

Half-Year Report 2016  
*New dimension*

## Nanogate Group at a glance

The following refers to the Nanogate Group (in accordance with IFRS, figures in EUR ,000)

	1 <sup>st</sup> HY 2016	1 <sup>st</sup> HY 2015
Sales	52,154	43,283
Overall performance	53,356	45,496
Gross profit margin (in %, of overall performance)	61.2	62.4
EBITDA	5,886	4,943
EBIT	2,290	1,650
EBT	1,772	456
Consolidated net income/loss	1,203	291
Earnings per share (EUR)	0.36	0.09
	30.06.2016	31.12.2015
Balance sheet total	143,127	123,849
Equity	52,111	51,286
Equity ratio (%)	36.4	41.4
Cash and cash equivalents	16,077	22,743
	1 <sup>st</sup> HY 2016	1 <sup>st</sup> HY 2015
Cash flow from operating activities after tax	4,263	3,293
Cash flow from investing activities (without external growth)	-3,221	-6,396
Employees (average)	654	585
Sales per employee	80	74

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A world of new surfaces

## **NANO GATE AG – A WORLD OF NEW SURFACES®**

Nanogate is a leading international integrated systems provider for high-performance surfaces. We give materials and surfaces new properties and improve our customers' competitiveness. Both businesses and consumers benefit from the advantages of multifunctional surfaces.

### **With expertise and technology from Nanogate,**

- surfaces are given new functions.
- plastics are given additional properties.
- metals are enhanced.
- heating systems use less energy.
- production processes become more efficient.
- new designs are created.

With help from Nanogate, products become more cost-effective, more powerful and better for the environment. With a comprehensive technology portfolio, we open up a new world of surfaces for our customers based on new materials. As an innovation partner, Nanogate offers its customers unique systems expertise – materials development for surface systems, series coating of various different substrates as well as the production and enhancement of complete plastic components.

We add value. For our customers, our shareholders and our employees as well as for the environment and society.

## Letter to shareholders

Dear shareholders,  
customers, business partners and staff members,

Whether in New York or in Shanghai, Nanogate has a global presence with its products. Having already gained a strong position in Europe, we are now also making good progress in important and high-volume markets beyond our home continent. Over the current year, the Group has been growing primarily in the US, where it is seeing significant growth. Demand also remains strong in Asia, where we have been active now for three years, and we achieved extremely pleasing growth in the operating business. In addition to strong growth in sales and the operating result (EBITDA), consolidated EBIT and consolidated net income improved considerably.

This allows us to benefit from the strong, global demand for innovative surfaces with additional properties and for high-quality design in the highest optical quality. Around the world, customers rely on our expertise in surfaces and enhanced plastic components. This is because we are increasingly opening up the systems business and assuming responsibility for complete components. In these cases, Nanogate is responsible for developing and designing the component, as well as for developing prototypes and machines, while ongoing production and coating take place in one of our plants. We usually then also deliver components directly to the manufacturer, thereby increasingly taking on the role of a preferred and long-term partner for our customers. We anticipate a strong boost for sales and profitability from the systems business.

### **Sales grow by 20 %; consolidated net income rises particularly strongly**

Thanks, in particular, to its international focus, Nanogate can look back on a strong first half-year: sales increased by around 20 % – partly due to consolidation effects – to a new record of EUR 52.2 million, while overall performance reached EUR 53.4 million. While there was a high level of demand across the Group, our applications in the strategic growth areas of advanced metals and advanced polymers were in particular demand. New products and increased marketing activities meant that our end-user business also performed well.

The operating result (EBITDA) also rose by around 20 % to EUR 5.9 million. Despite the strong growth and expenses associated with the Phase5 growth strategy, we are thereby well on course towards improving our profitability. After adjustment for one-off transaction and integration costs, EBITDA would have been even higher. Consolidated EBIT improved significantly by almost 40 % to EUR 2.3 million, despite an increase in amortisation from the ongoing course of investment. Earnings before tax more than tripled to EUR 1.8 million. Due to the good overall performance and to the positive effects resulting from reduced obligations for subsidiaries, the half-year result increased particularly strongly from EUR 0.3 million to EUR 1.2 million, meaning that earnings per share also rose significantly from EUR 0.09 to EUR 0.36. Cash flow from operating activities increased by almost 30 % to EUR 4.3 million and is evidence of our good financial development.

### **Expansion of the Group with focus on systems business**

The majority acquisition of plastics specialist Walter Goletz GmbH has significantly expanded systems expertise at Nanogate. The new equity holding has a strong market position, particularly when it comes

to smaller and medium-sized, design-oriented plastic components. Goletz is an important part of our Phase5 growth programme.

### **Strong operating business**

We have again strengthened sales potential and order base with numerous new, major orders. In the current operating business, we benefited both from the high level of capacity utilisation and from the strong US demand, as well as from additional projects beyond the automotive business. In addition, our progression into the systems business is increasingly paying off. From 2017, we will be supplying a luxury car manufacturer with high-quality interior parts to be used in the central console of an SUV. The order volume is worth more than EUR 20 million.

### **World premiere for new N-Metals® Chrome technology**

In parallel with our strong operating business, we are continually expanding our application portfolio. The focus is on our pioneering technology platform for the multifunctional coating of optically sophisticated plastic components. Nanogate is thereby creating the alternatives to conventional processes that are urgently demanded by the market. With N-Metals® Chrome, we have an innovative solution that is more cost-effective and more environmentally friendly, and that also offers new application possibilities over conventional chrome coating processes. The production line for N-Metals® Chrome commenced operation in September.

### **Forecast confirmed: sales and profitability to increase significantly**

Following the strong course of business in the first half-year, Nanogate is also confident for the year as a whole. The growth course is likely to continue thanks to numerous new projects and applications. Sales also remain high with ongoing projects. The Group has also extended its order base further.

Following sales growth of around 20 % to EUR 52.2 million in the first half of 2016, Nanogate continues to expect Group sales to rise to more than EUR 105 million in the current year following EUR 90.9 million in 2015. The Group is therefore likely to exceed its medium-term sales target of EUR 100 million in the current year. Despite the continued expenses associated with the expansion strategy as well as the one-off transaction and integration costs, Nanogate expects the operating result (EBITDA) to increase significantly in 2016 and exceed the EUR 12 million mark. Substantial funds will continue to flow into the ongoing investment programme and international expansion. In view of the growth course, consolidated net income will continue to be shaped by depreciation and amortisation as well as by financing costs. Despite this, Nanogate expects the consolidated net income for the year as a whole to rise particularly strongly year on year due to the overall good performance and to positive one-off effects from the changes relating to the valuation of subsidiaries and their obligations (IAS 8). With cash and cash equivalents of around EUR 16 million as at the 30 June reporting date and with the revenue from a successful cash capital increase in July, Nanogate is well equipped to implement its comprehensive strategy programme. Organic growth, greater internationalisation, expansion of the technology and application portfolio as well as selective external growth remain among the medium- and long-term growth levers.



Ralf Zastrau (CEO)

Our Phase5 strategy programme continues to act as our compass, leading Nanogate into a new dimension of expertise, services range and business volume. The 2016 half-year performance confirms both our good strategic alignment as well as the strong performance of our operating business. In our view, both of these contribute to increasing company value further in the long term. As a leading international integrated systems provider for high-performance surfaces, Nanogate is firmly established and in demand around the world as an innovation partner. Building on this, we will be continually expanding our market position in future.

Yours,

A blue ink handwritten signature of Ralf Zastrau.

Ralf Zastrau (CEO)

A blue ink handwritten signature of Michael Jung.

Michael Jung (COO)

A blue ink handwritten signature of Daniel Seibert.

Daniel Seibert (CFO)



Michael Jung (COO)



Daniel Seibert (CFO)





# AS IF UNTOUCHED

## A WORLD OF NEW SURFACES

Making metal surfaces more efficient and developing new design concepts. No matter whether it's providing protection from scratches, dirt or fingerprints – with a transparent, coloured or translucent coating: N-Metals!

# Group Half-Year Report of Nanogate AG

## *1 Fundamental principles of the Group*

The Nanogate Group (Nanogate) is a leading international integrated systems provider for high-performance surfaces and, according to the US market research institute MarketsandMarkets, is one of the leading suppliers around the world. The Group opens up the diverse possibilities of multifunctional surfaces based on new materials for companies in a wide range of industries. With its slogan, 'A world of new surfaces', the Nanogate Group reinforces its aspiration of using intelligent surfaces to give products a competitive edge and help companies generate additional value. It stands for the Group's promise to be a reliable partner for its customers and to bring them cutting-edge technology, rapid implementation and high-quality mass production.

### **1.1 Business model**

Nanogate provides its customers with technologically and visually high-quality systems, equipping plastic, metal and other surfaces and components with new functions and properties (for example, making them non-stick, anti-corrosive, scratchproof, chemically stable or protected from exposure to the elements, with hygienic properties). To do so, the Group uses its extensive knowledge of innovative materials as well as its many years of experience in the mass production of enhanced multifunctional surfaces and plastic components. The aim is to improve products and processes by means of multifunctional high-performance surfaces. New materials, designs and functions are intended to increase the competitiveness and profitability of Nanogate's customers and to reap environmental benefits. With solutions and knowledge from Nanogate, companies can gain a technological advantage over their competitors. To this end, the Group adopts the approach of serving its customers as a long-term innovation partner.

As an integrated systems provider, Nanogate develops and produces multifunctional surface systems and enhanced plastic components in the highest optical quality. The Group achieves this with its vast experience and diverse array of skills in materials development as well as in process integration and mass production. It covers the entire value chain, from the purchase of raw materials, to the synthesis and formulation of the material systems, right through to the enhancement and production of the finished surfaces and components. Nanogate can draw on a comprehensive portfolio of technology platforms and processes when developing new applications for various substrates that then go into mass production. The company is also continually developing its component business. With this step, Nanogate is expanding its value chain and assuming overall responsibility for selected complete components, known as high-tech components, as a partner to major corporate groups. As a systems provider, the Group will manage and take responsibility for all of the stages, from development and design to the production of the components and the coating of the surface. The Group is focusing primarily on components with high-performance surfaces, thereby providing its customers with a broader range of services than previously offered.

Its enhancement of multifunctional surfaces and manufacture of sophisticated components is founded on its extensive expertise in the area of new materials. Since it began operations in 1999, Nanogate has formed the central interface between the manufacturers of source materials and the suppliers of innovative industrial products, thereby enabling the efficient use of high-performance surfaces. Here, the Group uses its own as well as external processes. The company primarily targets attractive sectors such as automotive/transport, mechanical/plant engineering, buildings/interiors and



sport/leisure sectors. Nanogate sees significant volume and margin potential in the two strategic growth areas of advanced metals and advanced polymers. Advanced metals serves as a platform for high-quality metal coatings, for example on aluminium and stainless steel, as well as for applications for the metallisation of surfaces. Nanogate sells solutions in the advanced metals growth area under the N-Metals® brand. In 2015, the Group put a new centre of excellence for metal applications into operation at its Neunkirchen site as part of the planned expansion. The division also includes the applications on the new N-Metals® Chrome technology platform. The Advanced Polymers division, on the other hand, includes applications with innovative plastics sold mainly under the N-Glaze® brand. In the area of advanced polymers, the Group has its own production capacities for manufacturing surface systems, enhancing and coating surfaces, and producing coloured or transparent, glazed plastic components with glass-like properties. This includes the glazing centre of excellence at the Bad Salzuffen site, for example.

The Group is focusing on the application priorities of Base Technologies and Advanced Technologies. Base Technologies comprises much of the Group's existing portfolio of conventional applications, such as those in the areas of sport/leisure and buildings/interiors. Advanced Technologies includes the systems in both strategic growth areas. The Group believes there is strong growth and earnings potential in this area, after having made considerable efforts to develop new systems in recent years as part of a broad innovation drive. The strategic growth areas of advanced metals and advanced polymers were the primary focus. A large proportion of the Group's investments have been poured into these areas in recent years. Nanogate continually adds to its technology portfolio so as to build on its market position with additional applications. This primarily includes the creation, begun in 2015, of a new technology platform for the multifunctional metallisation of surfaces, which will be sold under the N-Metals® Chrome brand. The production line officially went into operation in September.

## 1.2 Group structure and operating subsidiaries

The Nanogate Group consists of the parent company Nanogate AG, Quierschied-Göttelborn, and the consolidated portfolio companies Nanogate Industrial Solutions GmbH, Quierschied-Göttelborn, GfO Gesellschaft für Oberflächentechnik AG, Schwäbisch Gmünd, Nanogate Textile & Care Systems GmbH, Quierschied-Göttelborn, Plastic-Design GmbH, Bad Salzuffen, and Vogler GmbH, Lüdenscheid. In April 2016, the Group also acquired a 75 % stake in plastics specialist Walter Goletz GmbH, Kierspe. The shares in Eurogard B.V., Geldrop, the Netherlands, and Nanogate Glazing Systems B.V., Geldrop, the Netherlands, are pooled in the intermediate holding company Nanogate Nederland B.V., Geldrop, the Netherlands. Subsidiaries were also established in the US (Nanogate Technologies, Inc.) and in Turkey (Nanogate Teknoloji AS).

### 1.2.1 Nanogate AG

As a holding company, the parent company Nanogate AG concentrates on the strategic and operational management of the Group and its operating equity holdings. Central material development and production as well as central functions such as finance, controlling and services for all Group companies are also pooled in the management and technology holding company.

### 1.2.2 Nanogate Industrial Solutions GmbH

Nanogate Industrial Solutions GmbH concentrates on the industrial implementation of various high-performance surfaces, in particular on the market for metal surfaces, for example made of aluminium or stainless steel, as well as metallisation, especially of plastics. This is in

addition to energy efficiency applications, for example, which are marketed under the N-Ergy Plus® brand, in addition to other growing applications such as coatings for products using stainless steel. The company also specialises in process integration. In the autumn of 2015, the subsidiary put its centre of excellence for advanced metals into operation at the new facility in Neunkirchen (Saarland). Production for the new N-Metals® Chrome technology platform is also based here.

### **1.2.3 Eurogard B.V.**

Eurogard B.V. specialises in enhancing surfaces on two-dimensional components and is the global market leader in the lucrative specialist sector of coating transparent plastics. Eurogard B.V. concentrates on the buildings/interiors, aviation and automotive/mechanical engineering sectors. The total shareholdings in Eurogard B.V. have been pooled in the Dutch holding company Nanogate Nederland B.V. since 2014.

### **1.2.4 Nanogate Textile & Care Systems GmbH**

Nanogate Textile & Care Systems GmbH targets markets including the sport/leisure market, involving do-it-yourself (DIY) systems for improved cleaning, care and protection of textiles, which also feature hygienic properties, for example. Some of the solutions are also sold under their own brands, such as feldten and Empire. Applications for functional textiles are also used here.

### **1.2.5 GfO Gesellschaft für Oberflächentechnik AG**

GfO specialises in the technical and optical enhancement of complex plastic and metal surface geometries. In addition, the company has an inkjet technology unique in Europe. In the summer of 2015, Nanogate acquired the outstanding stake of almost 25 %, making it the full owner of the company.

### **1.2.6 Plastic-Design GmbH**

The equity holding is one of Europe's leading plastics processors and has a proprietary technology portfolio for optically sophisticated components. It is also considered to be a trailblazer in the growth market of glazing. The Group operates a centre of excellence for N-Glaze® applications at Plastic-Design GmbH's headquarters in Bad Salzuflen. Capacity at the centre of excellence was expanded due to the strong demand and the good performance in 2014 and 2015. This centre of excellence will enable Nanogate to offer the integrated development, production and subsequent enhancement of transparent and coloured N-Glaze® components in one location. The equity holding, which was acquired in 2012, is also specialised in the development and production of complex plastic components, which has enabled the Group to expand its value chain.

### **1.2.7 Nanogate Glazing Systems B.V.**

Nanogate Glazing Systems B.V., established in June 2013, focuses on the production, enhancement and moulding of flat glazing components. These components are used in special-purpose forestry vehicles, for instance. Since 2015, the company has been opening up its new safety applications line of business under the N-Glaze® Security brand. The subsidiary supplements the existing expertise within the Nanogate Group. The portfolio expansion means that Nanogate AG is well positioned to benefit from the growing demand for N-Glaze® components. The shares in the company have been pooled in the holding company Nanogate Nederland B.V. since 2014.

### 1.2.8 Vogler GmbH

In July 2014, Nanogate acquired surface specialist Vogler GmbH & Co. KG (“Vogler”, then Vogler GmbH for short). The company’s customers include major international companies, for example from the automotive industry and building services, as well as leading domestic appliance manufacturers. Vogler specialises in technically advanced coatings for decorative and transparent, multifunctional surfaces. In the future, the subsidiary intends to focus more on the components business as part of the Group’s overall strategy, thereby covering the entire value chain from development to production and coating. In 2016, Vogler launched a new coating facility that is more flexible and has a greater capacity than the previous model, which has expanded the Group’s range of technology. Further investment in the subsidiary is also planned for 2016.

### 1.2.9 Walter Goletz GmbH

The majority acquisition of 75 % of the shares in plastics specialist Walter Goletz GmbH expands Nanogate’s systems expertise in the area of high-demand plastic components. Nanogate will, in future, be covering all specialisations regarding the development and production, as well as the multifunctional enhancement of components. This means that the Group is also significantly expanding its range of services. The new equity holding has a strong market position, particularly when it comes to smaller and medium-sized, design-oriented plastic components, while Nanogate has previously been specialised in larger components, such as those for the automotive industry, through its existing Plastic-Design subsidiary. Goletz supplies customers in the automotive, electronics and domestic appliances industries. In parallel, the company is represented in medical technology applications via a subsidiary and has relevant certifications and manufacturing systems, for example, in clean room. The company was founded in 1969, and Goletz cooperates closely with Nanogate subsidiary Vogler GmbH – located only a few kilometres away – as part of its integration into the Group. A first joint project has already been started, with the Group receiving a multi-year order from a luxury car manufacturer. The order volume is worth more than EUR 20 million. From 2017, Goletz and Vogler are taking joint responsibility for supplying high-quality interior parts for the central console of an SUV.

### 1.2.10 Nanogate Teknoloji AS

As part of its international expansion, the Group established Nanogate Teknoloji AS based Istanbul (Turkey). From its new location, the Group intends to access the markets in Turkey and the Middle East.

### 1.2.11 Nanogate Technologies, Inc.

Also in the course of opening up new, international markets, the Group established the US subsidiary Nanogate Technologies, Inc., whose operational management is based in the US state of Connecticut. The new subsidiary is already involved in implementing an ongoing major order for the supply of glazing components for the US market.

## 1.3 Goals and strategies

Nanogate is pursuing a long-term growth strategy so that it can continue to improve its good market position in the production and marketing of multifunctional high-performance surfaces and innovative plastic components in the highest optical quality, both nationally and internationally. The main aim is to raise the company’s value with a greater volume of business and increased profitability.

High-performance surfaces based on new materials are a fundamental component of many products. Innovative materials are established in many sectors and, as a cross-sectional technology, catalyse technical progress by means of better products or more efficient processes. Multifunctional surfaces and nanotechnology thereby equally contribute to improving companies' competitiveness in the respective markets.

Until now, sales of systems based on new technologies and of high-performance surfaces have been continuously increasing. The main customer industries are automotive/aviation, energy, medical/healthcare, household/hygiene, buildings/interiors and textiles/clothing. Particularly in demand are systems that maintain the value of surfaces (e.g. coatings that protect against corrosion or abrasion), reduce the need for cleaning ("easy-to-clean"), have hygienic properties or improve energy efficiency. Given the heterogeneous and dynamic nature of the market, market observers forecast continued strong growth. Analysts at Future Markets Inc., for example, believe that the market for nanosurfaces will grow to almost USD 10 billion by the year 2025. MarketsandMarkets is forecasting annual growth of more than 20 % and a market volume of USD 14.2 billion in 2019. The most important sales markets for surfaces based on new materials include the automotive industry. Nanogate itself sees an accessible, future global market worth more than a billion euros for its products and applications.

The Group's growth strategy concentrates on several particularly attractive target sectors and on the development of new technologies and solutions, primarily in the two strategic growth areas. The market for high-quality metal coatings, for example, offers potential in the mid-three-figure million range. Applications based on the new N-Metals® Chrome technology platform will also contribute to this. The Group also sees major growth potential in the market for glazing applications, particularly in the automotive sector, because innovative plastics can replace glass or metal as a material and offer greater scope for designing high-quality components. They also allow for a substantial reduction in weight, one of the benefits of which can be lower fuel consumption. In the medium term, Nanogate anticipates market potential in the three-figure million euro range for N-Glaze® applications. The intention is to gain new customers and distribution partners – if possible, internationally active market leaders in their fields – with both existing and new technologies. Across all sectors, the Group attaches great importance to developing and distributing environmentally friendly systems and processes. Beyond this, Nanogate's focus is on further opening up international markets and new areas of application, including by means of new equity holdings and joint ventures.

#### **1.4 Management system**

Despite the financial burden associated with implementing the ongoing Phase5 growth programme – such as for capacity expansions – the Group intends to increase the operating result (EBITDA) over the long term. The company strives to find a balance between investing in growth and optimising its cost structure. Nanogate manages the Group using the two important control variables sales and EBITDA. Further control variables such as gross profit margin, EBIT, cash flow, working capital, investments and equity ratio are also used for operational and strategic management. In a monthly reporting system for the Group as a whole, target-performance comparisons are made, and deviations and key performance indicators analysed. In addition, control is exercised via qualitative results such as the development of new solutions, the acquisition of reference customers, and certifications by customers, suppliers, external institutions and companies.

## 2 Business report

### 2.1 Macroeconomic environment in the first half of 2016

The global economy remains in a phase of moderate growth. However, the risks to future development, such as the United Kingdom's vote to leave the European Union, are increasing. The International Monetary Fund (IMF) therefore slightly reduced its growth expectations for many regions in July 2016. It believes that the global economy will only grow by 3.1 % (instead of 3.2 %, previously). By contrast, the experts increased their growth forecast for Germany from 1.5 % to 1.6 % (see also Section 5, 'Forecast').

The industries relevant to Nanogate are seeing varied development in the current financial year. According to a statement issued by the VCI (the German chemical industry association) in July, for example, the German chemical industry did record unchanged production volume in the first half of 2016, but sales decreased by 3.5 % due to falling prices, however. German mechanical engineering companies recorded a "good performance" in the first six months of the year, as reported by the VDMA, the association for the German engineering industry, which also noted a slight, year-on-year rise of 3 % in the order level. The automotive industry, on the other hand, had strong sales in the first half-year, with new car registrations increasing by 8.5 % in western Europe, by 1.3 % in the US and by 12.0 % in China, according to the VDA industry association.

### 2.2 Key events in the first half of 2016

Nanogate significantly expanded its international market position in the first half-year, with sales increasing by around 20 % to EUR 52.2 million, while the operating result (EBITDA) improved to EUR 5.9 million. Consolidated EBIT increased significantly by almost 40 % to around EUR 2.3 million. The Group recorded strong demand and was able to notably broaden its order base for future sales development with numerous new projects.

Important growth steps in the first half-year include the majority stake in plastics specialist Walter Goletz GmbH. This will enable Nanogate to expand its systems expertise in the development and production of plastic components. As with previous acquisitions, Nanogate will be further developing its new equity holding as part of the integration and gradually optimising the existing order and product mix at Goletz, in order to generate synergies at Group level. The transaction was agreed in April and concluded in May. Consolidation into the Group as a whole was effective as at 1 May 2016. The purchase price includes a performance-linked pricing structure and will be paid out in several tranches over the coming years. Nanogate can also acquire the outstanding shares as part of this graduated pricing model. Some of the purchase price was paid in shares (from a capital increase against contributions in kind). A cash capital increase also contributed to the partial refinancing of the equity holding, which Nanogate placed in July (see Section 3, 'Events after the balance sheet date').

In parallel, the Group is significantly expanding its international presence. In the first instance, the Group launched its own company in Turkey. From its new location in Istanbul, Nanogate intends to access the markets in the country itself as well as those in the Middle East. In addition, the Group continued its international expansion by establishing a subsidiary in the US, where the Group has seen a significant increase in sales.

In the operating business, Nanogate again expanded its order base with major new projects, primarily including a major order in the systems business with enhanced plastic components. The multi-year order from a car manufacturer covers a total volume of more than EUR 20 million. From 2017, the

Group will be supplying high-quality interior parts for the central console of an SUV. The complex component includes several elements, such as panels and control elements for the air conditioning system. This order confirms our strategy of advancing further into the component business.

With new projects in other industries, the company is also taking greater steps to ensure that its product portfolio as well as its customer and industry mix is better balanced. Among other things, stronger demand from the international furniture industry is contributing to this: the innovative application encompasses the multifunctional coating of plastic surfaces for kitchen furniture in the highest optical quality. In many cases, this can replace a glass front, such as in cabinets, for example. Nanogate also received a follow-on order to coat design elements for high-quality stoves.

Nanogate is also making good progress in international sales, currently posting a strong increase in sales in the US. The company is supplying an automotive group with glazing components to be built into the exterior of vehicles. At the same time, the Group continues to produce glazing components for car manufacturers in China.

As part of its Phase5 strategic growth programme, Nanogate is also significantly expanding its technology and application portfolio, focusing on the market launch of its new platform for the multifunctional metallisation of surfaces, primarily of plastics. The production line for the new technology, which will be sold under the N-Metals® Chrome brand, was officially started in September. Nanogate's new technology platform provides the alternatives to conventional chrome coating processes, such as traditional electroplating, urgently demanded by the market. N-Metals® Chrome is more cost effective, more environmentally friendly and allows for numerous new applications. The company anticipates a market volume in the mid-three-figure million range for the multifunctional metallisation of surfaces. The Group is already in promising talks with numerous interested parties and existing customers from various industries about possible orders. The expansion of the new platform and of the associated new location in Neunkirchen (Saarland) are among the Group's largest individual investments. The new technology allows Nanogate to give various substrates – above all plastics – a chrome-like look in perfect optical quality. Appreciable sales contributions are expected from 2017. The Group also invested in new technologies and additional capacities at its Vogler subsidiary, for example by putting into operation over the course of the year a new coating facility that is more flexible and better performing than the previous model. In parallel, capacities were also expanded at the Plastic-Design subsidiary.

The shareholders' meeting in June 2016 approved the dividend proposal made by the Supervisory Board and Management Board. The shareholders thereby again received a payout of EUR 0.11 per share. The shareholders also elected Sebastian Repegather, member of the Executive Board of Luxempart S.A., Luxembourg, to the Supervisory Board for the first time, succeeding Katrin Wehr-Seiter. Hartmut Gottschild, Oliver Schumann and Dr Farsin Yadegardjam were also confirmed in their posts.

### **2.3 Net assets, financial and earnings position**

Nanogate achieved strong growth again in the first half-year. In addition to a high level of demand, the first-time consolidation of the recently acquired majority equity holding, Walter Goletz GmbH, also contributed to this. At the same time, the Group improved its profitability and increased its EBIT significantly despite the ongoing expansion programme. Consolidated net income and earnings per share also increased particularly notably due to the good overall performance and to positive effects resulting from reduced obligations for subsidiaries. Cash flow from operating activities improved by almost 30 %, reflecting the Group's performance.

### 2.3.1 Earnings position

Nanogate increased its Group sales in the first half-year by around 20 % to EUR 52.2 million (previous year: EUR 43.3 million), thereby reaching a record high. Both the strong demand in all target markets, particularly in the strategic growth areas of advanced metals and advanced polymers, as well as the first-time consolidation of the recently acquired majority equity holding, Walter Goletz GmbH, contributed to the positive performance. Overall performance rose to EUR 53.4 million (previous year: EUR 45.5 million).

The cost of materials amounted to EUR 20.7 million (previous year: EUR 17.1 million), reflecting the changed product mix and consolidation effects. The cost of materials ratio (as a proportion of overall performance) therefore came to 38.8 % (previous year: 37.6 %). The Group is focusing increasingly on the systems business and on supplying complete components. The component business promises greater sales and a greater margin, but is associated with greater use of materials. Accordingly, the gross profit margin (as a proportion of overall performance) came to 61.2 % in the first half-year (previous year: 62.4 %). Gross earnings increased by some 15 % in total to EUR 32.7 million (previous year: EUR 28.4 million). Personnel expenses increased to EUR 16.0 million (previous year: EUR 14.5 million), while the personnel expenses ratio (as a proportion of overall performance) decreased to 30.1 % (previous year: 31.8 %), despite the first-time consolidation of the new equity holding. Other operating expenses increased to EUR 10.7 million (previous year: EUR 9.0 million), reflecting the greater volume of business and consolidation effects.

Nanogate improved its profitability significantly in the first half-year. The increase in sales of around 20 % was accompanied by an increase in the operating result (EBITDA), also of around 20 %, to EUR 5.9 million (previous year: EUR 4.9 million). Without the expenses associated with the ongoing growth programme as well as following adjustment for one-off transaction and integration costs, the operating result would have risen even further. The EBITDA margin amounted to 11.3 % (previous year: 11.4 %), thereby reaching the previous year's level. Despite the increase in amortisation as a result of the course of investment, consolidated EBIT increased considerably by almost 40 % to EUR 2.3 million (previous year: EUR 1.7 million). The net financial result is positively influenced by one-off effects from the changes relating to the valuation of subsidiaries and their obligations (IAS 8). Pre-tax profit rose to EUR 1.8 million (previous year: EUR 0.5 million) despite the expenses resulting from the Phase5 growth strategy. Consolidated net income increased accordingly from EUR 0.3 million to EUR 1.2 million, improving the profit per share from EUR 0.09 to EUR 0.36 per share. This enables the Group to continuously improve profitability despite its comprehensive Phase5 growth programme.

### 2.3.2 Financial position

In addition to increased profitability, cash flow from operating activities, which has improved again, is reflected in the Group's good financial development. The cash inflow from operating activities increased by almost 30 % to around EUR 4.3 million (previous year: EUR 3.3 million). The rise is essentially due to significantly increased earnings before tax. Working capital increased due to consolidation effects. Cash flow from investments came to EUR -7.8 million (previous year: EUR -6.4 million) and reflects the significant investments. These primarily include the majority stake in plastics specialist Goletz and the expansion of the new N-Metals® Chrome platform and of the associated new location. Cash flow from financing activities amounted to EUR -3.2 million (previous year: EUR 8.8 million) and includes, among others, the payment of the dividend and the repayment of borrowed capital. The previous year's figure is influenced by a capital increase in March 2015 with gross proceeds of



issue of EUR 11.6 million. In view of the expansion strategy, the company held cash and cash equivalents amounting to some EUR 16 million as at the reporting date (31 December 2015: EUR 22.7 million). A cash capital increase took place in July (see "Events after the balance sheet date").

### 2.3.3 Assets position

The Group's balance sheet as at the 30 June 2016 reporting date is also affected by the first-time consolidation of the new majority stake in plastics specialist Goletz, meaning that the balance sheet total increased to EUR 143.1 million (31 December 2015: EUR 123.8 million). Due to consolidation effects, the equity ratio amounted to 36.4 % (31 December 2015: 41.4 %). Equity increased again with the capital increase in July.

In view of the Goletz transaction, non-current assets increased to EUR 100.7 million (31 December 2015: EUR 85.2 million). Current assets came to EUR 42.5 million (31 December 2015: EUR 38.7 million). The marginal difference between liquid funds, presented in the balance sheet, and the cash and cash equivalents according to the cash flow statement, is the result of an overdraft of a subsidiary.

The company's equity amounted to EUR 52.1 million (31 December 2015: EUR 51.3 million). Non-current liabilities of EUR 56.0 million (31 December 2015: EUR 47.7 million) reflect the Group's course of expansion. Current liabilities amounted to EUR 35.0 million due to consolidation effects (31 December 2015: EUR 24.9 million).

## 2.4 Employees

The (average) number of employees increased in the first half-year – primarily as a result of consolidating the majority stake in plastics specialist Goletz – to 654 (previous year: 585). At the same time, the number of trainees increased to 16 (previous year: 14). Sales per employee rose to almost EUR 80,000 (previous year: around EUR 74,000).

## 3 Events after the balance sheet date

Nanogate increased its capital base significantly in July 2016: the company generated gross proceeds of issue of almost EUR 10 million as part of a cash capital increase. The transaction was made using authorised capital, while excluding existing shareholders' subscription rights. As part of the capital increase, the company's share capital was increased by EUR 331,454.00 by issuing 331,454 new no-par-value shares via partial utilisation of the existing authorised capital against contribution in cash. The new shares were privately placed with selected, qualified and long-term institutional investors in Germany and abroad at a placement price of EUR 30.00 per share. The capital increase was significantly oversubscribed. The new anchor investor, Luxempart S.A., also participated significantly. Nanogate intends to utilise the cash inflow to finance its planned growth in additional technologies and capacities. The revenue shall also be used to partly refinance the April 2016 acquisition of a 75 % stake in plastics specialist Goletz. The capital increase was accompanied by M. M. Warburg & CO.

The non-cash capital increase was also registered in August as part of the purchase price for the majority stake in plastics specialist Goletz. The company's registered share capital thereby amounted to EUR 3,784,178 as at mid-August.



## 4 Risk and opportunities report

There has been no significant change to the Group's risk and opportunities profile compared with that described in the annual report for 2015.

## 5 Forecast

### 5.1. Future economic and industry development

According to the International Monetary Fund (IMF), global economic growth is likely to be somewhat weaker in the current year than was originally expected in April 2016. According to its July 2016 forecast, the global economy will grow by only 3.1 % instead of 3.2 %. Contrary to the original assumption, the experts expect slightly stronger growth of 1.6 % in Germany instead of 1.5 %. The forecast for the euro area was similarly raised to 1.6 %. By contrast, the IMF lowered its expected growth rate for the US from 2.4 % to 2.2 %. For China, on the other hand, it raised its expectations slightly from 6.5 % to 6.6 %. Given the growing anxiety about the economy – such as that resulting from the United Kingdom's decision to leave the European Union – growth expectations for 2017 have already been lowered for important regions such as Germany and the euro area.

The industries relevant to Nanogate are also recording contrary developments. The VCI (the German chemical industry association), for example, expects an increase in production of only 0.5 % and a fall in industry sales of 1.5 % given the drop in manufacturers' prices. The association had originally expected stronger growth and increasing sales. In view of positive order intake and continuous order coverage of almost six months, the VDMA industry association is confident about German mechanical engineering. According to a July 2016 statement by consumer researchers at GfK, German consumer sentiment remains unchanged despite declining economic and income expectations. The automotive industry is also expected to continue growing, with the German Association of the Automotive Industry (VDA) expecting a rise in sales for the year as a whole of 5 % for western Europe, 1 % for the US and 8 % for China.

### 5.2 Future development of the Nanogate Group – forecast for 2016

Following the strong course of business in the first half-year, Nanogate is also confident for the year as a whole. The growth course is likely to continue thanks to numerous new projects and applications. These include, for example, further orders from the furniture industry as well as greater demand for glazing components from the US. Sales also remain high for the ongoing projects such as enhanced plastic components for several luxury car manufacturers. In addition, the Group increased its order base further – such as with a major order in the systems business to supply components for a luxury SUV, implementation of which will begin in 2017. The new N-Metals® Chrome technology platform will also be contributing to sales and earnings from 2017.

Following sales growth to EUR 52.2 million in the first half of 2016, Nanogate continues to expect Group sales to rise to more than EUR 105 million in the current year following EUR 90.9 million in 2015. The Group is therefore likely to exceed its medium-term sales target of EUR 100 million in the current year. Despite the continued expenses associated with the expansion strategy as well as the one-off transaction and integration costs, Nanogate expects the operating result (EBITDA) to increase significantly for 2016 as a whole and to exceed the EUR 12 million mark. Substantial funds will continue to flow into the ongoing investment programme and international expansion. In view of the growth course, consolidated net income will continue to be shaped by depreciation and

amortisation as well as by financing costs. Despite this, Nanogate expects the consolidated net income for the year as a whole to rise particularly strongly year on year due to the overall good performance and to positive one-off effects from the changes relating to the valuation of subsidiaries and their obligations (IAS 8). With cash and cash equivalents of around EUR 16 million as at the 30 June reporting date and with the revenue from a successful cash capital increase in July, Nanogate is well equipped to implement its comprehensive strategy programme. Organic growth, greater internationalisation, expansion of the technology and application portfolio as well as selective external growth remain among the medium- and long-term growth levers. The programme also encompasses numerous projects aimed at improving the internal coordination of development, production and sales. With these projects, the Group also intends to ensure that its internal processes keep in step with the strong growth and that all of the performance promises are fulfilled.

On the basis of its Phase5 growth programme, Nanogate intends to achieve a new dimension in expertise, range of services and business volume. The 2016 half-year performance confirms both the good strategic alignment as well as the strong performance of the operating business. As a leading international integrated systems provider for high-performance surfaces, Nanogate is firmly established and in demand around the world as an innovation partner. In the future, the Group also intends to broaden its market position on the basis of this.

Quierschied-Göttelborn, September 2016



Ralf Zastrau  
Chief Executive Officer



Michael Jung  
Chief Operating Officer



Daniel Seibert  
Chief Financial Officer

# Consolidated income statement of Nanogate AG

for the period from 1 January to 30 June 2016

	01.01.-30.06. 2016	01.01.-30.06. 2015
	EUR ,000	EUR ,000
Sales	52,154	43,283
Change in inventories of finished goods and work in progress	88	292
Other own work capitalised	346	648
Other operating income	768	1,273
Cost of materials	-20,683	-17,104
Personnel expenses	-16,043	-14,467
Other operating expenses	-10,744	-8,982
<b>EBITDA</b>	<b>5,886</b>	<b>4,943</b>
Amortisation of intangible assets and depreciation of property, plant and equipment	-3,596	-3,293
<b>EBIT</b>	<b>2,290</b>	<b>1,650</b>
Financial income	536	84
Financial expenses	-1,054	-1,278
<b>Earnings before taxes (EBT)</b>	<b>1,772</b>	<b>456</b>
Tax expenses	-569	-162
<b>Net result for the period</b>	<b>1,203</b>	<b>294</b>
<i>of which attributable to non-controlling interests</i>	0	3
<i>of which attributable to shareholders of Nanogate AG</i> <i>(consolidated net income/loss)</i>	<b>1,203</b>	<b>291</b>
<b>Earnings per share (EUR)</b>		
Earnings per share, basic (EUR)	0.36	0.09
Earnings per share, diluted (EUR)	0.36	0.09
<b>Weighted average no-par-value bearer shares</b>		
Basic	3,377,716	3,179,614
Diluted	3,383,976	3,182,657

## Consolidated statement of comprehensive income of Nanogate AG

for the period from 1 January to 30 June 2016

	01.01.-30.06. 2016	01.01.-30.06. 2015
	EUR ,000	EUR ,000
<b>Net result for the period</b>	<b>1,203</b>	<b>294</b>
<b>Other comprehensive income/loss</b>		
<b>Items which will not be reclassified to P&amp;L in the future</b>		
Actuarial gains/losses from defined-benefit pension commitments and similar obligations	-81	5
Income taxes on items which are not retrospectively reclassified to P&L	23	-1
<b>Other comprehensive income/loss</b>	<b>-58</b>	<b>4</b>
<b>Total net income/loss</b>	<b>1,145</b>	<b>298</b>
<i>of which attributable to non-controlling interests</i>	0	4
<i>of which attributable to shareholders of Nanogate AG</i>	1,145	294

# Consolidated statement of financial position of Nanogate AG

as at 30. June 2016

<i>Assets</i>	30.06.2016	31.12.2015
	EUR ,000	EUR ,000
<b>Non-current assets</b>		
Intangible assets	51,751	38,501
Property, plant and equipment	42,483	41,298
Other financial assets	760	642
Deferred tax assets	5,010	4,021
Other assets	659	690
	100,663	85,152
<b>Current assets</b>		
Inventories	10,572	7,473
Trade receivables	11,438	5,726
Other financial assets	1,802	1,392
Income tax receivables	121	189
Other assets	2,454	1,174
Cash and cash equivalents	16,077	22,743
	42,464	38,697
	143,127	123,849

<i>Equity and liabilities</i>	30.06.2016	31.12.2015
	EUR ,000	EUR ,000
<b>Equity</b>		
Subscribed capital	3,378	3,378
Capital reserves	41,239	41,187
Other reserves	1,043	1,149
Retained earnings	6,451	5,572
Equity attributable to the shareholders of Nanogate AG	52,111	51,286
Non-controlling interests	0	0
	52,111	51,286
<b>Non-current liabilities</b>		
Pension provisions	1,041	992
Other provisions	399	380
Financial liabilities	33,700	31,677
Other financial liabilities	15,081	10,193
Deferred tax liabilities	4,332	3,294
Other liabilities	1,426	1,163
	55,979	47,699
<b>Current liabilities</b>		
Other provisions	4,701	3,861
Financial liabilities	6,295	6,589
Trade payables	7,252	5,192
Other financial liabilities	8,047	4,483
Income tax liabilities	799	319
Other liabilities	7,943	4,420
	35,037	24,864
	143,127	123,849

## Consolidated statement of cash flows of Nanogate AG

for the period from 1 January to 30 June 2016

	01.01.-30.06. 2016	01.01.-30.06. 2015
	EUR ,000	EUR ,000
Earnings before taxes	1,772	456
Amortisation of intangible assets and depreciation of property, plant and equipment	3,596	3,293
Increase/decrease in provisions	267	-197
Result from the disposal of non-current assets	-28	-495
Other non-cash income and expenses	-401	267
Interest income	-14	-23
Interest expenses	1,020	1,107
Increase in inventories, trade receivables and other assets that cannot be allocated to investing or financing activities	-2,891	-3,236
Increase in trade payables and other liabilities that cannot be allocated to investing or financing activities	1,610	2,304
<b>Cash flow from operations before taxes</b>	<b>4,931</b>	<b>3,476</b>
Income tax payments	-668	-183
<b>Cash flow from operating activities</b>	<b>4,263</b>	<b>3,293</b>
Proceeds from the disposal of property, plant and equipment	-	580
Payments for investments in intangible assets	-456	-411
Payments for investments in property, plant and equipment	-2,580	-6,619
Proceeds from investments in financial assets	10	36
Payments for investments in financial assets	-176	-6
Payments for the acquisition of consolidated companies	-4,570	-
Payments for investments in other assets	-26	-9
Interest received	7	33
<b>Cash flow from investing activities</b>	<b>-7,791</b>	<b>-6,396</b>
Proceeds from capital increases	-	11,237
Dividend payment	-372	-332
Proceeds from the raising of loans	2,903	7,078
Payments for the redemption of loans	-3,619	-7,066
Payments for the redemption of finance lease liabilities	-1,201	-1,144
Interest payments	-918	-957
<b>Cash flow from financing activities</b>	<b>-3,207</b>	<b>8,816</b>
Changes in cash and cash equivalents	-6,735	5,713
Cash and cash equivalents at the beginning of the period	22,743	17,796
<b>Cash and cash equivalents at the end of the period*</b>	<b>16,008</b>	<b>23,509</b>

\* Reconciliation to the statement of financial position: utilised credit lines EUR 69,000 (previous year: EUR 0)

## Consolidated statement of changes in equity of Nanogate AG

for the period from 1 January to 30 June 2016

	Subscribed capital	Capital reserves	Other reserves	Retained earnings	Equity attributable to shareholders of Nanogate AG	Non-controlling interests	Group equity
	EUR ,000	EUR ,000	EUR ,000	EUR ,000	EUR ,000	EUR ,000	EUR ,000
<b>As at 1 January 2016</b>	<b>3,378</b>	<b>41,187</b>	<b>1,149</b>	<b>5,572</b>	<b>51,286</b>	-	<b>51,286</b>
Dividend distribution to shareholders	-	-	-	-372	-372	-	-372
Share-based payments	-	52	-	-	52	-	52
Transfer to retained earnings, net	-	-	-48	48	-	-	-
Total net income/loss							
Net result for the period 1.1.–30.6.2016	-	-	-	1,203	1,203	-	1,203
Other comprehensive income/loss 1.1.–30.6.2016	-	-	-58	-	-58	-	-58
<b>As at 30 June 2016</b>	<b>3,378</b>	<b>41,239</b>	<b>1,043</b>	<b>6,451</b>	<b>52,111</b>	-	<b>52,111</b>
<b>As at 1 January 2015</b>	<b>3,017</b>	<b>27,771</b>	<b>11</b>	<b>10,207</b>	<b>41,006</b>	<b>1,301</b>	<b>42,307</b>
Capital increase by issuance of new shares	298	11,056	-	-	11,354	-	11,354
Dividend distribution to shareholders	-	-	-	-332	-332	-	-332
Share-based payments	-	57	-	-	57	-	57
Transfer to retained earnings, net	-	-	-23	23	-	-	-
Total net income/loss							
Net result for the period 1.1.–30.6.2015	-	-	-	291	291	3	294
Other comprehensive income/loss 1.1.–30.6.2015	-	-	3	-	3	1	4
<b>As at 30 June 2015</b>	<b>3,315</b>	<b>38,884</b>	<b>-9</b>	<b>10,189</b>	<b>52,379</b>	<b>1,305</b>	<b>53,684</b>

## Explanatory notes for Nanogate AG

The consolidated statement of financial position, consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity as at 30 June 2016 of Nanogate AG have been prepared in accordance with the International Financial Reporting Standards (IFRS). The accounting principles and methods used have not changed from the 2015 annual financial statements (pursuant to IFRS). The figures have not been audited.

The consolidated figures for Nanogate AG include those of Nanogate Industrial Solutions GmbH (Quierschied-Göttelborn), GfO Gesellschaft für Oberflächentechnik AG (Schwäbisch Gmünd), Nanogate Textile & Care Systems GmbH (Quierschied-Göttelborn), Eurogard B.V. (Geldrop, the Netherlands), Nanogate Glazing Systems B.V. (Geldrop, the Netherlands) and Plastic-Design GmbH (Bad Salzuffen), Nanogate Nederland B.V. (Geldrop, the Netherlands), Vogler GmbH (Lüdenscheid) and, from 1 May 2016, Walter Goletz GmbH and Goletz Medical GmbH (both Kierspe), on a fully consolidated basis. In April, Nanogate announced its intention to acquire 75 % of the shares in plastics specialist Walter Goletz GmbH and subsidiary Goletz Medical GmbH. The transaction has now been completed.

All figures presented in euros are in units of one thousand euros (EUR ,000) or one million euros (EUR million).

The accounting and measurement methods used in the consolidated financial statements correspond to those standards and interpretations which must be applied from 1 January 2016 onwards.

The IASB announced amendments to IAS 1 in December 2014. They primarily serve to clarify disclosures relating to material circumstances and to the presentation of items on the statement of financial position and the statement of comprehensive income. The amended standard also governs the presentation of the share of equity-accounted companies in other comprehensive income in the statement of comprehensive income. For Nanogate AG, there is no material effect on the Group's presentation.

Based on current assessments, all the other new or amended IFRS standards shown in the table below have no relevance for the Nanogate Group.

The Group has not voluntarily adopted any of the aforementioned new or amended standards ahead of time.

### New and amended standards and interpretations already applicable

Standard or interpretation		Endorsement	Mandatory from financial years beginning
IAS 1	Disclosures in the Notes	Yes	01.01.2016
IAS 16, 38	Amendments to: Clarification of Acceptable Methods of Depreciation and Amortisation	Yes	01.01.2016
IAS 16, 41	Amendments to: Bearer Plants	Yes	01.01.2016
IAS 27	Amendments to: Equity Method in Separate Financial Statements	Yes	01.01.2016
IFRS 10, 12; IAS 28	Applying the Consolidation Exception	Planned for Q3 2016	01.01.2016



Standard or interpretation		Endorsement	Mandatory from financial years beginning
IFRS 11	Amendments to: Accounting for Acquisitions of Interests in Joint Operations	Yes	01.01.2016
IFRS 14	Regulatory Deferral Accounts	No	01.01.2016
	Annual Improvements to IFRS Cycle 2012–2014	Yes	01.01.2016

Based on: Endorsement Status Report dated 12. September 2016.

### Events after the balance sheet date 30 June 2016

Nanogate AG generated gross proceeds of issue of almost EUR 10 million as part of a cash capital increase carried out in July. The transaction was made using authorised capital, while excluding existing shareholders' subscription rights. As part of the capital increase, the company's share capital was increased by EUR 331,454.00 by issuing 331,454 new no-par-value shares via partial utilisation of the existing authorised capital against contribution in cash.

The non-cash capital increase was also registered in August as part of the purchase price for the majority stake in plastics specialist Goletz. The company's registered share capital thereby amounted to EUR 3,784,178 as at mid-August.

### Related party disclosures

Related parties within the meaning of IAS 24 Related Party Disclosures are those persons or entities that have control, joint control with other entities, or significant influence over Nanogate AG.

Subsidiaries, joint ventures and associates are also related parties of Nanogate AG. Subsidiaries and joint ventures are also related parties for one another.

Related parties are also key management personnel, their close family members and companies over which these persons exercise control, joint control or significant influence.

The direct parent company is Nanogate AG, Quierschied-Göttelborn. Its head office is in Germany.

Business transactions in the first half of 2016 between Nanogate AG and its related parties were conducted according to standard third-party conditions.

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The half-year report of Nanogate AG is available in German and English.  
The German Version is legally binding.

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# NANOGATE **VALUES**

## Commitment, to ourselves and others

As a leading international integrated systems provider, Nanogate focuses on long-term, profitable growth and demonstrates accountability to all its stakeholders. As part of Phase5, we have therefore defined common, company-wide, binding values for our business and our relationship with customers and business partners, as well as within our Group. They are the foundation upon which we will achieve our vision: Touch us every day!



**Change** –  
Reliability



**Performance** –  
Sustainability



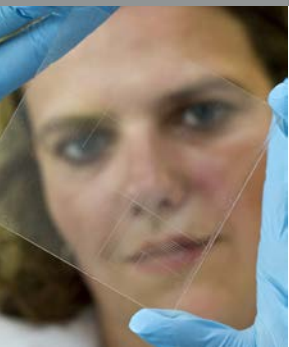
**Target-oriented** –  
Creativity



**Quality** –  
Personal responsibility



**Openness** –  
Respect





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