



PRESS RELEASE

Nanogate's portfolio company GfO outperforms targets for 2010 and expects attractive earnings for 2011 – integration completed

Clear improvement in earnings anticipated for the current year – Sales expected to reach at least EUR 15 million in 2011 – Integration of development, production and sales concluded as planned – Marketing drive for first product launched – Additional application to premiere in April

Göttelborn, Germany, 17 February 2011. Nanogate AG (ISIN DE000A0JKHC9), a leading international systems provider for nanotechnology, has finished integrating its portfolio company GfO, which it acquired in 2010, and is profiting from good business developments.

GfO outperformed its targets last year; provisional, unaudited figures reveal that the company posted sales well above the anticipated minimum of EUR 10 million. Sales are expected to reach double-digit millions again in 2011, with at least EUR 15 million expected. Based on a significant order book worth double-digit millions, GfO aims to grow its operating result this year to achieve an EBIT yield close to double figures. At the end of the year 2010, GfO's equity ratio was well over 20 % with equity of more than EUR 3 million. As is standard for the sector, the company uses a large proportion of borrowed funds. The cash capital increase at GfO agreed as part of the transaction has now been completed and the firm has been changed to a public limited company. The capital increase for contribution in kind will also be registered soon at Nanogate AG.

Ralf Zastrau, CEO of Nanogate AG, said: "As an integrated systems provider focusing on high-performance surfaces, we enable companies from virtually any



sector to gain a competitive edge via new materials and properties. Demand for our solutions is growing at a rapid pace, as rising incoming orders for so-called intelligent high-performance surfaces at GfO prove. It is our hope that the rapid integration will considerably improve our marketing and times to market."

Gerd Leichner, CEO of GfO, said: "Every aspect of the collaboration between Nanogate and GfO is working exceedingly well. The first joint product was presented back in autumn, and we are now developing further applications. We plan to showcase a new solution at the Hannover Messe trade show. There's also an exchange of technology concurrently underway; we are examining whether tried and tested, high-performance Nanogate materials could be used for our existing clients and want to further expand our set of competencies over the coming months."

Focus on integrated high-performance surfaces

With its equity holding in GfO, Nanogate can offer an integrated range of products for high-performance surfaces which can be given new or improved functions and properties by means of nanotechnology. The company can draw on a unique combination of extensive materials expertise paired with GfO's comprehensive process and production know-how. Customers of both companies stand to benefit from this in equal measure. Nanogate now masters 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. Now that the integration has been implemented in full, development, production and distribution are carefully coordinated.

The two companies have already presented their first joint product. Sicralan AP® premiered at the world's leading trade fair for plastics and rubber – K in Düsseldorf – in autumn 2010. This latest innovation is a transparent, scratchproof coating with anti-fingerprint properties for stainless steel surfaces or plastics. It is primarily intended for design-led surfaces and has the potential to achieve mid-six-figure sales (in euros). Nanogate plans to showcase yet another new application as early as April 2011 at the Hannover Messe trade show. The



market for high-performance surfaces in Europe amounts to around EUR 2.9 billion. Within this segment, Nanogate concentrates on high-margin sub-sectors such as energy-efficiency coatings, inkjet coatings or multi-functional transparent coatings, which have an annual potential of around EUR 800 million.

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Nanogate is a leading international integrated nanotechnology systems provider with a focus on enhancing surfaces. The firm, which is based in Göttelborn (Saarland), enables the programming and integration of additional properties – such as non-stick, antibacterial, anti-corrosive and ultra-low friction – into materials and surfaces. As an enabler, 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. The company thus provides a decisive interface for the commercial use of chemical nanotechnology and bridges the gap between the suppliers of raw materials and industrial conversion into products. In doing so, Nanogate concentrates as an enabler on one of the most attractive segments in the industry. Nanogate has a unique combination of extensive materials expertise paired with comprehensive, first-class process and production know-how from the majority stake in GfO acquired in 2010. As a systems provider and jointly with GfO, Nanogate covers the entire value chain from purchasing raw materials, synthesising and formulating the material systems, right through to enhancing and producing the finished surfaces.

The Nanogate Group currently has approximately 220 employees in all and since commencing operations in 1999 has been a trailblazer in nanotechnology. The company has first-class customer references (e.g. ABB, BSH Bosch-Siemens Haushaltsgeräte, Junkers, Kärcher, Koenig & Bauer AG, Opel and REWE Austria) and many years' experience of different industries and applications. To date, more than 200 projects have gone into mass production. Nanogate has also entered into strategic cooperations with international companies such as the GEA Group and Dow Corning. Nanogate consists of Nanogate Industrial Solutions GmbH, FNP GmbH for products in the sport/leisure sector, majority stakes in Holmenkol AG and GfO Gesellschaft für Oberflächentechnik mbH as well as a shareholding in sarastro GmbH.

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