



PRESS RELEASE

Nanogate AG confirms interim results: EBIT margin almost doubled

Saarbrücken, 26 April 2007. In an extremely successful year, Nanogate AG (ISIN DE 000A0JKHC9) achieved important goals, exceeded all targets and continued its growth course. Therefore the company improved its long-term sales and earnings perspectives significantly. Stronger financial reserves are reflected in a considerable rise in the equity ratio.

With publication of its consolidated financial statements, Nanogate confirmed the interim results. Group-wide sales in the financial year rose by 64% to €7.834 million (previous year: €4.763 million) due to increased demand for Nanogate products, new customers and several clients taking developments into mass production.

Adjusted for extraordinary events such as the stock market flotation, the consolidated result before earnings and taxes (EBIT) increased by approx. 200% to €1.02 million (previous year: €0.333 million). The EBIT margin almost doubled from 7 to 13%. The extraordinary result of €-1.382 million results mainly from IPO costs. As rules for accounting under the Commercial Code do not permit flotation costs to be deducted from IPO proceeds, there is a consolidated net loss of €-0.295 million (previous year: €0.245 million). The result per share amounts to €0.71 (adjusted for the extraordinary result). The company's financial situation improved considerably due to the healthy earnings situation and the proceeds from the stock market listing in the Entry Standard. At balance sheet date, liquid assets amounted to €12.858 million and the operative cash flow to €1.175 million. The average Days Sales Outstanding (DSO) improved from 33 to 19 days. The balance sheet total rose to €19.315 million (previous year: €3.15 million), the equity ratio from 48 to 90%.



Further growth planned

In 2007, Nanogate plans to conquer new markets and applications which will enable a significant increase in sales and growth. The company is addressing market segments with potential sales figures in at least double-digit millions. More concretely, working with its clients, Nanogate plans to introduce at least ten product innovations on the basis of Nanogate technologies. Growth is expected particularly in the segments automotive/mechanical engineering, buildings/interiors and sport/leisure. The company also plans to work together with further high-performance partners, secure long-term joint-ventures agreements and extend its international market position. Capital expenditure is to be increased to take the company forward into the next growth dimension. Investment is planned in the development of new and additional technology platforms, in sales and marketing and in production capacity.

Ralf Zastrau, Chairman of the Management Board of Nanogate AG said: "Nanogate is operating from a strong position, but we are not resting on our successes. Nanogate will take every opportunity presented to extend the potential of nanotechnology to clients from different industries. We are convinced that there will be considerable growth in the future."

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Nanogate AG:

Nanogate is a leading international enabler in the nanotechnology growth market and so opens the gate to nanotechnology for its customers. The Saarbrücken-based firm enables the programming and integration of additional properties such as non-stick, anti-bacterial, anti-corrosive, ultra-low friction. Nanogate thereby gains a competitive edge for its customers by product refinement using chemical nanotechnology. Nanogate covers a wide range of industries, functions and substrates already on the basis of technology



platforms. The company thus provides a decisive interface for the commercialisation of chemical nanotechnology, bridges the gap between raw materials and their industrial conversion into products and concentrates as an enabler on one of the most attractive segments in the industry.

As a partner in innovation, Nanogate provides many services along the value chain – from development and production of innovative nanocomposites and nanostructured materials to powerful support for innovation and product integration. The Nanogate Group currently has 53 employees in all (as of 1 March 2007), and since commencing operations in 1999 has been a pioneer in nanotechnology. In financial year 2006, it boosted consolidated sales by about 64% to approximately €7.834 million. Adjusted for special factors, consolidated earnings before interest and taxes (EBIT) were up by approx. 200% to around €1.02 million. The company has first-class customer references, such as ABB, BSH Bosch und Siemens Hausgeräte GmbH, Giesecke & Devrient, Kärcher and Koenig und Bauer, and many years' experience of different industries and applications. It has also entered into strategic cooperation with US companies Dow Corning and Ceradyne/ESK Ceramics and Authentix and Giesecke & Devrient. Nanogate is a high-growth company and has been profitable since financial year 2004. The Group's consolidation entity includes Nanogate Advanced Materials GmbH, which specialises in safety engineering and optics and is a joint venture with the US Group, Air Products. Nanogate also holds a stake in HOLMENKOL Sport-Technologies GmbH & Co. KG.

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