e. pension liabilities less plan assets, by the discount rate for measurement of the pension obligation. As a result, the interest expense resulting from the compounding of the obligation is netted out with the expected income from plan assets, with the result to be recognized as profit and loss. Expected income from plan assets is assumed to be in the amount of the discount rate.

Deviations between the actual return on plan assets and/or the actual discount rate as of the reporting date and the expected discount rate (= the expected return on plan assets) are recognized as other comprehensive income, like other actuarial gains and losses, as a remeasurement component.

The discount rate for (net) pension obligations is determined based on the yields of high-quality fixed-interest corporate bonds.

The service time component (service cost), which is to be recognized as profit and loss, includes both current service cost and past service costs arising from changes in the plan.

4.18 Financial liabilities

Financial liabilities in terms of IFRS 9 are classified as "financial liabilities at fair value through profit and loss" or "other liabilities."

The Group classifies its financial liabilities upon initial recognition and reviews that classification at the end of each year, to the extent reasonable and permissible.

Financial liabilities at fair value through profit and loss

Financial liabilities at fair value through profit and loss are measured at fair value upon initial recognition. Income and losses due to changes in fair value are immediately recognized as profit and loss. This category includes derivative financial instruments with negative market values. Income and losses from financial liabilities measured at fair value are recognized as profit and loss.

Other liabilities

Loans are measured at fair value upon initial recognition less directly associated transaction costs. They are not designated as financial liabilities at fair value through profit and loss.

Following initial recognition, interest-bearing loans are measured at amortized cost using the effective interest method. Differences between the historical cost and the repayment amount are recognized as profit and loss in accordance with the effective interest method.

Financial liabilities, all of which are classified as other liabilities, are measured upon initial recognition at the fair value of the consideration received less associated transaction costs. Following initial recognition, financial liabilities are measured at amortized cost using the effective interest method.

Financial liabilities are derecognized once they are extinguished, i.e. once the underlying obligation is satisfied, cancelled or expired.

5. Notes to the consolidated statement of comprehensive income

5.1 Revenues

Revenues are mainly earned from supplying customers with aluminum-hydroxide- and aluminum-oxide-based products. No other services are provided to customers. Contracts typically come about through individual customer orders. In other words, the contracts consist exclusively of a single performance obligation, i.e. the delivery of goods. A combination of contracts or contractual modifications would not be relevant.

With regard to determination of the transaction price, consideration for Nabaltec is comprised of fixed and variable components. The fixed consideration is the fixed amount specified in the individual order. Variable consideration includes cash discounts and bonuses. These are correctly recognized periodically in the respective financial year, reducing revenues. Because the terms of the contracts are short (individual orders), there are no significant financing components. Non-cash consideration is not paid.

Nabaltec currently has no contracts with multiple performance obligations. Accordingly, there is no need to allocate the transaction price based on stand-alone selling prices.

Revenue is realized at a specific point in time. In particular, no products exist which have no alternative use for the company due to practical or contractual limitations. The point in time at which control over the delivered goods is transferred typically conforms to the time of delivery and/or the contractual date for passage of risk.

For the breakdown of revenues into product segments, reference is made to the segment reporting and the associated notes in Section 7.7, "Segment reporting."

5.2 Other own work capitalized

In Financial Year 2025, own work of TEUR 1,443 (previous year: TEUR 1,321) was capitalized for various technical equipment and machinery, thereof capitalized construction period interest of TEUR 983 (previous year: TEUR 689).

5.3 Other operating income

Other operating income is comprised as follows:

OTHER OPERATING INCOME		
in TEUR	2025	2024
Currency gains	1,246	1,277
Government grants	752	493
Other	437	721
Non-cash remuneration	259	239
Service water deliveries	175	200
Rents	160	162
Analysis Centre services	94	87
Magazine and scrap sales	76	72
Gains from the disposal of property, plant and equipment	50	44
Insurance indemnities	42	44
Personnel services	34	35
Shunting and track work	7	86
Income from the reversal of expired liabilities	4	606
Income from the reversal of reserves	0	219
Total	3,336	4,285

In Financial Year 2025, government grants mainly consisted of a reimbursement of TEUR 739 resulting from the regulation of measures to prevent carbon leakage through national fuel emissions trading (BECV aid).

5.4 Cost of materials

Cost of materials is comprised as follows:

COST OF MATERIALS		
in TEUR	2025	2024
Cost of raw materials and supplies and of purchased goods	94,345	101,025
Cost of purchased services	2,781	3,026
Total	97,126	104,051

The amount of inventory depreciation and impairment of inventories, which is recognized as an expense, amounted to TEUR 420 (previous year: TEUR 722).

5.5 Personnel expenses

Personnel expenses are comprised as follows:

PERSONNEL EXPENSES		
in TEUR	2025	2024
Wages and salaries	34,147	33,599
Social security contributions	6,455	5,879
Expenses for pension obligations	475	447
Other pension expenses	179	181
Total	41,256	40,106

Expenses for pension obligations meet the criteria for a defined benefit plan in terms of IAS 19.

Other pension expenses consist of employer subsidies to employee pension plans meeting the criteria of a defined contribution plan in terms of IAS 19.

The company's share of statutory pension insurance contributions, in the amount of TEUR 2,520 (previous year: TEUR 2,370), are included in social security contributions, which are paid monthly.

5.6 Employees

The average number of employees in the Group has changed as follows:

EMPLOYEES		
	2025	2024
Industrial workers	244	250
Employees	219	213
Minimally employed workers	2	3
Total	465	466

In addition, an average of 42 trainees were employed during the year (previous year: 40).

5.7 Depreciation, amortization and other write-offs

Depreciation of fixed assets is evident from the above presentation of the Statement of Consolidated Fixed Assets.

The company performs impairment testing of intangible assets and property, plant and equipment when appropriate indicators exist. For this purpose, the book value of the cash-generating units is compared with the recoverable amount. The realizable value of each cash-generating unit was determined by calculating the value in use with the help of the discounted cash flow method. These discounted cash flows are based on three-year forecasts using management-approved projections. The cash flow forecasts take into account past experience and management's best estimate of the company's future development. Forecasted cash flows are discounted using a risk-adequate discount rate.

5.8 Other operating expenses

Other operating expenses are comprised as follows:

OTHER OPERATING EXPENSES		
in TEUR	2025	2024
Freight	11,349	11,856
Outside services	9,471	7,853
Sales commissions	3,175	3,262
Currency losses	2,138	884
Other	1,821	1,152
Insurance	1,448	1,345
Other taxes	1,159	1,088
Lease payments (rents)	1,030	1,095
Other administrative costs	1,007	1,147
Ancillary personnel expenses	843	784
Legal and consulting expenses	791	942
Advertising expenses	737	565
Travel expenses	545	693
Loss from the disposal of fixed assets	20	42
Allowances on accounts receivable	0	76
Total	35,534	32,784

5.9 Research and development

All research and development costs for the year, in the amount of TEUR 5,172 (previous year: TEUR 5,167), were recognized as expenses.

5.10 Interest and similar income

Interest and similar income is comprised as follows:

INTEREST AND SIMILAR INCOME		
in TEUR	2025	2024
Income from plan assets (pension liability insurance)	35	116
Interest income from bank balances	1,786	2,512
Total	1,821	2,628

5.11 Interest and similar expenses

Interest and similar expenses are shown in the following table:

INTEREST AND SIMILAR EXPENSES		
in TEUR	2025	2024
Interest expenses with banks	2,261	2,873
Interest expenses from compound interest on provisions	1,127	1,253
Interest expenses from factoring	383	558
Guarantee commission	12	12
Interest expenses from other compound interest	7	11
Total	3,790	4,707

5.12 Taxes on income

Taxes on income break down as follows:

TAXES ON INCOME		
in TEUR	2025	2024
Actual income taxes:		
Tax expense current year	3,873	5,712
Tax expense/income previous years	3	-9
Deferred taxes:		
Accrual and reversal of temporary differences	-1,105	31
Recognized in other comprehensive income not through profit and loss	762	184
Total	3,533	5,918

Expenses for income tax for Financial Year 2025 consist of current trade and corporate income tax plus the solidarity mark-up as well as foreign income taxes (US subsidiaries and Nabaltec Shanghai).

Deferred taxes are calculated based on the tax rates in effect or anticipated at the time of realization. The tax regulations in force or adopted on the balance sheet date are taken into account. The calculation of deferred taxes in Germany was based on a tax rate of 29.13% (previous year: 29.13%). These were calculated based on the average corporate income tax rate of 15.00% (previous year: 15.00%), the solidarity surcharge of 5.50% (unchanged), and the trade tax rate of 13.30% (previous year: 13.30%).

In addition, as a result of the gradual reduction in the corporate income tax rate by one percentage point annually over a five-year period starting in 2028, as introduced by the Act of 14 July 2025 – from 15% down to 10% in 2032 – an average tax rate of 25.32% is applied in Germany when measuring deferred taxes for temporary differences that will reverse in whole or in part during the relevant period; this rate is derived from the average tax rates in effect at the time the differences reverse.

Taxes for the foreign companies were calculated using the applicable national tax rates.

The effects of taxes in other comprehensive income, recognized as part of consolidated shareholders' equity, break down as follows for each component:

	Before tax		Deferred taxes		After taxes	
in TEUR	2025	2024	2025	2024	2025	2024
Foreign currency translation	-4,340	2,389	1,207	-681	-3,133	1,708
Actuarial gains and losses	1,529	-2,969	-445	865	1,084	-2,105
Total	-2,811	-580	762	184	-2,049	-397

The following table shows the tax reconciliation from the income tax expense expected in the respective financial year to the tax expense actually reported in the consolidated income statement:

RECONCILIATION		
	2025	2024
Tax rate	29.13 %	29.13 %
in TEUR		
Earnings before tax	13,208	20,179
Expected tax expense	3,847	5,878
Deviations		
1. Different foreign tax rate	-117	-120
2. Adjustment for tax expense for prior years	3	-10
3. Changes to tax rates in Germany	-284	0
4. Unrecognized temporary differences USA	30	74
5. Non-deductible expenses	85	115
6. Tax-free income	-21	-20
7. Other	-10	1
Tax expense according to the consolidated statement of comprehensive income	3,533	5,918

Deferred tax assets and liabilities are as follows:

in TEUR	Consolidated balance sheet		Consolidated income statement	
	12/31/2025	12/31/2024	2025	2024
Deferred taxes (assets)				
Other assets	597	587	10	10
Pension reserves	2,426	3,493	-1,067	819
Other provisions	144	230	-86	-7
Loss carryforward	1,811	2,361	-550	-253
Other	168	7	161	-32
Total deferred tax assets – gross	5,146	6,678	-1,532	537
Netting	-4,814	-6,096	0	0
Total deferred tax assets – net	332	582	-1,532	537
Deferred tax liabilities				
Fixed assets	5,906	7,108	1,262	217
Inventories	736	969	233	-38
Other	9	1,150	1,141	-747
Total deferred tax liabilities – gross	6,651	9,227	2,636	-568
Netting	-4,814	-6,096	0	0
Total deferred tax liabilities – net	1,837	3,131	2,636	-568

The deferred tax assets on loss carryforwards relate entirely to the existing loss carryforward of Nabaltec USA Corporation in the amount of TEUR 8,626 (previous year: TEUR 11,242). This can be used in compliance with the minimum taxation rules applicable in the United States. Deferred tax claims for loss carryforwards are only recognized insofar as the company has adequate taxable temporary differences or insofar as there is convincing substantive evidence that adequate taxable income will be available in the future for which unused tax losses can be recorded. Based on management's assumptions and assessments as to future business performance, there is convincing substantive evidence for the realization of these tax claims. This assessment is based on past experiences, as well as currently available information and forecasts.

Accordingly, deferred tax assets on loss carryforwards only in the amount of TEUR 1,811 (previous year: TEUR 2,361) were recognized for companies which had negative taxable income in the current or previous year and whose deferred tax assets on loss carryforwards were not offset by deferred tax liabilities.

The deductibility of such losses carried forward is limited in the United States to 80% of the current taxable profit.

Deferred tax assets and liabilities in the United States are offset against deferred tax assets on loss carryforwards.

As of the reporting date, for the difference between the net assets and the tax basis of subsidiaries (so-called "outside basis differences"), deferred tax liabilities of TEUR 0 (previous year: TEUR 0) were recognized. No deferred tax liabilities are recognized for temporary differences in the amount of TEUR 1,004 (previous year: TEUR 994) in connection with the undistributed profits of subsidiaries, as the Group is able to control the timing of the reversal of these temporary differences and it is probable that they will not reverse in the foreseeable future.

6. Notes to the consolidated balance sheet

6.1 Intangible assets

With regard to the development of intangible assets, please refer to the "Development of consolidated fixed assets" above.

Intangible assets mainly relate to IT software and industrial property rights.

As in the previous year, intangible assets were not assigned as collateral as of 31 December 2025.

There were no significant obligations to acquire intangible assets.

6.2 Property, plant and equipment

The development of property, plant and equipment is included in the above table "Development of consolidated fixed assets."

As in the previous year, no property, plant and equipment serve as collateral for debt.

Borrowing costs of TEUR 983 were capitalized in Financial Year 2025 for the long-term production of various technical equipment, buildings and operating facilities (previous year: TEUR 689). The average financing cost rate used to determine the capitalizable borrowing costs was 2.50% (previous year: 3.00%).

6.3 Inventories

Inventories are comprised as follows:

INVENTORIES		
in TEUR	12/31/2025	12/31/2024
Raw materials and supplies	34,288	30,002
Work in process	1,456	1,607
Finished goods and merchandise	15,189	16,287
Total	50,933	47,896

As in the previous year, no inventories serve as collateral for accounts payable to banks.

The impairment of inventories, which is recognized as an expense, amounted to TEUR 420 (previous year: TEUR 722).

6.4 Trade receivables

Trade receivables are as follows:

TRADE RECEIVABLES		
in TEUR	12/31/2025	12/31/2024
Gross trade receivables	3,370	848
Individual allowances	-116	-215
Total	3,254	633

All trade receivables are not interest-bearing and have a residual term of less than one year.

On the balance sheet date, trade receivables were reduced through non-recourse factoring in the amount of TEUR 30,961 (previous year: TEUR 34,874). In non-recourse factoring, the factoring company assumes the default risk of the receivables. We refer to Section 7.2, "Disclosures for financial instruments," with regard to the development of the allowance account and the age structure of accounts receivable.

6.5 Taxes receivable

Income tax claims in the amount of TEUR 920 (previous year: TEUR 1) primarily consist of tax refund claims against domestic tax authorities, whereas in the previous year they consisted of refund claims against foreign tax authorities.

6.6 Other assets

Other provisions and accrued liabilities are comprised as follows:

OTHER ASSETS		
in TEUR	12/31/2025	12/31/2024
Fixed-term deposits with a term of > 3 months	15,000	15,000
Accounts receivable from factoring	2,267	3,086
Other	1,860	1,386
Other financial assets	19,127	19,472

OTHER NON-FINANCIAL ASSETS		
in TEUR	12/31/2025	12/31/2024
VAT receivable	1,173	1,269
Accrued assets	597	446
Other non-financial assets	1,770	1,715
Total	20,897	21,187

The accounts receivable from factoring recognized as of 31 December 2025 in the amount of TEUR 2,267 (previous year: TEUR 3,086) consist primarily of security deposits in connection with factoring arrangements.

Of the other assets, a total of TEUR 0 (previous year: TEUR 15,000) have a residual term of more than one year.

6.7 Cash and cash equivalents

Cash and cash equivalents were comprised as follows as of the reporting date:

CASH AND CASH EQUIVALENTS		
in TEUR	12/31/2025	12/31/2024
Bank balances	72,306	86,522
Cash on hand	6	5
Total	72,312	86,527

Bank balances bear interest at variable interest rates for callable balances. Short-term deposits are made for different periods of between one day and a maximum of three months, depending on the Group's cash requirements. These bear interest at the applicable interest rates for short-term deposits.

For the purposes of the consolidated cash flow statement, as in the previous year, there are no differences in cash and cash equivalents compared to the cash and cash equivalents reported on the balance sheet as of the reporting date.

There are no restrictions on the disposal of cash and cash equivalents.

6.8 Shareholders' equity

The change in shareholders' equity of Nabaltec AG is shown in the Statement of Consolidated Shareholders' Equity.

Subscribed capital

Fully paid-in capital (capital stock) amounted to TEUR 8,800 on the reporting date (previous year: TEUR 8,800) and consists of 8,800,000 no-par-value bearer shares with a notional interest in the share capital of EUR 1.00 per share. Each no-par-value share entitles the holder to one vote.

Authorized capital

The Management Board, with the Supervisory Board's approval, was authorized by resolution of the shareholders of 16 June 2021 to raise the capital stock through 31 May 2026 once or multiple times by up to TEUR 4,400 by issuing up to 4,400,000 new no-par-value bearer shares in exchange for cash and/or non-cash contributions, with the stipulation that the number of shares is to be increased in the same proportion as the capital stock. The Management Board may decide to exclude subscription rights with the approval of the Supervisory Board (Authorized Capital 2021/I).

Conditional capital

By resolution of the shareholders in general meeting on 16 June 2021, the share capital of the company was conditionally increased by up to TEUR 4,400 by issuing up to 4,400,000 new no-par-value bearer shares (Conditional Capital 2021/I). The conditional capital serves exclusively to provide shares to holders of warrants and convertible bonds issued by the company based on the authorization of the shareholders of 16 June 2021.

No such bonds have been issued to date.

Capital reserve

As of 31 December 2025, the capital reserve amounted to TEUR 47,029 (previous year: TEUR 47,029). The capital reserve results in part from the capital increase executed in September 2017. With an issue price of EUR 23.00 per share, the capital increase generated a premium in the amount of TEUR 17,600, while transaction costs in the amount of TEUR 335 (after taxes) were subtracted. The capital reserve also includes a premium from the IPO, which took place in 2006. This resulted from the issuance of 2,000,000 shares at a price of EUR 15.50 per share, with each share representing EUR 1.00 of the capital stock, so that a premium of EUR 14.50 was attained per share, for a total of TEUR 29,000, which was offset by transaction costs of TEUR 1,060 (after taxes).

Earnings reserve

As of 31 December 2025, the other earnings reserve amounted to TEUR 9,699 (previous year: TEUR 9,699).

For Financial Year 2025, the Management Board will propose to distribute a dividend in the amount of EUR 0.29 per share, i.e. a total of TEUR 2,552, from the retained earnings of Nabaltec AG determined in accordance with the principles of German commercial law.

Profit/loss carried forward

The profit/loss carried forward results from the accumulated consolidated net income less the dividends distributed by the parent company.

We refer to the consolidated statement of changes in equity regarding changes in earnings carryforwards.

Other changes in equity with no effect on profit and loss

Differences arising from currency translation, actuarial gains and losses from pension reserves and corresponding deferred taxes are recognized separately in shareholders' equity under this item designation. As of 31 December 2025, these changes in shareholders' equity with no effect on profit and loss amounted to a cumulative total of TEUR -5,673 (previous year: TEUR -3,624).

6.9 Current and non-current provisions

Other provisions

The development of other provisions is shown in the tables below:

FINANCIAL YEAR 2025

in TEUR	01/01/2025	Addition	Utilization	Reversal	12/31/2025
Provisions for personnel expenses	1,400	128	86	0	1,442
Other provisions	205	197	204	0	198
Total	1,605	325	290	0	1,640

FINANCIAL YEAR 2024

in TEUR	01/01/2024	Addition	Utilization	Reversal	12/31/2024
Provisions for personnel expenses	1,268	255	123	0	1,400
Provisions for environmental conservation and disposal	358	0	139	219	0
Other provisions	200	204	199	0	205
Total	1,826	459	461	219	1,605

Provisions for personnel expenses, in the amount of TEUR 1,442 (previous year: TEUR 1,400), consist of anniversary pay obligations. These obligations were measured using the projected unit credit method, in which anniversary pay obligations are funded by single premiums for the annual growth in vested rights, with due regard for trend assumptions. As a biometric foundation for the calculation, the 2018 G Heubeck benchmark tables were used. The following further assumptions form the basis of the measurement: Interest rate p.a. 3.85% (previous year: 3.50%), salary trend p.a. 2.75% (previous year: 2.75%), pension trend p.a. 2.00% (previous year: 2.00%), fluctuation p.a. 1.00% (previous year: 1.00%).

Pension reserves

The Group has established defined benefit pension plans. As a result, a portion of the Group's employees is provided for in the period after retirement. These are final salary pension plans for Management Board members and employees based on the pension rules. The pension plans are in effect for employees who joined the company prior to 1 May 1995 and who are employed for an unlimited term as of that date. As a result, there can be no additions to the group of pension beneficiaries. Pension liability insurance premiums are paid for a portion of the plans. Due to the plan design, the employer is exposed to actuarial risks. The most significant of these are interest rate risk and longevity risk. The age of the persons covered by the pension plans is between 60 and 65 years. Pension obligations are calculated based on a retirement age of 63 (pension rules) and 65 (Management Board members).

The tables below show the composition of the pension expenses recognized in the consolidated statement of comprehensive income as well as amounts recognized in the consolidated balance sheet for the individual pension plans:

PENSION EXPENSES		
in TEUR	2025	2024
Current service cost	475	447
Net interest expense	1,079	1,123
Pension expenses	1,554	1,570
Actual income from plan assets	60	60

The net interest expense is comprised of the interest expense, in the amount of TEUR 1,149 (previous year: TEUR 1,204), less expected income from plan assets in the amount of TEUR 70 (previous year: TEUR 81). The interest share of the funds transferred to pension reserves and income from plan assets is recognized in net interest income. Actuarial gains and losses are recognized in other comprehensive income and have developed as follows:

DEVELOPMENT OF ACTUARIAL GAINS AND LOSSES	
in TEUR	
Actuarial losses as of 1 January 2024	-4,718
Profits/losses from changes in biometric and financial assumptions	-2,599
Experience losses	-349
Losses from plan assets	-21
Actuarial losses as of 31 December 2024	-7,687
Profits/losses from changes in biometric and financial assumptions	2,177
Experience losses	-637
Losses from plan assets	-10
Actuarial losses as of 31 December 2025	-6,157

Changes in the present value of defined benefit obligations are as follows:

DEFINED BENEFIT OBLIGATIONS	
in TEUR	
Defined benefit obligations as of 1 January 2024	29,901
Interest expense	1,204
Current service cost	446
Benefits paid	-1,095
Actuarial gains/losses	2,948
Defined benefit obligations as of 31 December 2024	33,404
Interest expense	1,149
Current service cost	475
Benefits paid	-1,180
Actuarial gains/losses	-1,540
Defined benefit obligations as of 31 December 2025	32,308

Of the TEUR 32,308 in defined benefit obligations as of 31 December 2025 (previous year: TEUR 33,404), a sum in the amount of TEUR 10,250 (previous year: TEUR 10,498) is covered by pension liability insurance with a premium reserve of TEUR 2,048 (previous year: TEUR 2,015).

Pension payments in the amount of approximately TEUR 1,230 are expected in Financial Year 2026 and of TEUR 1,254 in Financial Year 2027.

Changes in the fair value of plan assets are as follows:

FAIR VALUE OF PLAN ASSETS	
in TEUR	
Fair value of plan assets as of 1 January 2024	1,981
Employer contributions	36
Benefits paid	-61
Expected return	81
Actuarial gains/losses	-22
Fair value of plan assets as of 31 December 2024	2,015
Employer contributions	36
Benefits paid	-61
Expected return	70
Actuarial gains/losses	-10
Fair value of plan assets as of 31 December 2025	2,048

Plan assets consist of the asset value of a pension liability insurance policy, which is to be treated as part of plan assets pursuant to IAS 19.8 (b). The Group expects contributions to plan assets to total TEUR 36 in Financial Year 2026.

The recognized value of pension reserves can be reconciled as follows with the present value of the defined benefit liability:

in TEUR	12/31/2025	12/31/2024	12/31/2023	12/31/2022	12/31/2021
Present value of defined benefit	32,308	33,404	29,901	29,931	45,181
Liability	2,048	2,015	1,981	1,947	1,912
Attributable fair value of assets	30,260	31,389	27,920	27,985	43,269

The basic assumptions for determining post-employment pension obligations are presented below:

in %	2025	2024
Discount rate	4.00	3.50
Salary trend	2.75	2.75
Pension trend	2.00	2.00
Fluctuation	1.00	1.00

Post-employment mortality among 65-year-old retirees in accordance with Heubeck's 2018 G benchmark tables

If the actuarial assumptions change, this will have the following effects on the pension obligation:

PENSION OBLIGATION		
in TEUR	+25 BP	-25 BP
Discount rate	31,266	33,372
Salary trend	33,103	32,766
Pension trend	33,858	32,047

The above sensitivity analysis is based on the change in one assumption, while all other changes are held constant. In reality, however, it is not unlikely that changes in some assumptions can correlate with each other.

The methods and types of assumptions used to prepare the sensitivity analysis have not changed compared to the previous period.

6.10 Current and non-current accounts payable

BOOK VALUES

in TEUR		Book value	thereof term ≤ 1 year	thereof term: > 1–5 years	thereof term > 5 years
Accounts payable to banks	12/31/2025	90,780	800	89,980	—
	12/31/2024	90,856	883	89,973	—
Trade payables	12/31/2025	14,160	14,160	—	—
	12/31/2024	12,323	12,323	—	—
Accounts payable from income tax	12/31/2025	77	77	—	—
	12/31/2024	1,407	1,407	—	—
Other accounts payable	12/31/2025	3,671	3,671	—	—
	12/31/2024	4,337	4,337	—	—
Total	12/31/2025	108,688	18,708	89,980	—
	12/31/2024	108,923	18,950	89,973	—

Accounts payable to banks

Nabaltec AG has successfully issued a bonded loan with a volume of TEUR 90,000 and a value date of April 2022. The proceeds from the issue served to refinance existing bonded loans in the amount of TEUR 39,000 and a bilateral bank loan in the amount of TEUR 20,000, due in April 2022. The funds are also being used to finance further growth projects, in particular to expand capacity in the boehmites product range and for viscosity optimized hydrates, which are primarily used as composite materials in electromobility. The volume is divided into fixed and variable tranches with maturities of five and seven years. The bonded loan was placed without broad marketing as part of a private placement with the participation of five investors.

Nabaltec AG's bonded loan agreement is subject to covenants tied to Group "leverage coverage ratios" (net debt/EBITDA). If the covenants are not observed, the lender has the option to increase the interest margin or may exercise its right of extraordinary termination. None of the covenants in effect as of 31 December 2025 were breached in the 2025 reporting year. No breaches of covenants are expected for 2026 either.

Trade payables

Trade payables have a maximum residual term of 90 days.

Due to this short-term nature, the book values of trade payables approximate their fair value.

Accounts payable from income taxes

This includes outstanding tax payments in Germany and subsidiaries resulting from local income taxes for the financial year just closed.

Other accounts payable

Other accounts payable relate to the financial and non-financial obligations listed below:

OTHER ACCOUNTS PAYABLE

in TEUR	12/31/2025	12/31/2024
Financial statements and audit	233	229
Other	77	82
Professional association	3	8
Other current financial accounts payable	313	319
in TEUR	12/31/2025	12/31/2024
Bonuses and other performance-related compensation	1,454	2,326
Outstanding vacation claim	1,306	1,098
Liabilities to the revenue service	354	333
Other consumption taxes	185	207
Liabilities for social security expenses	56	46
Compensation of inventors	3	7
Demographic amount II	0	1
Other current non-financial accounts payable	3,358	4,018
Other current accounts payable (total)	3,671	4,337

Amounts owed for bonuses and other performance-related remuneration arise depending on the achievement of goals. Amounts owed from outstanding vacation claims were formed on an employee-related basis.

Amounts owed to the revenue authorities mainly result from wage and church tax for the past financial year that had not yet been paid as of the reporting date.

Due to their short-term nature, the book values of other current accounts payable approximated their fair value.

7. Other disclosures

7.1 Other financial liabilities

The Group has financial liabilities from leases entered into and service relationships. As of 31 December 2025, there were no leases for technical equipment and machinery as part of sale and leaseback transactions. The remaining terms of all contracts are essentially between 1 and 10 years.

In the current financial year, TEUR 1,030 (previous year: TEUR 1,095) from leases that are not recognized in the consolidated financial statements due to the election rights under IFRS 16.5 and for reasons of materiality are recognized as an expense.

The total future lease payments break down by due date as follows:

in TEUR	12/31/2025	12/31/2024
Lease payments within 1 year	1,483	1,172
Lease payments between 1 and 5 years	4,083	5,050
Lease payments over 5 years	216	1,650
Total	5,782	7,872

The total of future lease payments includes future payment obligations amounting to TEUR 5,094 (previous year: TEUR 6,780) for leases that have already been entered into but have not yet commenced.

The total future service payments break down by due date as follows:

in TEUR	12/31/2025	12/31/2024
Payments from service contracts within 1 year	1,065	739
Payments from service contracts with terms of 1 to 5 years	2,838	2,870
Payments from service contracts within more than 5 years	3,470	3,817
Total	7,373	7,426

As of 31 December 2025, purchase commitments amounted to TEUR 18,738 (previous year: TEUR 21,008) from investment orders.

7.2 Disclosures on financial instruments

Book values, measurement, fair values by measurement category

The following table shows the book values and fair values of all financial instruments recognized in the consolidated financial statements:

in TEUR	Measure- ment category pursuant to IFRS 9	Book value		Fair value	
		2025	2024	2025	2024
Financial assets					
Trade receivables	AC	3,254	633	3,254	633
Other assets and accounts receivable					
Other non-derivative receivables and financial assets	AC	19,127	19,472	19,127	19,472
Cash and cash equivalents	AC	72,312	86,527	72,312	86,527
Financial liabilities					
Financial liabilities at amortized cost					
Accounts payable to banks	AC	90,780	90,856	90,780	90,856
Trade payables	AC	14,160	12,323	14,160	12,323
Other financial liabilities					
Other non-derivative financial liabilities	AC	313	319	313	319

The following abbreviations were used for the measurement categories pursuant to IFRS 9:

ABBREVIATIONS

AC	Amortized cost	Financial instruments to be measured at amortized cost
FVOCI (debt)	Fair value through other comprehensive income – debt instrument	Debt instruments to be measured at fair value through other comprehensive income (recycling)
FVOCI (equity)	Fair value through other comprehensive income – equity instrument	Equity instruments to be measured at fair value through other comprehensive income (non-recycling)
FVTPL	Fair value through profit and loss	Financial instruments to be measured at fair value through profit or loss

The fair value of the loans and other financial assets corresponds approximately to the book value.

Cash and cash equivalents, trade receivables and other receivables have remaining terms of less than one year. Their book values as of the reporting date therefore correspond approximately to the fair value.

Net result by measurement categories

The income and expense items from financial instruments are presented below in accordance with the IFRS 9 measurement categories:

MEASUREMENT CATEGORY PURSUANT TO IFRS 9

in TEUR		from interest	from subsequent measurement			Net result 2025
			at fair value	Currency conversion	Allowance	
Amortized cost	AC	1,785	—	-1,418	99	466
Fair value through other comprehensive income – debt instrument	FVOCI (debt)	—	—	—	—	—
Fair value through other comprehensive income – equity instrument	FVOCI (equity)	—	—	—	—	—
Fair value through profit and loss	FVTPL	—	—	—	—	—
Other liabilities	AC	-2,651	—	526	—	-2,125
Total 2025		-866	—	-892	99	-1,659

MEASUREMENT CATEGORY PURSUANT TO IFRS 9

in TEUR		from interest	from subsequent measurement			Net result 2024
			at fair value	Currency conversion	Allowance	
Amortized cost	AC	2,511	—	604	-76	3,039
Fair value through other comprehensive income – debt instrument	FVOCI (debt)	—	—	—	—	—
Fair value through other comprehensive income – equity instrument	FVOCI (equity)	—	—	—	—	—
Fair value through profit and loss	FVTPL	—	—	—	—	—
Other liabilities	AC	-3,442	—	-211	—	-3,653
Total 2024		-931	—	393	-76	-614

Interest income and expenses from financial instruments are reported in the consolidated statement of comprehensive income under "interest and similar income" or "interest and similar expenses." Interest income from financial assets in the "amortized cost" measurement category mainly relates to interest income from current account balances and short- and long-term deposits. Interest expenses from financial liabilities in the "other liabilities" measurement category mainly relate to interest expenses from liabilities to banks.

The total interest expenses calculated using the effective interest method for the bonded loan agreements amounted to TEUR 2,267 (previous year: TEUR 2,884).

The result from the currency translation of financial assets in the "amortized cost" measurement category and liabilities in the "other liabilities" measurement category results from trade receivables and payables and liabilities to banks insofar as they are denominated in foreign currency. It is recognized under "other operating income" or "other operating expenses."

The result from allowances mainly relates to additions to and reversals of individual allowances on trade receivables. These amounts are recognized under "other operating income" or "other operating expenses."

Default risk

Default risks arise primarily from trade receivables. Factoring transactions are used in order to minimize default risks. Under these contractual arrangements, the risk that the debtor will be unable to pay is transferred to the counterparty. As a result, the relevant amounts are derecognized in their entirety and are no longer recognized as trade receivables. The exceptions are trade receivables which are not accepted by the factor, e.g. because a credit limit has been exceeded.

The amounts recognized in the balance sheet have been adjusted by the allowance for unrecoverable claims, which was estimated by management using the expected loss model. Individual allowances are made whenever an indication exists that accounts receivable are uncollectible. These indications are based on intensive contacts within the framework of receivables management.

The default risk in the event of counterparty default in connection with the Group's financial assets, such as trade receivables, cash and cash equivalents and other assets, is no higher than the book value of the relevant instruments.

There is no major concentration of default risks within the Group, as these risks are spread out over a large number of counterparties and customers. Trade receivables are also insured through credit default insurance. As in the previous year, there were no restrictions on ownership or disposal.

The table below shows the change in allowances on trade receivables:

in TEUR	2025	2024
1 January	215	139
Transfers	0	76
Reversal	99	0
As of 31 December	116	215

The age structure of trade receivables is as follows:

in TEUR	Book value	Neither over-due nor impaired	Overdue but not impaired			
			< 3 months	3 – 6 months	> 6 – 12 months	> 12 months
12/31/2025	3,254	3,254	0	0	0	0
12/31/2024	633	633	0	0	0	0

As far as trade receivables are concerned which are neither in default nor written down, there was no indication as of the reporting date that the debtors will be unable to meet their payment obligations.

No trade receivables were overdue or impaired due to modified conditions.

Time deposits in the amount of TEUR 15,000 (previous year: TEUR 15,000) also show no signs that the banks concerned will be unable to meet their payment obligations.

No other financial assets were impaired. No impairments were expected in this regard as of the reporting date.

Liquidity risk

The Group monitors the risk of liquidity shortages on an ongoing basis. Among other things, the maturities of financial assets and liabilities and expected cash flows from operating activities are taken into account. The Group's goal is to use bank overdrafts and loans to continually meet liquidity requirements while at the same time ensuring utmost flexibility. As of 31 December 2025, the Group had existing unutilized credit facilities in the amount of TEUR 2,000 (previous year: TEUR 2,000).

The table below shows the contractually stipulated (undiscounted) cash flows in connection with financial liabilities. It includes all financial liabilities held as of the reporting date for which payments had been contractually stipulated. Estimates of future new obligations were not included. Amounts denominated in foreign currencies were translated using the exchange rate as of the reporting date. Variable interest payments on financial instruments were determined based on the fixed interest rates in effect most recently prior to the reporting date. Financial liabilities which are payable at any time are assigned to the earliest maturity category.

CASH FLOWS (UNDISCOUNTED)

in TEUR		Total	thereof term ≤ 1 year	thereof term: > 1 – 5 years	thereof term: > 5 years
Accounts payable to banks	12/31/2025	96,497	2,910	93,587	—
	12/31/2024	100,493	3,416	97,077	—
Trade payables	12/31/2025	14,160	14,160	—	—
	12/31/2024	12,323	12,323	—	—
Other financial liabilities	12/31/2025	313	313	—	—
	12/31/2024	319	319	—	—
Total (financial liabilities)	12/31/2025	110,970	17,383	93,587	0
	12/31/2024	113,135	16,058	97,077	0

Foreign exchange risk

The Group's foreign exchange risks result from its operations. While the individual Group companies operate predominantly with their respective functional currencies, they are exposed to foreign exchange risks in connection with expected payments outside of their functional currency.

Foreign exchange risks are presented using sensitivity analyses pursuant to IFRS 7. These show the effects on pre-tax earnings (due to changes in the measurement of financial assets and liabilities with effect on profit and loss) and possibly shareholders' equity of the euro going up or down in value relative to all other foreign currencies. These analyses focus on financial instruments which are denominated in a currency other than the local functional currency, and which are monetary in nature. Accordingly, differences arising from the translation of foreign statements into the Group currency, euros, due to changes in exchange rates are not recognized, in accordance with the requirements of IFRS 7.

	Rate change in %	Impact on earnings before tax in TEUR	Effects on shareholders' equity* in TEUR
2025			
USD	+10	596	0
USD	-10	-596	0
2024			
USD	+10	463	0
USD	-10	-463	0

* not including the impact on pre-tax earnings

Interest rate risks

The Group's exposure to the risk of fluctuations in market interest rates results primarily from financial accounts payable to banks carrying variable interest rates. The Group's interest expenses are managed through a combination of fixed-interest and variable-interest debt.

Interest rate risks are presented using sensitivity analyses pursuant to the requirements of IFRS 7. These show the effects of hypothetical changes in market interest rates on current interest payments, income and expenses as follows in the context of pre-tax earnings and possibly shareholders' equity:

	Increase/ decrease in basis points	Impact on earnings before tax in TEUR	Effects on sharehold- ers' equity* in TEUR
2025			
Europe	+100	577	0
USA	+100	0	0
Europe	-100	-577	0
USA	-100	0	0
2024			
Europe	+100	578	0
USA	+100	0	0
Europe	-100	-578	0
USA	-100	0	0

* not including the impact on pre-tax earnings

7.3 Additional disclosures concerning capital management

Nabaltec AG employs a solid capital management scheme in order to enable the Group to implement the planned course of growth and to ensure its ability to meet its payment obligations. A particular goal is to maintain an enduring balance between equity and debt.

Nabaltec AG's shareholders' equity and debt items recognized in connection with capital management as of 31 December 2025 and 2024 are shown below:

	12/31/2025 in TEUR	12/31/2024 in TEUR	Change in %
Shareholders' equity	158,284	153,210	3.31
as % of total capital	63.55	62.77	1.21
Non-current financial debt	89,980	89,973	0.01
Current financial debt	800	883	-9.40
Debt*	90,780	90,856	-0.09
as % of total capital	36.45	37.23	-2.10
Total capital for capital management purposes	249,064	244,066	2.05

* The company defines debt as accounts payable to banks.

Equity decreased by TEUR 5,074 last year, to TEUR 158,284, largely due to the net income in the amount of TEUR 9,675 (previous year: TEUR 14,621).

Debt decreased by TEUR 76 last year, to TEUR 90,780, largely due to changes in current account liabilities.

Together, these effects resulted in an increase in the equity ratio (shareholders' equity as a percentage of total capital) to 63.55 % in 2025, up from 62.77 % in the previous year. The ratio of debt to capital for capital management purposes decreased from 37.23% on 31 December 2024 to 36.45% on 31 December 2025.

In the future, the Group will endeavor to steadily optimize its financial management, together with continuous monitoring and management of its equity ratio.

The object of this financial management is to finance all necessary investments, to demonstrate a high degree of solvency of Nabaltec AG relative to its business partners and to optimize capital costs.

Nabaltec AG is not subject to any capital adequacy requirements in accordance with its Articles of Association or supervisory law. For covenants arising from loan contracts, reference is made to Section 6.10, "Current and non-current liabilities."

7.4 Transactions with related parties

Persons and companies are considered to be related parties in terms of IAS 24, "Related party disclosures," if one of the parties has the ability, directly or indirectly, to control or exercise a significant influence over the other party, or if one of the parties is engaged in joint management of the company.

The following persons have been identified as related parties or companies:

- ◆ members of the Management Board (see Section 7.8, "Corporate officers") and their family members;
- ◆ members of the Supervisory Board (see Section 7.8, "Corporate officers") and their family members;
- ◆ companies which are directly or indirectly controlled by members of the Management Board or Supervisory Board or their family members.

The members of the Management Board received short-term remuneration in the total amount of TEUR 2,035 in Financial Year 2025 (previous year: TEUR 2,475). Moreover, no addition was made to provisions for anniversary bonuses (previous year: TEUR 0). In addition, a total of TEUR 646 was spent on post-employment benefits (previous year: TEUR 591).

The members of the Supervisory Board received a total of TEUR 84 in remuneration in Financial Year 2025 (previous year: TEUR 84).

The following accounts receivable and payable existed as of 31 December 2025 and 2024 vis-a-vis related parties and companies:

in TEUR	Accounts receivable		Accounts payable	
	12/31/2025	12/31/2024	12/31/2025	12/31/2024
Companies controlled by Supervisory Board members	0	0	0	0
Companies controlled by Management Board members	4	4	82	130

In addition to Management and Supervisory Board compensation, the following transactions with related parties were recognized in Financial Years 2025 and 2024:

in TEUR	Deliveries and services performed and other income		Deliveries and services received and other expenses	
	2025	2024	2025	2024
Companies controlled by Supervisory Board members	0	0	0	0
Companies controlled by Management Board members	34	35	528	1,106

Transactions with companies controlled by Management Board members include human resources services and other services (income in the amount of TEUR 34, previous year: TEUR 35) and investment planning (expenses in the amount of TEUR 528, previous year: TEUR 1,106).

7.5 Earnings per share

The number of outstanding shares changed as follows over the Financial Year:

NUMBER OF SHARES		
	2025	2024
Outstanding common shares as of 1 January	8,800,000	8,800,000
No transactions took place in these years	0	0
Outstanding common shares as of 31 December	8,800,000	8,800,000
Average undiluted number of outstanding common shares	8,800,000	8,800,000

To calculate undiluted earnings per share, the earnings attributable to holders of common shares in the company are divided by the weighted average number of common shares in circulation during the year.

In accordance with IAS 33, "Earnings per share," the calculation of diluted earnings per share must also take into account the effects of potential common shares. There are currently no such dilutive effects. Accordingly, the undiluted earnings per share is equal to the diluted earnings per share for Financial Years 2025 and 2024.

Earnings per share are therefore as follows:

EARNINGS PER SHARE		
	2025	2024
Consolidated after-tax earnings in TEUR	9,675	14,261
Average undiluted number of outstanding common shares	8,800,000	8,800,000
Earnings per share in EUR	1.10	1.62

We also refer to the statements in Section 6.8, "Shareholders' equity."

7.6 Disclosures concerning the consolidated cash flow statement

The consolidated cash flow statement shows the origin and use of cash flows. A distinction is made between cash flow from operating activity and cash flow from investment and financing activity in accordance with IAS 7, "Statement of Cash Flows."

The item presented in Section 6.7, "Cash and cash equivalents" on the balance sheet is included in the funds presented in the consolidated cash flow statement.

Interest paid and received and taxes on income are directly evident from the consolidated cash flow statement.

The changes in liabilities to banks attributable to financing activities on the balance sheet result from changes in current account liabilities amounting to TEUR 83 and from non-cash accrued interest on original transaction costs amounting to TEUR 7.

7.7 Segment reporting

The operating segments conform to the Group's business segments. The Group's risks and internal organizational and reporting structures are largely determined by the products which are manufactured in the various segments.

Business segments

Nabaltec is divided into two product segments, "Functional Fillers" and "Specialty Aluminas." Each segment represents a strategic business unit with distinct products and markets.

The "Functional Fillers" product segment primarily manufactures and distributes non-halogenated flame retardant fillers for the plastics and cable industry, as well as additives.

In the "Specialty Aluminas" product segment, ceramic materials and ceramic bodies are manufactured and distributed for a wide range of applications in technical ceramics and in the refractory industry.

The "Others" column consists of assets and liabilities that are not attributable to any individual segment. This is comprised primarily of liquid assets and other assets (segment assets) as well as accounts payable to banks, pension/anniversary reserves and deferred taxes on the liabilities side (segment liabilities).

Transfer prices between the business segments are generally determined based on typical market conditions in accordance with the arm's length principle. Segment revenues, expenses and earnings include transfers between business units which are eliminated over the course of consolidation. No transactions between the business segments took place in the 2025 and 2024 Financial Years.

FINANCIAL YEAR ENDING ON 12/31/2025

in TEUR	Functional Fillers	Specialty Aluminas	Other	Nabaltec Group
Revenues				
Revenues from non-Group customers	144,066	52,982	—	197,048
Segment earnings				
EBITDA	23,686	3,091	—	26,777
EBIT	15,008	169	—	15,177
Assets and liabilities				
Segment assets	167,040	46,357	87,312	300,709
Segment liabilities	14,294	3,812	124,319	142,425
Other segment data				
Investments				
– Property, plant and equipment	20,964	3,676	—	24,640
– Intangible assets	157	68	—	225
Depreciation, amortization and other write-offs				
– Property, plant and equipment	8,602	2,879	—	11,481
– Intangible assets	76	43	—	119

FINANCIAL YEAR ENDING ON 12/31/2024

in TEUR	Functional Fillers	Specialty Aluminas	Other	Nabaltec Group
Revenues				
Revenues from non-Group customers	148,028	55,574	—	203,602
Segment earnings				
EBITDA	30,625	3,552	—	34,177
EBIT	21,506	752	—	22,258
Assets and liabilities				
Segment assets	151,757	44,974	101,527	298,258
Segment liabilities	14,466	3,806	126,776	145,048
Other segment data				
Investments				
– Property, plant and equipment	25,327	6,119	—	31,446
– Intangible assets	491	210	—	701
Depreciation, amortization and other write-offs				
– Property, plant and equipment	9,058	2,762	—	11,820
– Intangible assets	61	38	—	99

Regional data

Regions are broken down into Germany, rest of Europe, USA and rest of world.

FINANCIAL YEAR ENDING ON 12/31/2025

in TEUR	Germany	Rest of Europe	USA	Rest of world	Total
Revenues					
Revenues from non-Group customers	45,994	106,346	27,051	17,657	197,048
Other segment data					
Segment assets	262,593	—	34,654	3,462	300,709
Investments					
– Property, plant and equipment	20,955	—	3,685	—	24,640
– Intangible assets	225	—	—	—	225

FINANCIAL YEAR ENDING ON 12/31/2024

in TEUR	Germany	Rest of Europe	USA	Rest of world	Total
Revenues					
Revenues from non-Group customers	47,616	106,759	27,763	21,464	203,602
Other segment data					
Segment assets	256,063	—	38,835	3,360	298,258
Investments					
– Property, plant and equipment	30,615	—	831	—	31,446
– Intangible assets	701	—	—	—	701

More than 10% of total revenues in Financial Year 2025 were earned from a single customer. This customer's revenue amounted to TEUR 22,930 in 2025 and is included in the "Functional Fillers" product segment. More than 10% of total revenues in Financial Year 2024 were likewise earned from a single customer. This customer's revenue amounted to TEUR 20,865 in 2024 and is included in the "Functional Fillers" product segment.

The Group's non-current assets are located in Germany and the US. Non-current assets are defined as assets which are used in business operations and which are intended to remain in the company for more than 12 months. The allocation to the various regions is determined by the location of the respective assets.

7.8 Corporate officers

Management Board

- ◆ Mr. Johannes Heckmann (Chief Executive Officer)
- ◆ Mr. Günther Spitzer (Chief Financial Officer)
- ◆ Dr. Alexander Risch (Chief Operating Officer)

Supervisory Board

- ◆ Mr. Gerhard Witzany (Chairman)
- ◆ Dr. Dieter J. Braun (Vice Chairman)
- ◆ Mr. Dirk A. Müller (Member)

7.9 Major events after the balance sheet date

There were no such reportable events after the balance sheet date.

7.10 Auditor's fees

The total fee to be billed by the auditor for the financial year amounted to TEUR 187 (previous year: TEUR 211). The auditor's fee for auditing services (including the 2025 consolidated financial statements) amounts to TEUR 140 (previous year: TEUR 138). For other confirmation services, the auditor received a fee of TEUR 16 (previous year: TEUR 18) and for tax consultancy a fee of TEUR 31 (previous year: TEUR 55). As in the previous year, no other services were rendered.

Schwandorf, 27 March 2026

Nabaltec AG
The Management Board



JOHANNES HECKMANN



GÜNTHER SPITZER



DR. ALEXANDER RISCH

INDEPENDENT AUDITOR'S REPORT

To Nabaltec AG, Schwandorf

Audit opinions

We have audited the consolidated financial statements of Nabaltec AG, Schwandorf, and its subsidiaries (the Group) which comprise the consolidated balance sheet as at 31 December 2025, the consolidated statement of profit and loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the financial year from 1 January to 31 December 2025, and the notes to the consolidated financial statements, including material accounting policy information. In addition, we have audited the Group management report of Nabaltec AG, Schwandorf, for the financial year from 1 January to 31 December 2025. We have not audited the content of the sustainability report to which reference is made in sections 2.4.2 and 3.2 of the Group management report.

In our opinion, on the basis of the knowledge obtained in the audit,

- ◆ the accompanying consolidated financial statements comply, in all material respects, with the IFRS® Accounting Standards issued by the International Accounting Standards Board (IASB) (hereinafter "IFRS Accounting Standards") as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB and, in compliance with these requirements, give a true and fair view of the assets, liabilities and financial position of the Group as at 31 December 2025 and of its financial performance for the financial year from 1 January to 31 December 2025, and
- ◆ the accompanying Group management report as a whole provides an appropriate view of the Group's position. In all material respects, this Group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the Group management report does not cover the content of the sustainability report referred to above.

Pursuant to Section 322 (3) sentence 1 German Commercial Code (HGB), we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the Group management report.

Basis for the audit opinions

We conducted our audit of the consolidated financial statements and of the Group management report in accordance with Section 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" section of our auditor's report. We are independent of the Group entities in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the Group management report.

Other information

The executive directors or the Supervisory Board are responsible for the other information. The other information comprises

- ◆ the sustainability report, to which reference is made in the Group management report,
- ◆ the report of the Supervisory Board which is expected to be presented to us after the date of this auditor's report,
- ◆ all other parts of the annual report which is expected to be presented to us after the date of this auditor's report,
- ◆ but not the consolidated financial statements, not the audited content of the Group management report and not our auditor's report thereon.

The Supervisory Board is responsible for the report of the Supervisory Board. Otherwise the executive directors are responsible for the other information.

Our audit opinions on the consolidated financial statements and on the Group management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information identified above and, in doing so, to consider whether the other information

- ◆ is materially inconsistent with the consolidated financial statements, with the audited content of the disclosures in the Group management report or our knowledge obtained in the audit, or
- ◆ otherwise appears to be materially misstated.

Responsibilities of the executive directors and the Supervisory Board for the consolidated financial statements and the Group management report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB, and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the Group management report that as a whole provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a Group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the Group management report.

The Supervisory Board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the Group management report.

Auditor's responsibilities for the audit of the consolidated financial statements and of the Group management report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the Group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the Group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this Group management report.

We exercise professional judgment and maintain professional scepticism throughout the audit. We also

- ◆ identify and assess the risks of material misstatement of the consolidated financial statements and of the Group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- ◆ obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures relevant to the audit of the Group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of internal control or these arrangements and measures of the Group.
- ◆ evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- ◆ conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the Group management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- ◆ evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRS Accounting Standards as adopted by the EU and with the additional requirements of German commercial law pursuant to Section 315e (1) HGB.
- ◆ plan and perform the audit of the consolidated financial statements in order to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group, which serves as a basis for forming audit opinions on the consolidated financial statements and on the Group management report. We are responsible for the direction, supervision and review of the audit procedures performed for the purposes of the Group audit. We remain solely responsible for our audit opinions.

- ◆ evaluate the consistency of the Group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.
- ◆ perform audit procedures on the prospective information presented by the executive directors in the Group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Nuremberg, 27 March 2026

Deloitte GmbH

Wirtschaftsprüfungsgesellschaft

Signed: Alexander Hofmann
(German Public Auditor)

Signed: Julian Semmler
(German Public Auditor)

ANNUAL FINANCIAL STATEMENTS NABALTEC AG 2025 (GERMAN COMMERCIAL CODE, SHORT VERSION)

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BALANCE SHEET

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INCOME STATEMENT

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APPROPRIATION OF DISTRIBUTABLE PROFIT



BALANCE SHEET

for 31 December 2025

ASSETS

in TEUR	12/31/2025	12/31/2024
A. Non-current assets		
I. Intangible assets		
1. Concessions acquired against payment, industrial property rights and similar rights and assets as well as licenses for such rights and assets	1,395	154
2. Advance payments	145	1,275
	1,540	1,429
II. Property, plant and equipment		
1. Land, leasehold rights and buildings, including buildings on non-freehold land	28,412	22,071
2. Technical equipment, plant and machinery	53,185	32,566
3. Other fixtures, fittings and equipment	4,733	4,386
4. Advance payments as well as plant and machinery under construction	25,460	40,228
	111,790	99,251
III. Financial assets		
1. Shares in affiliated companies	3,607	3,607
2. Loans to affiliated companies	27,030	30,223
	30,637	33,830
	143,967	134,510
B. Current assets		
I. Inventories		
1. Raw materials and supplies	25,789	21,448
2. Finished goods and merchandise	12,673	13,404
	38,462	34,852
II. Accounts receivable and other assets		
1. Trade receivables	2,880	493
2. Liabilities due to affiliated companies	2,005	1,957
3. Other assets	20,838	20,263
	25,723	22,713
III. Cash on hand and in banks	66,656	77,743
	130,841	135,308
C. Prepaid expenses	569	415
TOTAL ASSETS	275,377	270,233

LIABILITIES

in TEUR	12/31/2025	12/31/2024
A. Shareholders' equity		
I. Subscribed capital (conditional capital: TEUR 4,400; PY: TEUR 4,400)	8,800	8,800
II. Capital reserve	48,424	48,424
III. Accumulated profits	69,123	62,599
	126,347	119,823
C. Provisions		
1. Retirement benefit obligation and similar provisions	40,194	40,114
2. Accrued taxes	0	1,382
3. Other provisions and accrued liabilities	8,967	8,202
	49,161	49,698
D. Accounts payable		
1. Payables to banks	90,800	90,883
2. Trade payables	8,006	8,799
3. Payables to affiliated companies	576	570
4. Other payables	487	460
- thereof relating to taxes: TEUR 354 (PY: TEUR 333)		
- thereof relating to social security: TEUR 56 (PY: TEUR 45)		
	99,869	100,712
TOTAL LIABILITIES	275,377	270,233

INCOME STATEMENT

for the Financial Year 1 January to 31 December 2025

in TEUR	01/01/-12/31/2025	01/01/-12/31/2024
1. Revenue	197,991	204,308
2. Increase or decrease in finished goods	-862	1,831
3. Own work capitalized	1,443	1,321
Total performance	198,572	207,460
4. Other operating income - thereof from currency translation: TEUR 1,224 (PY: TEUR 1,270)	3,299	3,318
	201,871	210,778
5. Cost of materials:		
a) Cost of raw materials, supplies and purchased goods	-106,201	-113,265
b) Cost of purchased services	-1,000	-1,174
Gross profit	94,670	96,339
6. Personnel expenses:		
a) Wages and salaries	-32,091	-31,438
b) Social security contributions and cost of pension and other benefit - thereof for pensions: TEUR 1,359 (PY: TEUR 897)	-7,563	-6,519
7. Amortization/depreciation of intangible assets and property, plant and equipment	-8,512	-8,802
8. Other operating expenses - thereof from currency translation: TEUR 2,130 (PY: TEUR 870)	-32,000	-30,102
	-80,166	-76,861
	14,504	19,478
9. Income from investments - thereof from affiliated companies: TEUR 1,080 (PY: TEUR 1,778)	1,080	1,778
10. Other interest and similar income	1,785	2,506
11. Depreciation on financial assets and current securities - thereof from affiliated companies: TEUR 1,008 (PY: TEUR 58)	-1,008	-58
12. Interest and similar expenses - thereof from discounts: TEUR 728 (PY: TEUR 685)	-3,383	-4,128
	-1,526	98
Net before tax result	12,978	19,576
13. Income taxes	-3,763	-5,600
14. Net after-tax result	9,215	13,976
15. Other taxes	-139	-79
16. Net result for the year	9,076	13,897
17. Profit carried forward	60,047	48,702
18. Accumulated profit	69,123	62,599

APPROPRIATION OF DISTRIBUTABLE PROFIT

The Management Board proposes that the distributable profit of the Financial Year 2025, amounting to EUR 69,123,080.77, will be used as follows:

An amount of EUR 2,552,000.00 will be distributed to the shareholders by payment of a dividend of EUR 0.29 per share on the 8,800,000 non-par-value shares entitled to dividend payments for the Financial Year 2025. The remainder in the amount of EUR 66,571,080.77 will be carried forward.

Schwandorf, April 2026

The Management Board



JOHANNES HECKMANN



GÜNTHER SPITZER



DR. ALEXANDER RISCH

FINANCIAL CALENDAR 2026

German Spring Conference 2026	12 May
Publication Quarterly Financial Report (call-date Q1)	21 May
Earnings Call: Q1 2026 Highlights	21 May
Annual General Meeting	24 June
Publication Half-yearly Financial Statements	20 August
Earnings Call: Q2 2026 Highlights	20 August
Publication Quarterly Financial Report (call-date Q3)	19 November
Earnings Call: Q3 2026 Highlights	19 November

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Statements relating to the future

This annual report contains statements relating to the future which are based on the Management Board's current estimations and prognosis as well as on information currently available. These statements relating to the future are not to be understood as guarantees of the predicted future developments and results.

The future developments and results are rather dependent on a number of risks and uncertainties and are based on assumptions which possibly may prove to be false. We do not accept any obligation to update these statements relating to the future.

Rounding

Due to computational reasons, rounding differences may appear in the percentages and figures in the tables, graphics and text of this report. Percentage changes are calculated on the basis of EUR thousand.



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