



INTERIM REPORT 1/2018



*OUR KNOW-HOW
FOR YOUR SAFETY*

Nabaltec

NABALTEC GROUP

KEY FIGURES

FOR THE PERIOD FROM 1 JANUARY 2018 TO 31 MARCH 2018

in EUR million	03/31/2018 (IFRS)	03/31/2017 (IFRS)	Change
Revenues			
Total revenues	45.2	43.6	3.7%
Thereof			
Functional Fillers	29.3	29.0	1.0%
Specialty Alumina	15.9	14.6	8.9%
Foreign share (%)	73.5	72.5	
Employees* (number of persons)	472	460	2.6%
Earnings			
EBITDA	7.3	6.8	7.4%
EBIT	4.3	4.0	7.5%
Consolidated result after taxes	2.9	2.2	31.8%
Earnings per share (EUR)	0.33	0.28**	17.9%
Financial position			
Cash flow from operating activities	8.5	9.4	-9.6%
Cash flow from investing activities	-6.7	-8.1	-17.3%
Assets, equity and liabilities			
	03/31/2018	12/31/2017	
Total assets	223.7	221.4	1.0%
Equity	86.5	84.6	2.2%
Non-current assets	135.9	132.9	2.3%
Current assets	87.8	88.5	-0.8%

* on the reporting date, including trainees

** based on 8.0 million shares

NABALTEC AG

A LEADER IN SPECIALTY CHEMICALS



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 Alumina."

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SUSTAINABLE PRACTICES

A RELIABLE MANUFACTURER AND SUPPLIER OF SPECIALTY CHEMICALS



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 guarantees that Nabaltec's specialty chemical products will have outstanding prospects for growth and has given the company many years of steadily growing financial success.

Beyond economic aspects, however, Nabaltec AG also attaches particular importance to its ecological and social responsibility. Aside from certification of a conventional quality management system in accordance with ISO 9001, the company has also, over the years, introduced a certified environmental management system (ISO 14001) as well as an occupational health and safety management system (BS OHSAS 18001) and an energy management system (ISO 50001).

In addition, 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. With a double-digit trainee ratio, Nabaltec is committed to promoting young talent, values work/life balance and strengthens the health and fitness of its employees through a company health management program.

CONTACT IR

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NABALTEC AG ON THE INTERNET

www.nabaltec.de

OUR *PRODUCT- AND MARKET SEGMENTS*



PRODUCT SEGMENT "FUNCTIONAL FILLERS"



Market segment:

- Wire & Cable
- Resins & Dispersions
- Rubber & Elastomers
- Others

PRODUCT SEGMENT "SPECIALTY ALUMINA"



Market segment:

- Refractory
- Technical Ceramics
- Polishing
- Others

NABALTEC

IN OVERVIEW

FUNCTIONAL FILLERS

In our product segment “Functional Fillers,” we develop highly specialized aluminum hydroxide-based products for a wide variety of applications, and we are among the leading manufacturers in the world in this area. In addition to current market trends, the development of our halogen-free eco-friendly flame retardants, additives and boehmites is driven above all by the specific requirements of our customers.

EUR 112.2 MILLION

Revenues 2017

EUR 21.5 MILLION

EBITDA 2017

EUR 13.1 MILLION

EBIT 2017

SPECIALTY ALUMINA

In our product segment “Specialty Alumina,” we develop innovative materials for a wide variety of industries based on all-natural ingredients and occupy a leading position in the global market for ceramic raw materials and bodies. We are constantly investing in optimizing our production facilities, in innovative technologies and in improving our production processes in order to enable us to consistently supply tailor-made qualities which meet our customers’ needs.

EUR 56.4 MILLION

Revenues 2017

EUR 8.5 MILLION

EBITDA 2017

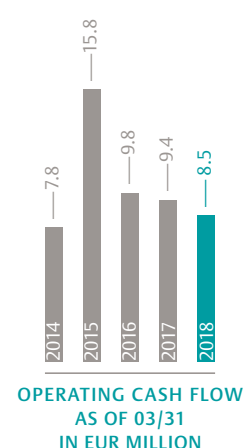
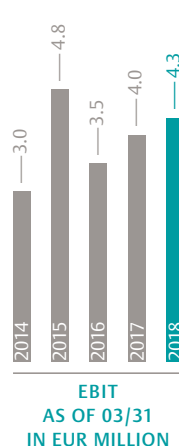
EUR 5.2 MILLION

EBIT 2017

NABALTEC AG

Q1 2018

As a fast-growing company, Nabaltec AG was able to continue its very strong performance in the previous year in the first quarter of 2018 as well. In particular, the company has posted revenue growth over a period of many years, which illustrates the growing global demand for Nabaltec products.



FACTS AND FIGURES

INNOVATIONS

Nabaltec AG is regularly awarded national and international prizes and distinctions for innovation. In 2017, the company was named one of the 100 most innovative German mid-sized companies for the tenth time.

10x
DISTINCTION
FOR EXEMPLARY
INNOVATION
MANAGEMENT



EMPLOYEES

Nabaltec AG is regularly recognized as one of the 100 best employers among German mid-sized companies in the "TOP JOB" competition, which compares companies from all over the country and in a wide variety of sectors.

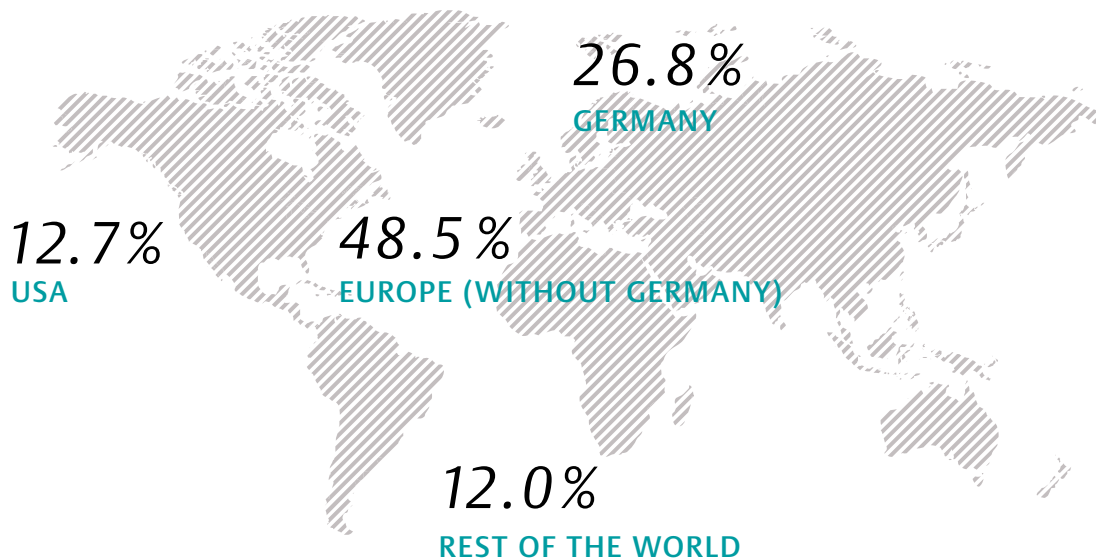
Nabaltec's trainees count among the best of their peers on a regular basis.

11.3%
TRAINEE RATIO



GLOBAL REVENUE SHARES

With production sites in Germany and the US and a network of international agencies, Nabaltec maintains a global presence.



FOREWORD

OF THE CEO

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

The drivers and growth in our markets are broadly intact and we are getting the message from our customers that the market will remain in good and stable condition for the foreseeable future. Our strong start in 2018, with record-high revenues and strong earnings in the first quarter of 2018, demonstrates that the environment remains intact.

At the same time, there are trends in our markets whose precise scope and temporal dimensions are not yet known. This includes uncertainties such as how the trade restrictions which may be triggered by the US will affect the steel industry and by extension, us as well. Meanwhile, there are very strong future markets whose actual potential is still unclear, such as the expectation of very strong growth in demand for accumulators, particularly for electric vehicles, a trend from which we will be able to benefit with our boehmite, which is used in separator films.

We have always said that 2018 will be a year of transition for Nabaltec. The resumption of production at our US subsidiary Nashtec, now as a wholly owned subsidiary in stand-alone operation, and the gradual shift in the supply of our South and North American customers away from Schwandorf and back to Corpus Christi starting in the second half of the year will have to be accomplished in an organized and successful manner. These moves will weigh down our earnings growth starting in the second quarter of this year but will create additional potential for 2019, when they will free up capacity in Germany, allowing us to better respond to positive market trends, as well as boosting competitiveness in USD-based markets.

We are in an excellent position for this transitional phase. After all, our operations are in outstanding condition: revenues in the first quarter of 2018 are at a record high of EUR 45.2 million, while our EBIT of EUR 4.3 million and EBIT margin of 10.0% (EBIT as a percentage of total performance) demonstrate our solid earnings power. Moreover, with EUR 8.5 million in operating cash flow, solid financing and a very strong liquidity position, we have suitable flexibility to make investments.



Günther Spitzer, Johannes Heckmann (CEO), Dr. Michael Klimes

Our revenue growth is largely based on price increases and an optimized product mix. Our specialty alumina have displayed especially strong growth: this product segment set a record with quarterly revenues approaching EUR 16 million, together with an improved margin.

Accordingly, we can confirm our forecast for 2018 as a whole. We are also proceeding according to plan in our other US project, the construction of a production facility for refined hydroxides with a capacity of about 30,000 tons per year. We will continue to provide you with regular reports about our plans and the implementation status of our projects.

Schwandorf, May 2018

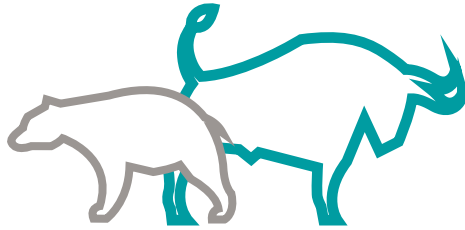
Yours,

A handwritten signature in blue ink, which appears to read 'Johannes Heckmann'.

JOHANNES HECKMANN
CEO

NABALTEC SHARE

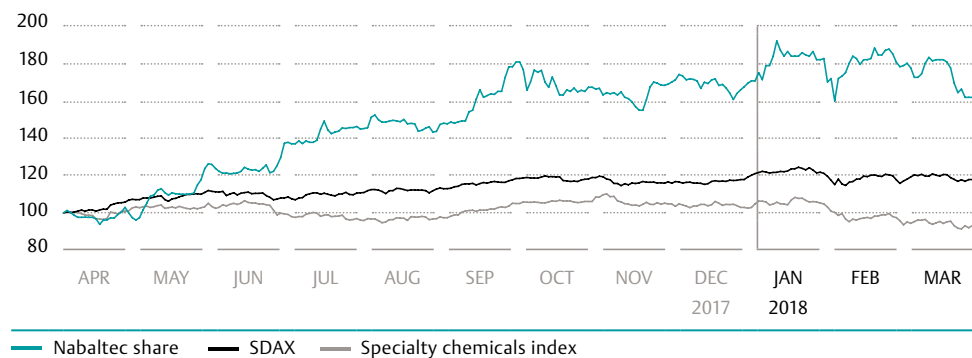
FIRST QUARTER OF 2018



ISIN/WKN: DE000A0KPPR7/A0K PPR

Nabaltec share has been listed in the Frankfurt Stock Exchange since 24 November 2006. As of March 2017, Nabaltec share is traded in the Scale market segment of the Frankfurt Stock Exchange.

PERFORMANCE OF THE NABALTEC SHARE (XETRA, INDEXED)



For the first time since its IPO, Nabaltec share price reaches a record high of EUR 30.10

The price level of Nabaltec share in the second half of 2017 was confirmed over the course of the first three months of 2018. On 15 January 2018, Nabaltec share traded at over EUR 30 for the first time since its IPO in 2006, climbing to a record high of EUR 30.10. It finished the first quarter at EUR 25.30, down slightly (by 2.5%) from its value at the end of 2017.

On the whole, the performance of Nabaltec share in the quarter was similar to that of the relevant index, the SDAX, whose position after the first three months of 2018 was nearly even with its position at the end of 2017, with a gain of 0.4%. The specialty chemicals index, on the other hand, was down sharply from its position at the end of December 2017, with a drop of 9.6%.

Nabaltec share's average XETRA daily trading volume was 4,333 shares in the first three months of 2018, down from the level in 2017.

Earnings per share (EPS) amounted to EUR 0.33 in the first three months of 2018.

*Earnings per share
of EUR 0.33*

Analyst recommendations from Hauck & Aufhäuser Bank for Nabaltec share continue to be positive. The bank issued a "buy" recommendation in all of its analyses and set a price target of EUR 39.00 in its study at the start of March 2018, which was since confirmed in a study on 4 May 2018. Baader Bank rated Nabaltec share a "sell" in its study on 30 April 2018, with a price target of EUR 22.00.

*Analysts give
recommendations
with price targets of
EUR 39.00 ("buy")
and EUR 22.00 ("sell")*

As of 31 December 2017, the majority of Nabaltec's 8,800,000 shares continued to be held by the Heckmann and Witzany families. The Heckmann family held 28.30% of the company's capital stock and the Witzany family held 27.16%. The remaining 44.54% of shares are in free float.

KEY DATA FOR THE NABALTEC SHARE (XETRA)

	First 3 months of 2018	Year 2017
Number of shares	8,800,000	8,234,521 ¹
Market capitalization (cutoff date, in EUR million)	222.64	228.27
Average price (in EUR)	27.97	20.40
High (in EUR)	30.10	28.31
Low (in EUR)	25.00	14.39
Closing price (cutoff date, in EUR)	25.30	25.94
Average daily turnover (in shares)	4,333	4,949
Earnings per share (in EUR)	0.33	1.39 ¹

¹ based on the weighted average number of common shares outstanding during the period

NABALTEC AG

CONSOLIDATED INTERIM MANAGEMENT REPORT

AS OF 31 MARCH 2018

COURSE OF BUSINESS

*Consolidated
revenues were
EUR 45.2 million
(new record high)*

Nabaltec AG's strong performance in the year before continued in the first quarter of 2018 as well. Revenues were up 3.7% from the same quarter of last year, for a record high. Nabaltec's consolidated revenues were EUR 45.2 million in the first quarter of 2018, compared to EUR 43.6 million in the same period of last year. Revenues were up 18.6% from the fourth quarter of 2017 (EUR 38.1 million).

Revenues in the "Functional Fillers" product segment were up 1.0%, from EUR 29.0 million in the first quarter of 2017 to EUR 29.3 million. This growth is largely attributable to price effects but was softened by the weakness of the US dollar relative to the first quarter of 2017. Revenues in the "Specialty Alumina" product segment were up 8.9%, to EUR 15.9 million (same quarter of last year: EUR 14.6 million). Changes in the product mix had a positive impact on revenues in both product segments.

*Export ratio
of 73.5%*

In terms of regions, Nabaltec posted growth above all in Europe. Its export ratio in the first three months of 2018 was 73.5%, up slightly from the year before.

Nabaltec's total performance improved by 0.9% in the first three months of the year over the same period of last year, from EUR 42.8 million to EUR 43.2 million.

*Improvement in cost
of materials ratio
due to price increases
in the "Specialty Alumina"
product segment*

The cost of materials ratio (cost of materials as a percentage of total performance) was 47.7%, noticeably better than in the same period of last year, when it was 48.6%. Price increases in the "Specialty Alumina" product segment in particular had a positive impact in this area. The gross profit margin (gross profit as a percentage of total performance) was 55.3% in the reporting quarter, compared to 52.6% in the same period of last year.

The personnel expense ratio (personnel expenses as a percentage of total performance) increased from 18.2% to 19.0% and the number of employees increased from 460 to 472.

Other operating expenses increased from EUR 7.9 million in the same period of last year to EUR 8.4 million in the first three months of 2018, largely due to an increase in freight costs repairs and other outside services. The ratio of other operating expenses to total performance increased from 18.5% in the same quarter of last year to 19.4%.

Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to EUR 7.3 million in the first quarter of 2018, up 7.4% from the value of EUR 6.8 million in the same quarter of last year. EBITDA margin (EBITDA as a percentage of total performance) increased accordingly over the same quarter of last year, from 15.9% to 16.9%.

Consolidated EBIT amounted to EUR 4.3 million in the reporting quarter, compared to EUR 4.0 million in the same period of last year, for a gain of 7.5%. The EBIT margin (EBIT as a percentage of total performance) increased from 9.3% in the first quarter of 2017 to 10.0% in the reporting quarter.

EBIT of EUR 4.3 million (up 7.5%); EBIT margin improves to 10.0%

Net financial income amounted to EUR –0.7 million in the first quarter of 2018, as in the same period of last year.

Earnings before taxes amounted to EUR 3.7 million, up from EUR 3.3 million in the same quarter of last year. After adjusting for taxes, net consolidated earnings came to EUR 2.9 million, up from EUR 2.2 million in the comparison period. This corresponds to earnings per share of EUR 0.33 in the reporting quarter.

Cash flow from operating activity was EUR 8.5 million in the first three months of 2018, compared to EUR 9.4 million in the first quarter of 2017. Earnings for the period increased and inventories decreased at a somewhat faster pace, but the increase in provisions was smaller than in the same quarter of last year.

Spending on investments decreased relative to the same quarter of last year, from EUR 8.1 million to EUR 6.7 million.

Cash flow from financing activity amounted to EUR 0.0 million, compared to EUR –6.0 million in the same period of last year.

Nabaltec Group's cash and cash equivalents amounted to EUR 47.6 million as of 31 March 2018.

Total assets increased from EUR 221.4 million on 31 December 2017 to EUR 223.7 million. As of the reporting date, 31 March 2018, non-current assets on the assets side of the balance sheet were up slightly, by 2.3%, due in particular to an increase in advance payments and plant and machinery in process of construction. Current assets decreased by 0.8%. There was a decrease in inventories and increases in trade receivables and other assets.

On the liabilities side of the balance sheet, the equity ratio increased from 38.2% on 31 December 2017 to 38.7% on 31 March 2018. Non-current liabilities on 31 March 2018 were nearly as high as at the end of 2017, EUR 109.4 million. Current liabilities increased slightly over the end of 2017, by 1.1%, to EUR 27.8 million. This was due above all to the increase in accounts payable from taxes on income.

Equity ratio increased to 38.7%

EMPLOYEES

Trainee ratio at a high level, 10.4%

As of the reporting date, 31 March 2018, Nabaltec Group had 472 employees (including trainees). On the same date of last year, this number was 460 employees. The trainee ratio was 10.4%, a traditionally high level for Nabaltec.

SUBSEQUENT EVENTS

Events of particular importance for assessment of Nabaltec Group's financial, earnings and liquidity position occurring after the reporting date, 31 March 2018, are recounted in the subsequent events in the consolidated notes.

OUTLOOK

Nabaltec foresees intact sales markets and stable demand for its products in 2018 as well unless there is a fundamental change in the market environment. The company has taken a leading international position within its markets. Based on the further development of its market position and the reputation it has built up over many years, Nabaltec sees good future prospects for its key products.

Nabaltec expects to continue to grow at a moderate pace

Nabaltec expects to continue to grow at a moderate pace in 2018 and is already off to a strong start this year. Revenue growth is to come from increases in prices and volume as well as from an optimized product mix. After transitioning to a stand-alone solution, the US subsidiary Nashtec LLC is expected to contribute revenue once again starting in the second half of 2018. Nevertheless, 2018 will remain a year of transition, and will require a ramp-up phase and the restructuring of logistics and product flows in the US.

There are also plans to acquire two properties in the US through a US subsidiary which has yet to be formed. Under the current plan, the first stage will be to construct a production facility for refined hydroxides with a capacity of around 30,000 tons per year by mid-2019. A facility for the production of boehmite will follow in a second stage. Nabaltec currently expects the project to have a positive impact on consolidated earnings one year after the facility goes online.

Orders on hand amounted to EUR 68.8 million on 31 March 2018, up 28.6% from the value on 31 March 2017.

Orders on hand amounted to EUR 68.8 million

Otherwise, the statements made in the forecast report of the 2017 consolidated management report retain their validity.

REPORT ON OPPORTUNITIES AND RISKS

No significant changes were evident in the first quarter of 2018 to the risk situation presented in the 2017 consolidated management report.

Schwandorf, 14 May 2018

The Management Board

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD FROM 1 JANUARY 2018 TO 31 MARCH 2018

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in TEUR	1/1/ – 3/31/2018	1/1/ – 3/31/2017
Revenues	45,241	43,597
Change in inventories of finished goods and work in progress	-2,100	-961
Own work capitalized	87	131
Total performance	43,228	42,767
Other operating income	1,289	478
Cost of materials	-20,619	-20,761
Gross earnings	23,898	22,484
Personnel expenses	-8,249	-7,769
Depreciation	-2,953	-2,839
Other operating expenses	-8,381	-7,882
Operating profit (EBIT)	4,315	3,994
Interest and similar income	39	33
Interest and similar expenses	-697	-684
Net income from ordinary activities (EBT)	3,657	3,343
Taxes on income	-779	-1,117
Net after-tax earnings	2,878	2,226
Thereof:		
Shareholders of the parent company	2,878	2,226
Non-controlling interests	0	0
Net after-tax earnings	2,878	2,226
Earnings per share (in EUR)	0.33	0.28

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in TEUR	1/1/ - 3/31/2018	1/1/ - 3/31/2017
Net after-tax earnings	2,878	2,226
Items which may be reclassified to profit and loss		
Currency translation (after taxes)	-833	-77
Net income from hedge accounting (after taxes)	-77	201
Total	-910	124
Items which will not be reclassified to profit and loss		
Actuarial gains and losses	0	0
Total	0	0
Other comprehensive income	-910	124
Thereof:		
Shareholders of the parent company	-910	124
Non-controlling interests	0	0
Total comprehensive income	1,968	2,350
Thereof:		
Shareholders of the parent company	1,968	2,350
Non-controlling interests	0	0

CONSOLIDATED BALANCE SHEET

AS OF 31 MARCH 2018

ASSETS		
in TEUR	3/31/2018	12/31/2017
Non-current assets	135,895	132,892
Intangible assets		
Concessions, proprietary rights and similar rights and assets, as well as licenses to such rights and assets (including advance payments)	458	462
Property, plant and equipment	134,438	131,677
Land, leasehold rights and buildings, including buildings on unowned land	38,301	37,834
Technical equipment and machinery	74,287	76,125
Other fixtures, fittings and equipment	3,668	3,455
Advance payments and assets under construction	18,182	14,263
Financial assets	78	78
Shares in affiliated companies	78	78
Deferred tax assets	921	675
Current assets	87,793	88,485
Inventories	26,935	33,003
Raw materials and supplies	15,068	19,025
Work in process	27	28
Finished goods and merchandise	11,840	13,950
Other assets and accounts receivable	13,272	9,565
Trade receivables	6,662	4,089
Other assets	6,610	5,476
Cash and cash equivalents	47,586	45,917
TOTAL ASSETS	223,688	221,377

LIABILITIES

in TEUR	3/31/2018	12/31/2017
Shareholders' equity	86,531	84,563
Subscribed capital	8,800	8,800
Capital reserve	47,029	47,029
Earnings reserve	9,721	9,721
Profit carry-forward	33,449	21,999
After-tax earnings	2,878	11,450
Other changes in equity with no effect on profit and loss	-15,346	-14,436
Non-controlling interests	0	0
Non-current liabilities	109,401	109,288
Pension reserves	36,971	36,804
Other provisions	1,079	1,056
Accounts payable to banks	70,390	70,381
Deferred tax liabilities	961	1,047
Current liabilities	27,756	27,526
Accounts payable from income taxes	2,347	1,995
Other provisions	175	173
Accounts payable to banks	1,943	1,423
Trade payables	14,736	15,639
Other accounts payable	8,555	8,296
TOTAL LIABILITIES	223,688	221,377

CONSOLIDATED CASH FLOW STATEMENT

FOR THE PERIOD FROM 1 JANUARY 2018 TO 31 MARCH 2018

CONSOLIDATED CASH FLOW STATEMENT

in TEUR	1/1/ - 3/31/2018	1/1/ - 3/31/2017
Cash flow from operating activity		
Earnings before taxes	3,657	3,343
+ Depreciation of fixed assets	2,953	2,839
-/+ Other income/expenses with no effect on cash flow	-926	
-/+ Income/loss from the disposal of assets	0	10
- Interest income	-39	-33
+ Interest expenses	697	684
Net operating income before changes in working capital	6,342	6,843
+/- Increase/decrease in provisions	43	3,622
-/+ Increase/decrease in trade receivables and other assets not attributable to investment of financing activity	-3,707	-3,304
+/- Increase/decrease in inventories	6,068	4,074
+/- Increase/decrease in trade payables and other liabilities not attributable to investment or financing activity	467	-936
Cash flow from operating activity before taxes	9,213	10,299
- Income taxes paid	-728	-933
Net cash flow from operating activity	8,485	9,366

CONSOLIDATED CASH FLOW STATEMENT

in TEUR	1/1/ - 3/31/2018	1/1/ - 3/31/2017
Cash flow from investment activity		
+ Payments received from the disposal of property, plant and equipment	0	1
- Payments made for investments in property, plant and equipment	-6,688	-7,603
+ Payments received from redemption of intangible assets	0	31
- Payments made for investments in intangible assets	-35	-12
- Payments made for the acquisition of consolidated companies	0	-552
Net cash flow from investment activity	-6,723	-8,135
Cash flow from financing activity		
- Payments made for the repayment of borrowings	0	-5,969
- Interest paid	0	-11
+ Interest received	13	21
Cash flow from financing activity	13	-5,959
Net change in cash and cash equivalents	1,775	-4,728
Change in funds due to changes in exchange rates	-106	-472
Funds at start of period	45,917	36,183
Funds at end of period	47,586	30,983

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE PERIOD FROM 1 JANUARY 2018 TO 31 MARCH 2018

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

in TEUR	Shareholders' equity attributable to shareholders of Nabaltec AG		
	Subscribed capital	Capital reserve	Earnings reserve
1 January 2017	8,000	29,764	9,711
Assumption of minority capital	–	–	10
Actuarial gains and losses	–	–	–
Currency translation	–	–	–
Net income from hedge accounting	–	–	–
Other comprehensive income	–	–	–
Net income after taxes	–	–	–
Net income	–	–	–
Balance per 3/31/2017	8,000	29,764	9,721
Dividend payments	–	–	–
Issuance of new shares	800	17,265	–
Actuarial gains and losses	–	–	–
Currency translation	–	–	–
Net income from hedge accounting	–	–	–
Other comprehensive income	–	–	–
Net income after taxes	–	–	–
Net income	–	–	–
Balance per 12/31/2017	8,800	47,029	9,721
Actuarial gains and losses	–	–	–
Currency translation	–	–	–
Net income from hedge accounting	–	–	–
Other comprehensive income	–	–	–
Net income after taxes	–	–	–
Net income	–	–	–
Balance per 3/31/2018	8,800	47,029	9,721

Profit carry-forward	Other changes in equity with no effect on profit and loss	Total	Non-controlling interests	Consolidated shareholders' equity
23,199	-13,471	57,203	562	57,765
—	—	10	-562	-552
—	0	0	—	0
—	-77	-77	—	-77
—	201	201	—	201
—	124	124	0	124
2,226	—	2,226	—	2,226
2,226	124	2,350	0	2,350
25,425	-13,347	59,563	0	59,563
-1,200	—	-1,200	—	-1,200
—	—	18,065	—	18,065
—	1,379	1,379	—	1,379
—	-2,998	-2,998	—	-2,998
—	530	530	—	530
—	-1,089	-1,089	0	-1,089
9,224	—	9,224	—	9,224
9,224	-1,089	8,135	0	8,135
33,449	-14,436	84,563	0	84,563
—	0	0	—	0
—	-833	-833	—	-833
—	-77	-77	—	-77
—	-910	-910	0	-910
2,878	—	2,878	—	2,878
2,878	-910	1,968	0	1,968
36,327	-15,346	86,531	0	86,531

NABALTEC AG

SEGMENT REPORTING

The operative segments are consistent with the business divisions of the Nabaltec Group. The risks as well as internal organization and reporting structure are mainly determined by the differentiation of the products.

BUSINESS SEGMENTS

Nabaltec is divided into two product segments, “Functional Fillers” and “Specialty Alumina.” Each segment represents a strategic business division, the products and markets of which differ from those of the other.

The product segment “Functional Fillers” produces and distributes non-halogenated flame retardant fillers for the plastics and the wire & cable industry as well as additives.

The product segment “Specialty Alumina” produces and distributes ceramic raw material and ceramic bodies for numerous applications in technical ceramics as well as the refractory industry.

PERIOD FROM 1 JANUARY 2018 – 31 MARCH 2018

in TEUR	Functional Fillers	Specialty Alumina	Nabaltec Group
Revenues			
Third party revenue	29,319	15,922	45,241
Segment result			
EBITDA	4,684	2,584	7,268
EBIT	2,571	1,744	4,315

PERIOD FROM 1 JANUARY 2017 – 31 MARCH 2017

in TEUR	Functional Fillers	Specialty Alumina	Nabaltec Group
Revenues			
Third party revenue	29,047	14,550	43,597
Segment result			
EBITDA	4,928	1,905	6,833
EBIT	2,888	1,106	3,994

NABALTEC AG

ABRIDGED CONSOLIDATED NOTES

FOR THE PERIOD FROM 1 JANUARY 2018 TO 31 MARCH 2018

1. GENERAL INFORMATION

Nabaltec AG, with registered office in Schwandorf, Germany¹, 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 oxides business of VAW aluminium AG in 1995 and was transformed into a joint-stock company in 2006.

The corporate purpose pursuant to §2 of the Articles of Association of Nabaltec AG 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 are listed in the Open Market (Scale) segment of the Frankfurt Stock Exchange since 24 November 2006.

2. BASIS OF PREPARATION

The consolidated financial statements of Nabaltec AG as of 31 March 2018 were prepared with due regard to all International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) and interpretations of the International Financial Reporting Interpretation Committee (IFRIC) and of the Standing Interpretations Committee (SIC) recognized by the European Union and applicable to the financial year.

The interim financial statements of Nabaltec AG for the period from 1 January to 31 March 2018 were prepared in conformance with IAS 34, "Interim Financial Reporting," as a shorter financial report. The shorter financial statements do not contain all information prescribed for the financial statements of the financial year and should be read in conjunction with the consolidated financial statements as at 31 December 2017.

The interim financial statements encompass the period from 1 January 2018 to 31 March 2018.

The consolidated financial statements are prepared in euro (EUR). Unless stipulated otherwise, all values are rounded up or down to the nearest thousand euro (EUR thousand) in accordance with the commercial rounding practice. Please note that differences can result from the use of rounded amounts and percentages.

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

The presentation in the balance sheet differentiates between current and non-current assets and liabilities, some of which are broken down further by their respective maturities in the notes to the financial statements.

The consolidated statement of comprehensive income has been prepared in accordance with the total expenditure format.

The interim financial statements have not been audited or reviewed by the auditor.

SCOPE OF CONSOLIDATION

The consolidated group of Nabaltec AG as at 31 March 2018 did not change compared to the consolidated financial statements as at 31 December 2017 or the first quarter of financial year 2017. The consolidated financial statements encompass the financial statements of Nabaltec AG, Schwandorf, as parent company, and its subsidiary Nashtec LLC, Texas/USA.

NEW ACCOUNTING PROVISIONS

All accounting and valuation methods used in the preparation of the abridged financial statements correspond to the methods applied in the most recent consolidated financial statements as at 31 December 2017.

In addition to the Standards and Interpretations used on 31 December 2017, the following Standards and Interpretations were used for the first time, and had no impact on the interim financial statements:

- Amendment to IAS 40: “Transfers of Investment Property”
- Amendments to IFRS 2 “Clarification of the Classification and Measurement of Share-Based Payment Transactions”
- IFRIC 22: “Foreign Currency Transactions and Advance Consideration”
- Various: Improvements to International Financial Reporting Standards (2014 – 2016): IFRS 1, IAS 28

The following Standards, which were applied for the first time, had no material impact on the consolidated financial statements:

- IFRS 9: “Financial Instruments”
- IFRS 15: “Revenue from Contracts with Customers”
- Amendments to IFRS 15: “Clarifications to IFRS 15”

The IASB did not publish any other Standards prior to the publication of these interim financial statements.

3. NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

REVENUES

We refer to the segment reports with respect to the revenue by product area. Information on revenue performance may be found in the management report.

4. NOTES TO THE CONSOLIDATED BALANCE SHEET

PROPERTY, PLANT AND EQUIPMENT

The additions to property, plant and equipment in the first three months of 2018 were the result of investments, primarily in buildings and in technical equipment and machinery to expand capacity and for further process optimization.

FINANCIAL ASSETS

Financial assets consist of the 100% interest in Nabaltec Asia Pacific K.K. The subsidiary is not fully consolidated on grounds of materiality. In the absence of an active market, the shares are measured at cost.

SHAREHOLDERS' EQUITY

The change in the shareholders' equity of Nabaltec AG is presented in the consolidated statement of changes in equity.

CURRENT AND NON-CURRENT LIABILITIES

LIABILITIES TO BANKS

Liabilities to banks largely entail credits borrowed at standard market interest rates. The market value corresponds to the book value.

5. OTHER DISCLOSURES

OTHER FINANCIAL OBLIGATIONS

CONTINGENT LIABILITIES AND LEGAL LIABILITY RELATIONS

As of the cutoff date, there were no contingent liabilities, legal liability relations or other legal disputes for which provisions had not been previously made.

RELATED PARTY TRANSACTIONS

The group of related persons and enterprises did not change compared to the consolidated financial statements as at 31 December 2017.

No transactions with related persons and enterprises took place in the first three months of 2018. Such transactions are conducted at standard market prices and conditions.

SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

No significant events were registered after the balance sheet date.

Schwandorf, 14 May 2018

The Management Board

FINANCIAL CALENDAR 2018

	2018
Annual General Meeting	26 June
Interim Report 2/2018	23 August
Interim Report 3/2018	27 November

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Statements relating to the future

This interim 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.



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