



## **PRESS RELEASE**

### **Nanogate continues successful expansion strategy and develops international market opportunities**

**Production and marketing under way for new order in area of heat exchangers – Negotiations on investment in a nanotechnology company almost complete – Further issuing of patents expected**

**Göttelborn, Germany, 2nd December 2009. Nanogate (ISIN DE000A0JKHC9), a leading international nanotechnology enabler, is achieving significant successes with its international growth strategy: within a partnership that has existed since 2005, production and marketing have been initiated for a new heat exchanger model that guarantees improved energy efficiency. In addition, Nanogate is involved in final negotiations on the participation in a nanotechnology company with the aim of opening up further sales channels and taking on complementary technologies. The patent portfolio is also to be expanded.**

Ralf Zastrau, CEO of Nanogate AG commented, "Nanogate is continually expanding its market position as a leading European supplier. Our strength in innovation allows us to accompany our customers throughout many years. The new order from a leading European supplier of heating products confirms our strategic orientation. At the same time, we are confident that our growth will be realised soon, as announced. The growing number of patents in key markets contributes to our increasing company value."

#### **Expansion of the existing application portfolio for heat exchangers**

Nanogate has been coating the heat exchangers of a leading European supplier of heating products since 2005. Now the production and marketing for a new model has been initiated. The enhancement provided by Nanogate means that



energy efficiency is increased and maintenance of the appliance is reduced considerably. For the coming year Nanogate anticipates potential sales, already confirmed by customers, amounting to a six-figure sum, with significant growth potential for subsequent years.

### **Negotiations on further investment almost complete**

Nanogate intends to accelerate its growth by means of a further investment. The objective is to open up new sales channels and take advantage of complementary technologies. The company is currently in the final round of talks with an established nanotechnology company. This company has an attractive client base that includes well-known names and is experiencing dynamic growth and good profits. The high-performance applications would complement Nanogate's existing technology portfolio very well. Significant additional sales and earnings potential could be achieved by the joint cooperation.

### **Further patents expected to be issued**

Nanogate already has a comprehensive patent portfolio with over 60 issued patent rights. Furthermore, 60 patent applications are currently being processed – in the first half of 2009 alone, the number of applications was more than double that of the same period last year. After Nanogate fully protected its LED technology with a new European patent, as reported in October, significant patents for the groundbreaking optics technology Dotfarm Optics® are to follow in the next few months for important markets such as the USA. The aim is to secure a competitive advantage and earnings worldwide.

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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 and increased its funding 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 84 employees in all (as of September 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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