

PRESS RELEASE

**Nanogate plans to increase sales to over EUR 80 million
– Preliminary figures for 2014 exceeded**

Sales for 2014 rise by almost 30 % to EUR 68.6 million – EBITDA reaches EUR 7.4 million – Cash flow from operating activities increases by 80 % – Dividends to amount to EUR 0.11 per share – Forecast for 2015: Increase in sales to well over EUR 80 million; operating earnings set to rise again

Göttelborn, Germany, 23 April 2015. Nanogate AG, a leading international integrated systems provider for high-performance surfaces, will continue its dynamic course of growth and expects a rise in sales to well over EUR 80 million in 2015, with profitability also increasing significantly. Already in the previous year, the Group achieved a strong jump in sales of 29.3 % to EUR 68.6 million. Operating result (consolidated EBITDA) rose 18 % to EUR 7.4 million, while cash flow from operating activities improved by 80 % to EUR 8.2 million. The shareholders are again set to receive a dividend of EUR 0.11 per share following the proposal from the Supervisory Board and Management Board. With new projects and sharply increasing international demand, Nanogate recorded a strong first quarter and again extended its order base.

Ralf Zastrau, CEO of Nanogate AG, commented: "The implementation of Nanogate's growth strategy is progressing faster than expected. In the 2014 financial year, sales and operating earnings increased more than we initially realised. The positive business development is also shown by the sharp increase in cash flow from operating activities. The Group also set an important strategic course by acquiring the surface specialist Vogler and continually expanding the technology and application portfolio in several locations. We will begin to profit from these newly initiated expansion moves as early as this financial year."

Sales increase by almost 30 %, cash flow from operating activities improves by 80 %

In the previous financial year, Nanogate achieved new record figures and significantly exceeded its own targets. Sales increased by almost 30 % to EUR 68.6 million, while overall performance increased to EUR 71.1 million. The gross profit margin exceeded the 65 % mark, despite changes to the product and order mix. Not taking into account the implementation of the growth strategy or the transaction and integration costs for the acquisition of Vogler, operating result (consolidated EBITDA) increased by 18 % to EUR 7.4 million, which equates to an EBITDA margin of 10.8 %. Without the one-off costs resulting from the Vogler transaction, the consolidated EBITDA would have been significantly higher. Nanogate had originally expected an increase in sales to significantly more than EUR 60 million and an operating result of around EUR 7 million.

Despite greater amortisation of investments, consolidated EBIT improved to EUR 2.5 million (previous year: EUR 2.2 million). Given the funds required for the expansion course, consolidated net income came to EUR 0.4 million (previous year: EUR 0.9 million), corresponding to earnings per share of EUR 0.15 (previous year: EUR 0.32). Cash flow from operating activities has grown considerably – rising 80 % to EUR 8.2 million (previous year: EUR 4.5 million). This is another testament to our solid business development. With cash and cash equivalents totalling EUR 17.8 million as at the balance sheet date and a successful capital increase in March 2015 resulting in gross proceeds of issue of approximately EUR 11.6 million, Nanogate enjoys a financially sound footing. The shareholders should also participate in Nanogate AG's continued success: The company's Management and Supervisory Boards will propose another dividend pay-out of EUR 0.11 per share for the 2014 financial year at the shareholders' meeting in June 2015.

Improved market position with more major orders

The most important driver of sales in the reporting year was again the Advanced Technologies segment, which comprises the strategic growth fields of advanced metals and advanced polymers. Segment revenue rose in 2014 by 42 %. Nanogate strengthened its market position with several new major orders in the

past financial year. The company is supplying other leading manufacturers of heating systems with energy-efficient coatings for heat exchangers, including, for the first time, a customer from another European country. Nanogate also signed a multi-year contract to coat high-quality stainless steel components for built-in ovens. Furthermore, the company received a reference order for high-quality stainless steel enhancements for hygiene applications, thereby opening up new market segments. Revenue in the advanced metals division will significantly increase in the short and medium term as a result of the new projects. Consequently, the Group is building a dedicated centre of excellence for high-quality metal coatings. Nanogate has also been recording considerable interest in glazing applications under the Nglaze brand. As a result, the company expanded its existing centre of excellence and was able to start using the newly doubled capacity earlier than expected.

Outlook for 2015: Profitable course of growth set to continue

Nanogate continues to focus on growth and has already taken further steps in this direction in the first few months of the year: In light of the extremely positive developments seen at our subsidiary GfO AG, Nanogate will exercise the agreed majority option to acquire the company in full. Sales and earnings have improved significantly since the investment in 2010. At the same time, the Group is expanding its technology portfolio; Nanogate will create a new technology platform for multifunctional metallisation of surfaces. This will allow high-quality, environmentally friendly, metallisation, particularly of plastics, with the highest optical quality and in combination with multifunctional properties. With this new platform the company is able to access a new type of application, and is creating an environmentally friendly alternative to electroplating.

The strong demand in operating business is continuing in the 2015 financial year; Nanogate is opening up a new application class with a new major order and will supply multifunctional coatings for touchpads to a southern German automotive group. The Group also continues to benefit from its internationalisation strategy. The Group is expanding its business in China with a new million-euro project for a leading German car manufacturer. The new multi-



year contract covers an impressive cumulative order volume in the double-digit million range.

Altogether, the order base has grown again over the previous months, and is now in the high double-digit million range. The future increase in capacities will therefore be well used and we can foresee how business will proceed. Nanogate will continue its dynamic course of growth in 2015 and intends – even taking into account the effects of consolidation – to significantly exceed the revenue mark of EUR 80 million for the first time. The Group also intends to achieve a significant improvement in operating earnings (EBITDA), despite the fact that once again considerable funds will flow into the ongoing investment programme and into opening up new international markets. The Group is financially well equipped to take these expansionary steps.

“By taking these steps towards further growth, the company is laying the foundations for further expansion. Our current focus is on expanding our market position: In the current phase, where the market for high-performance surfaces is just beginning to develop, we intend to take advantage of our head start as a leading international supplier and to secure our position amongst the competition. Our Phase5 growth agenda, which began in 2014, clearly defines our goals: In the medium term, we intend to surpass the EUR 100 million mark and increase our profitability”, said Nanogate CEO Zastrau, commenting on the outlook.

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**Nanogate AG:**

Nanogate (ISIN DE000A0JKHC9/ISIN DE000A14KNC4) is a leading international integrated systems provider for high-performance surfaces. The Group, which is based in Göttelborn (Saarland), enables the programming and integration of additional properties – such as non-stick, scratchproof and anti-corrosive – into materials and surfaces. True to its slogan 'A world of new surfaces', Nanogate opens up the diverse possibilities of multifunctional surfaces based on new materials for companies in a wide range of industries.

Nanogate provides its customers with technologically and optically high-quality systems. To do so, the company uses its extensive knowledge of innovative materials and processing procedures. The aim is to improve customers' products and processes by means of high-performance surfaces while achieving environmental benefits. The Group concentrates on attractive sectors such as automotive/transport, mechanical/plant engineering, buildings/interiors and sport/leisure as well as on the strategic growth areas of advanced polymers and advanced metals. Nanogate has a unique combination of extensive materials expertise paired with comprehensive, first-class process and production know-how. As a systems provider, Nanogate offers services throughout 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. The Group focuses primarily on optically high-quality plastic and metal coatings for all surface types (two and three-dimensional components). Its value drivers are the opening up of new, international markets, the development of new applications for the strategic growth areas of advanced polymers (innovative plastics, e.g. glazing) and advanced metals (innovative metal enhancements, primarily energy efficiency) as well as external growth. In the medium term, Nanogate also intends to achieve a considerable revenue share from environmentally friendly systems and processes.

The Nanogate Group has first-class references (e.g. Airbus, Audi, August Brötje, BMW, BSH Bosch und Siemens Hausgeräte, Daimler, FILA, Jaguar, Junkers, Porsche, Volkswagen). Several hundred projects have already gone into mass production. The company also has strategic partnerships with many international corporations. Nanogate comprises Nanogate Industrial Solutions GmbH, Eurogard B.V., Nanogate Textile & Care Systems GmbH, Nanogate Glazing Systems B.V., Vogler GmbH and majority stakes in GfO Gesellschaft für Oberflächentechnik AG and Plastic-Design GmbH.

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