

alzchem
group



AGILE SCIENCE PURE RESULTS

ALZCHEM GROUP AG

INVESTMENT OPPORTUNITIES
IN GLOBAL DEVELOPMENTS

STRONG
PERFORMANCE
THROUGH
INNOVATIVE
PRODUCTS

2023

ALZCHEM GROUP AG

Alzchem is a globally active specialty chemicals company that is one of the market leaders in most of its fields of activity. Alzchem benefits from the three very different global developments climate change, population growth and longer life expectancy in a unique way. Alzchem products can offer attractive solutions for achieving the resulting social goals in a multitude of different applications.

The company sees interesting growth prospects for itself in the areas of human and animal nutrition and agriculture in particular. As a result of population growth, it is necessary to achieve efficient food production. Pharmaceutical raw materials and creatine products can contribute to a healthy old age as life expectancy increases. Alzchem is facing up to the goal of sustainability arising from climate change in the field of renewable energies and across the entire company.

The fields of fine chemicals and metallurgy offer just as great a perspective.

Alzchem Group AG's broad product range includes dietary supplements, precursors for corona tests and pharmaceutical raw materials. These products are the company's response to global trends and developments. Alzchem is ideally positioned in this respect and considers itself well prepared for an environmental future and global developments.

The company employs around 1,680 people at four production sites in Germany, a plant in Sweden, as well as three sales companies in the USA, China and England. Alzchem generated Group sales of around EUR 542.2 million and EBITDA of around EUR 61.4 million in 2022.



Our strengths



MADE IN GERMANY

We are the only Western manufacturer for most of our product groups and have a highly integrated, European supply chain with high security of supply.



HIGH ADDED VALUE FOR SOCIETY

We ensure that consumers have access to fresh fruit and vegetables all year round. Because animal welfare is very important to us, we enable the reduced use of antibiotics in animal feed to a minimum. Land consumption is also drastically reduced for environmental reasons by increasing the high efficiency of our products. This ensures the preservation of green spaces and the quality of life for humans and animals.



FOCUS ON HEALTH

Our products and raw materials promote and intensify a healthy life and cure diseases. We supply specialty chemicals for COVID-19 test kits, which are critical in the pandemic. Our high-purity raw materials are essential in heart and HIV medicines.



FOCUS ON SUSTAINABILITY

Environmentally conscious, sustainable action is particularly important to us. We put great importance to sustainability and environmental protection. This is evident not least from our positive and very presentable CO₂ balance: around 1/3 of our total emissions are reused internally as raw materials. This puts us well above the average in environmental matters.



FOCUS ON ENERGY EFFICIENCY

Renewable energy sources play an extremely important role in our eco-balance. We invest in and promote innovative, environmentally friendly forms of energy. In general, energy efficiency issues are leading to increasing demand for highly resilient ceramic components (silicon nitride) and lightweight construction (e.g. wind turbines, DYHARD®).

Alzchem at a glance

~ €542 mn ~ €61,4 mn

sales generated by Alzchem
in the fiscal year 2022

Fiscal year 2021: ~ € 422 mn

EBITDA achieved by Alzchem
in the fiscal year 2022

Fiscal year 2021: ~ € 62.0 mn

€2.96

earnings per share in the fiscal year 2022

Fiscal year 2021: € 2.72

1,677

employees support the processes
and products of Alzchem with their
know-how on a daily basis*

Fiscal year : 1,631

* Average number over the
fiscal year 2022

Dividend in €/share	1.00	1.05
for fiscal year	2021	2022*

* Subject to approval by the by the Annual
General Meeting on May 11, 2023

MARKETS



HEALTH &
NUTRITION



ANIMAL NUTRITION



FINE
CHEMISTRY



PHARMA



AGRICULTURE



RENEWABLE
ENERGIES



METALLURGY



CUSTOM
SYNTHESIS



AGRI SOLUTIONS



AUTOMOTIVE

Key Figures

In EUR thousand	2018 ^{a)}	2019	2020	2021	2022	CAGR ^{b)}
Group sales	375,217	376,072	379,257	422,293	542,223	10%
EBITDA	49,379	50,078	53,805	62,046	61,441	6%
EBITDA margin	13.16 %	13.32 %	14.19 %	14.69 %	11.33%	
EBIT	34,192	30,586	30,708	37,572	35,898	1%
Consolidated annual result	22,783	18,147	19,865	27,764	30,223	7%
Earnings per share in EUR (undiluted and diluted) ^{c)}	2.23	1.77	1.94	2.72	2.96	7%
Group equity ratio	21.81%	17.91%	19.38%	23.72%	34.51%	
Inventory ratio	21.02%	19.84%	17.77%	20.53%	22.57%	

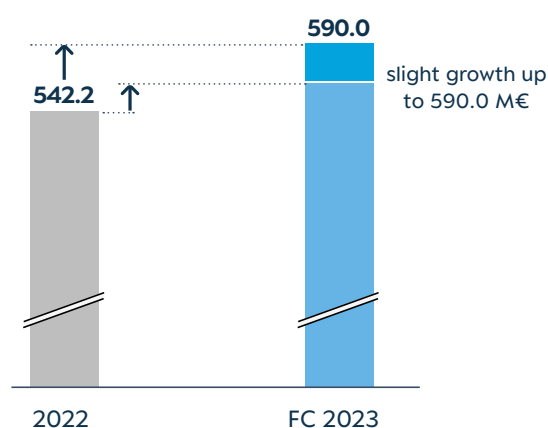
a) The full-year figures for the period from January 1 to December 31, 2018 are calculated by adding the audited figures for the two short fiscal years from January 1 to June 30, 2018 and July 1 to December 31, 2018.

b) CAGR = Compound Annual Growth Rate (final value/start value)^(1/number of years)

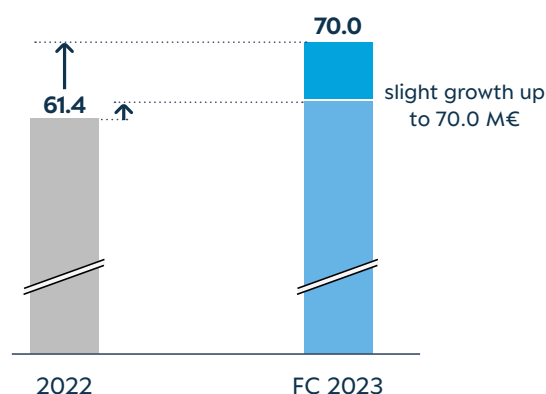
c) In the period 2020 calculated with 10,176,335 shares. After share buyback in 2021, calculated with the average number of outstanding shares of 10,146,942. In the period 2022 calculated with 10,135,754 shares.

Forecast

SALES



EBITDA



Segment Specialty Chemicals

BUSINESS ACTIVITIES

Production and distribution of high-quality chemical products

OVERVIEW

SALES in € mn

288

EBITDA in € mn

53

KEY FIGURES

In EUR thousand	2018*	2019	2020	2021	2022
External sales	209,414	200,022	207,431	220,499	288,362
EBITDA	50,692	41,684	44,125	50,664	53,015
EBITDA margin	24.2%	20.8%	21.3%	23.0%	18.4%
Inventories	49,672	44,183	38,410	53,971	68,537
Inventory ratio	24%	22%	19%	24%	23.8%

* The full-year figures for the period from January 1 to December 31, 2018 are calculated by adding the audited figures for the two short fiscal years from January 1 to June 30, 2018 and July 1 to December 31, 2018.

KEY BRANDS

CREAMINO®

Bioselect®

Dormex®

LIVADUR®

Creapure®

Silzot®

DYHARD®

Segment Basics & Intermediates

BUSINESS ACTIVITIES

Production of chemical intermediates for direct sale or refinement as specialty chemicals products

OVERVIEW

SALES in € mn

228

EBITDA in € mn

5

KEY FIGURES

In EUR thousand	2018*	2019	2020	2021	2022
External sales	139,966	149,408	146,434	176,274	227,539
EBITDA	-889	5,247	8,981	10,985	4,983
EBITDA margin	-0.6%	3.5%	6.1%	6.2%	2.2%
Inventories	28,125	30,924	27,639	33,400	49,945
Inventory ratio	20%	21%	19%	19%	22.0%

* The full-year figures for the period from January 1 to December 31, 2018 are calculated by adding the audited figures for the two short fiscal years from January 1 to June 30, 2018 and July 1 to December 31, 2018.

KEY BRANDS



Our Share

Share details

ISIN/WKN	DE000A2YNT30/A2YNT3
Ticker Symbol	ACT
Type and number of shares	10,176,335 bearer shares with no par value (par value shares), including 40,581 shares held by Alzchem Group AG
Trading segment	Regulated Market (Prime Standard)
Designated Sponsor	Baader Bank AG, Oddo Seydler Bank AG

Shareholder Structure

Shareholder	%
LIVIA Corporate Development SE	25.13
four two na GmbH	15.05
HDI Vier CE GmbH	12.74
Free Float	46.68
↳ thereof M&G plc	7.10
↳ thereof Lazard Frères Gestion SAS	5.11

* The information on shareholders is based on the information provided to us by the shareholders themselves, and on the free float in accordance with Section 2.3 of the „Guide to the DAX Equity Indices“, i.e. taking into account, among other things, the 40,581 treasury shares currently held by the Company.

Dividend policy

Alzchem aims to distribute 30% to 50% of its annual profit each year. The aim is to achieve a balance between investment in the dynamic growth of the company and an attractive dividend yield.



The current data can be found on our website under the following link:
www.alzchem.com/en/investor-relations/stock/



Investment Highlights



LEADING MARKET POSITIONS IN SELECT NICHE MARKETS:

Alzchem has successfully secured a leading market position in select niche markets as a vertically integrated specialty chemicals supplier.



R&D AS A DRIVER FOR GROWTH:

Alzchem views innovation management as a key growth driver and therefore invests intensively in the area of research & development with a focus on product, application and process development.



HIGH MARKET ENTRY BARRIERS:

Alzchem benefits from high market entry barriers in its niche markets – thanks to our “Verbund production” and the high level of know-how and intellectual property rights.



GROWTH IN LINE WITH GLOBAL DEVELOPMENTS:

Alzchem’s products support social goals such as sustainability, population growth, healthy aging and climate protection. As a result, the company is in a position to grow continuously on a sustainable basis.

Our Vision

Based on our integrated “production Verbund” and with innovative chemistry, we deliver customer-oriented applications to selected markets.

1. BACKBONE NCN CHAIN

We are committed to carbide and the “production Verbund” based on it. They form the basis for a significant part of our activities.

2. VALUE CREATION FOR OUR CUSTOMERS

We sell solutions. To this end, we work closely with our customers to identify their potential and focus our activities on it.

3. INNOVATION AND GROWTH

We are committed to growth, above all through innovation. Tapping new technologies, developing profitable markets and optimizing our value chain are our daily challenges.

4. FOCUS

We operate in clearly defined markets. We want to be the preferred partner for our customers in these markets.

5. SUSTAINABILITY

For us, sustainability is part of our corporate strategy. It serves us as a guidepost for a successful future.



Our principles of conduct



We build on principles of conduct to realize our visions:

STRENGTHENING MUTUAL TRUST...

... through reliability, fairness, timely information and open communication, as well as obtaining and giving feedback

ENTREPRENEURIAL ACTION...

... to pursue the objectives of Alzchem. In doing so, we assume responsibility with our decisions

STRIVING FOR THE HIGHEST QUALITY...

... for us, mistakes are also the chance and obligation to learn

DEVELOPMENT OF CONSTRUCTIVE SOLUTIONS...

... working together on solutions and implementing the decisions made

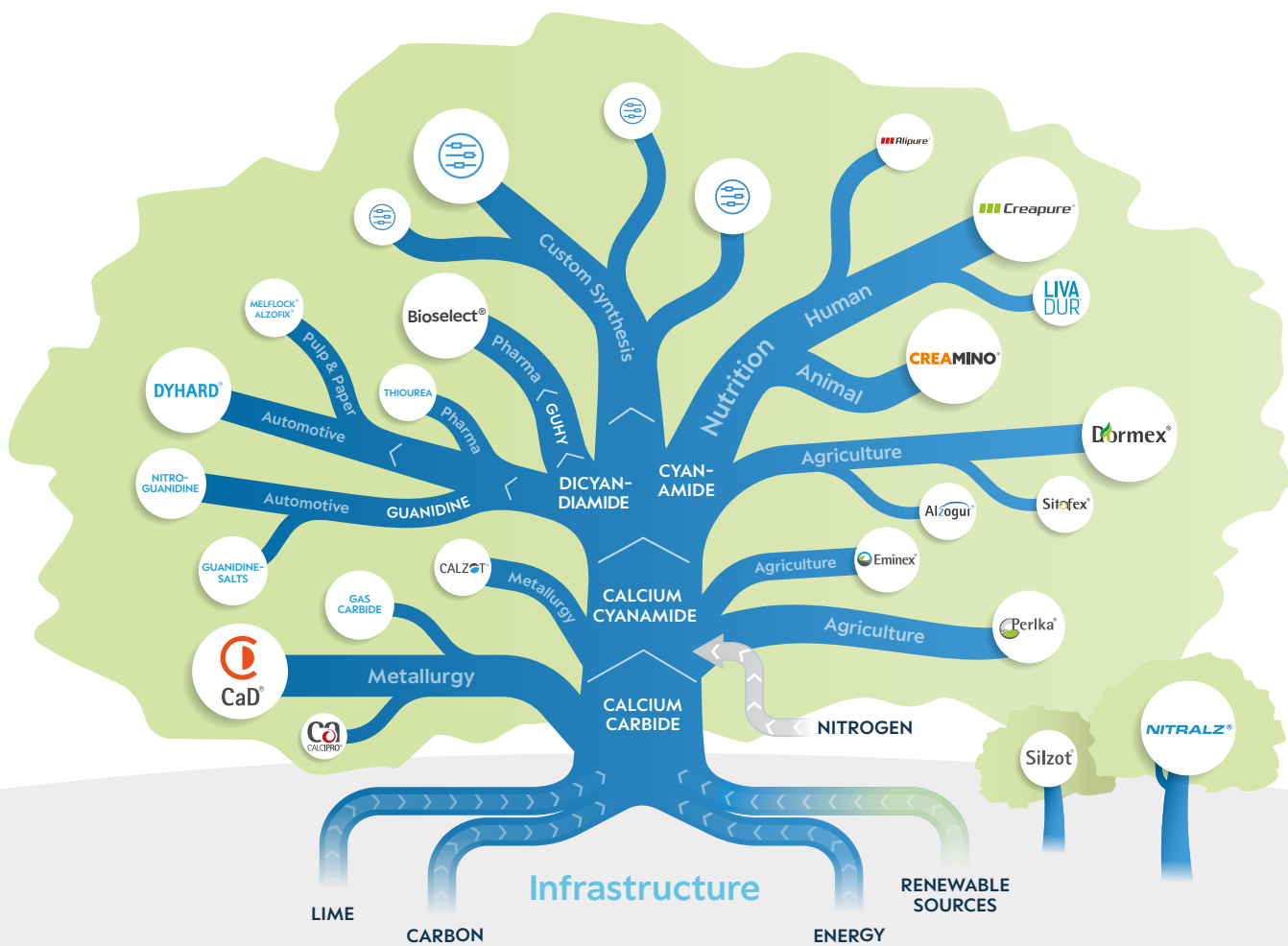
IN DIALOG WITH OUR BUSINESS PARTNERS AND THE PUBLIC...

... we search for responsible and attractive solutions

SPEED AND AGILITY...

... to successfully adapt to and benefit from constantly changing demands

“Verbund production”



The main products of the Alzchem Group are based on the same raw materials, namely lime and coal. Along the calcium carbide/calcium cyanamide (NCN) chain, Alzchem integrates many processing and refining steps to create the respective products in the Basics & Intermediates and Specialty Chemicals segments.

This vertical integration in production is a key strength of the Alzchem Group. It is only made possible by the geo-

graphical proximity of the four historically grown sites in the Bavarian Chemical Triangle. The “Verbund production” allows Alzchem to react flexibly to changes in demand, as many products from the Basics & Intermediates segment are also raw materials for products in the Specialty Chemicals segment. In addition, there are various synergies in the production process and in research and development. The “Verbund production” secures the company a high degree of independence from external suppliers.

Our contribution to global developments

WELL EQUIPPED WITH “VERBUND PRODUCTION”



POPULATION GROWTH

In 1900, the world's population was around 1.7 billion. By the year 2000, this figure had risen to more than 6.1 billion. Just 22 years later, in 2022, the world population amounted to around 8.0 billion people. The United Nations assumes that by 2050, an increase to around 9.7 billion (source: UN forecast on world population development (January 1, 2023) is realistic¹. At the same time, the arable land that can be used for agriculture is limited worldwide. Against this background, efficient processes are necessary to ensure the best possible supply of food for the growing population in the future. The Alzchem Group's products meet these requirements and can be used in agricultural production that is increasingly geared to optimized yields.

¹ source: UN forecast on world population development (January 1, 2023)



Plant growth regulator used
in fruit production.



A nutritional supplement for
poultry and pigs.



For a healthy soil and
healthy plants.



HEALTHY AGING

The world population, especially in the western industrialized nations, is aging steadily. WIn 2000, for example, average global life expectancy was around 67 years. In 2020, global life expectancy was already around 73 years on average¹. Scientists expect life expectancy to increase significantly again in the coming years. Medical progress in both the prevention and treatment of diseases is largely responsible. Nevertheless, so-called diseases of civilization and old age are on the increase.

At the same time, awareness of health and nutrition is gaining in importance, so that older people in particular are becoming more active in sports and consciously paying attention to a healthy diet. With its products, the Alzchem Group aims to support these developments in the dietary supplements, pharmaceuticals, cosmetics and healthcare sectors.

¹ source: WHO homepage (January 1, 2023)).

**LIVA
DUR®**

The dietary supplement with premium quality creatine for adults over 55 years.

Creapure®

Premium brand for creatine monohydrate as a dietary supplement in sports nutrition.

Bioselect®

High purity form of guanidine hydrochloride salts and guanidine thiocyanate used in corona tests.

Pharmaceutical raw materials



CLIMATE PROTECTION

Energy efficiency and renewable energy are essential for the future of our planet and are therefore becoming increasingly important worldwide. Examples are the Green Deal in the EU and corresponding passages in the latest 5-year plan in China. This has resulted in legal and regulatory requirements; in addition, many technologies are now at a stage where commercial exploitation is attractive. This can be seen very clearly in the global efforts to rapidly replace combustion engines and to completely free the energy supply from fossil raw materials. Alzchem believes it is well positioned to participate extensively in this development with products for hydrogen-powered vehicles, lightweight construction and wind energy. At the same time, as a major consumer, we are benefiting directly from the change in the electricity mix and are developing sustainable products with a negative CO₂ balance.

DYHARD[®]

Hardeners and accelerators in powder, paste and liquid form for epoxy resins (glass fibers and carbon fibers).

Silzot[®]

Silicon nitride powder for ceramic applications.



Eminex[®]

Additive containing calcium cyanamide to reduce methane and CO₂ emissions from manure in livestock farming.

SUSTAINABILITY

ENVIRONMENTAL PROTECTION

Our main environmental protection goals are to reduce energy consumption, reduce and avoid waste, protect water, and protect against immission and noise. Our current environmental program with clearly defined targets and measures can be found on a site-specific basis in the Environmental Statement, which is published annually and can be viewed on our website www.alzchem.com in the "Quality & Environment" section. Concrete CO₂ targets are currently being planned.

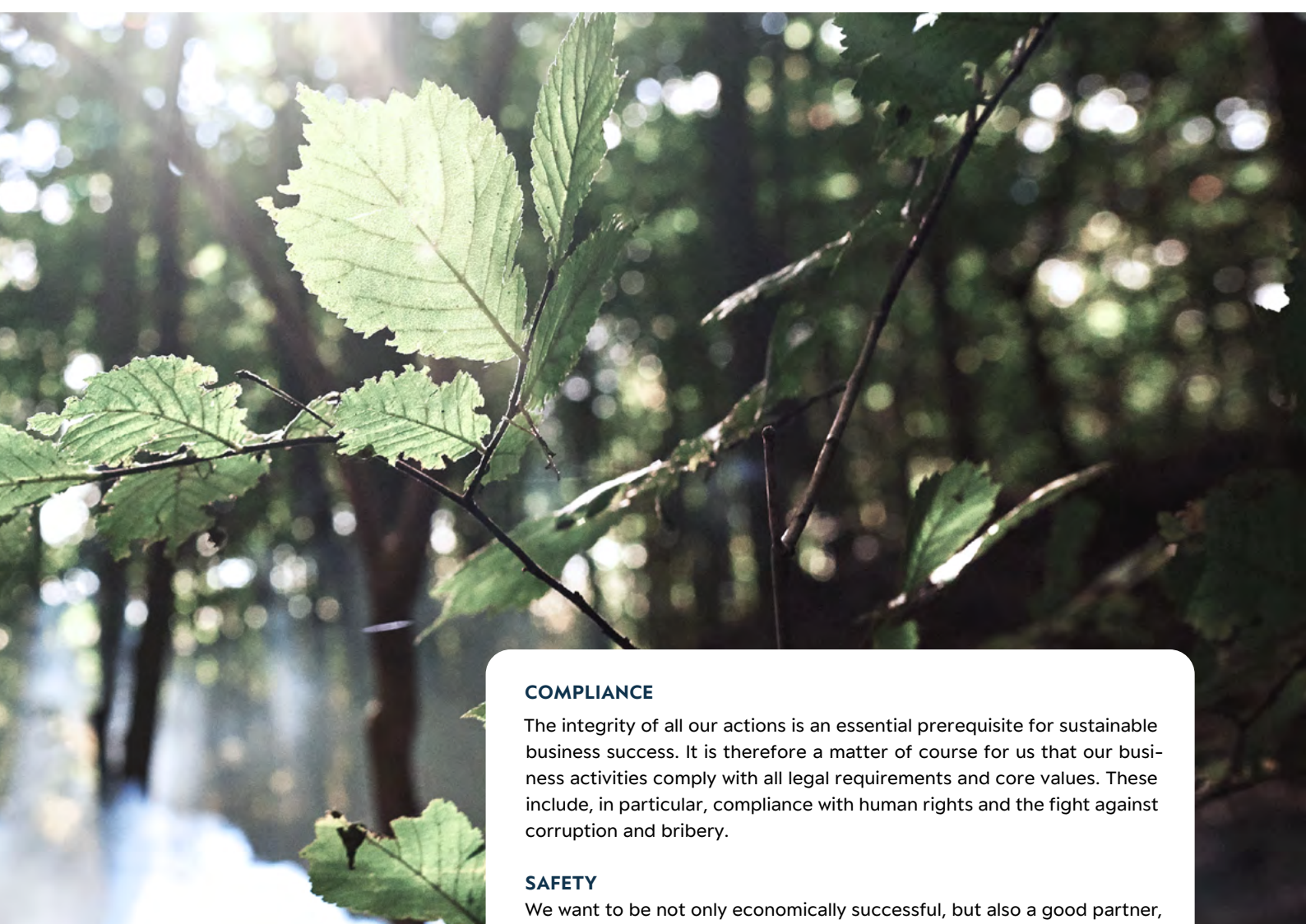
EMPLOYEE MATTERS

Our employees are the key to our sustainable success. Therefore, we are particularly committed to offering them a stable and interesting environment: through flexible working hours, attractive remuneration, job security, health management with the "gesund punkten..." campaign, idea management and company pension schemes. We were also able to offer our employees and their families vaccinations during the COVID-19 pandemic.

SOCIAL MATTERS

As a company with regional roots, we assume responsibility, especially in the immediate vicinity of our sites. We promote children's and youth projects, support school projects and are a member of the non-profit association for the promotion of education and entrepreneurship in Germany, the Wissensfabrik. In this way, we make our contribution to social cooperation.

ACT NOW.

**COMPLIANCE**

The integrity of all our actions is an essential prerequisite for sustainable business success. It is therefore a matter of course for us that our business activities comply with all legal requirements and core values. These include, in particular, compliance with human rights and the fight against corruption and bribery.

SAFETY

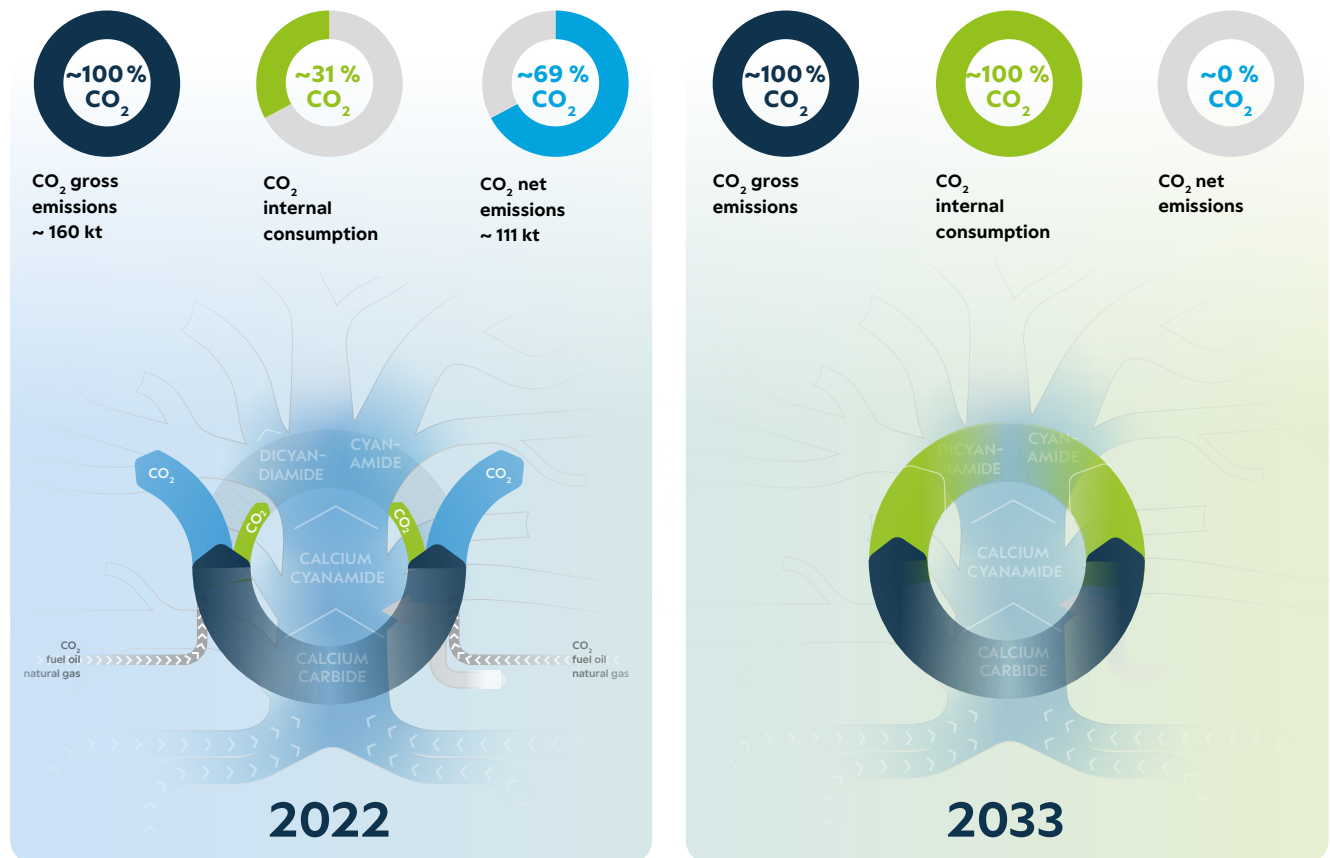
We want to be not only economically successful, but also a good partner, employer, trainer and neighbor. Based on this self-image, we also assume responsibility for the safety and protection of our environment. Through appropriate plant and occupational safety, information security, IT compliance and legal conformity – elementary components of responsible corporate action.

SUPPLY CHAIN

Corporate social responsibility is also a high priority in our supply chain. For this reason, we have undergone an independent CSR rating by the global assessment platform EcoVadis. In addition, in the area of purchasing/supplier approval, we ensure that company-wide standards are met in the procurement of our raw materials.

ACT TOGETHER.

Our CO₂ Balance



Our business already has a very positive carbon footprint. Around 1/3 of total emissions can be reused internally as raw material.

Approx. 69% are emitted, corresponding to around 111 kt.² The next step is to work through and implement our package of measures to reduce CO₂ emissions. Suitable compensatory measures can be found for the remaining amount.

¹ Alzchem Annual Report 2022: Group Key Figures, p. 89.
² Dates of 2022

OUR PATH TO CLIMATE NEUTRALITY

Click here for the detailed climate roadmap of the Alzchem Group AG



Click here for the detailed climate roadmap of the Alzchem Group AG



Sustainability and Corporate Social Responsibility at Alzchem

SELF-IMAGE, TRADITION AND OBLIGATION AT THE SAME TIME



Sustainable management in dialog with all stakeholders, joint solutions for sustainable development – these goals are an integral part of Alzchem's corporate strategy. Just how seriously we take our responsibility with regard to the environment and society is made clear, among other things, by regular independent assessments by an international auditing company and our participation in the "Together for Sustainability" industry initiative.

TRADITION AND COMMITMENT AT THE SAME TIME

- Excellent dealing with people and the environment
- Successful reduction of the annual CO₂ emissions by approx. 50,000 tons
- Investment of approx. 24 M€ in the protection of the environment
- Successful audits of the Trostberg site by the industry initiative "Together for Sustainability"
- Commitment to compliance with responsible care guidelines

WE STAND FOR QUALITY. WE STAND FOR THE ENVIRONMENT.

One key aspect of our corporate strategy is a comprehensive approach to environmental protection and quality assurance for our products.

Our success as a company depends on the quality of our products, the services that our employees provide and the customer satisfaction that results from our approach.

Detailed
info on
the topic:



Detailed info on the topic

Product worlds close to life at Alzchem



METFORMIN/DCD

Diabetes is considered a widespread disease and affects more than 8 million people in Germany, around 90% of whom suffer from type 2 diabetes.¹ Our pharmaceutical intermediate dicyandiamide is an important building block and raw material for the world's best-known diabetes type 2 drug metformin (drug substance).

¹ https://www.diabetesde.org/ueber_diabetes/was_ist_diabetes_/diabetes_in_zahlen.



NITRALZ®

Our NITRALZ® products are used as raw materials for the production of various APIs (= active pharmaceutical ingredients), including the drug group 'Sartans', which has been established on the world market for many years. Sartans have a blood pressure lowering effect and are used in the treatment of cardiovascular and also kidney diseases. Our advanced distillation process provides us with a reliably high quality standard and purity, which is essential for the field of application in active ingredients.



BIOSELECT®

High-purity guanidine hydrochloride and guanidine thiocyanate are used to denature proteins in the development and production of biopharmaceuticals and their generic versions, the biosimilars. They are also useful reagents for the extraction of DNA and RNA in molecular diagnostics.



CREAPURE®

Creatine, which occurs naturally in the body, plays a key role in transporting and storing energy in every cell. Only a part of our daily creatine need is synthesized by the body itself, the remaining requirement has to be met by eating food (fish and meat). Creapure® is a dietary supplement for sports nutrition and has immense benefits as a functional ingredient for vegan and vegetarian meat substitute products. Alzchem has extensive creatine know-how and expertise in all global markets. We manufacture Creapure® at our own sustainable, state-of-the-art production facility in Germany under strict quality standards.



NITRALZ®

We get most of our sun dose not in a few weeks of vacation, but in everyday life. For this reason, sun protection is indispensable to prevent skin cancer. NITRALZ® serves here as a precursor for UV absorbers in sunscreens.

Product worlds close to life at Alzchem



NITRALZ®

Nitriles are used in automotive paints. The best-known pigment of these is definitely PR 254, Irgazine® Red.

It offered for the first time a non-toxic and lightfast alternative to Vermilion Red and later to Cadmium Red.

Its use as an automotive paint for a very special car gave this red pigment its nickname – Ferrari Red.



NITRALZ®

Plants around the world are exposed to various types of damage and threats.

Our nitriles in agricultural products such as special fungicides, insecticides, herbicides and biocides support healthy plant growth.



PERLKA®

Calcium cyanamide is a specialty among fertilizers. It does not only supply the soil with nitrogen and lime, but also has a number of unique special effects. Many farmers rely on calcium cyanamide or Perlka® to prevent or control yield and quality losses in increasingly tight crop rotations. Maintaining a healthy and productive soil – while taking environmental protection into account – is becoming more important than ever for sustainable agriculture.



EMINEX®

Eminex® is an additive for slurry and biogas digestate, which is added during storage and provides the following scientifically proven benefits. Eminex® ensures a permanent elimination of methane emissions during storage and spreading. Emissions during storage and application. It improves both slurry quality and fertilizing effect of slurry. At the same time, Eminex® ensures greater occupational safety and animal welfare through lower H₂S emissions in the pig house.



CREAMINO®

Creamino® is a proprietary blend containing the active ingredient guanidinoacetic acid (GAA). GAA is the direct, endogenous precursor of creatine in the energy balance of all vertebrates. The body produces GAA from the amino acids glycine and arginine and further processes GAA into creatine with the help of methionine. However, this endogenous production is not sufficient to meet daily requirements. Creatine is often not present in conventional commercial feeds. Creatine is a key biomolecule for the correct functioning of energy transfer and supply and thus supports a wide variety of functions in the body, such as healthy growth, the immune system and reproduction. Creamino® thus represents the next level of expansion for feeds, as it directly recharges ATP for energy supply and ensures that sufficient energy is available in the body at all times and in all places.



Further information can be found on our website in the Investors section under the following link: www.alzchem.com/en/investor-relations.

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05/2023 | This report may contain forward-looking statements based on current assumptions and forecasts made by the management of Alzchem Group AG. Such statements are subject to risks and uncertainties. These and other factors may cause actual results, financial position, development or performance of the company to differ materially from the estimates made here. The company assumes no liability whatsoever to update such forward-looking statements or to conform them to future events or developments. This quarterly statement is also available in German. In the event of deviations, only the German version is legally binding. | Image credit: AdobeStock: H. Rambold, Halfpoint, blacksalmon, Ljupco Smokovski, Photographee.eu, m2010, Kaue, iStock, fizes, Sohl, Tomml, g-stockstudio, Stefan Corns, LightFieldStudios, emil, lightpoet, Foxy, forest, manufacture, Alzchem Group AG