

ANNUAL REPORT 2023

SMART PROCESS SOLUTIONS & PRODUCTS



KEY FIGURES

**FOR THE FISCAL YEAR
FROM 1 JANUARY 2023
TO 31 DECEMBER 2023**

According to German GAAP (HGB), in € thousand		unadjusted (incl. expenses for the capital increase)	Changes 2023 vs. 2022
	2023	2022	+/-
Revenues	48,232	53,944	-11%
therefrom Engineering	908	986	-8%
therefrom Specialty Chemicals	15,185	23,692	-36%
therefrom Service & Recycling	9,718	10,401	-7%
therefrom Glass Coating	12,271	14,274	-14%
therefrom Battery Material	10,151	4,591	121%
Total Output	51,585	60,312	-14%
EBITDA	2,956	6,685	-56%
EBITDA Margin (in %)	6.1%	12.4%	
EBIT	-1,794	1,935	-193%
EBIT Margin (in %)	-3.7%	3.6%	
EBT	-2,226	1,656	-234%
EBT Margin (in %)	-4.6%	3.1%	
Net result	-2,486	1,285	-293%
Earnings per Share (in €)	-0.52	0.27	-293%
Balance Sheet Total	75,854	76,357	-1%
Equity	56,711	59,387	-5%
Equity Ratio Based on Economic Capital (in %)	74.8%	77.8%	
Cash and Cash Equivalents	380	3,127	
Operating Cash Flow	2,412	-3,270	
Cash Flow from Investments	-6,262	516	
Free Cash Flow	-3,850	-2,754	
Employees (excluding Apprentices) - Annual Average	227	217	5%
Revenue per Employee	212	249	-15%

CONTENT

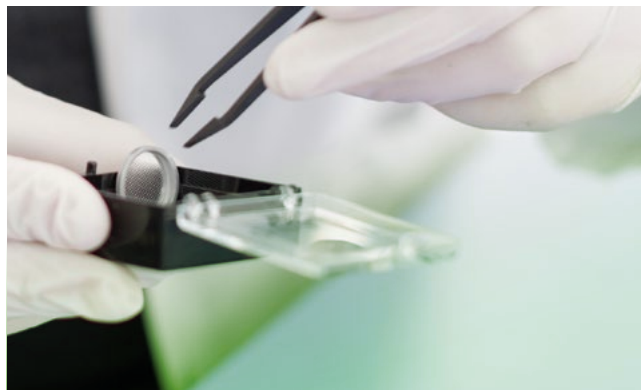


This annual report contains interactive elements: wherever you see the arrow icon, hover over the image for more information.

Functionality only guaranteed when viewed in Adobe Acrobat® or Acrobat Reader®.

Disclaimer

This report may contain forward-looking statements that are based on assumptions and are subject to unforeseeable risks and uncertainties. Various factors may cause actual results, developments or events to differ materially from those expressed in such forward-looking statements. The company is under no obligation to update this report or the forward-looking statements contained therein. Due to rounding differences, it is possible that differences may occur in the summation of individual items compared to the totals stated and for this reason, percentages may not reflect the exact development of absolute figures.

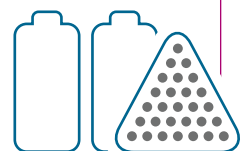


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HIGHLIGHTS



Foundation of a battery subsidiary:

The wholly-owned subsidiary IBUvolt battery materials GmbH will focus on the development, manufacture, and sale of battery materials in the future. The managing director of the company is IBU-tec founder Ulrich Weitz.

January

Silver medal in the EcoVadis ESG rating: IBU-tec significantly improves its sustainability rating to the top 10 percent in the industry.



March



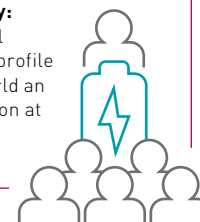
Milestone in the development project:

As part of the partnership with an international commercial vehicle manufacturer, IBU-tec has achieved initial promising results in the development of a new cathode active material.

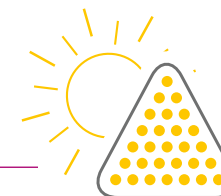
May

Participation in Battery Day:

IBU-tec and CATL as special partners will give 300 high-profile guests from all over the world an insight into battery production at the Weimar site.



July



Positioning in other promising battery markets:

IBU-tec is the first manufacturer in Europe to commercially produce layered oxides for sodium-ion batteries.

September

November

February



Completion of new glass coating plant:

With the new plant, IBU-tec subsidiary BNT Chemicals is doubling its production capacity for MBTC to around 1,000 tons per year. The plant is expected to operate at full capacity by 2025.

April

Contract from global automotive group: IBU-tec develops and produces battery material for passenger cars with electric drive for a major international customer



June

August



Further expansion of business in Asia: The focus is on technologically sophisticated and high-margin industries with high value creation potential. Among other things, a Chinese automotive supplier has ordered several tons of material supplies in the field of cathodic dip coatings.

October

December

FOREWORD

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

The year 2023 was challenging: macroeconomically, for our industry and thus also for IBU-tec. High interest rates as well as high raw material and energy prices have had a particularly severe impact on the chemical and glass industries as a whole. At IBU-tec, it was also not possible to realize a larger order in our battery division as planned. Although 2023 represents a turning point in our company's growth, our fundamental strategy and positive outlook remain intact. In the financial year, we successfully worked in the areas of research, development and business development to further strengthen our positioning. Our confidence for business development in the coming years, which we derive from this, is reinforced by the clearly positive impetus we perceive in the market for battery materials.

The inhibiting factors in 2023 resulted in a business development that was unsatisfactory and below our original forecast. Our sales in the reporting period amounted to 48.2 million. euros, compared to EUR 53.9 million in the 2022 financial year. EBITDA amounted to around EUR 3.0 million, compared to EUR 6.7 million in the same period of the previous year.



Jörg Leinenbach
CEO

In the first weeks of the 2024 financial year, we have already achieved important milestones for our Group. For example, we will partner with the chemical company LANXESS to develop a new iron oxide product for LFP battery materials. The aim is to jointly build a European and sustainable value chain in the field of battery materials. This reduces dependencies from regions such as China. Products „Made in Europe“ are in high demand, especially among customers from Europe and the USA, because they are not dependent on critical supply chains and geopolitical constellations. The resulting patents will be filed jointly by LANXESS and IBU-tec. The agreement is only the prelude to further joint activities to develop innovative European battery materials of the future.

The launch of our new LFP product IBUvolt® LFP402 is very important for our strategic and economic perspectives in the battery sector. We will offer the product in the market from the first quarter of the current fiscal year. The product's CO₂ footprint is approximately 40% lower than that of the Chinese products that still dominate the market. IBUvolt® LFP402 also features demand-driven product characteristics at a competitive price. Due to its product characteristics, IBUvolt® LFP402 is particularly suitable for wet coating of battery electrodes. Wet coating is still considered the standard process in LFP manufacturing and is currently used by all major automotive companies worldwide (more on this from p. 14). The market and customer potential of the new product is correspondingly large. Even before the official launch, numerous customers have expressed interest in the new European LFP battery material. With our established LFP product IBUvolt® LFP400, we are also serving a fast-growing future market. The product is suitable for the innovative dry coating process in battery production, which is considered to be particularly efficient and energy-saving. Major automotive companies, such as Volkswagen subsidiary PowerCo, plan to convert their battery production to this process from 2026. Accordingly, with our IBUvolt product range, we are broadly positioned and promisingly positioned in LFP batteries. The market has high growth potential. According to studies, it will increase from \$2 billion in 2022 to around \$54 billion in 2035. One reason for this is that LFP batteries are now available with a significantly longer range, making them more suitable for everyday use. Other advantages of

LFP batteries include thermal stability and high performance. Large automotive companies such as Mercedes and Tesla will use LFP batteries in their future e-car models that will be offered on the market in the coming years.

**PRODUCTS „MADE
IN EUROPE“ ARE
IN HIGH DEMAND,
ESPECIALLY AMONG
CUSTOMERS FROM
EUROPE AND THE USA.**

We are continuously expanding our strong position in materials for LFP batteries and are constantly adding new material combinations to our product portfolio, e.g. in the field of sodium-ion batteries. We are currently one of the pioneers in this field in Europe.

In addition to researching and developing battery materials, we also positioned ourselves strongly in other markets during the reporting period. In the medium term, glass coating will be another growth driver for IBU-tec. At the BNT site in Bitterfeld, we completed a new, state-of-the-art facility for the production of our glass coating product. This will allow us to double our capacity for this product. We are currently the only manufacturer of monobutyltin trichloride (MBTC) in Europe. We expect the new plant to be fully utilized by 2025.

In addition to the growth drivers already mentioned, IBU-tec's positioning as a broadly diversified company paid off in 2023. We can build on a reliable base for other sophisticated chemical products, as well as on recycling activities and our service business, with which we address a broad spectrum from medical technology to the construction industry.

Our positive business developments strongly contribute to our IBU2025 growth strategy, which we are confidently and consistently implementing. By 2025, we plan to achieve sales of EUR 30-60 million with battery materials, which will significantly boost the Group's total sales to between 102 and more than 130 million euros. We are confident that we will achieve a remarkable increase in revenue of around 25% compared to the previous year by 2024, as well as above-average growth in EBITDA of 40-45%. We anticipate an EBITDA margin of approximately 7%, which already accounts for one-time expenses exceeding 2 million euros for 'future investments' such as sales expansion, application technology, or laboratory analysis in the battery sector. Our projection is supported by a thriving battery business, with significant orders for 2024 already in sight. We plan to expand our inventories and produce new batches of our recently

**IN THE FIELD OF SODIUM-ION
BATTERIES WE ARE CURRENTLY
ONE OF THE PIONEERS
IN EUROPE.**

developed material, LFP402. We are advancing the development of battery materials and researching innovative alternatives and potential applications. We are also expanding our necessary structures and sales. We anticipate a substantial increase in the yield of our raw material input in our growth area of MBTC glass coating due to the plant's commissioning, which will positively impact our company's liquidity.

We appreciate your trust in the past financial year. Our innovative new battery materials and sustainable technologies, such as glass coating and recycling, make a significant contribution to improving the worldwide CO₂ footprint. Our products and developments in this area position us strongly. We will continue to lead the way in sustainable technology and look forward to your continued support as we grow.

Yours sincerely,



Jörg Leinenbach (CEO)

REPORT OF THE SUPERVISORY BOARD

**OF IBU-TEC ADVANCED MATERIALS AG FOR
THE FISCAL YEAR FROM 1 JANUARY 2023 TO
31 DECEMBER 2023**

Dear Shareholders,

It is the task of the Supervisory Board to oversee the work of the Executive Board of IBU-tec advanced materials AG, Weimar, in accordance with the law and the Articles of Association, and to accompany it in an advisory capacity in the management of the company and the Group. In the 2023 financial year, we provided regular, timely and comprehensive information on the economic and financial situation, important business events and the strategic planning and development of the IBU-tec Group.

Monitoring and Advising the Board of Directors

The Executive Board informed the Supervisory Board of all matters both orally and in writing in the context of face-to-face and virtual meetings and submitted all necessary documents for decisions of the Supervisory Board. The cooperation between the Supervisory Board and the Executive Board was very constructive, and the Executive Board was always open to suggestions and suggestions from the Supervisory Board.



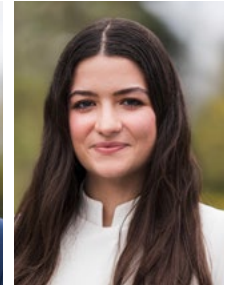
Sandrine Cailleteau
Vorsitzende



Dr. Jens Thau
stellv. Vorsitzender



Prof. Dr. Achim Kampker
Mitglied des
Aufsichtsrats



Isabelle Weitz
Mitglied des
Aufsichtsrats

The Supervisory Board was involved in all decisions of particular importance to the Company and the Group. This was mainly due to the continuation of the Group's strategy process, in particular with regard to the growth areas of battery materials and glass coating, but also to the forecast adjustment that became necessary at the end of the year. In addition, the Supervisory Board focused on the impact of the difficult macroeconomic environment on business development. Other key topics were the order of the State Administration Office regarding BNT GmbH, and again the implementation of major investments in connection with the use of funds from the capital increase carried out in fiscal year 2021, the strategic cooperation in the battery sector and the further detailing of the risk management system.

Transactions requiring the approval of the Supervisory Board were presented to the Supervisory Board in a timely manner and implemented in consultation with the Supervisory Board. The Chairman of the Management Board, Mr. Weitz, who was appointed at the last Annual General Meeting, and thereafter the sole member of the Management Board, Mr. Leinenbach, informed the Chairman of the Supervisory Board by telephone at least once a month about ongoing measures, the development of liquidity and risk management. In addition, the Supervisory Board was informed on a monthly basis about the business evaluation (BWA) and the reporting of the Supervisory Board. All Supervisory Board's questions were answered in detail and in a timely manner.

Composition

The Supervisory Board of IBU-tec advanced materials AG consists of four members. In the year under review, the Annual General Meeting elected Ms. Isabelle Weitz as the fourth member of the Supervisory Board. Until the conclusion of the Annual General Meeting on April 26, 2023, the following persons were members of the Supervisory Board of IBU-tec advanced materials AG:

Ms. Sandrine Cailleteau	Chairperson
Mr. Dr. Jens Thau	Vice-Chairman
Mr. Prof. Dr. Achim Kampker	Member of the Supervisory Board

Method of Operation and Activities

The Supervisory Board meets several times a year to obtain an overview of the situation of IBU-tec advanced materials AG, to discuss important issues independently and together with the Management Board, make decisions. The Supervisory Board has not formed any committees.

March 13, 2023	virtual
July 7, 2023	virtual
September 8, 2023	virtual
December 8, 2023	Berlin

Additionally, the constituent meeting of the newly elected Supervisory Board took place on April 28, 2023. The Supervisory Board was fully represented at all meetings. To the extent that measures taken by the Executive Board required the approval of the Supervisory Board, this was granted in each case.

Annual and Consolidated Financial Statements 2023

The Supervisory Board took a detailed look at the annual financial statements of IBU-tec advanced materials AG, BNT Chemicals GmbH and the consolidated financial statements as of December 31, 2023, as well as the management report of the company. The annual financial statements were submitted to the members of the Supervisory Board in good time. The auditor elected at the Annual General Meeting, KPMG AG Wirtschaftsprüfungsgesellschaft, had previously audited the financial statements and issued an unqualified audit opinion.

All members of the Supervisory Board had access to the annual financial statements with the management report for the companies and the Group, the Executive Board's proposal for the appropriation of the retained profit, and the auditors' reports. The representatives of the auditor KPMG AG Wirtschaftsprüfungsgesellschaft took part in the discussion of the annual financial statements and explained their main findings.

After an in-depth examination of the annual financial statements and the related management reports, which did not raise any objections, the Supervisory Board approved the results of the audit by the auditors and approved the annual financial statements. The annual financial statements of IBU-tec advanced materials AG, BNT Chemicals GmbH and the Group have thus been adopted.

The Supervisory Board concurred with the Executive Board's proposal on the appropriation of retained profit.

Weimar, 13 March 2023

On behalf of the Supervisory Board

Sandrine Cailleteau – Chairperson

INTERVIEW

WITH JÖRG LEINENBACH, CEO OF IBU-TEC,
AND ULRICH WEITZ, MAJOR SHAREHOLDER
AND MANAGING DIRECTOR OF IBUVOLT GMBH

IBU-tec remains confident in its 2025 forecast, despite 2023 figures falling below expectations, could you provide us explanation for your optimism?

Leinenbach: The challenges posed by the past financial year from a macroeconomic perspective, including high interest rates and a general slowdown in the German economy, had a particularly negative impact on our subsidiary BNT. BNT was also affected by raw material price developments, a decrease in pharmaceutical customer demand, and increasing cost pressures due to the energy-intensive glass industry.

We remain confident in our ability to navigate these challenges and emerge stronger than ever before. We negotiated a larger order for our IBUvolt® LFP400 battery material at the end of 2023. We had the material in stock and ready for immediate delivery to the potential customer. Unfortunately, the order did not materialize. Still, we remain committed to achieving our targets for 2025, aiming to

increase our sales to between EUR 102 million and EUR 130 million. The battery materials segment will be a significant driver of growth, with an estimated increase to between 30 and 60 million

STUDIES SHOW THAT THE LFP MARKET WILL GROW STRONGLY, ESPECIALLY IN THE E-MOBILITY SECTOR. THE GLOBAL MARKET IS EXPECTED TO GROW BY 17% ANNUALLY UNTIL 2035.



euros by 2025. LFP battery materials are a rapidly expanding market, utilized by major automotive companies such as Tesla and Mercedes in their electric car models. Additionally, our new IBUvolt® LFP402 product was launched at the beginning of 2024, further accelerating our battery growth strategy.

Can you briefly explain the advantages of LFP materials?

Weitz: I will elaborate a bit on this. There are two main types of cell chemistry used in electric car batteries: nickel-manganese-cobalt (NMC) and lithium-iron phosphate (LFP). While NMC batteries are powerful and can achieve long ranges in electric vehicles, they are expensive and more harmful to the environment due to the complex and cost-intensive mining of cobalt and manganese. Lithium is more readily available, making LFP batteries the more cost-effective option. Furthermore, LFP batteries boast greater thermal stability than NMC batteries.

OUR PRODUCT IS MAINLY
MADE UP OF EUROPEAN
RAW MATERIALS.
THIS IS AN ADVANTAGE.



Although LFP batteries have a shorter range, they are more than suitable for use in smaller electric cars or stationary energy storage. The introduction of Super LFP batteries which can reach ranges of up to 700 kilometers has resolved the range problem. Additionally, the network of charging stations has significantly expanded, and the charging times of the vehicles have been drastically reduced.

... does this mean that the automotive industry is now relying more heavily on LFP batteries?

Leinenbach: Studies show that the LFP market will grow strongly, especially in the e-mobility sector. The global market is expected to grow by 17% annually until 2035. The main growth driver is the increasing global demand for electric and hybrid vehicles as well as for stationary battery storage systems. We are therefore active in future markets with our LFP products and are constantly expanding our product portfolio, as can be seen in our latest product innovation IBUvolt® LFP402.

What are the distinguishing characteristics of the new IBUvolt® LFP402 product?

Weitz: IBUvolt® LFP402 meets all the specifications that the automotive industry and cell producers are already used to from Chinese products. However, our product is mainly made up of European raw materials. This is an advantage. Chinese suppliers currently dominate the market, with all the critical implications, such as high dependence on regional and political developments, long supply routes, fragile supply chains and, last but not least, negative environmental aspects. Our new European LFP material has a carbon footprint that is around 40% lower than the market average. And we will be able to increase this positive value even further through the use of our technology platform. Due to its product specifics, IBUvolt® LFP402 is ideally suited for the wet coating of battery electrodes (more on the topic of wet coating or dry coating from page XX). This procedure is currently the absolute standard in the e-mobility industry. In addition, the new product is also clearly competitive on the market in terms of price.

Further development of battery materials is playing a major role at IBU-tec. What's the latest news from your R&D department?

Leinenbach: At the beginning of fiscal year 2024, we signed a cooperation agreement with LANXESS, which is a milestone for us. Together, we want to develop a European iron oxide product for LFP battery material and thus offer a European, sustainable alternative to this battery precursor from the Far East. The collaboration is strategically important for both parties and makes a decisive contribution to a European battery value chain.

Weitz: In addition to further developments in the field of LFP battery material, we are also researching other material combinations in the battery environment. For example, we are currently researching sodium-ion batteries with well-known companies such as Jungheinrich and UniverCell. The great advantage of sodium is its excellent raw material availability. As part of the research project, which is funded by the German Federal Ministry of Education and Research with EUR 2 million, we are responsible for the material development of the cathode active material based on polyanionic compounds. A marketable product is expected by the end of 2025. The batteries are being developed for industrial vehicles, such as forklifts.

What about IBU-tec's other business areas, such as glass coating and recycling?

Leinenbach: After battery materials, the glass coating sector is another growth driver. Here, again, we are the only manufacturer in Europe and therefore have a strong market position in this area. In the past fiscal year, we completed a new production plant for the glass coating product MBTC and plan to operate the plant at full capacity by the end of 2025. We expect commodity markets to stabilize in 2024. In addition, the service and production services divisions as well as recycling and much more form the basis for our stable business model. With these business units, we generate a total of mid-double-digit million euros in sales every year. This shows that we are a diversified company with a focus on many exciting growth markets.

Can you give a forecast for the current year 2024?

Leinenbach: For 2024, we expect a significant increase in revenue of around 25% compared to the previous year as well as above-average growth in EBITDA of 40-45%. An EBITDA margin of around 7% is expected. This already includes one-off expenses of more than EUR 2 million for „future investments“, such as the expansion of sales, application technology or laboratory analysis in the battery sector. Our forecast is supported primarily by a growing battery business. Extensive orders for 2024 in the battery sector are already on the horizon. We intend to further expand our inventories and produce new batches of our newly developed material LFP402. In addition, we are driving forward the further development of battery material and researching new, innovative materials and possible applications. At the same time, we are continuing to expand the necessary structures and sales. We also expect a significant improvement in the yield of our raw material input in our growth area of MBTC glass coating as a result of the commissioning of the plant, which will have a positive effect on our company's liquidity.

A video statement by Jörg Leinenbach and Ulrich Weitz on the 2023 financial year and the product innovation IBUvolt® 402 can be found at this link: <https://www.ibu-tec.de/investor-relations/finanzmeldungen/strategie/>

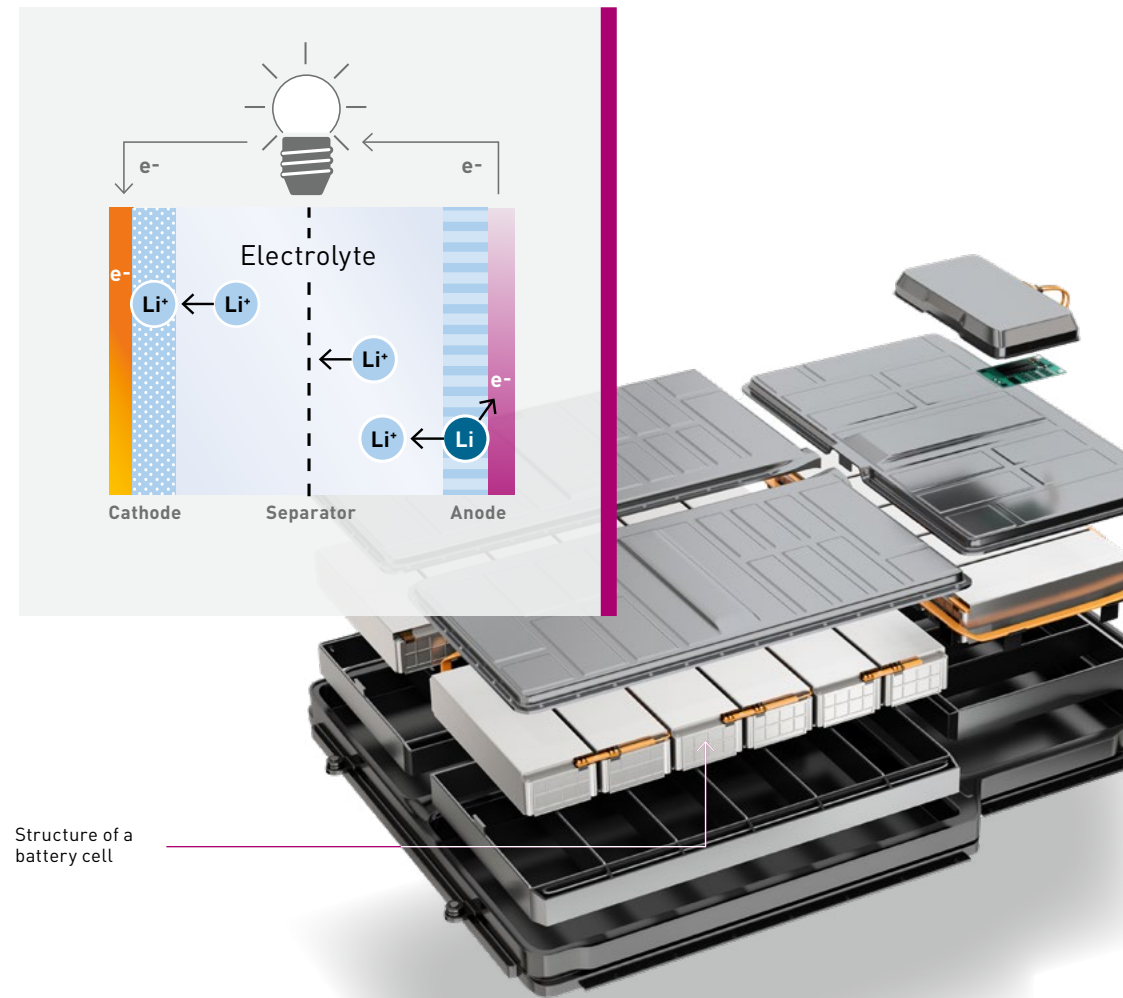


IBU-TEC'S LFP STORY

BACKGROUND, FACTS AND NEWS

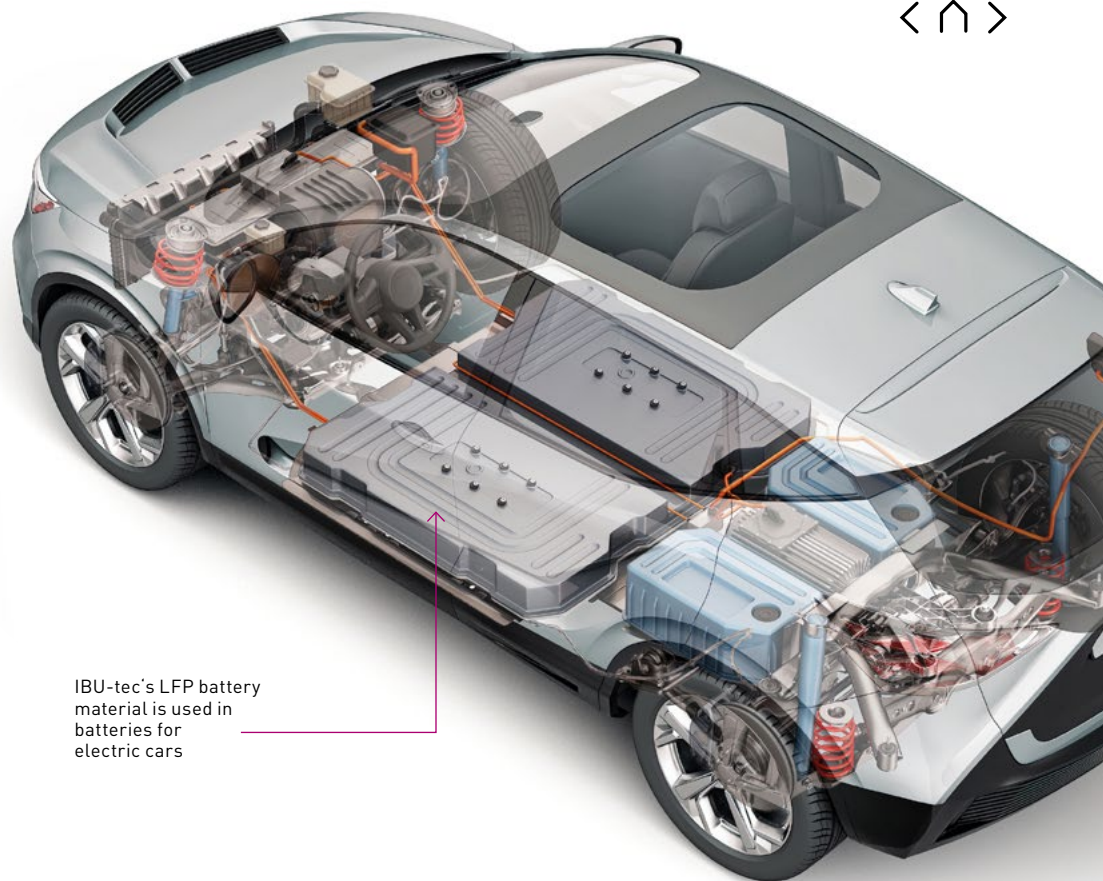
Battery Materials from IBU-tec Ensure Strong Batteries

Without batteries, (almost) nothing would work in everyday life. LFP battery materials from IBU-tec are used, among other things, in electric cars, stationary energy storage systems or in special applications, e.g. in batteries for hearing aids. The battery, for example of an electric car, consists of numerous battery modules, which in turn consist of several battery cells. The most common is the lithium-ion battery. This consists of four basic components that make up the cells of the battery: cathode, anode, separator and electrolyte. When charging a lithium-ion battery, lithium ions are transported from the cathode to the anode through an electrolyte layer. In the anode, which is often made of graphite or mixtures of silicon and graphite, the lithium is embedded and electrons are absorbed. When the battery is discharged, this process is reversed. The lithium-rich anode layer releases electrons and the resulting lithium ions are transported to the cathode. This creates an electrical current flow. This cycle can be repeated several times for batteries. The higher the quality of the battery and the cell chemistry used in it, the longer the battery life. IBU-tec produces such high-quality cell chemistry with its battery materials.



LFP vs. NMC – IBU-tec Focuses on Sustainable Materials

Batteries not only consist of a cathode and anode, but are also coated with a special cell chemistry – and this is very important for e-mobility, for example. There are two widely used forms of cell chemistry in batteries: nickel-manganese-cobalt (NMC) or lithium-iron-phosphate (LFP). This is where IBU-tec comes into play – with the LFP products IBUvolt® LFP400, IBUvolt® LFP200 and IBUvolt® LFP402. What are the differences between NMC and LFP? NMC cells have a high energy density. However, they only operate efficiently at certain temperatures and therefore need to be cooled or heated regularly. This process is time-consuming, which is why the operation of NMC cells is relatively expensive. LFP cells, on the other hand, are cheaper because they do not contain high-priced nickel or cobalt. Both raw materials have to be mined at great expense and are harmful to the environment when released. LFP is there-



IBU-tec's LFP battery material is used in batteries for electric cars

E-Mobility – A Growth Market

Electromobility has become indispensable. According to the Center of Automotive Management (CAM), around 9 million all-electric vehicles were sold worldwide in 2023, a 29% year-on-year growth rate. After China, Europe and the USA are the main sales markets for electric cars. IBU-tec's LFP products are used in stationary energy storage systems as well as in rapidly growing e-mobility.

fore significantly more sustainable than NMC. Another advantage of LFP is that the risk of fire is very low. Until now, the biggest disadvantage of LFP batteries has been the low energy density and the associated shorter range when used in electric vehicles, which is why they have mainly been installed in smaller electric vehicles. This is currently changing: The first LFP super batteries are already available. The Chinese battery manufacturer CATL has launched an LFP super battery called Shenxing, which enables a range of around 700 kilometers – and can be recharged within a few minutes. LFP batteries are





therefore playing an increasingly important role for electronically powered passenger cars – this increases the growth potential for IBU-tec's LFP material. In addition, IBU-tec is researching further, sustainable material combinations for battery materials, e.g. in the field of sodium-ion batteries. These have a higher level of safety, easier availability of raw materials and higher cost efficiency than conventional batteries on the market. Sodium-ion batteries are also more environmentally and socially compatible than lithium-based batteries – because sodium is obtained from natural salt deposits, such as seawater or salty spring water. In two research projects with renowned institutes and industrial partners, such as Jungheinrich, IBU-tec is driving the development of these sustainable materials.

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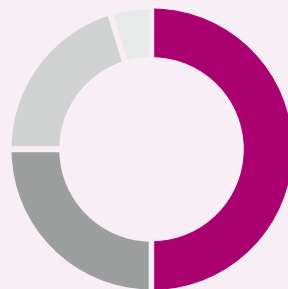
IBU-tec As a Service Provider in the Battery Ecosystem

Batteries are the basis for global trends, such as e-mobility or energy storage in the use of renewable energies. Accordingly, the demand for batteries and battery materials is increasing; at the same time, the requirements are becoming more and more complex. The most important components of a battery – anodes, cathodes and separators – are therefore subject to a constant optimisation process in order to increase the performance of the battery and meet the demands of the market. As a service provider and process optimizer along the entire battery value chain, IBU-tec contributes to the improvement and further development of batteries of the future. IBU-tec focuses on innovative material developments in the field of anode, cathode and raw materials. In addition, the recycling of battery materials at IBU-tec plays a decisive role in establishing a sustainable circular economy.

Global Market Analysis by End Use

(in USD Mio.), 2035

- Automotive
- Power
- Industrial
- Others



LFP Batteries: A Must-have in the E-mobility Market

LFP technology is on the rise: According to studies, the global market for LFP batteries will reach a turnover of around USD 54 billion by the end of 2035. In the period between 2023 and 2035, this represents a compound annual growth rate (CAGR) of around 17%. Accordingly, IBU-tec and its products are positioned in a fast-growing future market. Major OEMs are convinced of LFP: Mercedes, for example, will use LFP batteries for its next generation of cars, such as the electric CLA, from 2024 and 2025. Volkswagen and Tesla are also already making extensive use of LFP batteries in their electric vehicles.

IBU-tec Supports „Next Generation Anode Material“

In the field of anodes, there is currently a pronounced market dominance of Chinese suppliers: More than 90% of the anode material graphite is sourced from China. Due to supply bottlenecks, artificially created shortages and price increases, importing graphite from China is becoming increasingly challenging. The establishment of a European supply chain for anode materials is therefore becoming increasingly relevant. As a service provider and producer of battery materials, IBU-tec is committed to European battery production. IBU-tec supports European customers in the process development and optimization of a new generation of anode materials, e.g. silicon-based, within the framework of development projects. The aim is to significantly increase the energy density of battery cells. IBU-tec's expertise will also be applied to the commercialization of the new, innovative anode material at a competitive price for customers. In addition, material optimizations and improved properties in the battery are to be achieved in the interaction of the other components.

IBU-tec Advances Development of Innovative Cathode Materials

Cathode materials, such as IBU-tec's LFP battery material, constitute almost 35% of a battery and have a significant impact on its performance. IBU-tec is actively involved in the development of a European value chain for cathode material production. Our focus is on establishing a sustainable and efficient production process, such as dry coating (refer to page 20). IBU-tec's IBUvolt® LFP400 battery material is highly suitable for dry coating. Our company's expertise in this area benefits our customers.

Furthermore, IBU-tec supports the development of market-relevant LFP alternatives, such as sodium-ion batteries, which can be offered on the market at a lower price than conventional battery materials in the long term. IBU-tec is also continuously working on increasing the energy density of the cathode by chemically substituting iron with manganese (LMFP). In the 2023 financial year, IBU-tec additionally supported several customer projects for the material and process development of NMC (lithium-nickel-manganese-cobalt-oxide) and LFP cathode materials and their manganese-rich alternatives.



IBU-Tec Further Develops Raw Materials from Europe and Supports the Development of a European Battery Value Chain

The IBU-tec Group is making a significant contribution to the development of a European value chain for battery materials. As a process developer, IBU-tec supports the extraction of lithium carbonate and hydroxide from German and European ore sources. Many IBU-tec customers, especially in the mining sector, are increasingly expanding their raw material development activities to Europe or Germany – in order to become independent of regions with long, vulnerable supply chains. The demand for IBU-tec services is therefore particularly high among such customers. Here, IBU-tec takes over the thermal process steps with its systems and supports customers in engineering with their system configuration. IBU-tec itself is also involved as a processor in the development of a European iron oxide product for LFP materials and has signed a cooperation agreement with LANXESS on this topic.

Excursus: E-Mobility Is Not a Novelty



Even though e-mobility in the automotive sector has only established itself in the past 10 to 15 years, the use of the electric motor is not new: The electric motor was developed as early as the beginning of the 19th century and was mainly used in electric trams over the course of the century. In addition, in the 1940s, a certain electric vehicle shaped the cityscape of Berlin: the bread cart of the traditional bakery Wittler from Berlin-Wedding. With the electrically powered delivery van, which came from the Maschinenfabrik Esslingen, the bakery supplied the citizens of Berlin with fresh baked goods during the war years and afterwards. The drive technology of the electric vehicle, which was built in 1943, proved to be robust and reliable to operate. The electricity came from lead-acid batteries, and a series-closing motor converted the energy into motion. The only drawbacks at the time were the heavy weight of the battery and the limited range. The battery charging time was overnight in 5-6 hours, the driving speed was 12-20 km/h. The driving range was 60 kilometers. The electric delivery van was used until well into the 1970s alongside 10 other delivery vans. Today, the electric vehicle is on display in the „Stiftung Deutsches Technikmuseum Berlin.“

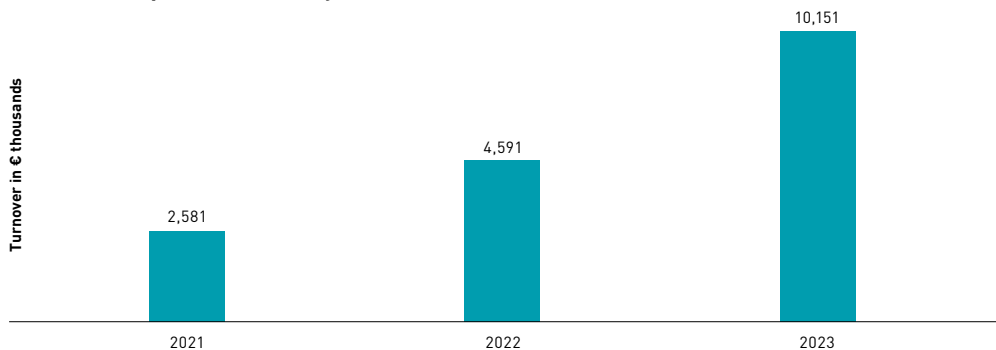
IBU-tec's Recycling Business - Crucial for the Ecological Battery Recycling Economy.

An important part of IBU-tec's service business in the battery ecosystem is the recycling of battery materials. In so-called black mass recycling, expensive raw materials (for example, nickel and cobalt) are recovered by type. This means that new material can be added to the production process without having to laboriously mine the raw materials again. Recycling processes for LFP are still in their infancy and further research and development is needed. Most processes require thermal equipment (e.g. rotary kilns) and very good knowledge of material handling. IBU-tec fulfils all of this with its many years of expertise and proven systems. Recycling valuable raw materials makes ecological sense and contributes to a reduction in the CO₂ footprint. As a sustainable company, IBU-tec supports the further development of recycling processes for battery materials.

IBU-tec's Battery Materials: A Success Story of Yesterday, Today and Tomorrow

The „LFP story“ of IBU-tec began a few years ago: From 2016 onwards, IBU-tec was active as a service provider and contract manufacturer for LFP materials and thus a pioneer in the market. The patent protection for LFP ended in 2021 and has cleared the way for the distribution of LFP under the flag of IBU-tec AG. In the meantime, IBU-tec is the only manufacturer in Europe to market three high-quality LFP products of its own: IBUvolt® LFP400, IBUvolt® LFP200 and IBUvolt® LFP402. IBU-tec's growth strategy is clearly defined: by 2025, the Group's sales of battery materials are expected to be between EUR 30 million and EUR 60 million. Interest in the products is particularly high among customers from the automotive industry. The new and further development of battery materials is also part of IBU-tec's growth strategy: IBU-tec signed an agreement with global player LANXESS at the end of 2023 and both parties will jointly develop an innovative European iron oxide product for the production of improved LFP battery materials. In this way, IBU-tec wants to make a decisive contribution to a European value chain for battery materials. In addition, IBU-tec researches and develops other pulps – for example, sodium-ion batteries. The product range and market is continuously expanding, and innovative battery materials are being researched. Thus, IBU-tec secures its future viability.

Sales development of battery materials at IBU-tec



Wet Coating Process – Standard Procedure in E-mobility

LFP battery materials are increasingly in demand on the market. There are different methods for producing and processing such materials. Wet coating with organic solvents is currently the standard process for the production of battery cells for the global e-mobility industry. IBU-tec's new LFP material IBUvolt® LFP402 is particularly suitable for these processes. With this new product, IBU-tec is thus addressing the large market for wet coating in e-mobility.

In the wet coating process or „slurry process“ carried out by the customer, the LFP active materials, binders and conductive carbon black are processed into pastes (slurries) with water or organic solvents. These slurries are finally applied to thin metal foils.

The pastes are processed by IBU-tec's customers.

Dry Coating – The Game Changer in LFP Manufacturing

In addition to the wet coating process, the dry coating process is becoming increasingly popular on the market. In this method, the corresponding material is applied directly to the current arrester of the battery, usually with a high layer cover. This eliminates the need for the time-consuming drying process associated with wet coating. Accordingly, dry coating is more efficient, cost-effective and space- and energy-saving than wet coating. The fact that this manufacturing process requires significantly less energy also makes the process more environmentally friendly. In addition, the use of chemical solvents in this production process can be dispensed with. Even though the process has many advantages compared to wet coating, it has not yet established itself as a standard in the automotive industry, but major

car manufacturers, such as Tesla, have already discovered the benefits of dry coating. PowerCo, Volkswagen's battery manufacturing subsidiary, has also already announced that it will be the first global automotive company to make extensive use of the dry coating process from 2026. According to PowerCo's own statements, the dry coating for electrode coating will require 30% less energy and 15% less factory space in the future, which can save several hundred million euros annually for this company alone. The IBU-tec product IBUvolt® LFP400 is particularly well suited for the innovative dry coating process. With its LFP products, IBU-tec prudently covers the two major markets in the manufacturing process of battery materials.



How Does IBU-tec Manufacture Its Active Materials?

IBU-tec produces the active materials in a multi-stage chemical process before they are delivered to the customer. Different raw materials are mixed with water to carefully mix the different sources of lithium, iron and phosphorus.

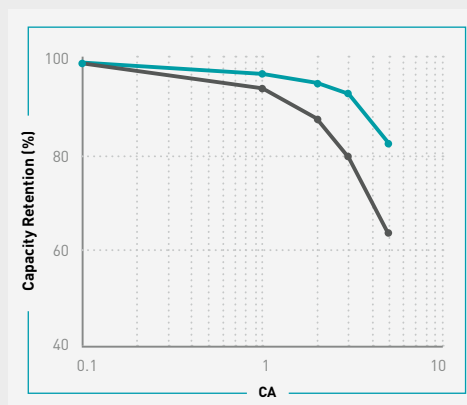
The material is then dried in a spray dryer – this is an important pre-process in LFP production. After spray drying, the material is thermally processed or calcined in one of the large rotary furnaces. IBU-tec uses its own equipment for thermal processing. By calcination of the LFP precursor material, LFP cathode material is formed in a solid-state reaction. The final processing step is grinding to create the right particle size for the customer's application.

The Advantages of IBU-tec Products

IBU-tec is positioned in the growth market of battery materials with three strong LFP products: IBUvolt® LFP400, IBUvolt® LFP200 and IBUvolt® LFP402. All products impress with their quality – IBUvolt® LFP400, for example, has achieved significantly higher power and charging performance than other products on the market in several test series (see figure). The two product categories IBUvolt® LFP400 and IBUvolt® LFP200 can also be mixed, which results in advantages for certain requirements for the battery in electric cars. IBUvolt® LFP200 is finer compared to IBUvolt® LFP400. By mixing the two materials, a higher compaction can be achieved. This, in turn, leads to an improvement in the energy density in the electrode. This makes the e-car battery more powerful. Furthermore, IBUvolt® LFP400 is extremely stable during the charging process and can easily go through several charging cycles.



IBUvolt® LFP400 - More power and charging capacity than the competition

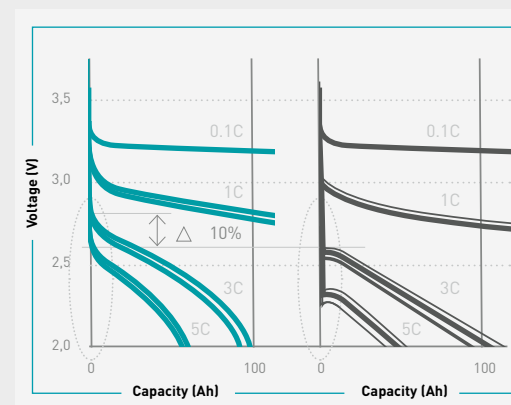


■ IBU-volt® LFP400 ■ Competitor

Comparison test „charging“ at 25 degrees Celsius

20% higher capacity of IBUvolt® LFP400
at a charge rate of 5C

Enables faster charging with
higher performance

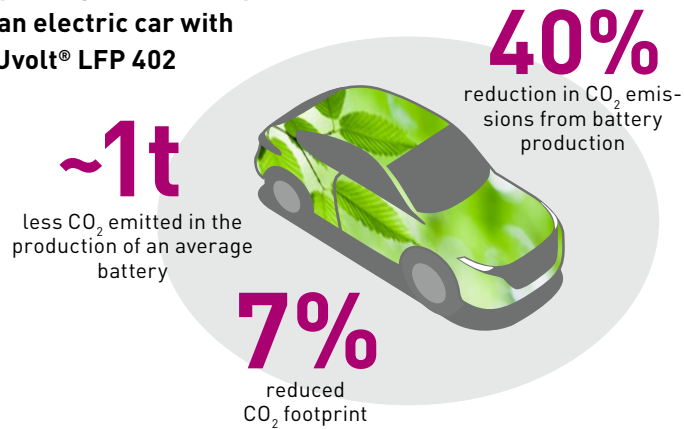


Comparative test „Unloading“ at -20 degrees Celsius

IBUvolt® LFP400 performs better
than its peer

Allows faster start and good acceleration
at low temperatures without preheating

Improving the CO₂ footprint of an electric car with IBUvolt® LFP 402



Product Innovation IBUvolt® LFP402

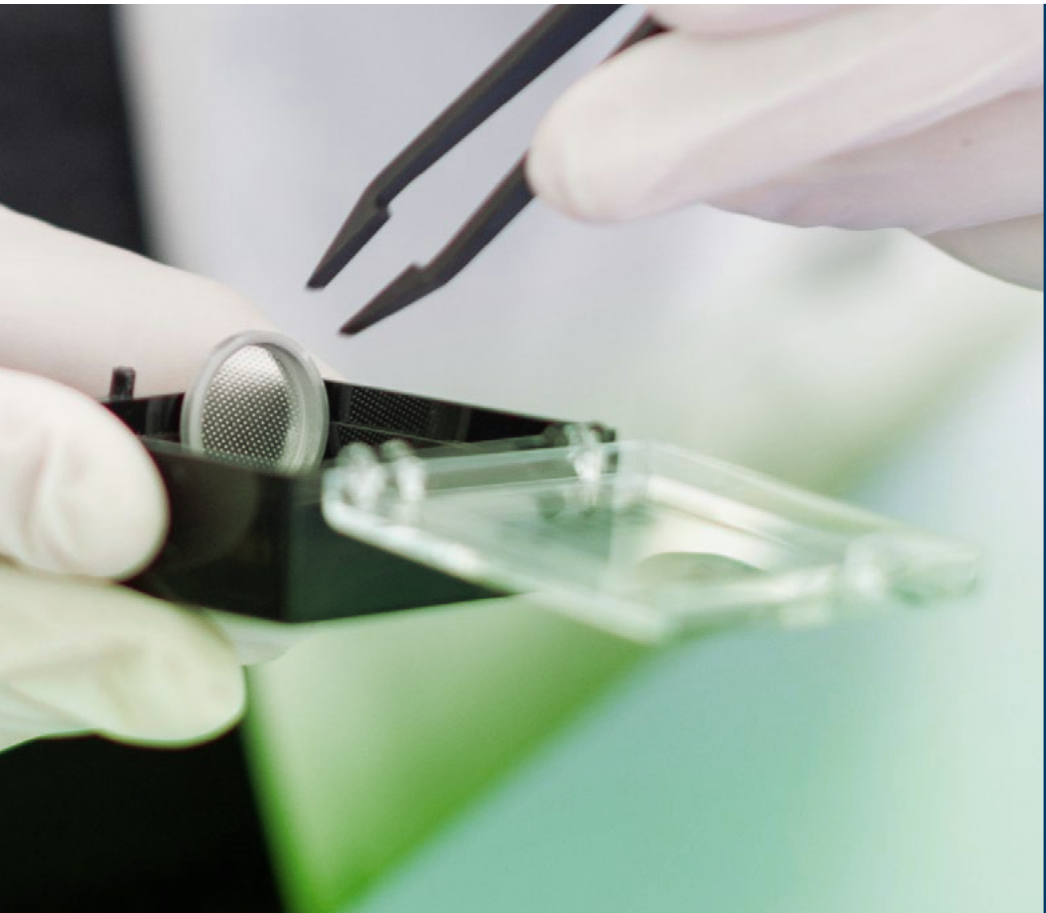
At the beginning of 2024, IBU-tec reached another milestone and launched a new LFP product, IBUvolt® LFP402. The new material covers the mega market of wet coating in LFP production. Another major advantage of the product is that it is produced entirely in Europe and thus contributes significantly to an environmentally friendly value chain in the field of LFP production. For example, the production of IBUvolt® LFP402 emits around 40% less CO₂ than comparable materials from East Asia. In the coming quarters, IBU-tec plans to further optimize its production processes and further increase CO₂ reduction to a good 50%. For an average battery for an electric car, the innovative European material avoids around one tonne of environmentally harmful CO₂. This results in an improvement in the CO₂ footprint of around 7% for an entire electric vehicle through the use of IBU-tec material. The production of the IBU-tec product in Europe also minimizes critical dependencies on countries such as China and ensures stability in the supply chain. With the latest product innovation, IBU-tec is writing a new chapter in its LFP success story – and more will follow.

„WITH OUR DIVERSIFIED PRODUCT RANGE IN THE FIELD OF LFP MATERIALS, WE ARE REPRESENTED IN THE GROWTH MARKETS OF TODAY, TOMORROW AND THE DAY AFTER TOMORROW. WITH IBUVOLT® LFP402, WE HAVE ACHIEVED A MILESTONE: THE PRODUCT HAS A LOWER CO₂ FOOTPRINT, IS PRODUCED ENTIRELY IN EUROPE, IS COMPETITIVE IN TERMS OF PRICE AND AT LEAST ON A PAR WITH THE MARKET-DOMINANT SUPPLIERS FROM EAST ASIA IN TERMS OF QUALITY. IN E-MOBILITY IN PARTICULAR, THE GOLDEN ERA OF LFP MATERIALS IS NOW BEGINNING – AND WE ARE HELPING TO SHAPE THIS AS PIONEERS. WE ARE PROUD THAT WE HAVE BEEN STRONGLY POSITIONED IN BATTERY MATERIALS FOR MORE THAN A DECADE AND THAT WE ARE ACTIVELY DRIVING PRODUCT INNOVATIONS – ALSO BASED ON OTHER MATERIAL COMBINATIONS.“

Jörg Leinenbach, CEO

THE IBU-TEC GROUP

SUSTAINABLE TECHNOLOGIES OF THE FUTURE „MADE IN EUROPE“



The IBU-tec Group develops and produces innovative materials of the highest quality for industry. Their focus: green technologies for a sustainable future. Since 2021, IBU-tec's successful business activities as a research and development service provider have been supplemented by its own product offerings in fast-growing future markets. The two strong pillars as a service provider and product provider are the basis of the strategy IBU2025 and a key growth driver.

To date, we are the only manufacturer in Europe to produce high-quality LFP battery materials and thus participate in one of the most important technologies for the expansion of renewable energies worldwide. Lithium-ion batteries with lithium iron phosphate (LFP) cathodes are in high demand. Their areas of application range from stationary energy storage and electromobility to hearing aids and other medical or industrial applications. We now have three strong products in the field of LFP battery materials: IBUvolt® LFP400, IBUvolt® LFP200 and IBUvolt® LFP402. In addition, we are researching other innovative battery materials with well-known industrial partners and research institutes. A strong focus is currently on the research and further development of battery pulps based on sodium-ion. Since the beginning of 2023, we have been accelerating and bundling our activities in the field of battery materials with the new subsidiary IBUvolt battery materials GmbH. Our subsidiary focuses on the development, manufacture, and sale of battery materials. Furthermore, development services for cathode and anode active materials are the focus of IBUvolt battery materials GmbH. As a sustainable group of companies, we want to play a key role in building a European value chain in the field of battery materials.

WITH OUR COMPREHENSIVE RANGE OF PRODUCTS, WE IN THE IBU-TEC GROUP COVER THE ENTIRE VALUE CHAIN FROM WET CHEMISTRY TO THERMAL PROCESS ENGINEERING.

Other relevant business areas include glass coating, recycling – including battery materials and raw materials – as well as the production of chemical additives and catalysts for the automotive, pharmaceutical and chemical industries.

With our comprehensive range of products, we in the IBU-tec Group cover the entire value chain from wet chemistry to thermal process engineering. More than 200 employees research and develop new materials, support customers in test projects and manufacture highly advanced products – from organotin compounds to nanoscale particles. We have state-of-the-art machinery, some of which have been developed in-house and are protected by patents.

IBU-tec - Strong Positioning in Growth Markets

IBU | tec
Group

IBU | tec
— Weimar & Bitterfeld —

Thermal processing

Engineering



Planning
of kilns
worldwide
customers

**Service
& Recycling**



R&D,
Upscaling,
Toll Manu-
facturing

IBU | volt
— Weimar & Bitterfeld —

LFP-Cathode Materials

Battery Materials



Since 2014:
Development
& Production
of LFP

BNT | chemicals
— Bitterfeld —

Organotin Compounds

Glas Coating



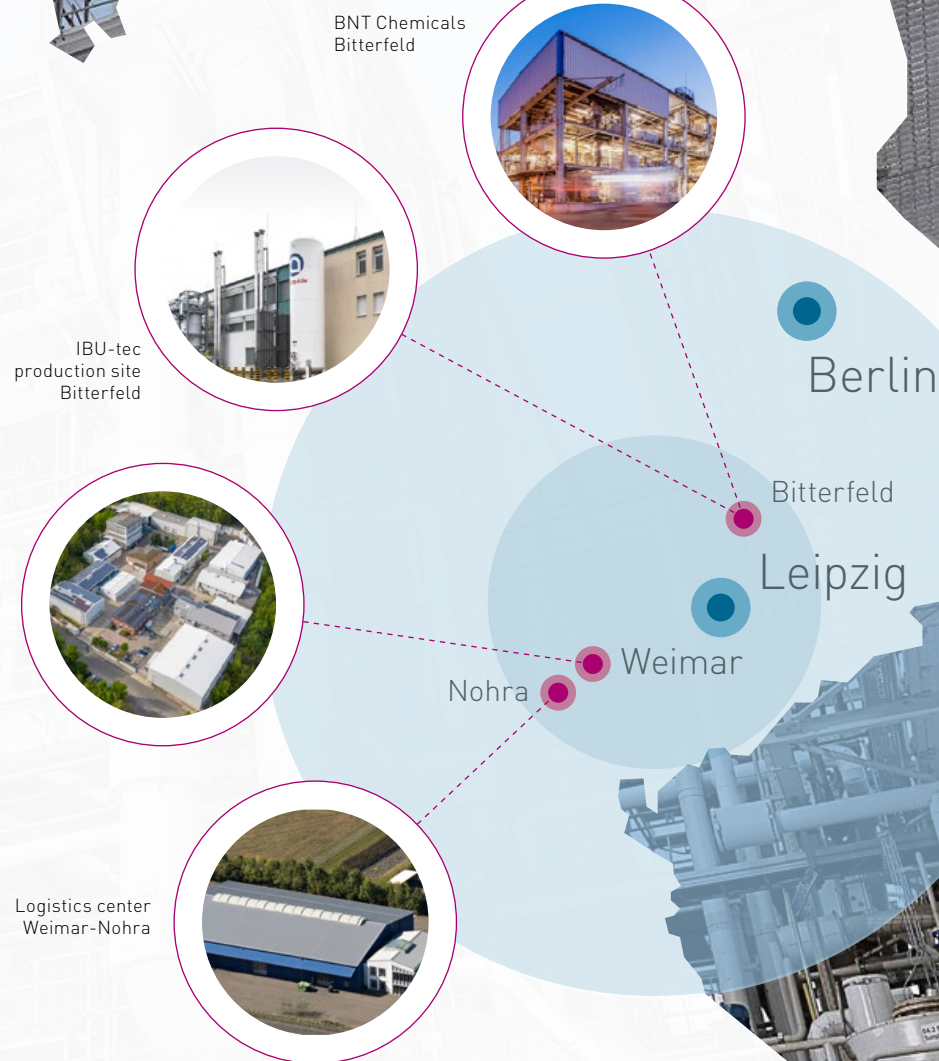
Only
Manufacturer
of MTBC in
Europe

**Special
Chemistry**



Raw
materials for
the chemical
industry

Locations IBU-tec



Glass coating: avoidance of plastic waste

Reusable glass bottles improve the CO₂ footprint by reducing plastic waste. We occupy a key position in the field of glass coating: As one of only four manufacturers worldwide and the only remaining company in Europe, our subsidiary BNT Chemicals manufactures the glass coating product monobutyltin trichloride (MBTC). Applied to glass bottles or jars during the

red-hot state in the manufacturing process, the resistance of a glass bottle is strengthened. This protects the glass against abrasion and breakage. This makes it possible to use returnable bottles 20 or more times before they have to be recycled. Due to the increasing environmental awareness worldwide, the demand for glass packaging is also increasing in many other industries, such as the pharmaceutical industry.



BNT COAT 100 (MBTC)

Strengthening and Weight Reduction of Glass Bottles
Extends the life of glass bottles by more than 20 cycles

Important for the competitiveness of glass vs. PET.



After continuing to invest in our new production facility for MBTC glass coating last year, we now expect the plant to be commissioned in fiscal year 2024. This will create the basis for increasing the future production capacity for MBTC to around 1,000 tons per year. This will significantly improve the yield of our raw material, which will immediately reduce our capital commitment and have a significant positive effect on the company's liquidity. Accordingly, the main growth driver in the 2024 financial year will be MBTC glass coating.



Recycling for an Eco-Circular Economy

In order to establish an ecologically sustainable circular economy, the recycling of valuable raw materials is indispensable. For example, expensive and rare materials are used in numerous products and applications that can be recovered, e.g. in batteries, catalytic converters or in the building materials industry. IBU-tec is benefiting from this growing market.

For example, we use thermal processes to help our customers make concrete reusable, thus reducing the need for sand and other raw materials for cement production as well as saving CO₂. This is because the production of concrete contributes almost eight percent to man-made CO₂ emissions worldwide. Raw materials such as rare earths, which are used in semiconductors as well as in polishing agents, are also expensive and associated with serious environmental

degradation during extraction. At IBU-tec, we help separate them from contaminants and return them to the product cycle.

An increasing focus of IBU-tec will be the recycling of used batteries, e.g. electric cars. These contain high proportions of valuable raw materials such as lithium, manganese, cobalt and nickel. Together with partners from industry, we at IBU-tec develop processes for the recovery of these raw materials and bring them to market maturity. As a result, we will benefit from an expanded value chain in the future – not least because parts of the raw materials obtained can be incorporated into the production of our own IBU-tec battery material. According to the report, the recycling sector is the third important growth driver in the context of IBU2025.

ESG at IBU-tec

DRIVERS OF THE ENERGY TRANSITION

With its products, IBU-tec is helping to lead the world towards a more environmentally sustainable future.

By developing technologies, new materials and innovative products for electromobility, IBU-tec is making a decisive contribution to the energy revolution. This includes the resource-efficient production of new, more efficient battery materials for stationary energy storage systems and electric vehicles using our thermal process technology. We are also driving the development of European battery materials supply chains to reduce our carbon footprint and that of our customers and partners. At the same time, we are committed to developing more environmentally friendly battery systems, such as sodium-ion batteries. These do not require rare raw materials and may replace lead-acid batteries in the long term.

IBU-tec also focuses on the continuous improvement of processes to conserve resources within the company. In order to minimize our own consumption of resources, we place great emphasis on minimizing waste. For example, the amount of hazardous waste generated has been reduced by almost 30% compared to the previous year.

Our responsibility to the environment and society has become a central part of our corporate culture. In the year under review, we further expanded our commitment to our employees and jointly developed corporate principles for respectful cooperation, especially in the area of internal corporate communications.





Environment: As currently the only European producer of lithium iron phosphate (LFP) battery material, we advanced our strong position in the European automotive industry in 2023. Our goal is to reduce our dependence on Asian suppliers and to respond to the European Union's (EU) increasing demands on the carbon footprint of European companies. Internally, we have increased the proportion of our Group-owned vehicle fleet that is hybrid or electric from 31% in 2022 to 46% in the year under review. In 2024, we will expand the nine charging stations for electric cars at our sites in Weimar (five charging stations with ten charging points) and Bitterfeld (four charging stations with eight charging points).

Circular Economy: In our development projects in the recycling of battery materials, we are working to optimize our processes in order to recover as much of the original raw material as possible. Expensive raw materials such as nickel, cobalt and lithium are recovered by type by means of thermal process technology and fed back into the production process of new materials. In the solar detox project funded by the German Federal Ministry for Research and Development, we have developed an innovative approach together with partners,

including the Materials Research and Testing Institute at the Bauhaus University Weimar, to combat water pollution caused by oil and fuel spills. Using buoyant catalysts activated by sunlight, the power of photocatalysis is harnessed to break down harmful substances. In this context, IBU-tec is developing large-scale production and scaling of the floating catalyst beads in experiments.

Energy Consumption: IBU-tec has implemented building technology measures to save heating energy and electricity in order to reduce the lighting of the outdoor facilities to the minimum necessary for safety. This was one of the reasons why the demand for electricity was reduced by 20% compared to the previous year. Last year, we used 22,604 MWh of gas and electricity to power our facilities. To this end, we also use our own photovoltaic systems and a combined heat and power plant at our sites, which together produced approx. 1,662 MWh in 2023. For the rest of our electricity needs, we use 100% green electricity. In order to increase the share and security of supply of electricity from renewable energy sources, we have had the roofs of our halls at the Bitterfeld site tested for the load-bearing capacity of photovoltaic systems.

Social Commitment: The well-being of our employees is important to us. That's why we have once again provided family-friendly support services and health-promoting offers for our employees in 2023. Not only the child-care subsidy, the occupational pension scheme, the fitness and wellness offers were in high demand, but also childcare during the holiday season. Our free supply of food and drinks to employees in our in-house canteen was very popular. This is reflected in the employee turnover at IBU-tec: In 2023, it was around 13%, which was once again far below the German average of around 30% in recent years. With our occupational health and safety system, which is certified according to the requirements of ISO 45001, we have been able to reduce the number of reportable occupational accidents by 20%. In the area of promoting young talent and diversity, the proportion of trainees has increased slightly, as has the number of female employees. At senior management level, the proportion of women in the Group has increased by almost 40% compared to the previous year. With the election of Isabelle Weitz, we now have a Supervisory Board that consists of 50% female members.

ESG Rating: Our commitment to sustainability is also recognised by rating agencies. EcoVadis, the world's largest provider of corporate sustainability ratings, has awarded us the EcoVadis Silver award. With an overall score of 67 points, we were able to significantly improve on the last rating in 2021 (59 points). This puts us in the top 10 percent of companies in our industry worldwide that are evaluated by the platform.

Further details and key figures on our sustainability activities can be found in the Group Management Report starting on p. 46.



IBU-TEC ON THE CAPITAL MARKET



Equity markets around the world performed very well in 2023. Despite inflation, rising interest rates and an economic slowdown in Germany, the DAX ended the year at 16,751 points, a gain of 20% compared to the year-end price of 2022. The indices for medium-sized and small companies also closed 2023 well: At the end of the year, the MDAX stood at around 27,100 points (+8%) and the SDAX even rose by 17.1% to around 13,960 points.

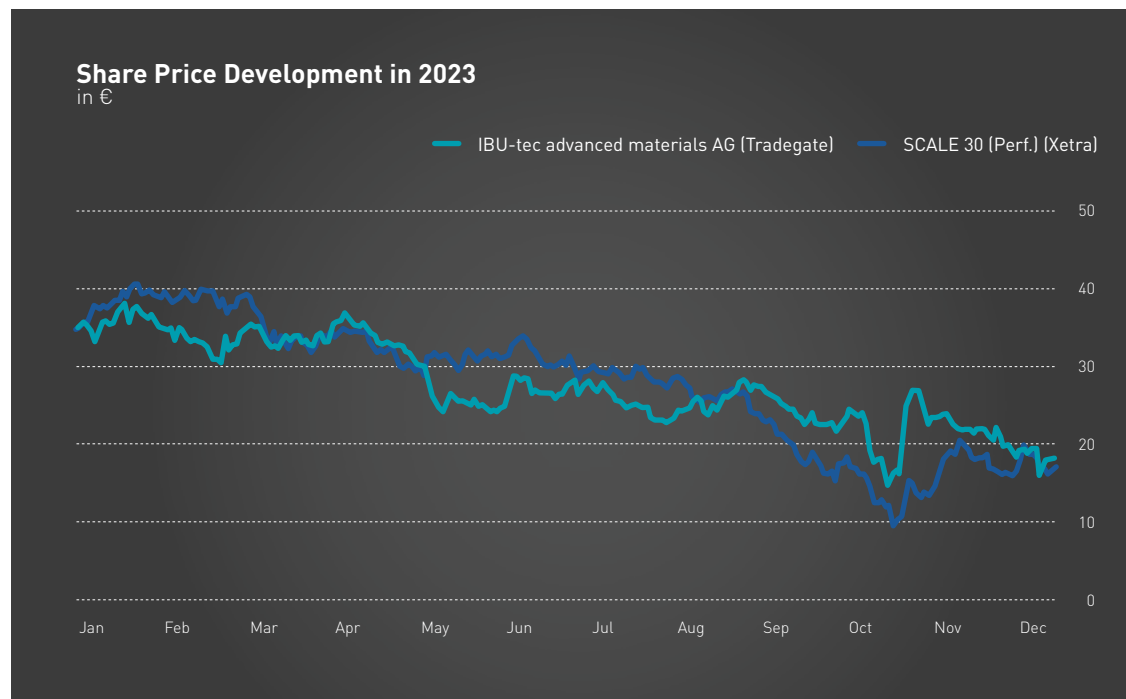
Outside the DAX family, the indices of small caps showed a less pleasing development: The Scale30 Index closed at 960 points at the end of the year, losing more than 16% compared to the end of 2022. SMEs and companies from the chemical industry, in particular were strongly impacted by the difficult economic conditions in 2023. At the end of the reporting year, the closing price of the IBU-tec share was EUR 18.06. The highest closing price was reached at 37.95 euros on January 18, 2023. On October 30, 2023, the lowest closing price of the share was recorded at 15.50 euros. A total of 9,990 shares per day were traded on German stock exchanges, of which 43.7% were traded on the electronic trading system Xetra.

At the IBU-tec Annual General Meeting on April 26, 2023, shareholders approved the distribution of a dividend of EUR 0.04 per share for the past financial year. They also elected Isabelle Weitz, a member of the major shareholder family, to the Supervisory Board, which now consists of four members, by a large majority of votes. A total of 55.38 percent of the share capital was represented at the Annual General Meeting. At the end of the Annual General Meeting, Jörg Leinenbach took over the position of CEO of IBU-tec from Ulrich Weitz, who, as announced, did not renew his contract and will focus on the management of IBUvolt battery materials GmbH.

In order to provide market participants with continuous and comprehensive information, especially in challenging times, we held numerous discussions with investors last year – both at conferences and roadshows as well as in regular calls and meetings. In total, we participated in three capital market conferences and two roadshows and held balance sheet calls at the annual and half-year financial statements, in which we commented on results, the current market situation and the implementation of our „IBU2025“ strategy. In addition, outside of the reporting period in

January 2024, we published a video statement by IBU-tec CEO Jörg Leinenbach and IBUvolt battery materials GmbH Managing Director Ulrich Weitz on the current market and price situation of the share.

A video statement by Jörg Leinenbach and Ulrich Weitz on the 2023 financial year and the product innovation IBUvolt® 402 can be found at this link: <https://www.ibu-tec.de/investor-relations/finanzmeldungen/strategie/>



Basisdaten zur IBU-tec-Aktie

ISIN / WKN	DE000A0XYHT5 / A0XYHT
Ticker symbol	IBU
Stock Exchange Segment	Scale, over-the-counter market of the Frankfurt Stock Exchange
Venues	Xetra, Frankfurt, Berlin, Dusseldorf, Hamburg, Munich, Stuttgart, Tradegate
Initial Listing	March 30, 2017
Current share capital	4,750.000.00 Euro
Total number of shares	4,750,000 pieces
Type: Shares	Non-par value bearer ordinary shares (no-par value shares)
Related Index	SCALE 30, SCALE All Share
Designated Sponsor	Bankhaus Hauck Aufhäuser Lamp
Research	Bankhaus Hauck Aufhäuser Lamp
Market Cap (December 31, 2023)	EUR 85.8 million
Shareholder structure	1.12% Board of Directors 47.00% The Weitz family 51.88% Free float

GROUP MANAGEMENT REPORT

OF IBU-TEC ADVANCED MATERIALS AG FOR THE FINANCIAL YEAR 2023

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

1. Fundamentals of the Group

1.1 Business model

The IBU-tec Group develops and produces quality materials for industry. Target markets include the chemical, pharmaceutical, plastics, coatings and automotive industries. The group acts both as a service provider for development and production and as a manufacturer of its own materials. Their range of products and services covers the entire value chain from wet chemistry to thermal process engineering. With its own products – such as battery materials and glass coating – the IBU-tec Group places a special focus on green technologies in global growth markets. In the past, the Group was primarily active as a development and production service provider, but in the 2021 financial year it fundamentally expanded its business model to include the

manufacture of its own products. With the market launch of its own battery material based on lithium iron phosphate (LFP), which is used in electric vehicles, stationary energy storage systems and numerous industrial and medical technology applications, among other things, it has significantly realigned itself and opened up new sources of income in a highly attractive growth market. The Group has unique technologies, some of which are patented, which it combines with the extensive process and material know-how of its experienced employees to offer customers high-quality applications and products.

1.2 Structure

The IBU-tec Group is divided into three individual companies: the parent company IBU-tec advanced materials AG (IBU-tec AG), Weimar, the operating subsidiary BNT Chemicals GmbH (BNT GmbH), Bitterfeld-Wolfen, and IBUvolt battery materials GmbH in Weimar, which currently does not yet have active business operations as a pure shelf company, but is expected to include the battery business in the future. Both operating companies are closely linked by organizational measures. As the parent company, IBU-tec AG assumes the

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

1. Fundamentals of the Group
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1.2.1 IBU-tec advanced materials AG

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

In addition to the automotive industry, the chemical industry, the building materials industry, electrical engineering as well as the ceramics and glass industry are important target markets for IBU-tec AG. These include, in particular, the greentech future areas of electromobility, energy storage, recycling and life sciences. In this way, it addresses global megatrends through its customer base, such as green mobility (e-mobility and automotive catalytic converters), green economy (e.g. CO₂-reduced building materials, rare earths, stationary energy storage) and medical technology (e.g. artificial joints and dentures).

1.2.2 BNT Chemicals GmbH

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

in wet chemistry, which mainly concerns the process stages of precipitation, synthesis and distillation, which are upstream of the thermal processes of IBU-tec AG. This enables the Group to map an end-to-end value chain and place a comprehensive range of services on the market. It is distributed worldwide.

1.3 Goals and strategy

The framework for the Group's strategic orientation and Group goals is provided by the announced strategy paper „IBU2025“, which was presented in January 2021 and revised at the beginning of 2022. In this way, the Management Board is driving forward the Group's transformation from a company that primarily acts as a development and production service provider to an independent manufacturer of high-quality products. This step is intended to generate growth, reduce the dependence on large individual customers in the service business, which is in some cases high, and increase the long-term stability and predictability of revenues.

The focus of the „IBU2025“ strategy is to expand the portfolio with products and solutions for global megatrends. Since the fourth quarter of 2021, IBU-tec has positioned itself as a manufacturer of powder materials in the growing market of high-performance batteries for the automotive industry, industrial applications and stationary energy storage systems by marketing its own LFP battery material. In addition, the focus will be on expanding capacity in the glass coating division and developing the service and recycling business, which are further key growth drivers for the Group's future business. In this way, the Group occupies important, promising, high-margin areas that can be subsumed under the term greentech.

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Furthermore, process development and production services in the field of special catalysts for the chemical industry, the production of additives for the reduction of nitrogen oxides in the air, the development of processes for the regeneration of rare earths, the development of new areas of application for organotin and organometallic catalysts as well as the production of catalytically active powders for the automotive industry round off the production of catalytically active catalysts for the automotive industry. strategic orientation of the IBU-tec Group.

1.4 Control system

With the strategy paper „IBU2025“ published on January 25, 2021, the IBU-tec Group has laid the foundations for sustainable profitable growth. Despite the investments required for this, the aim is to increase the operating result (EBITDA) in the long term.

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

Accordingly, the Group is managed on the basis of two key performance indicators: revenue and EBITDA margin. In addition, other variables such as gross profit margin, EBITDA, EBIT, EBT, cash flow and investments are considered for operational and strategic management. Monthly reporting with target/actual comparisons and deviation analyses forms the basis for the Group's commercial management.

2. Economic Report

2.1 Macroeconomic conditions

According to estimates by the German Council of Economic Experts, German economic output in 2023 was almost at the same level as at the beginning of the coronavirus pandemic almost four years ago and recorded the lowest growth of all euro area economies.¹ Although Germany initially came through the Corona pandemic comparatively well, the German economy developed very weakly during the energy crisis.² According to the Federal Statistical

Office, the persistently high price level at all levels of the economy had a dampening effect on the economy. In addition, financing conditions were less favorable due to higher interest rates and lower demand from Germany and abroad.³ World trade lost momentum, with negative consequences for the German export industry.⁴

¹ https://www.sachverstaendigenrat-wirtschaft.de/fileadmin/dateiablage/gutachten/jg202324/JG202324_Gesamtausgabe.pdf, Dezember 2023

² https://www.sachverstaendigenrat-wirtschaft.de/fileadmin/dateiablage/gutachten/jg202324/JG202324_Gesamtausgabe.pdf, Dezember 2023

³ https://www.destatis.de/DE/Presse/Pressemitteilungen/2024/01/PD24_019_811.html, 15.01.2024

⁴ https://www.destatis.de/DE/Presse/Pressekonferenzen/2024/bip2023/statement-bip.pdf?__blob=publicationFile, 15.01.24

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According to calculations by the Federal Statistical Office, consumer prices in Germany increased by an annual average of 5.9% in 2023 compared to 2022. The inflation rate thus remained very high at just under 6%.⁵ In 2023, Germany's gross domestic product (GDP) was around 4.12 trillion euros. In nominal terms, GDP increased compared to 2022. However, this is due to inflation. In price-adjusted terms, the German economy slipped into recession in 2023.⁶ According to calculations by the Federal Statistical Office, price-adjusted

gross domestic product (GDP) in 2023 was 0.3% lower than in the previous year.⁷ Energy prices, which had already risen sharply in 2022 as a result of Russia's attack on Ukraine, stabilized at a high level and weighed on industrial production in particular.⁸ The existing restrictions on Russian natural gas supplies with the triggered energy crisis had a particular impact on energy-intensive industries.⁹

2.1.1 Chemical

As an energy-intensive sector, the chemical industry was particularly hard hit by the increased prices of electricity and natural gas. The chemical industry's expectations for a further positive development in 2023 have not been fulfilled. On the contrary, the business climate in the chemical industry has deteriorated further. According to the Ifo Institute, a recovery is not yet in sight.¹⁰ In addition, there were price increases for raw materials and inter-

mediate products, which together led to an industry-wide shortage of orders. The production of chemical companies in Germany fell by 8% compared to the previous year, as the German Chemical Industry Association (VCI) announced in its annual report. Excluding the pharmaceutical business, the decline was as high as around 11%.¹¹ The industry's total revenue compared to 2022 fell from €266.5 billion to €230.0 billion.¹²

2.1.2 Automotive industry

According to the Federal Motor Vehicle Authority, significantly more new cars were registered in 2023 than in the previous year. New passenger car registrations rose by 7.3% to 2.84 million. In particular, the number of new commercial registrations increased, while slightly fewer private cars were newly registered than in 2022. The share of new commercial registrations was 67.1%.¹³ A total of

around 4.1 million passenger cars were produced, around 18% more than in the previous year. Although the recovery from the pandemic accelerated significantly compared to previous years, the overall figure was still below the level in 2019. The Corona pandemic and the subsequent shortage of semiconductors had led to the temporary closure and curtailment of production capacities in the

⁵ https://www.destatis.de/DE/Presse/Pressemitteilungen/2024/01/PD24_020_611.html, 16.01.2024

⁶ <https://de.statista.com/statistik/daten/studie/1251/umfrage/entwicklung-des-bruttoinlandsprodukts-seit-dem-jahr-1991/>, 20.02.2024

⁷ https://www.destatis.de/DE/Presse/Pressemitteilungen/2024/01/PD24_019_811.html, 15.01.2024

⁸ Microsoft Word - Statement_PK_BIP_2023_final.docx [destatis.de], 15.01.2024

⁹ https://www.sachverstaendigenrat-wirtschaft.de/fileadmin/dateiablage/gutachten/jg202324/JG202324_Gesamtausgabe.pdf, Dezember 2023

¹⁰ <https://www.ifo.de/fakten/2024-01-19/geschaeftsklima-der-deutschen-chemie-hat-sich-verschlechtert>, 19.01.2024

¹¹ <https://www.vci.de/presse/pressemitteilungen/stuermische-zeiten-fuer-die-branche.jsp>, 15.12.2023

¹² <https://www.vci.de/ergaenzende-downloads/kennzahlentabelle-pk-2023.pdf>, 15.12.2023

¹³ <https://www.tagesschau.de/wirtschaft/kba-neuzulassungen-2023-pkw-auto-100.html>, 04.01.2024

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German automotive industry from 2020 onwards. As a result, the already weak production volume from 2019 has been undercut once again.¹⁴

At the same time, the positive trend towards battery-electric vehicles continued. In 2023, a total of 524,200 electric cars were newly registered in Ger-

many. This is a new record. In December 2023, the abrupt end of government subsidies for electric cars was announced. This had originally been planned until the end of 2024. As a result, several car manufacturers announced that they would temporarily take over the state's share of the subsidy in order to prevent an excessive slump in sales figures.¹⁵

2.2 Key events in the 2023 financial year

The 2023 financial year of the IBU-tec Group was marked by macroeconomic challenges: High interest rates and inflation, recession worries and generally difficult economic conditions weighed on industrial companies, especially those in the chemical sector. The consequences of the war in Ukraine, ongoing supply chain difficulties, the energy crisis and price jumps for raw materials posed major challenges for the two operating Group companies.

Due to the effects of the ongoing challenging macroeconomic situation, the forecast for 2023 of € 62-64 million in consolidated sales and also the associated earnings target of an EBITDA margin of 10.4% to 10.6% could unfortunately not be achieved. On the one hand, the reason for this was the weak sector environment of the chemical and glass industries, which had a strong influence on the IBU-tec subsidiary BNT. In addition, in the battery sector, a

major order for the supply of our own battery material could not be realized as planned.

Nevertheless, in the past year, we focused on the implementation of our IBU2025 growth strategy in the Group and developed new products, especially in the field of battery materials, which are characterized by superior product features and a significantly expanded range of applications. They are scheduled to be launched on the market in Q1 2024.

From our own research and development, two further patent applications were filed in the field of product and process development in the 2023 financial year. Currently, the IBU-tec Group's portfolio comprises 56 living patent applications.

2.2.1 IBU-tec AG

In the 2023 financial year, the focus of IBU-tec AG's activities was on the further expansion of the growth area of battery materials. This is reflected not least in our continued strong business with development and service projects for companies from various industries that are researching and developing

novel cathode and anode materials for the batteries of the future together with us. In 2023, these projects made a significant contribution to sales in the battery materials business segment.

¹⁴ <https://de.statista.com/statistik/daten/studie/75210/umfrage/produktion-von-pkw-in-deutschland-seit-1990/>, 04.01.24

¹⁵ <https://de.statista.com/statistik/daten/studie/244000/umfrage/neuzulassungen-von-elektroautos-in-deutschland/>, 17.01.2024

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2.2.1.1 *Proprietary Battery Materials*

In general, it can be stated that the majority of battery materials used in the automotive sector still come from China.¹⁶ However, this market dominance opens up opportunities for IBU-tec, currently the sole European manufacturer of lithium iron phosphate (LFP) battery materials, to position itself as an alternative supplier for the European automotive industry. This will reduce dependencies on Asian suppliers and respond to the increasing requirements of the European Union (EU) for the CO₂ footprint of European companies. This development is flanked by current political efforts by the EU to strengthen Europe as a location in this area. To this end, the European battery regulation, the „Batterypass“, was introduced in 2023 to regulate supply chains and recycling processes for batteries placed on the market in Europe.

As a result of these developments, we were able to leverage our position as the only manufacturer of LFP cathode material in Europe in 2023 to attract new prospects for our own battery products. In 2023, a total of almost six tons of samples were sold to over 60 different national and international customers, such as cell manufacturers and energy storage providers, automotive manufacturers and research institutions for material qualification. At the same time, we have further expanded our international dealer and sales network in order to win new customers for our material and to further advance our transformation from a pure service provider to an independent manufacturer of our own products.

We have significantly expanded our sales in the field of battery materials, also with regard to event participation. In total, we participated as exhibitors or visitors at 20 trade fairs and conferences, where we were able to establish numerous valuable contacts with international battery and cell manufacturers.

As part of the CAR Battery Day in September 2023, we presented our innovative LFP battery material to more than 300 top-class experts from the battery industry. This enabled us to present our comprehensive know-how in the development and production of LFP battery materials to a national and international audience. Together with CATL, IBU-tec was a partner of the event and provided insights into the manufacturing process for LFP battery materials at its headquarters in Weimar. In addition to leading global battery and cell manufacturers, the participants of the Car Battery Day also included automotive companies and a wide variety of players active in the battery ecosystem.

Nevertheless, sales of the company's own LFP battery material fell short of expectations due to numerous delays in setting up downstream European cell production. However, business with the application in battery materials developed very positively overall in 2023. The main drivers were numerous customer projects for the development of new anode and cathode materials with different substances. With its extensive expertise, IBU-tec AG has established itself as an important partner for the international battery industry.

2.2.1.2 *Service Business for the Development of Battery Materials*

The partnership with a renowned global automotive group was expanded in 2023 with the signing of a contract for the development and production of a battery material for electromobility. To this end, the customer makes use of IBU-tec's many years of process expertise and excellent plant infrastructure. This represents a further milestone in the expansion of our market position. A new type of LFP cathode material is planned for passenger cars with electric drives. Following the development phase, we have already produced significant quantities of the material at the Weimar site in 2023, as agreed. The contract underscores the importance of our expertise in battery materials, which allows us to work directly with global corporations.

¹⁶ <https://www.isi.fraunhofer.de/de/blog/themen/batterie-update/globale-batterieproduktion-analyse-standorte-mengen-zellen-lfp-nmc-nca-kathoden.html>, 19.07.2023

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At the end of 2023, we were able to conclude a cooperation agreement with specialty chemicals company LANXESS. The aim of the collaboration is to develop an innovative European iron oxide product for LFP battery material. The aim is to develop a cathode material that will improve the performance of lithium-ion batteries and reduce the CO₂ footprint of the batteries through the use of local raw materials. A European value chain for LFP batteries is to be established. We are thus expanding our product portfolio and striving to position our battery materials for the standard process of wet coating.

In order to be able to transparently map and strengthen our growth in the field of battery materials in the future, we have founded the new, wholly-owned subsidiary IBUvolt battery materials GmbH. Its core business will be dedicated to the development, manufacture and sale of battery materials, including the business of developing services for cathode and anode active materials for international customers in the battery sector. The bundling of this business in an independent company will also open up strategic options for potential collaborations with partners in the future, which we cannot represent in IBU-tec advanced materials AG. Ulrich Weitz, among others, has been appointed Managing Director of IBUvolt GmbH.

2.2.1.3 Traditional Service Business

The 2023 financial year was a successful year for IBU-tec's „traditional“ service business, despite the macroeconomic challenges. In addition to customer projects in the field of battery materials, we have carried out other projects in various fields of application for our customers. The spectrum ranges from development projects in recycling (battery materials and building materials) to contract production in the field of chemical and automotive catalysts. The engineering sector also developed particularly positively. A delivery of a smaller rotary kiln system was successfully completed. On the basis of previous engineering and consulting services as well as pilot projects, further new

lucrative orders were acquired. Among other things, we were again commissioned to deliver a rotary kiln to a customer and to set it up. A new engineering concept in the form of hourly consulting was introduced and used by several customers. With this broad positioning of activities, we have not only succeeded in compensating for the difficult conditions of one of our main customer industries (chemical industry), but also in achieving sales at pre-crisis levels in 2023.

2.2.1.4 Research and Development

The focus of our own research and development was on the further development of our own battery materials. Taking up the requirements of the market, we continuously try to further improve individual aspects of the LFP battery material and optimize it for various applications and customer needs. For example, in the 2023 financial year, the new battery material LFP402 was developed, which is also very well suited for the currently common wet coating process in cell production and opens up significant new market potential for us. With the laboratory-scale spray drying system put into operation in 2022 and our e-chemistry laboratory, which will be further expanded in 2023, we now have the best technical prerequisites to advance our material development in the field of battery materials even more focused and faster, thus significantly increasing our attractiveness as a development service provider in this area.

In addition to our own research and development, we have pushed ahead with other funding projects with partners, such as the KeNaB-ART joint project funded by the German Federal Ministry of Education and Research. In 2023, we achieved important milestones in this area to develop and manufacture phase-pure cathode active material made of sodium-manganese film oxide for future sodium batteries for use in stationary energy storage systems. With possible energy densities of up to 200 Wh/kg, sodium-ion batteries are a pro-

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mising alternative to conventional lithium-ion batteries. In the NIBlog project, sodium batteries for industrial vehicles, e.g. forklifts, are to be developed together with industrial partners such as Jungheinrich and UniverCell. Different material systems are used in both projects: layered oxides and poly-anionic compounds.

Future battery technologies and manufacturing processes are also the focus of further funding projects. In the „ProLIT“ project, the process and material development of lithium-ion battery cathodes for large-scale dry coating is being advanced. The aim of the „BISSFest“ project is to evaluate scalable process technologies from the synthesis of the electrolyte to the construction of bipolar solid-state batteries, which can enable a further increase in energy density.

In addition, we have worked on a number of R&D topics in the field of engineering together with partners from research and industry. The collaborative projects are primarily concerned with the conservation of resources through recycling and the reduction of emissions of climate-relevant gases. In the „ReMIN“ project, REALight lightweight granulates and FGD gypsum are obtained from fine-grained sulphate-contaminated construction and demolition waste and industrial by-products. The joint project: „REMINTA“ is concerned with the recycling of mineral fractions from overburden using the example of the mountain ponds on the Bollrich in Goslar. The „KlimPro Industry“ project focuses on CO₂ reduction through low-lime clinker and carbonation hardening. In the „GranuGruen“ project, a plant granulate with defined functionality based on building residues is being developed.

In the area of environmental innovations, we have developed an innovative approach in the Solar Detox project in cooperation with partners to combat water pollution caused by oil and fuel spills, for which we were nominated among the top 20 finalists of the Thuringian Innovation Award. Using buoyant catalysts activated by sunlight, the power of photocatalysis is harnessed to break down harmful substances. The role of IBU-tec was in the experimental, large-scale production and scaling of the buoyant catalyst beads.

2.2.1.5 Other events

In the first half of 2023, we once again received the „EcoVadis Silver“ award in the EcoVadis rating for our sustainability management. With an overall score of 67 points, we were able to significantly improve on the last rating in 2021 (59 points). This puts us in the top 10 percent of companies in our industry worldwide that are evaluated by the platform. EcoVadis claims to be the largest provider of sustainability ratings for companies.

At the Annual General Meeting, Isabelle Weitz was elected to the Supervisory Board with a large majority of votes. As a result, the IBU-tec Supervisory Board now consists of four members, including Sandrine Cailleteau, Chair of the Supervisory Board. Among other things, the shareholders approved the distribution of a dividend of EUR 0.04 per share for the past financial year. A total of 55.38 percent of the share capital was represented at the Annual General Meeting. At the end of the Annual General Meeting, the previous CFO, Jörg Leinenbach, took over the position of CEO of IBU-tec from Ulrich Weitz, who did not renew his contract as announced. Dr. Arndt Schlosser stepped down from the Executive Board on April 30, 2023.

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2.2.2 BNT GmbH

BNT GmbH can look back on a weak financial year 2023, in which the economic downturn in the chemical industry and the increasing cost pressure for the energy-intensive glass industry, as one of BNT GmbH's main customer sectors, were particularly noticeable. Revenue declined by €10,048 thousand to €28,263 thousand. As a result, the planned sales for 2023, which had been budgeted roughly at the previous year's level, were clearly missed.

With its tin-based product portfolio, BNT GmbH's sales and cost development is heavily dependent on the development of the raw material price of tin. Compared to the previous year, there was a sharp decline in the price of tin in the 2023 financial year, which had a significant impact on the procurement side but also on the development of sales.

For example, although sales volumes of the glass coating product MBTC (monobutyltin trichloride) were comparable to those of the previous year, sales fell significantly short of the previous year's sales due to the tin price effect described above.

Sales of the chemical catalyst tributyltin chloride (TBTC) also declined due to a general reluctance to buy on the part of pharmaceutical customers. For example, a framework agreement concluded in the first half of the year with a major Indian customer for the supply of 100 tonnes of TBTC was only partially called up by the customer. Unfortunately, the sales successes recorded in the adhesives and sealants market in the previous year also came to a standstill in the 2023 financial year. For example, there was also a significant decline in

demand for dibutyltin dichloride in the past fiscal year. Large-scale purchases of in-stock products promised by Chinese customers were not realized by the end of the year and fell well short of expectations.

As part of service projects carried out for customers in 2023, significant increases in revenue were achieved compared to the previous year. These included, among other things, customer-specific process and material developments as well as the filling of products provided in special containers.

An important event in 2023 was the mechanical completion of the new production line for the glass coating product monobutyltin trichloride (MBTC). This will create the basis for increasing the future production capacity for MBTC to around 1,000 tonnes per year. The final commissioning of the plant is planned for 2024. In the 2023 financial year, BNT GmbH's Research and Development department continued to focus on expanding a portfolio of tin-free crosslinking and solids catalysts and PVC stabilizers, in addition to process-related and process-optimizing topics. In the process, it was possible to find efficient synthesis routes for zinc, zirconium and bismuth compounds, to optimize them and to test them in cooperation with the customers.

The cost accounting for the large-scale expansion of these projects could be presented. In the field of liquid organotin alternatives, a portfolio of approx. 25 compounds could be produced and tested. On the other hand, several products have already been developed for solid organotin alternatives and development partners on the customer side have been identified.

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The State Administration Office of Saxony-Anhalt (LVwA) has issued an order obliging BNT GmbH to dispose of tin-containing residual materials lying on the property externally and at its own expense. BNT GmbH has filed a lawsuit against this and is currently negotiating with the LVwA regarding the suspensive effect of the lawsuit. A decision on this has not yet been made. In addition,

BNT GmbH has applied to the LVwA for the construction and operation of a plant with which BNT GmbH could process these tin-containing residual materials itself and use or market the valuable raw material from them. The approval process is currently underway. We have taken into account the possible external disposal costs due to the order as a provision of €772 thousand.

2.3 Turnover by sector of activity

Overall, the IBU-tec Group generated sales of €48,232 thousand in the 2023 financial year (previous year: €53,944 thousand). The individual areas of activity contributed to total sales as follows:

Revenue breakdown by sector of activity (in € thousand)	2023	2022	compared to the previous year
Engineering	908	986	-8%
Specialty	15,185	23,692	-36%
Service & Recycling	9,718	10,401	-7%
Glass Coating	12,271	14,274	-14%
Battery Material*	10,151	4,591	+121%
Total	48,232	53,944	-11%

* incl. revenues from battery service projects

2.4 Net assets, financial position and results of operations

2.4.1 Financial situation

Consolidated total assets decreased slightly by €502 thousand to €75,854 thousand compared to the previous year (€76,357 thousand).

Net assets (in € thousand)	31.12.2023	31.12.2022	compared to the previous year
Balance sheet total	75,854	76,357	-1%
Equity	56,711	59,387	-5%

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As of 31.12.2023, the equity of the IBU-tec Group totaled €56,711 thousand.

The equity ratio* was 75% (previous year: 78%).

Non-current assets amounted to €45,088 thousand in the current financial year, around €2,515 thousand above the previous year's figure. The investments of around €7,331 thousand, which are mainly attributable to the conversion of the rotary kiln and the new construction of the spray tower at IBU-tec AG and the expansion of the MBTC production plant at BNT GmbH, are offset by scheduled depreciation and amortization of €4,750 thousand. Intangible assets include goodwill amortized as a result of the acquisition of BNT GmbH in the amount of approximately €2,318 thousand, the depreciation of which is also included in the aforementioned figure. In addition, the costs for the development of new production processes, for prototypes of LFP battery cells, for the development of LFP 402 and for the development of the IBU-tec umbrella brand were capitalized among the internally created intangible assets. The Group's current assets are around €2,991 thousand lower than in the previous year (€33,581 thousand), mainly due to a decrease in cash and cash equivalents of €2,747 thousand.

In order to save production costs and to improve the overall marketing opportunities in the short term, an admixture of the existing lithium iron phosphate (LFP-400) battery material stocks in the production of LFP-402 is planned. Accordingly, these stocks were reclassified from finished to work-in-progress. In our estimation, the admixture is cost-covering and possible without any loss of quality.

On the liabilities side of the balance sheet, equity fell by €2,676 thousand to €56,711 thousand (previous year: €59,387 thousand) due to the negative annual result and a distribution of €190 thousand for the past financial year 2022. On the other hand, there was an increase in liabilities to banks, which were reduced by around €1,768 thousand compared to the previous year (€6,368 thousand) due to the scheduled repayments of existing loans but increased by a total of €2,108 thousand due to the increased utilization of existing current account lines. At €1,799 thousand, trade payables were significantly below the previous year's level (previous year: €3,017 thousand), which is mainly attributable to the lower business volume of BNT GmbH.

Provisions increased by €1,063 thousand to €3,174 thousand, mainly as a result of the provision made at BNT GmbH for possible disposal obligations and due to expected additional payments from the completed external tax audit.

Deferred tax liabilities in the amount of €399 thousand include, among other things, deferred tax liabilities of €183 thousand on the uncovered hidden reserves in the context of first-time consolidation and also result from capitalized internally generated intangible assets.

* Equity ratio = balance sheet equity/total capital

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2.4.2 Financial situation

Cash flow from operating activities amounted to €2,412 thousand (previous year: €-3,270 thousand). This includes net income for the year (€-2,486 thousand), adjusted for non-cash expenses from depreciation and amortization (€4,749 thousand), the increase in other provisions attributable to operating activities (€583 thousand), the decrease in special items for investment grants (€-285 thousand), the decrease in trade payables and other liabilities (€-933 thousand) as well as declining inventories, trade receivables and other assets and other assets (€270 thousand).

Cash flow from investing activities amounted to €-6,262 thousand in the reporting period (previous year: €516 thousand). It mainly resulted from investments in intangible assets (€-654 thousand) and property, plant and equipment (€-6,676 thousand). In the operational area of IBU-tec AG, these include, for example, the final conversion of a rotary kiln system (IDO 5E) as well as further advance payments for the planned construction of a spray tower at the existing IBU-tec AG site in Bitterfeld. As in the previous financial year, the main focus of investment activities at BNT GmbH was the progres-

sive expansion of the capacity of the planned MBTC production plant, general optimization measures in the production area and the renovation of the existing production infrastructure. This was offset by the investment subsidies received in the financial year for BNT GmbH's MBTC production plant (€1,007 thousand).

The cash flow from financing activities of €1,103 thousand (previous year: €-1,541 thousand) mainly includes, in addition to the additional drawdown of current funds (€3,874 thousand), the scheduled interest and principal payments on financial loans and shareholder loans totaling €-2,581 thousand and the profit distribution of €-190 thousand.

As a result of the negative total cash flow, the cash and cash equivalents fund decreased by €-2,747 thousand to €380 thousand.

As of the balance sheet date, the Group still has an unused current account line of €8.8 million at its disposal.

2.4.3 Earnings

Group revenue decreased by €5,713 thousand to €48,232 thousand in 2023 (previous year: €53,944 thousand). As a result, the planned increase in sales could not be realized.

Overall, the 2023 financial year was a challenging year. Despite the difficult conditions, there were also pleasing developments in the 2023 financial year. For example, the battery business at IBU-tec AG, in particular the business with development services for cathode and anode active materials for inter-

national customers, made a further leap, which was able to almost compensate for the below-target sales of the company's own battery materials.

BNT GmbH was unable to build on the successful 2022 financial year, mainly due to a decline in sales of chemical catalysts for the pharmaceutical sector in 2023. A sharp decline in the price of tin, the main raw material, also led to a decline in sales of the glass coating product MBTC, even though similar sales volumes were achieved here as in the successful previous year.

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The decrease in material costs is mainly due to lower procurement costs for tin. The material cost ratio decreased from 54.7% in the previous year to 52.8%, which is mainly due to the material-intensive production of LFP in the previous year. In addition to scheduled salary adjustments and special payments, the increase in personnel costs in the 2023 financial year is also attributable to employee entry.

Other operating expenses increased by €383 thousand, mainly due to the provision made at BNT GmbH for possible disposal obligations.

The result was EBITDA of €2,956 thousand (previous year: €6,685 thousand) and an EBITDA margin of 6.1% (previous year: 11.4%). As a result, the EBITDA margin target of 10.4% to 10.6% was not achieved.

Depreciation and amortization of €4,749 thousand were at the same level as in the previous year (€4,750 thousand) and resulted in EBIT of €-1,794 thousand (previous year: €1,935 thousand).

The financial result of €-432 thousand is mainly made up of interest expense on existing liabilities to banks and is higher than the previous year's figure (€-279 thousand) due to the increased use of current account lines in the financial year.

At €-2,226 thousand, earnings before taxes (EBT) were significantly below the previous year's level (€1,656 thousand). Consolidated net income of €-2,486 thousand, taking into account income tax expenses of €223 thousand, is also below the previous year's figure (€1,285 thousand).

Results of operations in € thousand	31.12.2023	31.12.2022	compared to the previous year
EBITDA in € thousand	2,956	6,685	-56%
EBT in € thousand	-2,226	1,656	-234%
Consolidated net income	-2,486	1,285	-294%

2.5 Colleague

The average number of employees employed in accordance with the German Commercial Code (HGB) for the Group was 227 (previous year: 217). As of 31.12.2023, the IBU-tec Group employed 13 apprentices in various training occupations (chemical laboratory technician, chemical technician, office management assistant and industrial mechanic).

Number of employees by capita (excluding the Executive Board, trainees and employees)	31.12.2023	31.12.2022	compared to the previous year
Annual average according to HGB	227	217	+4.6%
as of 31.12.	224	218	+2.8%

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3.1 Focus on sustainability

Acting responsibly and sustainably is part of the IBU-tec Group's self-image. With its two active companies, IBU-tec AG and BNT GmbH, it is active as a greentech provider in the future markets of the chemical, pharmaceutical and automotive industries, whether as a service provider and development partner or as a manufacturer of innovative products. For example, the IBU-tec Group is involved in the development of electromobility, energy storage technology, high-tech materials and pharmaceuticals. In cooperation with its customers, it thus makes a significant contribution to sustainably improving the material, energy and raw material efficiency of products and production processes.

The non-financial statement is made voluntarily and, in accordance with the requirements of Section 289c (2) of the German Commercial Code (HGB), reports below on the activities of the IBU-tec Group in the financial year

2023 in the areas of environmental, employee and social matters, respect for human rights and the fight against corruption and bribery. The main risks associated with the Group's own business activities are described in the chapter „Risks and Opportunities“. The business model of the IBU-tec Group is described in the chapter „Fundamentals of the Group“.

With this non-financial statement, we would like to inform our investors and interested stakeholders about the extensive activities, measures and processes of the IBU-tec Group in the field of sustainability. Even though we are currently not obliged to publish a corresponding report, it is important for us as a company in the chemical industry to show that we think about sustainability and live it at all levels. The non-financial statement is not part of the audit as part of the audit of the consolidated financial statements.

3.2 Management system and corporate policy

Sustainability aspects are at the heart of the IBU-tec Group's management system. For example, we have an integrated management system (IMS) and are ISO 9001 certified for quality and ISO 14001 for the environment. Responsibility for the integrated management system for the entire group lies with the Management Board of IBU-tec AG and the Management Board of BNT

GmbH. To support them, there is a Group Representative for Quality and Environmental Management as well as other representatives in the individual companies. This ensures that sustainability plays a central role in the formulation of corporate policy.

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The Group-wide Management Handbook identifies the following internal and external topics as particularly relevant:

- Customers and their requirements
- Employees in the company, including their skill level
- Legal and regulatory requirements and/or changes
- Occupational safety-related requirements
- Environmental protection and environmental law requirements
- Energy law requirements
- Technological requirements and changes
- Banks and insurance companies
- Location Aspects
- Supplier Selection
- Neighborly relations

This results in the main stakeholder groups, including in particular customers, employees, authorities, shareholders and society, whereby the immediate neighborhood and residents are of particular importance to the IBU-tec Group. Last but not least, the company's policy aims to take into account the demands and expectations of interested parties. Its principles include, in particular, the maintenance of quality throughout all production and process

steps, the protection of the environment and the safety of employees. The Group's processes are also designed in such a way that energy-efficient and resource- and environmentally-friendly technologies are used. Neighbors, the authorities and the population of the districts are regularly informed about the production characteristics, the associated risks and what to do in the event of an incident.

Accordingly, the IBU-tec Group has formulated the following strategic sustainability goals:

- Satisfied customers due to services in accordance with the agreement and on time
- Optimally trained and further trained, comprehensively informed and motivated employees
- Workplaces that comply with the standard and requirements of occupational health and safety
- In-house control and continuous improvement of processes in the company
- Avoidance of errors
- Protection of the environment
- Conservation and careful use of resources (especially energy)
- Exclusion of environmental pollution

The IBU-tec Group undergoes regular internal and external audits to check the effectiveness of its sustainability activities and adjust them if necessary. In addition, it regularly undergoes CSR ratings as part of its customers' supply chain management.

In 2023, we once again received the „EcoVadis Silver“ award in the EcoVadis rating for our sustainability management. With an overall score of 67 points, we were able to significantly improve on the last rating (2021: 59 points). This puts us in the top 10 percent of companies in our industry worldwide that

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are evaluated by the platform. EcoVadis claims to be the largest provider of sustainability ratings for companies. The platform uses 21 CSR criteria to evaluate management processes in the four thematic areas of environment, labor and human rights, ethics, and sustainable procurement. The methodology is based on internationally recognized CSR standards such as the UN Global Compact and the Global Reporting Initiative (GRI). IBU-tec was once again well above the industry average in all areas, with a significant increase

3.3 Environmental concerns

Protecting the environment is a central principle of the IBU-tec Group's corporate policy. With our group-wide environmental management system and ISO 14001 certification, we have therefore set ourselves strict guidelines to minimize the impact of our production processes on the environment and climate and to implement a continuous improvement process within the group. The environmental management system is checked as part of an annual audit

3.3.1 Sustainable products and services

With its products and services, the IBU-tec Group contributes to a more sustainable economy. For example, we have been working as a supplier to the automotive industry for around 20 years, where our powder materials for catalytic converters make a significant contribution to reducing pollutant emissions from combustion engines. At the same time, we are supporting the transport transition and the switch to sustainable electromobility with our products: Our own LFP battery material, which we have been producing and offering on the market since October 2021, is a central component of the cathode of a battery. LFP (lithium iron phosphate) has an additional advantage over other material mixtures such as nickel-manganese-cobalt, as it can be extracted and processed in a much more climate-friendly way.

compared to the last rating, especially in the areas of the environment and labor and human rights.

In the area of occupational health and safety, IBU-tec meets the requirements of the ISO 45001 standard, which ensures the highest level of occupational safety for employees. The number of accidents at work at IBU-tec is consistently below the industry average.

and - if all requirements are met - confirmed. In accordance with the requirements of ISO 14001, the environmental management officers and energy management officers regularly report to the Executive Board and management on measures and results, which are then evaluated and documented in the management review.

BNT GmbH is also contributing to the strengthening of a sustainable circular economy with the glass coating material monobutyltin trichloride (MBTC). MBTC plays a particularly important role in the production of container glass, e.g. for returnable bottles. During the production of the bottles, it is applied to the glass as a thin layer to increase its resistance. Once the coating process is complete, the bottles are protected against abrasion and breakage and can therefore be used much more frequently in the deposit system.

Another growing line of business of the IBU-tec Group is the recycling and service business. With our systems, we support our customers in cleaning and reprocessing various materials, including building materials and sewage

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sludge. For example, we can separate rare earths, which are used in polishing processes, among other things, from impurities so that they can be reused. In the Solar Detox project, we have developed an innovative approach together with partners to combat water pollution caused by oil and fuel spills. Using buoyant catalysts activated by sunlight, the power of photocatalysis is harnessed to break down harmful substances. The role of IBU-tec was in the experimental, large-scale production and scaling of the buoyant catalyst beads.

We are also active in the recycling of battery materials: we are currently working on optimizing our processes to recover as much of the original raw material as possible for use in the production of new LFP batteries. Here, among other things, specific processes were developed for customers in order to extract important raw materials such as nickel, cobalt and lithium from spent battery cathode materials by means of thermal process technology.

In addition, together with industry partners, we have started to develop more environmentally friendly battery materials. On the one hand, cathode materials are to be developed that reduce the CO₂ footprint of batteries through

the use of local raw materials and the establishment of a European value chain for LFP batteries. At the same time, we are pursuing two different development approaches for alternative materials in the field of sodium-ion batteries, which are based on a higher availability of raw materials and are more environmentally friendly because sodium is obtained from natural salt deposits. In the long term, this is intended to replace the lead-acid batteries established on the market.

Additionally, in the field of anode materials, we are in the process of breaking away from the currently strong dependence on Chinese suppliers and developing a European anode. In the service department, development projects, sample quantity and contract production of anode materials were carried out. In the field of raw material extraction and processing for battery materials, IBU-tec relies on partners in Germany and Europe. For customers in the mining sector, processes are developed and analytical services are carried out to evaluate lithium from European deposits and qualify it as a potential raw material.

3.3.2 Energy consumption

The IBU-tec Group attaches particular importance to minimizing the energy required for its processes. This is all the more important to us because the processes in both thermal process engineering at IBU-tec AG and wet chemistry at BNT GmbH are very energy-intensive. For the operation of our plants, buildings and facilities, we use natural gas and electricity as primary energy sources. 100% of the Group's electricity comes from renewable energies.

In the wake of the energy crisis in the year under review, we implemented extensive energy-saving measures to reduce energy consumption throughout the Group. The focus was on building technology measures to save heating energy and electricity. Among other things, we have also reduced the lighting of the outdoor facilities to the minimum necessary for safety. As a result, the demand for electricity was significantly reduced compared to the previous year. The demand for natural gas increased slightly, as it was used to generate process heat due to the increase in electricity prices.

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Energy consumption (in MWh)	2023	2022	compared to the previous year
Electricity	3,156	3,964	-20.4%
Natural gas	19,448	18,824	+3.3%

The central control instrument is the reports of the energy management officers in both sub-companies, who continuously record energy consumption and propose measures for possible reductions to the management. BNT GmbH is certified according to ISO 50001. As a contract and development ser-

vice provider, we process and manufacture many products on behalf of our customers, so the ratio of consumption to quantity produced serves as the central control indicator for the IBU-tec Group.

The conversion of the energy demand to the quantities produced shows that there is little room for change in plant operation in the short term. The requirements here depend largely on the materials used and the required temperatures.

Energy/Kilogram of Product (in kWh)	2023	2022	compared to the previous year
Electricity	0.98	0.97	+1%
Natural gas	6.01	4.62	+30%

At the headquarters of IBU-tec AG in Weimar, we operate a photovoltaic system, the entire electricity yield of which we feed into the public grid. At BNT GmbH in Bitterfeld, we use a combined heat and power plant to generate the

necessary energy for water heating and steam generation with low emissions by means of combined heat and power. As a result, we were able to cover around 68% of BNT GmbH's total electricity requirements last year.

In-house energy production (in MWh)	2023	2022	compared to the previous year
PV system	122	132	-7.6%
CHP plant	1,540	1,555	-1%

In addition, we continuously invest in the optimization of our processes and the technology of our plants in order to further improve the energy efficiency of our production. We are also implementing measures to reduce energy

consumption in the administrative areas and logistics buildings, for example by converting lighting systems to energy-saving LED lamps.

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3.3.3 Greenhouse gas emissions

The greenhouse gas emissions of the IBU-tec Group are mainly based on the energy requirements of the plants, buildings and other facilities. The use of the photovoltaic system and the combined heat and power plant have a correspondingly positive effect. As a result, we saved 53 tons of CO₂ equivalents

across the Group in the 2023 financial year. Compared to the previous year (455 tons), this figure has fallen sharply, as BNT has emitted approximately 400 tons more CO₂ than in 2022 due to increased natural gas consumption. We do not currently record the emission of other greenhouse gases.

Greenhouse gas emissions/kilogram of product (in kg)	2023	2022	compared to the previous year
CO ₂	1.27	1.33	-4.5%

The slight decrease in product-related CO₂ emissions can be attributed to thermal processes associated with the processing of different materials. Depending on the material, temperature, dwell time and type of additives, lower CO₂ emissions can be achieved even with an increased supply of natural gas.

A smaller share of the IBU-tec Group's greenhouse gas emissions is also contributed by the Group's own vehicle fleet. Here, we have already begun the gradual conversion to hybrid or electric drives. As of 31.12.2023, their share of the total fleet was 46% (previous year: 31%).

3.3.4 Water consumption

Water plays an important role in our production processes, whether in the processing of materials, for cleaning or in the cooling circuits of our plants. In doing so, we use closed water circuits for system cooling throughout the

group. We obtain the fresh water we need from the public drinking water supply, as well as for the sanitary facilities.

Water consumption (in m ³)	2023	2022	compared to the previous year
Raw water	18,001	16,263	+10.7%
Drinking water	3,752	3,731	+0.6%

In general, we pay attention to the development of water consumption as part of our environmental management and try to minimize water consumption overall through continuous process optimization.

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3.3.5 Sewage

We attach great importance to ensuring that no water contaminated with chemicals is discharged into public sewage systems or even into the environment. At IBU-tec AG, this primarily concerns water that is used for plant cleaning. This is collected in a separate, officially approved facility. At BNT GmbH, where water is also used in production, all surface water is collected, treated

and disposed of as wastewater. In order to prevent contaminated water from purification processes from entering the environment, we have established appropriate processes as part of our environmental management system. The washing system for our production facilities is approved and monitored by TÜV and the Environment Agency.

3.3.6 Litter

As part of our efforts to minimize our consumption of resources, we attach great importance to avoiding waste as much as possible. Nevertheless, the production and processing of certain materials generates waste, including waste that is classified as hazardous and disposed of by certified service providers.

Quantities of waste (in tons)	2023	2022*	compared to the previous year
Hazardous	188.3	260.9	-27.9%

* Prior-year figures corrected due to new calculation.

Compared to the previous year, the quantities of hazardous waste have been significantly reduced. This is primarily due to process adjustments and the processing of less hazardous products in the year under review.

3.4 Employee affairs

Employees have a particularly high priority for the IBU-tec Group. We want our employees, regardless of their position and role in the company, to feel comfortable, to be able to develop according to their ideas and goals, and to ensure occupational safety at all times. To achieve these goals, we have implemented various measures, including a Group-wide personnel development concept and extensive social benefits. The three locations of IBU-tec AG are also certified according to ISO 45001 for occupational safety.

In principle, all our employees receive an employment contract. This also applies to part-time employees, students and interns. Our employees receive a living wage and we vehemently oppose child and forced labor. In addition, we reject any form of informal employment and try to use temporary workers only for a limited period of time or to use this opportunity to support personnel acquisition.

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3.4.1 Occupational safety

The safety of all employees is our top priority. In both sub-companies of the IBU-tec Group, we have appointed an occupational safety specialist who reports directly to the board of directors and management. The safety specialists are full-time responsible for implementing safety-relevant standards, evaluating processes and systems from a safety point of view, and introducing measures to continuously improve the safety of all employees. They also conduct employee training on a regular basis (at least once a year), and document safety-critical events.

In the 2023 financial year, we recorded 10.7 reportable occupational accidents (RIR) across the IBU-tec Group, a decrease of 20.1% compared to the previous year (previous year: 13.4%). Only a small proportion of occupational accidents and incidents result from the handling of chemical materials and hazardous substances such as organotin substances, acids, alkalis and solvents, as well as from the possibilities of contact with these substances in the production area and in maintenance.

Accidents at work / absenteeism*	2023	2022	compared to the previous year
Reportable accidents at work (RIR)**	10.7	13.4	-20.1%
Reportable accidents at work resulting in lost working days (LTIR)***	2.1	6.7	-68.7%
Sickness absenteeism rate	6.3	6.3	-
Fatal accidents at work	0	0	-

* Data basis: Number of all employees insured in the employers' liability insurance association with a contractual relationship in 2023

** Number of reportable accidents at work per 1 million hours worked

*** Number of accidents with lost time (1 day and more) per 1 million hours worked

3.4.2 Corporate culture

We attach great importance to collegial dialogue and cross-departmental exchange on important topics. The corporate culture in the IBU-tec Group is therefore significantly shaped by the commitment of its employees.

General co-determination is organized differently in the two companies of the Group. At IBU-tec AG, there is an ombudswoman who is available as a contact person for employees and represents their interests vis-à-vis the management. BNT GmbH has a works council in accordance with the Works Constitution Act.

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In order to promote cooperation, internal and external communication as well as appreciative interaction at IBU-tec, we have developed new guiding principles. It contains recommendations on how cooperation and the working environment can be designed together, and what IBU-tec is all about: customer orientation, responsible action, health and safety, inclusion and appreciation, as well as trust and collegiality. We would like to provide guidance for our actions in everyday professional life and establish a common basis for our cooperation at IBU-tec.

Proportion of women as of 31.12	2023	2022	compared to the previous year
Total Group	24.1%	26.2%	-8%
Upper management level	12.5%	9%	+38.9%
Middle management level	16.7%	21.7%	-23%

It is important to us that our employees are able to combine work and family life well. For example, all employees of the IBU-tec Group who do not work in fixed shifts generally work flextime and can plan their presence flexibly to a large extent in coordination with their superiors. Where the tasks allow, it is also possible to work partially or fully in the home office upon request.

At IBU-tec AG in particular, we also have a long tradition of family-friendly support services. For example, parents receive a fixed kindergarten subsidy

In the context of corporate culture, the topic of diversity also plays a role. Our focus is on gender equality. As of 31.12.2023, the proportion of women in accordance with the German Commercial Code (HGB) was 24.1% across the Group (previous year: 26.2%). At the senior management level, the proportion of women has increased by 38.9% because the number of men has decreased, which corresponds to a rate of 12.5% in 2023. In middle management the proportion of women has decreased from 21.7% to 16.7% compared to the previous year due to some women leaving company.

of €75 per month for each child. In addition, every year at the beginning of the summer holidays in Thuringia, we organize and finance a one-week, supervised children's camp for families belonging to the company.

In addition, the remuneration of women and men in similar positions at IBU-tec was at a comparable level.

3.4.3 Staff development

Employees should be able to develop further in the IBU-tec Group. Depending on their needs, we enable our employees to undergo further training within their current position or in preparation for additional management tasks. For this purpose, we use a personnel development concept in which the various

qualification measures are recorded. These range from skilled worker training to master craftsman or technician training and trainee training as part of a dual study program as well as targeted specialist and management training to the promotion of high-potential young talent for management tasks.

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In addition, the IBU-tec Group offers several trainees the opportunity to enter various professions every year. As of 31.12.2023, a total of 13 trainees were employed at IBU-tec AG and BNT GmbH (previous year: 11). Our goal is to continue employing the trainees as permanent employees with us after they graduate, if possible.

Staff development	2023	2022	compared to the previous year
Education and training* (hours/capita)	14.52	19.42	-25.2%
Proportion of trainees (in %)	5.8	5	+16%
Percentage of trainees taken on (in %)	100	100	-

* The figures for 2022 have been updated.

As a matter of principle, new employees in the IBU-tec Group undergo a systematic and documented employee introduction, which includes both general and department-specific aspects. The training needs and training carried out are determined and documented via qualification software.

3.4.4 Social security benefits

The employees of the IBU-tec Group benefit from a comprehensive package of social benefits. At IBU-tec AG, for example, we have set up a health fund that fully covers the costs of certain medical check-ups. In addition, employees of IBU-tec AG can receive a subsidy for dentures and visual aids if necessary. To promote general health, there is also regular fitness and running training at our Weimar location, in which all employees can participate free of charge. In addition, we have also continued to offer our free yoga offer as well as a weekly massage at the Weimar location.

At IBU-tec AG, we offer a company pension scheme in the form of deferred compensation, which we subsidize. The employees of BNT GmbH are subject to a works agreement in which the details of the employment relationships are regulated.

Throughout the Group, we have a company integration management system for people with long-term illnesses or disabilities. Wherever practicable and feasible, we also offer barrier-free workplaces. We try to support workers who come to us from abroad in their integration in the best possible way, for example with language courses and in the preparation of naturalization applications. To this end, we also work closely with the Chamber of Industry and Commerce.

Finally, all employees of the IBU-tec Group receive monthly gift cards within the framework of the statutory tax allowances for private use as well as special payments upon reaching a certain length of service. At the IBU-tec AG site in Weimar, we operate a canteen that offers free breakfast and lunch.

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3.5 Social issues

The IBU-tec Group sees itself as part of society and assumes responsibility for the community. That is why we maintain dialogue at the local and regional level. In Weimar, for example, we regularly participate as guests in the district council meetings in order to answer questions directly from residents and municipal stakeholders. In addition, we want to build trust through the greatest possible transparency, by conducting factory tours for the neighborhood or hosting an open house. At the Bitterfeld site, we are in regular contact with municipal structures at management level.

We are also actively involved in the local environment and provide financial support for non-profit associations and social institutions in Weimar and Bitterfeld. A major focus is on local sports clubs with a focus on youth work. Despite the difficult economic situation, we continued to stand by our commitment to civil society in the 2023 financial year and continued to donate to charitable associations to the extent customary for us.

3.6 Responsible corporate governance

The IBU-tec Group is committed to the universal human rights of the United Nations and rejects any violation of these fundamental values. Our locations are located exclusively in Germany, where we are subject to national and European laws and directives that ensure the protection of these rights.

We fulfil our responsibility to enforce these principles towards our suppliers as well. Wherever possible and economically viable, we try to source raw materials and materials from European sources in central purchasing for the entire group. As a matter of principle, we oblige our suppliers to observe essential compliance requirements in our terms and conditions of purchase. These include obligations to protect the environment, to prohibit child and forced labor, and to comply with fairer wages and working conditions. We regu-

larly ask for these requirements in a supplier self-disclosure and check them in individual cases with our own audits. We reserve the right to terminate the business relationship in the event of a breach of these terms.

We expressly oppose bribery and corruption in any form and have adopted a corresponding compliance policy that applies to all employees of the IBU-tec Group. Among other things, it regulates the acceptance and distribution of gifts, donations and hospitality. As a matter of principle, we do not make any donations to political parties and do not exert any political influence. As a company in the chemical industry, the IBU-tec Group is a member of the VCI industry association, which represents the interests of the chemical industry vis-à-vis politicians.

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Compliance with the applicable data protection regulations is a matter of course for the IBU-tec Group. In cooperation with the service provider DataGuard GmbH, we have implemented various technical and organizational measures for the protection of personal data within the Group. In addition to regular training on data protection, all employees receive regular information on cybersecurity topics. DataGuard is available to all persons inside and outside the company at the e-mail address datenschutz@dataguard.de for ques-

tions and suggestions regarding data protection. The Chairman of the Board of Management has overall responsibility.

In December 2023, a whistleblower system was also implemented, which offers the company's stakeholders, but also external persons, the opportunity to anonymously inform the Management Board about grievances of any kind.

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4.1 Risk management

The aim and focus of IBU-tec's risk management is to identify risks to the economic, financial and strategic development of the Group at an early stage and to minimize them by taking appropriate measures. Clear responsibilities, an organization that is appropriate to the business model and a professional meeting structure ensure that the Executive Board is immediately informed about any risks that may arise. In addition to regular board meetings, we hold a monthly management meeting in which top management is presented with key performance indicators relevant to management, e.g. for measuring productivity, sales performance and budget adherence. In addition, one strategy meeting and one planning meeting per fiscal year round off the company's planning and controlling structures. The Supervisory Board meets at least four times a year.

In order to be able to measure and manage risks effectively, the Management Board uses a risk matrix in which identified individual risks are grouped into assessment categories and then quantified according to probability of occurrence (low, low to medium, medium to high, high) and economic impact (low, moderate, significant, severe). To this end, the Executive Board also relies on the assessments of the respective division heads. The risk matrix is checked several times during the financial year to ensure that it is up-to-date and updated as necessary. In this way, the Management Board receives a comprehensive overall picture of the risks at Group level and can take measures to manage risk effectively.

Overall, the IBU-tec Group has a balanced risk structure. With our risk management system, we believe we are very well positioned to identify imminent risks in good time, to actively address them and to limit them effectively.

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4.2 Supply risks

4.2.1 Energy risks

As a company in the chemical industry, the IBU-tec Group is particularly dependent on a stable supply of electricity, natural gas, water and technical gases. A failure of the energy supply would have a serious impact on the ability of the group companies to continue their production. After the German

government succeeded in securing the supply of industry in the second half of 2022 following the loss of Russian natural gas supplies, we currently assess the probability of occurrence as low to medium.

4.2.2 Supply chain risks

For the manufacture of our products, we depend on a reliable supply of important raw materials. A stable supply chain is therefore essential for the Group's economic development. Supply chain risks include risks arising from the availability and procurement of raw materials, low-quality raw materials, supply bottlenecks or the loss of suppliers, and general logistics risks. The supply chain difficulties that arose in the wake of the Russian war of aggressi-

on against Ukraine, which also affected IBU-tec, visibly eased over the course of the financial year. We rate the probability of occurrence as low to medium with potentially severe impacts. We are trying to limit the impact of this risk through targeted measures, such as forward-looking procurement and controlled inventory build-up in the area of raw materials, auxiliaries and consumables.

4.2.3 Procurement risks

Risks arise not only from the supply and supply of raw materials, but also from supplier management, capital commitment through warehousing, and excessively high or too low inventories. We assess these procurement risks

with a low to medium probability of occurrence and moderate impact due to our well-structured purchasing and effective internal logistics.

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4.3 Marketing risks

4.3.1 LFP Battery Material Distribution

From the 2024 financial year, IBU-tec AG expects significant revenues from the sale of the LFP battery material manufactured in-house.

If, contrary to the Company's expectations, the distribution of the LFP battery material manufactured in-house is not profitable, this would result in a material risk to the Company's net assets and results of operations, in particular in connection with the LFP-400, which has already been pre-produced

and capitalized. In addition, this could delay the desired transformation of the business model towards an in-house manufacturer of products. The Management Board is aware of this risk and will continue to intensively pursue the sales activities bundled last year. As in the previous year, the Executive Board will be kept informed about current developments. Against the backdrop of the significant intensification of sales activities in this area, the Management Board assesses the risk as medium.

4.3.2 Customer Risks

We value long-term and trusting customer relationships. Especially in the area of development services and contract manufacturing, returning customers are an important basis for IBU-tec's successful business activities. The loss of existing or major customers, as well as the absence of announced

orders, may have a significant impact on the Group's financial position. Due to the difficult market environment of recent months and the expected economic slowdown in 2024, we consider the probability of occurrence to be medium to high.

4.3.3 Market Risks

Various risks arise for IBU-tec from the market environment. These include the loss of market share and intensified competition, as well as a lack of adaptation to the markets on the part of IBU-tec. We have also taken into account slumps in sales markets and sales losses as well as changes in energy prices. We believe we are well positioned here with our sales team, which quickly

learns about changes in the market and with customers, and communicates them internally, as well as with our flexible contract design, which allows us to adapt quickly to market changes. In our view, the probability of occurrence due to uncertain macroeconomic unstable market developments is medium to high, and we estimate the effects to be potentially significant.

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4.3.4 Innovation risks

IBU-tec thrives on its innovations, both with regard to the development of its own systems and the production and sale of products. As innovation risks, we have identified a lack of technology innovation due to the focus on existing customers and materials, a lack of technological solutions for customer requirements, the processing of false megatrends as well as the generati-

on of patents by customers with the associated loss of know-how at IBU-tec. In our view, the impact would be significant. However, due to continuous exchange with other market participants and contractual arrangements, we consider the probability of occurrence to be low to medium.

4.4 Financial risks

4.4.1 Liquidity risk

We manage risks that may affect the Group's liquidity with the help of a central, Group-wide liquidity risk management system that is bundled in the parent company and secured by personnel links with the subsidiary. We are

of the opinion that the measures taken will ensure an adequate supply of liquidity at all times. The impact of a risk occurrence would be significant, and the probability of occurrence is currently low to medium.

4.4.2 Default risks

As a rule, the customers of the IBU-tec Group are very financially strong. In order to limit the risks arising from payment defaults or arrears, we have established an effective accounts receivable management system in the cen-

tral Finance/Purchasing department. We therefore rate the probability of occurrence as low to medium and the effects as moderate.

4.4.3 Calculation risks

Inadequate demand planning and a lack of controlling can lead to imputed risks that can have a negative impact on the Group's financial position. To this end, we have established Group-wide processes through which the Board of Management is informed at an early stage about possible undesirable

developments and which allow it to intervene in a controlling manner at all levels. We rate the probability of calculation risks occurring as low to medium, and the effects as moderate.

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4.4.4 Tax risks

Tax risks can arise from unexpected claims from the tax office. In our view, the probability of this happening is low, and the impact would be moderate.

4.4.5 Foreign currency risks

The IBU-tec Group delivers products to customers worldwide and is therefore also exposed to foreign currency risks. However, we are able to conduct a large part of our business in euros. The impact of currency fluctuations would

therefore be moderate, even if a medium to high probability of occurrence can be assumed.

4.4.6 Financing risks

The planned growth of the IBU-tec Group is based on extensive investment activities in new equipment and production processes. Even if the Management Board pursues prudent capital planning, risks may arise from the finan-

cing of the investments that would have a significant impact on the Group's financial position. We currently rate the probability of occurrence at medium to high..

4.5 Strategic Risks

4.5.1 Risks from the Vision & Mission

The Vision & Mission is the guiding principle for IBU-tec's business activities. If it is outdated or does not meet market and investor expectations, this may

pose risks to the Group's economic orientation and development. We currently estimate both the probability of occurrence and the effects to be low.

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4.5.2 Risks from the strategy

Incorrect strategic planning can have a significant impact on the economic and financial position of the IBU-tec Group. These include individual risks related to ineffective strategy development, change management, dependence on third-party providers or a lack of integration of sustainability into the

Group's strategy. In order to counter these risks, we conduct regular strategy reviews in which the entire management of the Group is involved. We therefore consider the probability of these risks occurring to be low to medium.

4.5.3 Governance risks

Governance is also crucial for the strategic development of the Group. Risks for the management and management of the IBU-tec Group may arise from the departure of members of the management team, the absence of board members or the lack of adherence to compliance guidelines, among other

things. We consider ourselves to be very well positioned here through internal measures and classify both the probability of occurrence and the effects as low.

4.5.4 Structural risks

Risks can arise from the corporate structure, for example, if the internal organization prevents efficient management of the Group or if no performance culture is established. The Board of Directors, in consultation with the management, continuously reviews whether the organization meets the

economic and financial goals of the IBU-tec Group and makes adjustments if necessary. In our estimation, the probability of occurrence is low to medium, and the effects would be moderate.

4.6 Operational risks

4.6.1 Personnel risks

We have established comprehensive measures within the Group to limit risks related to personnel. Such risks can arise, for example, from low qualifications, lack of or insufficient acquisition of skilled workers, lengthy training

processes or staff shortages, which can lead to production downtime. IBU-tec prevents this by means of structured induction programs, continuous qualification of employees, cooperation with universities, flexible working hours and

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extensive social benefits, among other things. Nevertheless, recruiting and retaining staff remains challenging. In particular, due to the general shortage of skilled workers, we classify the probability of occurrence as medium to

high. The impact on IBU-tec as a company strongly influenced by know-how would be significant.

4.6.2 Sales risks

We have identified an inefficient sales structure, the loss of customers and the cluster risk as sales risks. IBU-tec has traditionally made a significant share of sales with a few major customers. However, sales are increasingly succeeding in diversifying their customer base and minimizing risk. In addition, the IBU2025 strategy in particular is intended to contribute to broadening

IBU-tec AG's business model by presenting our own products on the market and thus tapping into new customer groups. We consider the potential impact of sales risks to be significant, and the probability of occurrence to be medium to high.

4.6.3 Project and product risks

There are certain operational risks associated with the execution of projects and the manufacture of our products. These include, but are not limited to, product liability risks, defective products and defective product quality, as well as third-party claims derived from them, as well as general project risks, a lack of project acquisition or failure to provide services. In particular, it is inherent in the service-oriented business model of IBU-tec AG that customer-specific development and production orders are often awarded on a project-by-project basis and are planned for the following financial year on the

basis of non-contractually fixed forecasts of the customers. This can have a particularly negative impact in the face of increasing competition, increasing complexity and higher price sensitivity on the part of customers. As these risks have a direct impact on the Group's earnings, we consider the potential impact of these risks to be severe. With the help of active sales, forward-looking project management and comprehensive quality assurance, we try to contain these risks. Due to the uncertain economic situation, we currently estimate the probability of occurrence to be medium to high.

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4.6.4 Vulnerabilities

By safety risks, we include risks that may have an impact on the occupational safety and health of the employees of the IBU-tec Group, such as accidents or non-compliance with health and safety standards, which can lead to damage to health due to the handling of hazardous substances. We also

include a potentially inadequate preparation for crises. Thanks to our extensive and certified occupational safety system, we believe we are well positioned for this. The impact would be significant, and we consider the probability of occurrence to be low to medium.

4.6.5 Technical Risks

Risks arising from the operation of our technical facilities or having an impact on their operation include, for example, production losses due to technical malfunctions, downtimes due to excessive maintenance times or ineffective maintenance, a lack of technical innovations and insufficient standardization of internal processes. We minimize these risks through our in-house work-

shop team, which is closely involved in the operational processes, and an independent design department, which is responsible for the maintenance and new construction of our systems. Based on these measures, we estimate the probability of occurrence as low to medium. The impact would be significant.

4.6.6 IT Risks

As a manufacturing company, we also operate IT systems. Risks associated with this include cyber attacks, production downtimes or data loss as a result of IT interruptions and a lack of digitalization. We work with an expe-

rienced service provider who supports us in setting up our IT infrastructure and securing our systems. We consider the probability of a risk event to be low to medium, and the impact would be moderate.

4.6.7 Regulatory Risks

For the operation of our sites and facilities, we need permits, which must be granted by authorities. Risks arise when permits are not granted or are granted too late or are withdrawn again. The impact would be significant. To avoid

this, we are always in close contact with the authorities at our locations and therefore classify the probability of occurrence as low to medium.

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4.7 External risks

4.7.1 Environmental risks

In the chemical industry, there is always a risk of environmental pollution from the processing of environmentally harmful substances. Our integrated quality and environmental management system in accordance with ISO 9001/14001 serves to minimize environmental damage caused by our opera-

tional activities. Conversely, natural disasters and climate change can have an impact on our business. Due to the location of our sites, we see only minor risks for the IBU-tec Group here. Overall, we assess the probability of environmental risks occurring as low to medium and the impact as moderate.

4.7.2 Risks related to pandemics

The coronavirus pandemic has highlighted the vulnerability of the economy to such risks. Consequences that also affected us in the IBU-tec Group were, for example, production or order failures. We have also adapted our processes and implemented measures due to the coronavirus pandemic. With regular on-site testing, extensive separation of work areas, home office options for

administrative employees and vaccination offers, we have set up processes that we can fall back on in the future. The impact of further pandemics would certainly be significant, but in our opinion, the probability of occurrence is currently low to medium.

4.7.3 Political risks

Changes in the political framework at home and abroad and a deterioration in the geopolitical environment may have an impact on the business activities of the IBU-tec Group insofar as, for example, sales markets are lost or the procurement of raw materials is made more difficult or more expensive. This has been clearly demonstrated in recent months in connection with the war against Ukraine. However, due to the overall low share of sales with custo-

mers from the two conflict countries, the IBU-tec Group was hardly affected on the sales side. We have succeeded in finding alternative sources of supply for individual raw materials. In general, we consider the potential impact of political risks to be significant, but we currently rate the probability of occurrence as low to medium.

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4.7.4 Legal Risks

When working with chemicals and hazardous substances, there is always the legal risk of stricter regulations that lead to a ban on potentially vital substances. There are also risks associated with export control regulations and patents. We continuously monitor these issues both on the product and development side as well as with legal advice. Our research department is

also constantly working on the further development of our products in order to eliminate potential hazardous substances from the manufacturing process. We therefore classify the effects as moderate and the probability of occurrence as low to medium.

4.7.5 Communication Risks

With regard to risks due to poor communication with the company's stakeholders, we believe that we are well positioned with our professional com-

munications department in conjunction with external consulting. We rate the impact as moderate and the probability of occurrence as low to medium.

4.7.6 Economic risks

The economic situation gives rise to various risks, ranging from inflation and the associated interest rate increases to a recession and a banking crisis. We counter these risks with a forward-looking financing policy based on the principle of the prudent businessman. Depending on the risk case, the impact could be significant. We currently rate the probability of occurrence as medium to high.

In addition, there are no discernible potential risks that go beyond the general risk of entrepreneurial activity.

4.8 Opportunity Report

The traditional core business of IBU-tec AG is development and production services for customers from the chemical industry and related sectors. Over the years, we have established a successful business model in this area, with which we will continue to have good opportunities in the market in the future. We offer our customers many years of experience in thermal process engi-

neering as well as the high flexibility and agility in order processing required for service providers, which makes us recognized as a reliable partner for our customers. This results in potential for us to generate regularly recurring orders with existing customers as well as to win new customers.

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As a development service provider in the field of recycling concrete and cement for the building materials industry, we also already have well-established customer relationships. We see the increased demand for such services due to rising raw material prices and growing demands on the sustainability of our customers as a very good opportunity to further expand our market position. In addition, we want to exploit further potential in other recycling areas, including the processing of raw materials from used batteries.

We have identified the production and marketing of our own battery materials as a key growth area for the coming years. With the high demand for batteries, both for electromobility and for other applications such as stationary battery storage and industrial or medical applications, the need for cathode materials is growing. The global LFP market volume is expected to increase by around 17% annually to around USD 54 billion by 2035.²³

IBU-tec AG has the expertise and facilities to supply appropriate products for the various applications. As currently the only European manufacturer of LFP material, we see very good opportunities to position IBU-tec as a leading European supplier in this area. Our sales focus is currently on tapping into this market for us, initiating collaborations and winning large-volume orders in the future.

With our know-how in the construction and operation of rotary kilns, we also see good opportunities for us in the field of engineering. We support our customers in planning rotary kilns and adapting them to their individual requirements.

Overall, the chances for IBU-tec AG can be rated as very good. We are particularly benefiting from the current trend towards ecological sustainability and the associated impetus for electromobility and recycling. Our many years of experience and positioning as a greentech company make us a sought-after partner and strengthen our general position in the market.

At BNT GmbH, we continue to see very good opportunities for future growth for the glass coating product MBTC. We already have an established customer base here. Accordingly, we have continued to press ahead with the construction of our new MBTC production facility. In addition to increasing our existing production capacities, this also involves a significant increase in material yield. The future production plant represents a self-sufficient MBTC manufacturing process. In the future, there will be no more intermediate products that have to be used as raw materials in other tin-containing BNT products. We have applied for a patent for this new process and in the future we will clearly distinguish ourselves from the competition through this innovative leap and significantly reduce the amount of capital tied up.

We also see better opportunities on the market for the DBTC product in the future. After several sales successes in the previous year 2022, we expect the demand situation from the chemical industry to improve again in the future.

Finally, the close cooperation between BNT GmbH and IBU-tec AG results in good opportunities for our service business both in contract production and in the field of raw material recycling. We can build up an end-to-end value chain here in order to offer customers comprehensive services in the sense of a „one-stop-shop“.

²³ <https://www.researchnester.com/de/reports/lithium-iron-phosphate-lifepo4-battery-market/3676>, 21.04.2023

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5.1 Future economic and industry development

In its 2023 forecast for 2024, the German Council of Economic Experts assumed that GDP growth in Germany would recover slightly and amount to 0.7%. The German Federal Ministry for Economic Affairs and Climate Action (BMWK) has recently significantly lowered its economic forecast for 2024 to growth of just 0.2%.²⁴ According to the forecast horizon, the decline in domestic demand due to the sharp decline in government consumption expenditure

in 2023 is expected to recover by the end of 2024, partly due to rising real incomes and thus rising private consumption expenditure. The unexpectedly sluggish recovery of the global economy, especially China's, is likely to continue and continue to slow down German exports in 2024. For 2024 as a whole, the German Council of Economic Experts forecasts an average inflation rate of 2.6%.²⁵

5.1.1 Chemical

The German Association of the Chemical-Pharmaceutical Industry (VCI) expects a further sharp decline in production in the chemical industry in 2024. In addition to high energy costs, he blames a general lack of orders and continued disrupted supply chains. Under these circumstances, sales are also expected to develop negatively. At the end of the year, the industry continued to be in a recessionary mood. Both the current business situation and expecta-

tations for the coming months are negative. As a result, there is likely to be a further lack of orders in the chemicals business. The VCI therefore does not expect chemical production to increase again in 2024. Industry sales are expected to decline by 3%. This forecast is also confirmed by the results of the current member survey: companies do not expect an upturn in the short term. 45 percent do not expect an improvement until 2025 at the earliest.²⁶

5.1.2 Automotive industry

The automotive industry is expecting a year of stagnation, especially in Europe and North America. Manufacturers and suppliers need to save and invest in transformation. According to a Roland Berger study, sales of around 88 million vehicles are expected for the current year. That's about 2.5 million more

than in 2023, but around seven million fewer vehicles compared to the peak in 2017. The development is causing underutilized factories at carmakers and suppliers and at the same time putting a strain on their profit margins.²⁷

²⁴ <https://www.tagesschau.de/wirtschaft/konjunktur/habeck-deutschland-konjunktur-100.html>, 14.02.2024

²⁵ https://www.sachverstaendigenrat-wirtschaft.de/fileadmin/dateiablage/gutachten/jg202324/JG202324_Gesamtausgabe.pdf, 08.11.2023

²⁶ Stormy times for the industry | VCI, 15.12.2023

²⁷ <https://www.handelsblatt.com/unternehmen/industrie/branchenausblick-autoindustrie-muss-2024-kostendisziplin-und-tech-investitionen-ausbalancieren/100004871.html>, 05.01.2024

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According to the Association of the German Automotive e, however, there is a positive trend in the field of electric vehicles. In January 2024, a total of 36,900 new electric vehicles were registered. Despite this low volume, an increase of almost 37 percent compared to December 2023 was realized.²⁸

The demand for lithium-ion (LIB) batteries is increasing rapidly. According to a study by the Fraunhofer Institute for Systems and Innovation Research

ISI, annual demand is expected to rise to 6,000 GWh per year by 2040. In the search for alternatives, extensive activities in research and industry with regard to sodium-ion batteries can be seen.²⁹

In the field of battery materials, the global LFP market volume is expected to increase by around 17% annually to around USD 54 billion by 2035.³⁰

5.2 Future development of the IBU-tec Group

We see the business with our own battery material as a key growth area for 2024. With almost six tons of samples of our own battery material now sold to over 60 national and international customers and the associated approval processes, we expect to receive further, more extensive orders and establish long-term supply relationships in the 2024 financial year. We expect to reduce our precautionary inventories and produce new batches, in particular our newly developed LFP402, to meet demand.

Despite the predominantly negative macroeconomic forecasts, IBU-tec AG is entering the 2024 financial year with confidence. With our tried-and-tested business model and the growth theme of „proprietary battery materials“, we continue to see ourselves well positioned in the important future areas of greentech, electromobility, energy storage and life sciences and are therefo-

re optimistic that we will continue to expand our market share, especially in the field of battery materials, in the coming years. In addition, we will continue to drive forward IBU-tec AG's traditional business as a development and production service provider in the battery sector.

At BNT GmbH, we expect a positive development in sales volumes and operating earnings in 2024, despite the difficult forecast for specialty chemicals. After continuing to invest in our new production facility for MBTC glass coating last year, we now expect the plant to be commissioned in fiscal year 2024. This will significantly improve the yield of our raw material input, which will immediately reduce our capital commitment and have a significant positive effect on the company's liquidity. Accordingly, the main growth driver in the 2024 financial year will be MBTC glass coating.

²⁸ Production and market in January 2024 | VDA, 05.02.2024

²⁹ Environment Report on Sodium Ion Batteries 2023 (fraunhofer.de), 07.10.2023

³⁰ <https://www.researchnester.com/de/reports/lithium-iron-phosphate-lifepo4-battery-market/3676>, 21.04.2023

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We also expect the market opportunities for our pharmaceutical precursor to improve again in 2024 and we will be able to supply additional customers in Asia. As in the 2023 reporting year, there are already concrete further enquiries from customers for the coming year 2024, which will enable us to further expand the service business at BNT GmbH.

In line with these expectations, we expect a significant increase in sales of around 25% year-on-year in 2024, supported primarily by a growing battery business.

Weimar, 14 March 2024



Jörg Leinenbach

Board

In order to achieve our goals, we are driving forward the further development of battery material and researching new, innovative materials and possible applications. At the same time, we are continuing to expand the necessary structures and sales. Taking these investments into the future into account, we expect an EBITDA margin of around 7% for the IBU-tec Group in 2024. Earnings are also impacted by general cost increases as a result of inflation.

We remain committed to the medium-term forecast of the IBU2025 strategy and expect sales of between €102 million and more than €130 million in 2025, with an EBITDA margin of more than 20%.

CONSOLIDATED FINANCIAL STATEMENTS

OF IBU-TEC ADVANCED MATERIALS AG
FOR THE FINANCIAL YEAR FROM
1 JANUARY 2023 TO 31 DECEMBER 2023

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Consolidated balance sheet as of December 31, 2023

	31.12.2023	31.12.2022
ASSETS	€	€
A. CAPITAL ASSETS		
I. Intangible assets		
1. Self-created industrial property rights and similar rights and Values	556,692.88	136,282.25
2. Concessions acquired for consideration, industrial property rights and similar rights and values and licenses to such rights and assets	736,873.50	397,031.75
3. Goodwill	2,318,086.59	2,833,004.95
4. Deposits paid	37,410.00	332,330.00
	3,649,062.97	3,698,648.95
II. Fixed Assets		
1. Land, rights equivalent to land and buildings including buildings on other people's land	11,239,483.53	11,518,825.53
2. Technical systems and machines	14,626,396.00	16,150,278.00
3. Other installations, fixtures and fittings	1,911,309.17	2,079,375.67
4. Advance payments made and assets under construction	13,662,047.06	9,126,449.85
	41,439,235.76	38,874,929.05
	45,088,298.73	42,573,578.00
B. CURRENT ASSETS		
I. Supplies		
1. Raw materials, consumables and consumables	13,513,808.17	12,674,559.30
2. Work in progress, uncompleted services	4,855,459.49	748,524.73
3. Finished goods	3,588,551.11	7,423,565.08
	21,957,818.77	20,846,649.11
II. Receivables and other assets		
1. Trade receivables	7,954,526.58	8,093,409.23
2. Other assets	297,823.81	1,513,893.53
	8,252,350.39	9,607,302.76
III. Securities		
Other securities	0.00	0.00
IV. Cash on hand and balances with credit institutions	379,750.59	3,126,771.66
	30,589,919.75	33,580,723.53
C. DEFERRED EXPENSES	176,143.97	202,388.61
	75,854,362.45	76,356,690.14

	31.12.2023	31.12.2022
LIABILITIES	€	€
A. EQUITY		
I. Subscribed capital	4,750,000.00	4,750,000.00
II. Capital reserves	40,250,000.00	40,250,000.00
III. Retained earnings		
1. Legal reserve	300,000.00	300,000.00
2. Other retained earnings	177,180.80	177,180.80
IV. Retained earnings	11,233,658.53	13,909,844.91
	56,710,839.33	59,387,025.71
B. SPECIAL ITEMS FOR INVESTMENT GRANTS	3,082,079.30	2,339,693.32
FIXED ASSETS		
C. ACCRUALS		
1. Tax provisions	801,486.00	349,231.34
2. Other provisions	2,912,292.75	2,301,395.15
	3,713,778.75	2,650,626.49
D. ACCOUNTS PAYABLE		
1. Liabilities to credit institutions	8,475,952.96	6,367,807.25
2. Deposits received on orders	75,223.20	89,816.81
3. Trade payables	1,759,391.12	3,017,499.71
4. Accounts payable other	1,636,790.43	1,699,719.69
- of which taxes: EUR 316,254.27 (previous year: EUR 140,183.76)		
- of which in the context of social security: EUR 8,535.18 (previous year: EUR 334.88)		
	11,947,357.71	11,174,843.46
E. DEFERRED EXPENSES	1,338.75	1,154.30
F. DEFERRED TAX LIABILITIES	398,968.61	803,346.86
	75,854,362.45	76,356,690.14

Consolidated income statement for the financial year from January 1, 2023 until December 31, 2023

in €	2023	2022
1. Revenues	48,231,931.97	53,944,469.91
2. Increasing the stock of finished and unfinished products	271,920.79	4,299,496.54
3. Other own work capitalised	889,725.78	357,215.60
4. Other operating income - of which from currency conversion: EUR 74,439.18 (previous year: EUR 382,979.97)	2,191,564.79	1,710,884.03
	51,585,143.33	60,312,066.08
5. Costs of Materials		
a) Expenses for crude, auxiliary and Consumables and purchased goods	-23,441,302.02	-29,665,824.29
b) Expenses for services purchased	-2,183,444.62	-2,189,241.34
	-25,624,746.64	-31,855,065.63
6. Costs of Personnel		
a) Wages and salaries	-11,991,949.70	-11,333,769.07
b) Social security contributions and expenditure on Pensions and support - of which for pensions: EUR 106,145.55 (previous year: EUR 124,950.15)	-2,230,470.31	-2,038,515.36
	-14,222,420.01	-13,372,284.43
7. Depreciation and amortization of intangible assets and property, plant and equipment	-4,749,471.49	-4,750,031.06
8. Other operating expenses - of which from currency conversion: EUR 222,428.35 (previous year: EUR 367,896.01)	-8,782,460.99	-8,399,392.42
9. Other interest and similar income - thereof from discounting provisions: EUR 0 (previous year: EUR 1,430.17)	8,590.11	2,326.05
10. Depreciation and amortization of financial assets and securities of current assets	0.00	0.00
11. Interest and similar expenses - of which compounding provisions: EUR 1,269.08 (previous year: EUR 65.44)	-440,908.27	-281,132.83
	-432,318.16	-278,806.78
12. Taxes on income - of which income (previous year: expenses) from the change deferred taxes: EUR 404,378.25 (previous year: EUR 18,285.30)	-222,990.52	-343,525.80
13. Profit after tax	-2,449,264.48	1,312,959.96
14. Miscellaneous taxes	-36,921.91	-28,084.28
15. Consolidated net income (prior year: consolidated net loss)	-2,486,186.39	1,284,875.68
16. Profit carried forward from the previous year	13,719,844.91	12,859,600.84
17. Retained earnings	11,233,658.52	14,144,476.52

Consolidated Statement of Cash Flows for the financial year from January 1, 2023 until December 31, 2023

in € thousands	2023	2022
1. Cash flow from operating activities		
Net income	-2,486	1,285
Depreciation and amortization of fixed assets	4,749	4,750
Increase in other provisions	584	967
Income from the reversal of the special item	-284	-261
Extraordinary expenses in connection with the cash capital increase	0	-1,666
Losses on asset disposals	12	
Decrease (+) / increase (-) in trade receivables and other assets	270	-7345
Decrease (-) / increase (+) in trade payables and other liabilities	-933	-1,348
Interest expense (-) / Interest income (+)	432	279
Income tax expense	223	344
Refunded (-) / Paid (+) Income Taxes	-175	-275
Payments from grants	20	
Cash flow from operating activities	2,412	-3,270
2. Cash flow from investing activities		
Proceeds from disposals of property, plant and equipment	55	38
Disbursements for investments in intangible assets	-654	-438
Disbursements for investments in property, plant and equipment	-6,676	-9,590
Payments from cash and cash equivalents in the context of short-term financial disposition		10,505
Interest received	9	1
Payments from investment grants	1,005	
Cash flow from investing activities	-6,261	516
3. Cash flow from financing activities		
Payments from investment grants		
Proceeds from taking out financial loans	3,874	857
Disbursements from the repayment of financial loans	-2,168	-2,176
Interest paid	-413	-222
Dividend paid to shareholders	-190	
Cash flow from financing activities	1,103	-1,541
4. Cash and cash equivalents at the end of the period		
Cash changes in cash and cash equivalents (subtotals 1 – 3)	-2,747	-4,295
Cash and cash equivalents at the beginning of the period	3,127	7,422
Cash and cash equivalents at the end of the period	380	3,127
5. Composition of the Financial Resources Fund		
Cash and cash equivalents	380	3,127
Cash and cash equivalents at the end of the period	380	3,127

Statement of changes in equity for the financial year from January 1, 2023 until December 31, 2023

in € thousands	Subscribed capital	Capital reserves	Legal reserve	Other retained earnings	Retained earnings (incl. profit/loss carry forward)	Equity
Status as of 01.01.2023	4,750	40,250	300	177	13,910	59,387
Capital increase						0
Transfer to capital reserves						0
Distributions					-190	-190
Annual net profit					-2,486	-2,486
Status as of 31.12.2023	4,750	40,250	300	177	11,234	56,711

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 2023

OF IBU-TEC ADVANCED MATERIALS AG

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I. General Information

The consolidated financial statements of the IBU-tec Group for the period 01.01.2023 to 31.12.2023 have been prepared in accordance with the provisions of the German Commercial Code (HGB).

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

There were no special circumstances that could lead to the financial statements not giving a true and fair view of the net assets, financial posi-

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

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

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

II. Scope of Consolidation

The consolidated financial statements include the wholly-owned subsidiaries, BNT Chemicals GmbH, Bitterfeld-Wolfen, („BNT GmbH“ or „subsidiary“) and, for the first time in the 2023 financial year, IBUvolt battery materials GmbH, Weimar, („IBUvolt GmbH“ or „subsidiary“), over which IBU-tec AG directly or indirectly exercises a controlling influence.

As of 31.12.2023, IBUvolt battery materials GmbH is not yet operating any business.

Facilitation provisions pursuant to Section 264 (3) of the German Commercial Code (HGB) were applied to BNT GmbH.

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III. Consolidation Principles

When BNT GmbH was included for the first time on 30.06.2018, the assets, liabilities and deferred income included in the consolidated financial statements were revalued or recognized as part of the purchase price allocation. In this case, the hidden reserves for the properties led to a higher valuation compared to the subsidiary's annual financial statements. On the basis of these hidden reserves, deferred tax liabilities were determined and recognized in the consolidated balance sheet.

In addition, goodwill was recognized as an asset in the consolidated balance sheet. Existing tax loss carryforwards at BNT GmbH led to the recognition of deferred tax assets, which were recognized as part of the initial consolidation as of 30.06.2018. In the following years, there was a gradual reversal as part of the subsequent consolidations at the

balance sheet date, each of which was recognized in the income statement through profit or loss.

Receivables and liabilities between the Group companies were offset.

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

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

IV. Accounting Policies

Fixed Assets

The following methods of depreciation were used for the depreciation of fixed assets:

Asset position	Amortization method	Service life
Intangible assets acquired for consideration and created by the company itself	linear	up to 11 years
Commercial buildings	linear	up to 40 years
Technical systems and machines	linear	up to 30 years
Other installations, fixtures and fittings	linear	up to 33 years

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Acquired intangible assets and property, plant and equipment were measured at cost and, if subject to wear and tear, less depreciation and amortization. In principle, the straight-line depreciation method was used. Depreciation was carried out pro rata temporis.

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

The capitalization option pursuant to Section 248 (2) sentence 1 of the German Commercial Code (HGB) was exercised by IBU-tec AG in the 2023 financial year. Development costs of €351 thousand (previous year: €26 thousand) for the development of new production processes, for prototypes of LFP battery cells, for the development of LFP 402 and for the development of the IBU-tec umbrella brand, which also correspond to the total amount of research and development costs recognized and not

Current Assets

Within inventories, raw materials, consumables and supplies were valued at the lower of acquisition cost using the moving average price or replacement cost on the reporting date.

Work in progress and finished products were valued at cost using the standard price method. In addition to the mandatory components under commercial law, appropriate parts of the costs of general administration were included in the calculation of the production costs. By means of sufficient value adjustments, all recognizable storage and inventory risks were taken into account.

Receivables and other assets were generally measured at par value. The

incurred on behalf of the customer, were capitalized under internally generated intangible assets. Capitalized development costs include reasonable portions of administrative overheads. Incidentally, the production costs correspond to the minimum value limit under commercial law. Capitalization has been in place since the point in time from which IBU-tec AG assumes the successful completion of the project and thus the creation of an asset. Disposals of €26 thousand were booked in the financial year (previous year: €0 thousand). Taking into account the deferred tax liabilities attributable to the capitalized amount, the result is an amount of €385 thousand (previous year: €95 thousand) that is blocked from distribution in accordance with Section 268 (8) of the German Commercial Code (HGB).

In the event of an expected permanent impairment, impairment losses are made on intangible assets and property, plant and equipment.

risk of default was sufficiently taken into account by means of a lump-sum allowance on receivables.

Cash and cash equivalents are measured at par.

Deferred income and deferred income items include advance payments that represent expenses for a certain period of time after the balance sheet date.

Deferred taxes were determined due to temporary or quasi-permanent differences between the commercial valuations of assets, liabilities and deferred income and their tax valuations. These are valued at the compa-

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ny-specific tax rate (30.58%) at the time the differences are reduced. With the exception of the amounts recognized in the context of the initial consolidation, deferred taxes are not capitalized as in the previous year due to the tax loss carryforwards existing at the level of the individual financial statements. The amounts of the resulting tax relief are not discounted. Deferred tax assets and liabilities are offset in accordance with Section 306 and Section 274 of the German Commercial Code (HGB).

The subscribed capital is valued at par value.

A liability item has been created for public investment grants, which are to be reversed in accordance with the depreciation and amortization in accordance with the useful lives of the subsidized assets.

Tax provisions and other provisions take into account all identifiable risks and uncertain obligations. In each case, the valuation is carried out in the amount of the settlement amount that is reasonably commercially necessary to cover future payment obligations. Future price and cost increases

will be taken into account, provided that there are sufficient objective indications that they will occur. Provisions with a remaining maturity of more than one year are discounted at the average market interest rate of the Deutsche Bundesbank over the past seven financial years, corresponding to their remaining maturity.

The liabilities are accounted for at their settlement amount.

Advance payments received on orders are valued at face value.

Deferred income includes advance payments received, which represent income for a certain period of time after the balance sheet date.

Assets and liabilities denominated in foreign currencies were generally translated at the spot exchange rate as of the balance sheet date. With a remaining term of more than one year, the realization principle (section 252 (1) no. 4 half-sentence 2 HGB) and the acquisition cost principle (section 253 (1) sentence 1 HGB) were observed.

V. Deviations from Accounting Policies

The accounting policies described in Section IV have been applied unchanged, with the following exception.

Changes in Accounting:

In order to save production costs and to improve short-term sales opportunities, IBU-tec AG intends to no longer market the majority of the LFP400 stocks in stock as a stand-alone product, but to mix them as part of the LFP402 production process. The LFP400 stocks in the amount of EUR 3,861 thousand have therefore been reclassified from finished goods

to work in progress in these financial statements. IBU-tec AG assumes that the cost of the final product, LFP402, which is to be produced with the addition of LFP400, will be below the expected selling price. It is therefore not necessary to depreciate the cost of goods sold to the low fair value.

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VI. Information and Explanatory Notes on Individual Items in the Balance Sheet

Fixed Assets

The development of fixed assets is shown in the investment statement.

When BNT GmbH was included for the first time on 30.06.2018, the assets, liabilities and deferred income included in the consolidated financial statements were revalued or recognized as part of the purchase price

allocation. In this case, the hidden reserves for the properties led to a higher valuation compared to the subsidiary's annual financial statements. In addition, goodwill was recognized as an asset in the consolidated balance sheet. Goodwill is amortized on a straight-line basis over a ten-year period.

Supplies

in € thousand	31.12.2023	31.12.2022
Raw materials, consumables and supplies	13.514	12,675
Work in progress, work in progress	4.855	749
Finished products	3.589	7,424
Total	21.958	20,847

The sharp decline in finished goods and the sharp increase in work in progress at IBU-tec AG result from the reclassification of lithium iron phosphate (LFP 400) battery material. In this regard, we would like to refer to you. as set out in Section V.

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Receivables and Other Assets

The total amount of receivables and other assets of €8,252 thousand (previous year: €9,607 thousand) consists of trade receivables of €7,955 thousand (previous year: €8,093 thousand) and other assets of €298 thousand (previous year: €1,514 thousand).

As in the previous year, all receivables and other assets have a remaining maturity of less than one year.

Cash on Hand and Balances with Credit Institutions.

Balances with banks decreased from €3,127 thousand in the previous year to €380 thousand in the year under review.

Further information can be found in the statement of cash flows in Note 1.3.

Accrual

Deferred income mainly includes prepaid business insurance premiums and other accrued expenses.

Equity

Group equity developed as follows in 2023:

in € thousand	31.12.2022	Capital reserve	Capital increase	Dividend	Consolidated net income	31.12.2023
Subscribed capital	4,750	-	-	-	-	4,750
Capital reserves	40,250	-	-	-	-	40,250
Legal reserve	300	-	-	-	-	300
Other retained earnings	177	-	-	-	-	177
Distributions				-190		-190
Retained earnings	13,910	-	-	-190	-2,486	11,424
	59,387	-	-	-190	-2,486	56,711

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Special Offer

Special items have been created for all investment grants for fixed assets, which are reversed according to the useful life of the subsidized fixed assets.

in € thousand	31.12.2023	31.12.2022
Special offer for investment grants	3,082	2,340

Accruals

Tax provisions for corporate income tax and trade tax in the amount of €801 thousand (previous year: €349 thousand) were created for the 2023 assessment period, which arose in the course of the tax audit carried out at BNT GmbH and the findings made in the process.

Other provisions consist as follows:

in € thousand	31.12.2023	31.12.2022
Samples & Archiving	94	88
Staff	1,004	1,000
Other	1,814	1,213
Total	2,912	2,301

The State Administration Office of Saxony-Anhalt (LVwA) has issued an order obliging BNT GmbH to dispose of tin-containing residual materials lying on the property externally and at its own expense. BNT GmbH has filed a lawsuit against this and is currently negotiating with the LVwA regarding the suspensive effect of the lawsuit. A decision on this has not yet been made. In addition, BNT GmbH has applied to the LVwA for the construction and operation of a plant with which BNT GmbH could process these tin-containing residual materials itself and use or market

the valuable raw material from them. The approval process is currently underway. We have taken into account the possible external disposal costs due to the order as a provision of €772 thousand.

Miscellaneous other provisions also exist for the costs of auditing the annual financial statements and for warranty obligations.

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Accounts Payable

The liabilities are broken down as follows:

in € thousand	Total	up to 1 year	1 to 5 years	more than 5 years	Secured Amount
Liabilities vis-à-vis credit institutions	8,476	5,641	2,835	0	4,033
<i>Previous year</i>	6,368	1,768	4,500	100	4,033
Deposits received on orders	75	75	0	0	
<i>Previous year</i>	90	90	0	0	
Liabilities from goods and services	1,799	1,799	0	0	
<i>Previous year</i>	3,017	3,017	0	0	
accounts payable other	1,598	1,095	503	0	
<i>Previous year</i>	1,700	796	904	0	
Total	11,947	8,609	3,338	0	
<i>Previous year</i>	11,175	5,671	5,404	100	

Liabilities to Commerzbank in the amount of €900 thousand are to be offset with a book mortgage above nom. €2,000 thousand secured on the commercial property in Bitterfeld-Wolfen.

Liabilities to the Sparkasse are collateralized in the amount of € 2,091 thousand with land charges of a nominal € 2,033 thousand on the business properties and with a collateral assignment of the photovoltaic system.

In addition, there is an assignment of receivables from the savings bank in the amount of € 384 thousand from the feed-in tariff for the photo-

voltaic system, as well as assignments of rights and claims in the same amount from the plant construction contract and from the maintenance and repair contract for the photovoltaic system. IBU-tec AG has issued a Declaration of Equal Treatment for Banks, which is liable for all existing and future receivables of the savings bank, including conditional or fixed-term claims. In addition, a global assignment of receivables from the delivery of goods and services against all customers and debtors was agreed to with the savings bank, whose collateral is provided by IBU-tec AG and IBUvolt GmbH.

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There is a transfer of ownership of goods by way of security with assignment of sales receivables for the security room at Hainweg 9-11 in Weimar, Riechstoffstraße 5 in Bitterfeld-Wolfen and Österholzstraße 5 in Nohra.

A further transfer of ownership of goods by way of security with the assignment of the sales receivables was agreed for the security room at PC-Straße 1 in Bitterfeld-Wolfen, the collateral provider is BNT Chemicals GmbH.

Deferred Tax Liabilities

When BNT GmbH was included for the first time on 30.06.2018, the assets, liabilities and deferred income included in the consolidated financial statements were revalued or recognized as part of the purchase price allocation. In this context, the hidden reserves of €612 thousand determined for the properties led to an increase in valuation compared to the subsidiary's annual financial statements. On the basis of these hidden

A transfer of goods to secure the premises with the assignment of the sales receivables for the security room at Hainweg 9-11 in Weimar was agreed with the guarantor IBUvoltage battery materials GmbH.

There are two contracts with Deutsche Leasing GmbH for the transfer of ownership of assets with a residual book value of €680 thousand as of the balance sheet date.

reserves and on the basis of a tax rate (corporate income tax and trade tax) of 29.8%, deferred tax liabilities of €183 thousand were determined and recognized in the consolidated balance sheet. Since the properties are not depreciated as planned, this deferred tax liability is also shown in the same amount in the context of subsequent consolidations.

The breakdown of deferred tax items is shown in the table below.

in € thousand	31.12.2023	31.12.2022	Change
Hidden Reserves Land	-183	-183	0
Internally created intangible assets	-216	0	-216
Reserve for replacement procurement in accordance with EStR 6.6.	0	-620	+602
Total	-399	-803	-404

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In the past financial year, a tax audit was carried out at BNT GmbH for the period 2017-2020. Based on the results of this audit, the following corrections were made to the tax balance sheet:

- Increase in raw materials, consumables and supplies by €548 thousand in 2020
- Increase in finished products by €1,000 thousand in 2020
- Reversal of the reserve for replacement procurements in the amount of €2,038 thousand in 2020

The reserve of €2,038 thousand formed in the 2020 financial year for replacement procurements in accordance with EStR 6.6 was not recognized as part of the tax audit. The deferred tax liabilities of €-620 thousand that have arisen in this context in recent years were also reversed.

VII. Notes to the Income Statement

The income statement was prepared in accordance with Section 275 of the German Commercial Code (HGB) in accordance with the total cost method.

In 2023, the following revenue shares were generated from the Group's individual areas of activity:

Revenue breakdown by sector of activity (in € thousand)	2023	2022	compared to the previous year
Engineering	908	986	+44%
Specialty	15,185	23,692	- 36%
Service & Recycling	9,718	10,401	- 11%
Glass Coating	12,271	14,274	- 14%
Battery Material	10,151	4,591	+ 121%
Total	48,232	53,944	- 11%

Sales were generated in the following geographic markets:

in € thousand	2023	2022	compared to the previous year
Germany	19,072	18,706	+2%
Rest of the EU	18,009	13,538	+33%
Rest of the World	11,151	21,701	-49%
Total	48,232	53,944	-11%

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The capitalized own work includes in-house contributions made by employees of IBU-tec AG and BNT GmbH in the context of various investment projects as well as for the development of LFP402 in the total amount of € 890 thousand (previous year: € 357 thousand).

The cost of materials decreased by €6,230 thousand to €25,625 thousand (previous year: €31,855 thousand) due to the decline in sales in the financial year. The previous year's figure was also significantly influenced by the production costs for LFP400.

VIII. Other Particulars

The number of employees employed in the financial year can be found in the following diagram.

Number of employees by head (excluding CEO/board members, trainees, employees in development cooperation)	2023	2022
Employee	227	217
as of 31.12.	224	218

As of 31.12.2023, 54 women and 170 men were employed in the group. Due to the existing internal reporting structures, the company does not carry out any further breakdown of employees by group.

In 2023, contributions of €40 thousand (previous year: €61 thousand) were made to management for existing and newly concluded indirect company pension obligations. Appropriate reinsurance policies have been taken out by the commissioned insurance institutions for the promised benefits, so that the pension obligation is not recognized as a liability.

Other financial obligations amounted to €4,314 thousand (previous year: €5,402 thousand) in outstanding orders as of the balance sheet date and obligations from rent, lease and leasing amounted to €536 thousand (pre-

Personnel expenses rose by €850 thousand to €14,222 thousand (previous year: €13,372 thousand), mainly due to a higher number of employees and salary increases.

Other operating expenses increased by €383 thousand to €8,782 thousand (previous year: €8,399 thousand).

Interest and similar expenses rose by €160 thousand to €441 thousand (previous year: €281 thousand).

vious year: €641 thousand). Obligations arising from maintenance contracts amounted to €577 thousand (previous year: €493 thousand).

In 2023 and subsequent years, annual payment obligations from leases amounted to €106 thousand (previous year: €111 thousand), of which €27 thousand were to affiliated companies. The main lease agreement in the amount of €53 thousand per year was concluded with a term until 30.06.2024 and will be extended for a further 12 months if not terminated by 30.06.2024. The lease for €16 thousand per year was concluded for an indefinite period.

In addition, there are financial obligations due to a leasing contract for five containers until 13.05.2030 in the amount of €47 thousand.

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As of 31.12.2023, disclosures amounted to €35 thousand (previous year: €35 thousand), €634 thousand (previous year: €0 thousand) and €202 thousand (previous year: €0 thousand) in the form of contract performance guarantees vis-à-vis several customers, in the form of advance payment guarantees in the amount of €32 thousand (previous year: €0 thousand), €634 thousand (previous year: €0 thousand) and in the amount of €259 thousand (previous year: €0 thousand) vis-à-vis customers; In addition, there was a guarantee for waste shipments in the amount of €81 thousand (previous year: €81 thousand) for BNT Chemicals GmbH vis-à-vis the State Administration Office of Saxony-Anhalt. In addition, two guarantees were issued to secure investment loan agreements in the amount of €713 thousand (previous year: €713 thousand) and €1,250 thousand (previous year: €1,250 thousand).

IX. Derivative Financial Instruments

In the 2023 financial year, there were no interest rate limitation agreements or hedging transactions.

X. Related Party Transactions

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

In the 2021 financial year, the former CEO Ulrich Weitz granted IBU-tec AG a loan of €2,000 thousand. The agreed terms and conditions are in line with normal market conditions. By 31.12.2023, repayments of €400 thousand (previous year: €399 thousand) had been made, so that the loan was still valued at €902 thousand (previous year: €1,302 thousand) as of the balance sheet date.

Due to existing insurance coverage, we do not see any risk of making use of the down payment and contract performance guarantees. There is no significant risk of the guarantee in the amount of €81 thousand being used due to a significant reduction in the volumes to be transported. With regard to the guarantees granted to secure investment loans, we do not see any risk of drawdown due to the Group's adequate net assets, financial position and results of operations.

There were no other off-balance sheet transactions up to the reporting date.

Consulting contracts have been concluded with Supervisory Board members Dr. Thau and Ms. Caillateau, which are currently suspended. The agreed terms and conditions are in line with normal market conditions. In the financial year, as in the previous year, there were no liabilities from these activities and no fees were paid.

Both consulting contracts were submitted to the Supervisory Board and approved by ordinary resolutions.

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The total remuneration of the Supervisory Board, including cost reimbursements, amounted to €122 thousand in the financial year (previous year: €98 thousand).

XI. Other Mandatory Information

IBU-tec AG, headquartered in Weimar, is the sole shareholder of BNT Chemicals GmbH and IBUvolt battery materials GmbH.

The annual financial statements of BNT GmbH and IBUvolt battery materials GmbH are included in the consolidated annual financial statements of the IBU-tec Group. IBU tec AG prepares the consolidated financial statements for both the largest group (section 285 (14) of the German Commercial Code (HGB)) and the smallest group of companies (section

The disclosure of the remuneration of the Executive Board is waived with reference to the safeguard clause pursuant to Section 314 (3) in conjunction with Section 286 (4) of the German Commercial Code (HGB).

285 (14a) of the German Commercial Code (HGB)). The consolidated financial statements are disclosed in the business register. IBU-tec AG itself is not included in any consolidated financial statements as a subsidiary.

As in the previous year, the auditors' total fee of €95 thousand for the 2023 financial year (previous year: €87 thousand) is attributable entirely to audit services:

XII. Subsequent Events

After the balance sheet date, no transactions of particular significance occurred that had a material financial impact.

XIII. Proposal for Appropriation of Profits

The Management Board proposes to offset the parent company's net loss for the year in the amount of € 1,969,381.39 against the existing profit carried forward and to carry forward the remaining retained profit of IBU-tec AG of € 7,080,807.32 to new account.

The 2024 Annual General Meeting will decide on the appropriation of the retained profit.

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XIV. Legal and Economic Basis of the Parent Company

Company: IBU-tec advanced materials AG

Address: Hainweg 9-11
99425 Weimar

Legal Form: Public limited company

Commercial Register: District Court of Jena
HRB 503021

Object of the Company: Research and development services as well as contract manufacturing in the field of inorganic chemistry by means of thermal process engineering. On the basis of a modern and innovative technology platform, IBU-tec generates special materials (advanced materials) from the product idea to industrial production. Thanks to IBU-tec's comprehensive offering, the customer acquires a coordinated and reproducible product specification and the know-how of the production process of the desired materials in the shortest possible time. This significantly reduces the development risks of the customer's new products, as IBU-tec closes the gap between the individual phases of experimental product development in the laboratory and the reliable production process.

Fiscal Year: Calendar year

Share Capital: €4.750.000,00
Divided into 4,750,000 no-par value no-par value bearer shares.

Board: Jörg Leinenbach, Dipl.-Kfm., Püttlingen
Ulrich Weitz, Dipl.-Ing., Berlin (retired on 26.04.2023)
Dr. rer. NAT. Arndt Schlosser, Dipl.-Chem., Stammham (retired on 30.04.2023)

- I. General Information
- II. Scope of Consolidation
- III. Consolidation Principles
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Supervisory Board:

Sandrine Cailleteau, Managing Director RBC Capital Markets, Paris (Chairwoman of the Supervisory Board)
 Dr. Jens T. Thau, Attorney at Law THAU Rechtsanwälte, Berlin (Deputy Chairman)
 Prof. Dr. Achim Kampker, Chair of Production Engineering of E-Mobility Components, Aachen (Member of the Supervisory Board)
 Isabelle Weitz, Communications Consultant Omnicom PR Group, Paris (Member of the Supervisory Board since 26.04.2023)

Proxy:

at the time of drawing up the Appendix:

Käthe Buschtöns, Weimar OT Gelmeroda
 Dr. Toralf Rensch, Weimar
 Robert Süße, Weimar
 Christiane Bär, Weimar
 Christian Kühnert, Jena
 Lars Riedel, Mechelroda
 Dr. Nico Zobel, Berlin (since 16.10.2023)

Individual procuration in each case

Weimar, 14 March 2024



Jörg Leinenbach

(Board of Directors)

Consolidated Financial Statements for the financial year from January 1, 2023 until December 31, 2023

Asset History Sheet

in €	Acquisition or production costs					Depreciation					Book Values	
	Status as of	Accruals	Disposals	Transfers	Status as of 31.12.23	Status as of 01.01.23	Accruals	Disposals	Transfers	Status as of 31.12.23	Status as of 31.12.23	Status as of 31.12.22
I. Intangible assets												
1. Self-created industrial property rights and similar rights and values	136,282.25	351,204.13	25,830.00	100,270.00	561,926.38	0.00	5,233.50	0.00	0.00	5,233.50	556,692.88	136,282.25
2. Concessions, industrial property rights and similar rights and assets acquired for consideration, as well as licenses to such rights and assets	1,750,104.72	246,631.48	0.00	251,110.00	2,247,846.20	1,353,072.97	157,899.73	0.00	0.00	1,510,972.70	736,873.50	397,031.75
3. Advance payments paid	332,330.00	56,460.00	0.00	-351,380.00	37,410.00	0.00	0.00	0.00	0.00	0.00	37,410.00	332,330.00
4. Goodwill	5,149,183.60	0.00	0.00	0.00	5,149,183.60	2,316,178.65	514,918.36	0.00		2,831,097.01	2,318,086.59	2,833,004.95
	7,367,900.57	654,295.61	25,830.00	0.00	7,996,366.18	3,669,251.62	678,051.59	0.00	0.00	4,347,303.21	3,649,062.97	3,698,648.95
II. Fixed assets												
1. Land, rights equivalent to real estate and buildings, including those on the third-party land	18,640,724.39	151,169.06	0.00	321,994.80	19,113,888.25	7,734,334.86	752,505.86	0.00	0.00	8,486,840.72	10,627,047.53	10,906,389.53
2. Hidden Reserves Land	612,436.00	0.00	0.00	0.00	612,436.00	0.00	0.00	0.00	0.00	0.00	612,436.00	612,436.00
3. Technical systems and machines	61,006,406.96	414,879.73	97,909.28	859,259.35	62,182,636.76	44,856,128.96	2,797,648.23	97,907.28	0.00	47,555,869.91	14,626,396.00	16,150,278.00
3. Other installations, operating and Fittings	8,772,423.32	363,795.44	128,948.50	27,859.03	9,001,129.29	6,693,047.65	521,265.81	106,663.38	0.00	7,089,820.12	1,911,309.17	2,079,375.67
5. Advance payments made and assets under construction	9,142,900.90	5,746,621.04	-2,281.50	-1,209,113.18	13,678,127.26	16,451.05	0.00	0.00	0.00	16,451.05	13,662,047.06	9,126,449.85
	98,174,891.57	6,676,465.27	224,576.28	0.00	104,588,217.56	59,299,962.52	4,071,419.90	204,570.66	0.00	63,148,981.80	41,439,235.76	38,874,929.05
Total fixed assets	105,542,792.14	7,330,760.88	250,406.28	0.00	112,584,583.74	62,969,214.14	4,749,471.49	204,570.66	0.00	67,496,285.01	45,088,298.73	42,573,578.00

INDEPENDENT AUDITORS' REPORT

To IBU-tec advanced materials AG, Weimar

Audit Assessments

We have audited the consolidated financial statements of IBU-tec advanced materials AG, Weimar, and its subsidiaries (the Group) – consisting of the consolidated balance sheet as of 31 December 2023, the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement – for the fiscal year from 1 January to 31 December 2023, as well as the notes to the consolidated financial statements, including the presentation of the accounting and valuation methods.

According to our assessment on the basis of the findings of the audit

- the accompanying consolidated financial statements comply with German commercial law regulations in all material respects and, in compliance with the German principles of proper accounting, give a true and fair view of the Group's net assets and financial position as of 31 December 2023 and its results of operations for the financial year from 1 January to 31 December 2023, and
- overall, the attached group management report gives an accurate picture of the Group's position. In all material respects, this group management report is in line with the consolidated financial statements, complies with German legal requirements and accurately presents the opportunities and risks of future development. Our opinion on the group management report does not extend to the content of the components of the group management report mentioned in the "Other information" section.

In accordance with Section 322 (3) sentence 1 of the German Commercial Code (HGB), we declare that our audit did not lead to any objections to the regularity of the consolidated financial statements and the group management report.

Basis for the Audit Opinions

We conducted our audit of the consolidated financial statements and the group management report in accordance with Section 317 of the HGB in compliance with the German principles of proper auditing established by the Institute of Public Auditors (IDW). Our responsibility under these rules and principles is further described in the section "Responsibility of the Auditor for the Audit of the Consolidated Financial Statements and the Group Management Report" of our auditor's report. We are independent of

the Group companies in accordance with German commercial and professional regulations and have fulfilled our other German professional obligations in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to serve as a basis for our opinions on the consolidated financial statements and the group management report.

Other information

The legal representatives or the Supervisory Board are responsible for the other information. The other information includes the following non-audited components of the group management report:

- voluntary non-financial disclosures contained in the group management report and marked as unaudited.

The other information also includes the annual report expected to be made available to us after the date of this audit report. Other information does not include the consolidated financial statements, the content-audited group management report disclosures and our related audit report.

Our opinions on the consolidated financial statements and the group management report do not extend to other information and, accordingly, we do not express an opinion or any other form of audit conclusion. In connection with our audit, we have a responsibility to read the other information mentioned above and to assess whether the other information:

- has material inconsistencies with the consolidated financial statements, the content of the group management report disclosures audited or the knowledge we have acquired during the audit, or
- otherwise appear to be substantially misrepresented.

Responsibility of the Legal Representatives and the Supervisory Board for the Consolidated Financial Statements and the Group Management Report

The legal representatives are responsible for the preparation of the consolidated financial statements, which comply with German commercial law regulations in all material respects, and for ensuring that the consolidated financial statements give a true and fair view of the Group's net assets, financial position and results of operations in compliance with the German principles of proper accounting. In addition, the legal representatives are responsible for the internal controls they have determined to be necessary in accordance with German accounting principles to enable the preparation of consolidated financial statements that are free from material misstatement due to fraud (i.e. accounting manipulation and financial loss) or error. When preparing the consolidated financial statements, the legal representatives are responsible for assessing the Group's ability to continue its activities. Furthermore, they have the responsibility to disclose facts related to the continuation of the company's activities, where relevant. In addition, they are responsible for accounting on the basis of the going concern accounting principles, unless there are factual or legal circumstances to the contrary.

In addition, the legal representatives are responsible for preparing the group management report, which as a whole gives an accurate picture of the Group's position and is in line with the consolidated financial statements in all material respects, complies with German legal requirements and accurately presents the opportunities and future development risks. Furthermore, the legal representatives are responsible for the precautions and measures (systems) that they have deemed necessary to enable the preparation of a group management report in accordance with the applicable German legal regulations and to be able to provide sufficient appropriate evidence for the statements in the group management report.

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

Responsibility of the Auditor for the Audit of the Consolidated Financial Statements and the Group Management Report

Our objective is to obtain reasonable assurance as to whether the consolidated financial statements as a whole are free from material misstatement due to fraud or error, and whether the group management report as a whole gives an accurate view of the Group's position and is consistent in all material respects with the consolidated financial statements and with the findings of the audit, complies with German legal requirements and accurately presents the opportunities and risks of future development, as well as to issue an auditor's report containing our opinions on the consolidated financial statements and the group management report.

Sufficient certainty is a high degree of certainty, but not a guarantee that an audit carried out in accordance with Section 317 HGB in compliance with the German principles of proper auditing established by the Institute of Public Auditors will always reveal a material misstatement. Misrepresentations may result from malicious acts or mistakes and are considered material if it could reasonably be expected to affect, individually or altogether, the economic decisions of users made on the basis of these consolidated financial statements and group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. In addition

- identify and assess the risks of material misstatement in the consolidated financial statements and group management report due to fraudulent acts or errors, plan and perform audit procedures in response to these risks, and obtain audit evidence that is sufficient and appropriate to serve as a basis for our audit opinions. The risk that material misstatements resulting from fraudulent acts will not be detected is higher than the risk that material misrepresentations resulting from errors will not be detected, as fraudulent acts may involve collusion, falsification, intentional omissions, misleading representations, or overriding of internal controls.
- the risk of material misrepresentations not being detected is higher for breaches than for inaccuracies, as breaches may involve fraudulent collaboration, falsification, intentional incompleteness, misleading representations or the suspension of internal controls.
- we gain an understanding of the internal control system relevant for the audit of the consolidated financial statements and the arrangements and measures relevant for the audit of the group management report in order to plan audit procedures that are appropriate in the circumstances, but not with the aim of expressing an opinion on the effectiveness of these systems.
- we assess the appropriateness of the accounting policies used by the legal representatives as well as the reasonableness of the estimated values presented by the legal representatives and related disclosures.
- we draw conclusions about the appropriateness of the accounting principle applied by the legal representatives of the continuation of the company's activities and, on the basis of the audit evidence obtained, whether there is a material uncertainty in connection with events or there are circumstan-

ces that may raise significant doubts about the During the audit, we exercise due discretion and maintain a critical attitude. In addition Group's ability to continue its business activities. If we conclude that there is a material uncertainty, we are obliged to draw attention to the related disclosures in the consolidated financial statements and the group management report in the auditor's report or, if these disclosures are inappropriate, to modify our respective opinions. We draw our conclusions on the basis of the audit evidence obtained up to the date of our audit report. However, future events or circumstances may mean that the Group will no longer be able to continue its business activities.

- we assess the presentation, structure and content of the consolidated financial statements in total, including the disclosures, as well as whether the consolidated financial statements present the underlying business transactions and events in such a way that the consolidated financial statements give a true and fair view of the Group's net assets, financial position and results of operations, in compliance with the German principles of proper accounting.

- we obtain sufficient appropriate audit evidence for the accounting information of the companies or business activities within the Group in order to deliver opinions on the consolidated financial statements and the group management report. We are responsible for the guidance, supervision and execution of the audit of the consolidated financial statements. We are solely responsible for our audit opinions.

- we assess the consistency of the group management report with the consolidated financial statements, its compliance with the law and the image it conveys of the Group's position.

- we carry out audit procedures on the forward-looking disclosures presented by the legal representatives in the group management report. On the basis of sufficient suitable audit evidence, we in particular follow the significant assumptions on which the legal representatives base the forward-looking disclosures and assess the appropriate derivation of the forward-looking information from these assumptions. We do not give an independent opinion on the forward-looking disclosures or on the underlying assumptions. There is a significant unavoidable risk that future events will differ materially from the forward-looking statements.

We discuss with those responsible for monitoring, among other things, the planned scope and timing of the audit, as well as significant audit findings, including any significant deficiencies in the internal control system that we identify during our audit.

Jena, 14 March 2024

KPMG AG

Wirtschaftsprüfungsgesellschaft

gez. Lauer
Auditor

gez. Leser
Auditor

FINANCIAL CALENDAR

FINANCIAL DATES OF IBU-TEC ADVANCED MATERIALS AG

30 April 2024	Annual General Meeting, Weimar
13-15 May 2024	Spring Conference, Frankfurt/Main
13-14 November 2024	Munich Capital Markets Conference (MCK), Munich
25-27 November 2024	German Equity Forum, Frankfurt/Main

You can also open up the current financial calendar of IBU-tec AG via the following link:
www.ibu-tec.com/investor-relations/financial-calendar/

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