



## **PRESS RELEASE**

### **Nanogate reinforces financial power for its planned course of growth on favourable financing terms**

**Long-term low-interest loan of EUR 3 million from KfW, SaarLB and Saarländische Investitionskreditbank AG secures financing of dynamic growth and increases the company's independence**

**Göttelborn, Germany, 10 August 2009. Nanogate (ISIN DE000A0JKHC9), a leading international enabler on the nanotechnology market, is securing favourable long-term independent financing for its expansive growth strategy. Nanogate AG, which was already on a solid financial footing, is receiving liquidity of a further EUR 3 million in the form of an extremely low-interest KfW (German Reconstruction Loan Corporation) loan from the ERP innovation programme. These additional funds are increasing the company's financial leeway, especially with regard to the development of new technologies and solutions and any opportunities that may arise for the acquisition of equity holdings.**

The KfW loan has a ten-year term, including an initial grace period of several years. The interest rate of approximately 4.5 per cent is fixed over the loan's entire term. Nanogate can call upon the funds flexibly as and when required. There are also no commitment fees. The loan agreement was transacted via Nanogate's principal bankers, SaarLB and Saarländische Investitionskreditbank AG. The company wants to use the additional funds to secure in the long term the extremely favourable terms that currently prevail on the money and capital market. This will enable Nanogate to continue with its course of growth irrespective of any possible changes in interest rates.

Ralf Zastrau, CEO of Nanogate AG, explains the additional leverage as follows: "At the moment we can see significant opportunities for growth. We are going to



press ahead with our investment programme in order to expand our business substantially in the medium to long term. With this extremely low-interest loan we are now boosting our financial strength and increasing our independence. By agreeing to provide these funds, our principal bankers and the KfW are confirming their trust in our innovative power and our growth strategy."

The Saarland-based nanotechnology company has grown considerably in recent years: its sales have almost trebled since 2005. On the one hand, the company has benefited from the introduction of many new applications: in 2008 alone, more than 30 innovations were installed on customers' premises. Furthermore, the company is developing three new technology platforms with which it intends to open up substantial sales and profit potential in the medium to long term. In a parallel development, Nanogate has already increased its volume of business dynamically by acquiring equity holdings, particularly its majority holding in Holmenkol AG. That acquisition has enabled the company to double its sales in the field of coatings for sports surfaces. Nanogate is also the sole shareholder in Nanogate Advanced Materials GmbH, which concentrates on complex applications for high-volume, highly specialised markets such as high-performance optics. In 2008, moreover, Nanogate established the company FNP GmbH, which focuses on the Sport/Leisure division and has acquired the long-established Feldten brand in the field of care products for the sport and leisure segment. Nanogate's objective is carry on growing in a dynamic fashion, both organically and by external means, in the future.

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### **Innovation-driven competitive advantage:**

This is the guiding motto Nanogate AG is using as it confronts the current economic challenges and opens up new growth prospects for its clients. To achieve this, Nanogate AG has stepped up its efforts significantly and will be presenting a multitude of innovations in the current financial year. Since going public the company has invested millions in developing new technology platforms and has transformed these into marketable products. Nanogate has successfully illustrated its expertise in more than 150 cases, using innovation to offer its clients added value and a competitive advantage.

### **Nanogate AG:**

Nanogate is a leading international enabler in the nanotechnology growth market and so opens the gate to this technology for its customers. The firm, which is based in Göttelborn (Saarland), enables the programming and integration of additional properties such as non-stick, anti-bacterial, anti-corrosive and 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 76 employees in all (as of April 2009) and since commencing operations in 1999 has been a pioneer in nanotechnology. Nanogate is a high-growth company and has operated profitably since financial year 2004. In financial year 2007 it boosted consolidated sales by almost 17 % to around EUR 12.2 million. The earnings before taxes (EBT, according to IFRS) amounted to around EUR 1.1 million. The company has first-class customer references (e.g. ABB, BSH Bosch-Siemens Haushaltsgeräte, Kärcher and Koenig & Bauer AG) and many years' experience of different industries and applications. It has also entered into strategic cooperation with international companies such as Dow Corning. The Group's consolidation entity includes Nanogate Advanced Materials GmbH, which specialises in complex applications like high-performance optics, FNP GmbH in the area of sport/leisure and a majority shareholding in Holmenkol AG.

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