alzchem group

AGILE SCIENCE PURE RESULTS

alzchem group

Q4 2021

COMPANY PRESENTATION

Andreas Niedermaier, CEO

February 2022

DISCLAIMER

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

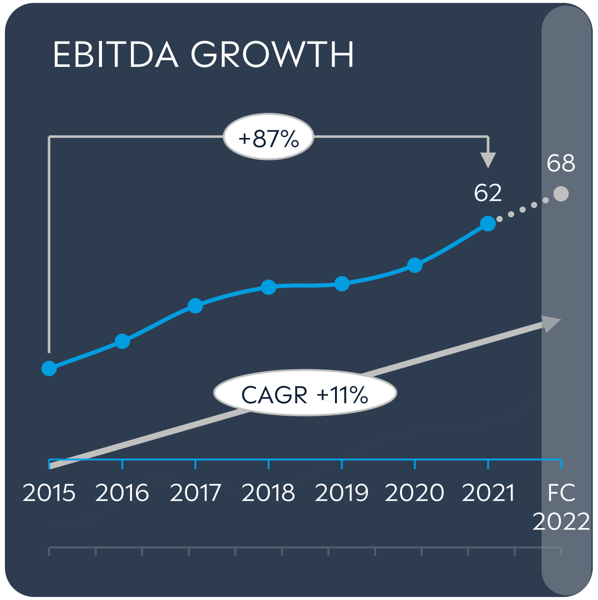
This presentation contains forward-looking statements about the business, financial condition and earnings performance of the Alzchem Group. These statements are based on assumptions and projections resting upon currently available information and present estimates. They are subject to a multitude of uncertainties and risks. Actual business development may therefore differ materially from what has been expected. Beyond disclosure requirements stipulated by law, Alzchem does not undertake any obligation to update forward-looking statements.

Unless stipulated otherwise, all values are rounded up or down in accordance with the commercial rounding practices. Please note that differences can result from the use of rounded amounts and percentages.

AGENDA – ROADSHOW PRESENTATION Q4 2021

KEY FACTS

DETAILS



- Established in 1908
- Specialty chemicals company in Germany based on the calcium carbide chain
- Global sales and distribution network
- Headcount 2021: 1,636 (2020: 1,631)

EXECUTIVE TEAM

Alzchem Group AG

ANDREAS NIEDERMAIER

CEO

WITH ALZCHEM SINCE 1999

AREAS OF RESPONSIBILITY
Company Strategy, Finance & Controlling, Investor Relations & Communication, IT, Risk Management, HR, Supply Chain Management, Legal/Patents & Trademarks

KLAUS ENGLMAIER

COO

WITH ALZCHEM SINCE 1988

AREAS OF RESPONSIBILITY
Production, Engineering, Environment/Safety/Health/ Quality, Technology

DR. GEORG WEICHSELBAUMER

CSO

WITH ALZCHEM SINCE 2012

AREAS OF RESPONSIBILITY
Marketing, Sales, Innovation Management & Process Development, R&D, Product Safety and Approval

OUR HISTORY

Innovative since 1908

1908
Founding of the **Bayerische Stickstoff-Werke AG** in Munich

1978
Change of company name to **SKW Trostberg AG**

1995
Listing of **SKW Trostberg AG as a public company**

2001
Merger of Degussa-Hüls AG with SKW Trostberg AG to form the new **Degussa AG**

2006
Founding of the **Alzchem Group**

2014
Acquisition of **Nordic Carbide AB**

2017
IPO Alzchem Group AG

2019
Commissioning of **Creamino®** and **NITRALZ®** Production expansions (appr. 60 m.€)

2020
Despite Corona, **best fiscal year** for Alzchem – and therefore there crisis-proof

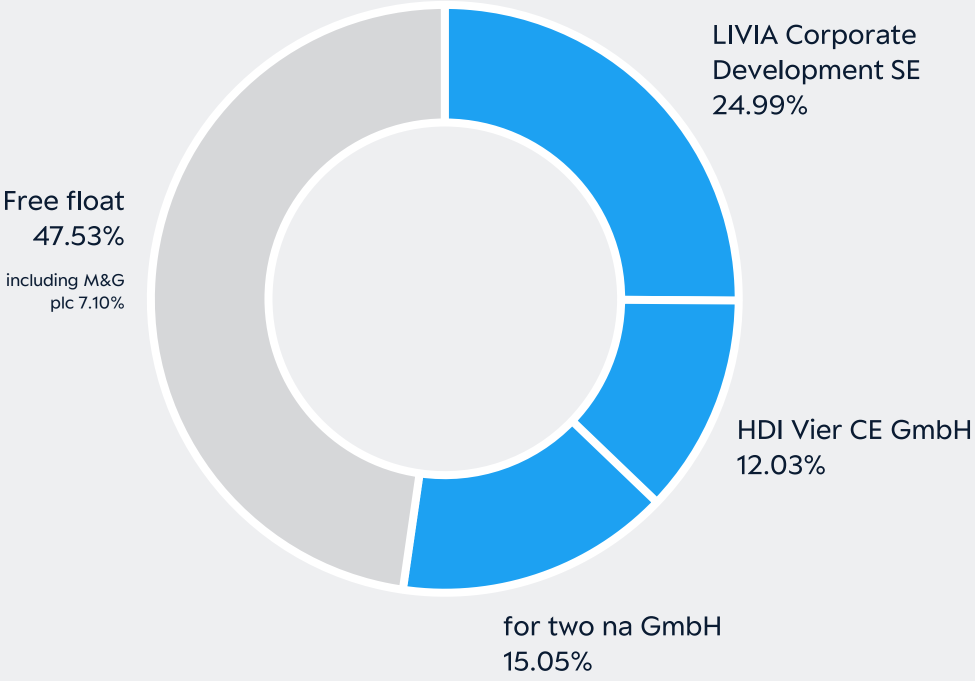
2021
Successful **commissioning** of **NITRALZ®** + Creatine capacity increase started

KEY SHARE DATA

Share Details as of February 22, 2022

SHARES OUTSTANDING	10,176,335 including 40,581 shares held by Alzchem Group AG
LAST CLOSING PRICE	EUR 22.50
MARKET CAPITALIZATION	EUR 229 m
TICKER	ACT
WKN	A2YNT3
ISIN	DE000A2YNT30
LISTING	Frankfurt Stock Exchange – Prime Standard
DESIGNATED SPONSOR	Baader Bank AG Oddo Seydler Bank AG

SHAREHOLDER STRUCTURE

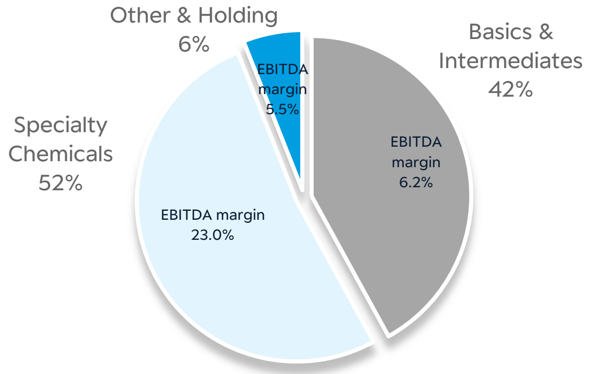


As of February 2021. The information on the shareholders is based on the figures reported to us by them. Data regarding the free float are provided in accordance with section 2.3 of the "Guide to the DAX Equity Indices, i.e. considering the number of 40,581 own shares currently held by the company."

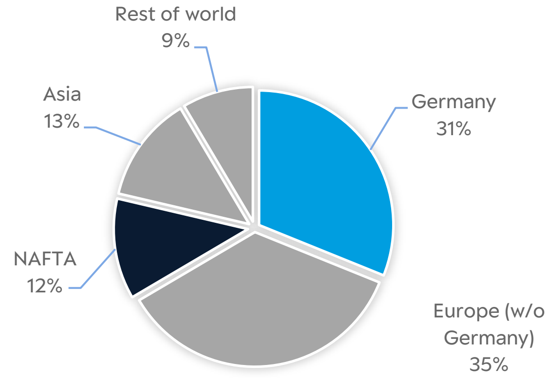
ALZCHEM AT A GLANCE II

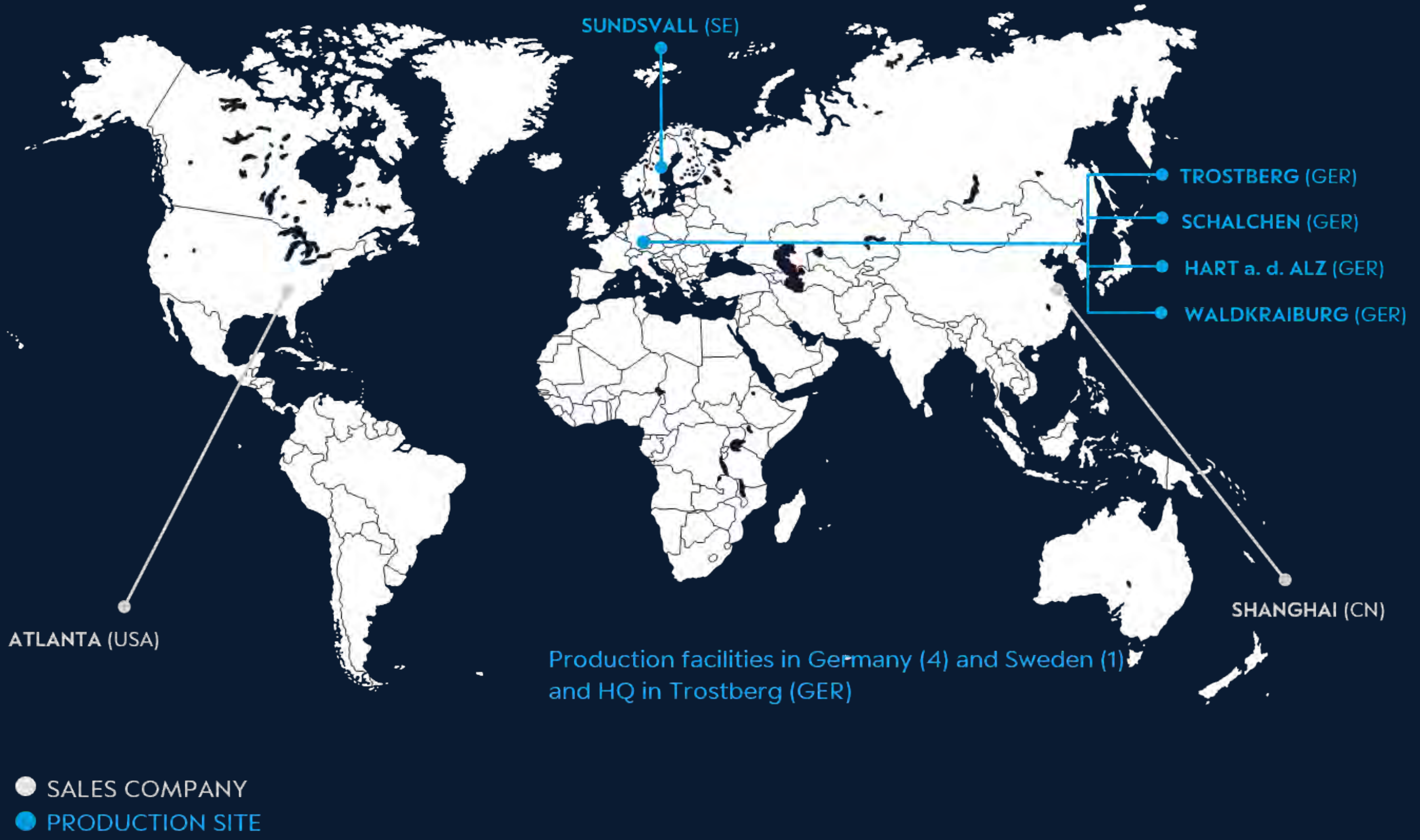
Global market leader in selected niches

SALES SPLIT OF OUR PRODUCT SEGMENTS[1]



REGIONAL SALES SPLIT[1]

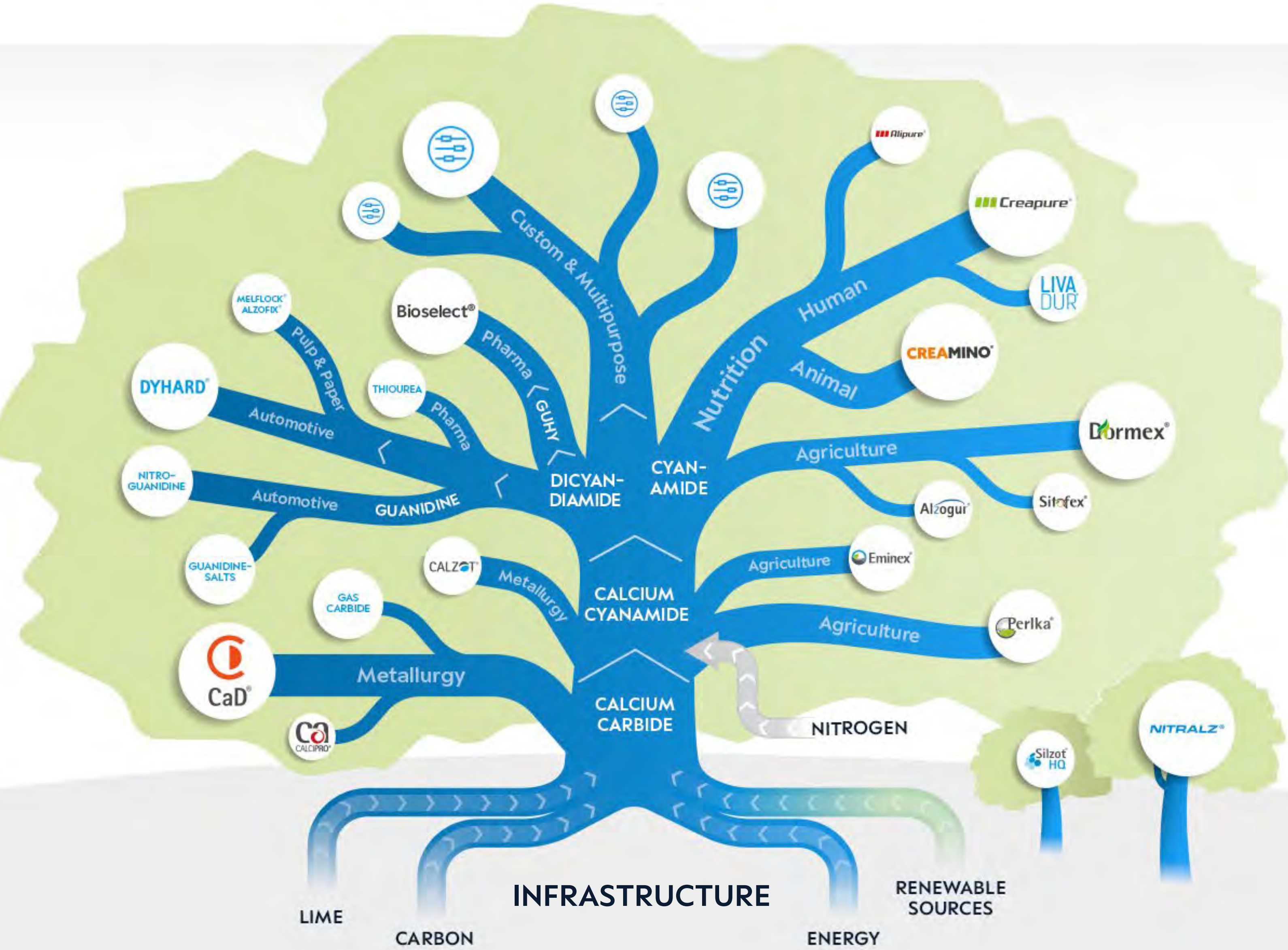




[1] YTD 12.2021

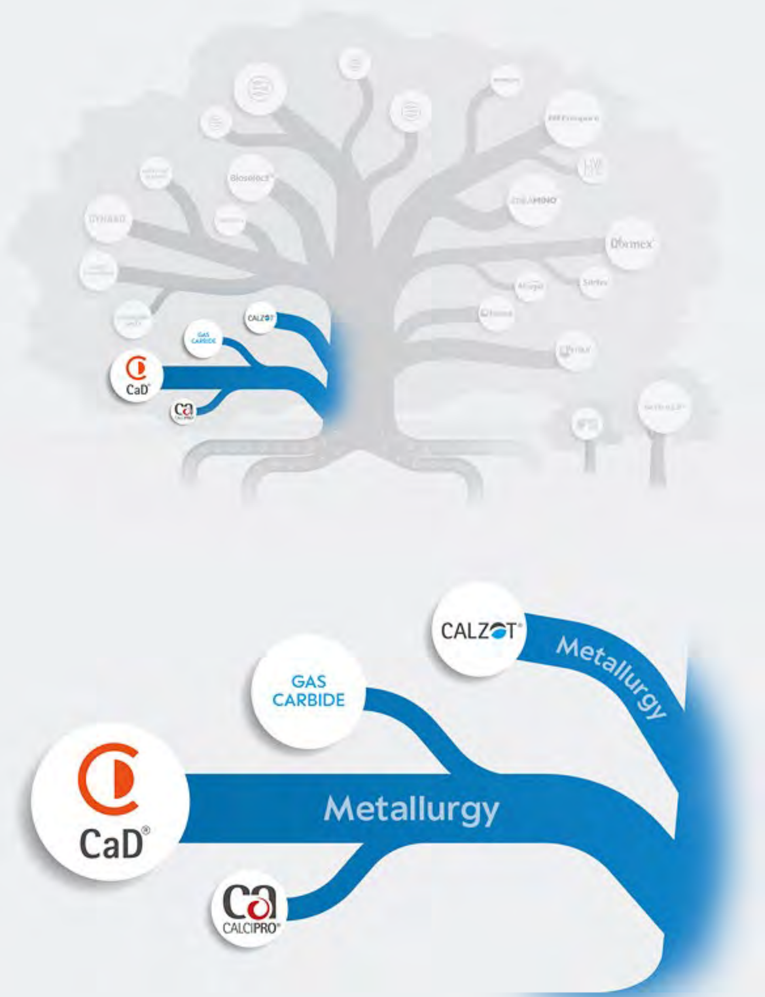
"VERBUND" SYSTEM – FULLY INTEGRATED BUSINESS MODEL

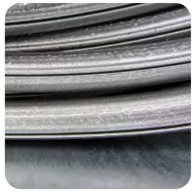
Ability to adapt production to meet changing end market needs



“VERBUND” SYSTEM – FULLY INTEGRATED BUSINESS MODEL

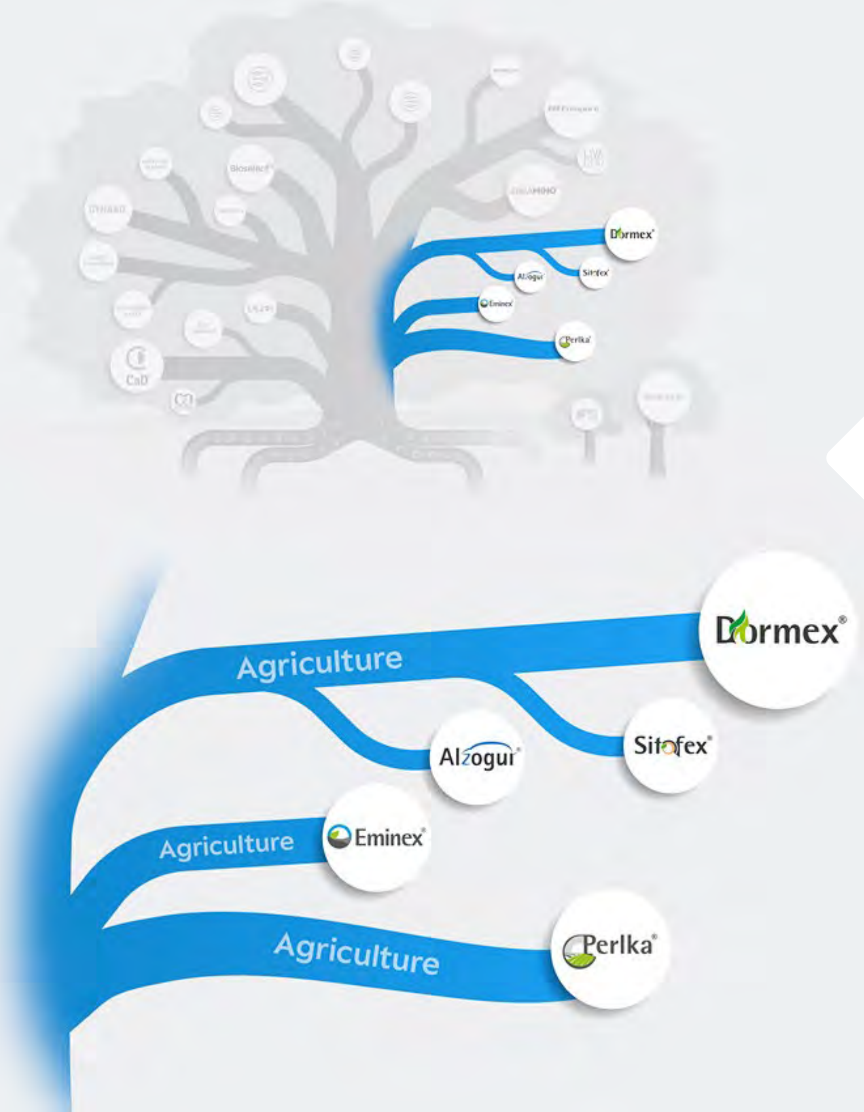
Metallurgy



CaD®	Calcium carbide-based mixtures for hot metal desulphurization	
GAS CARBIDE	Calcium Carbide raw material for high gas yield in the production of acetylene	
CALCIPRO®	Cored wire for Calcium treatment and desulfurization based on Calcium Carbide	
CALZOT®	Efficient additive for the nitridation of steels based on Calcium Cyanamide	

"VERBUND" SYSTEM – FULLY INTEGRATED BUSINESS MODEL

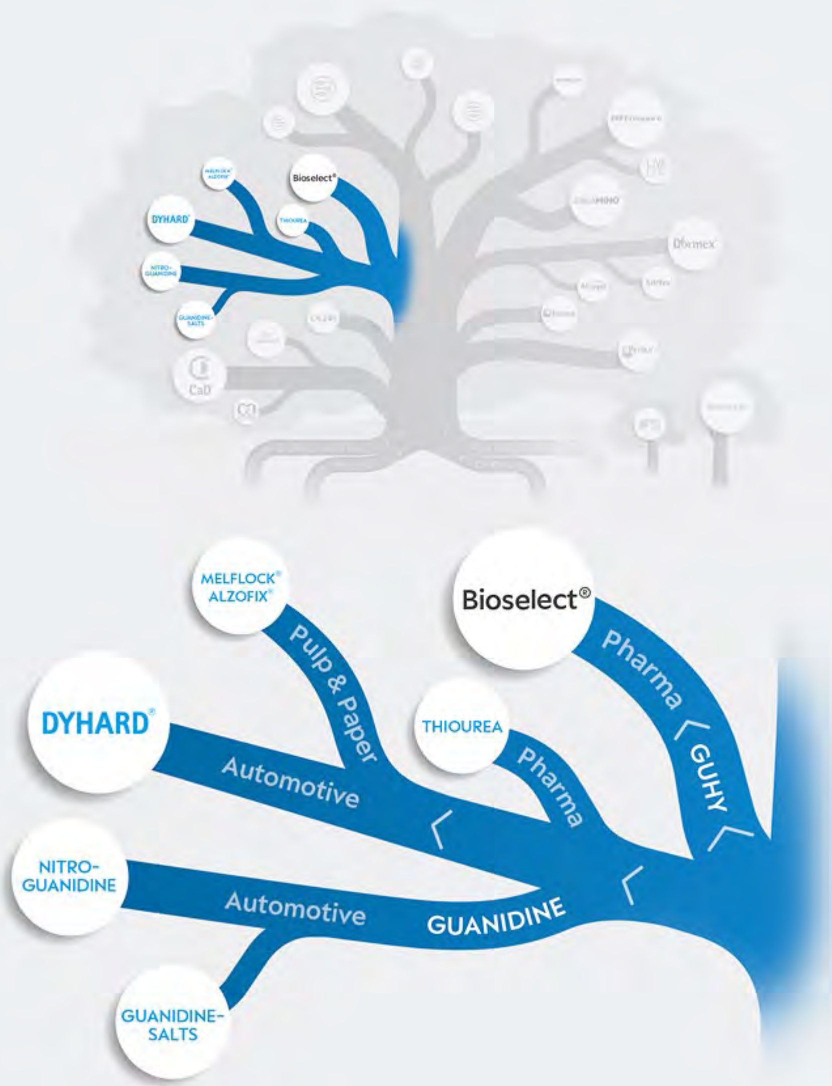
Agriculture



Dormex®	Plant growth regulator used in fruit production	
Eminex®	Reduction of methane emissions during storage of manure	
Sitofex®	Plant growth regulator used in fruit production	
Alzogur®	Biocide for the prevention of diseases in animal production	
Perlka®	Special calcium cyanamide multi-effect fertilizer	

“VERBUND” SYSTEM – FULLY INTEGRATED BUSINESS MODEL

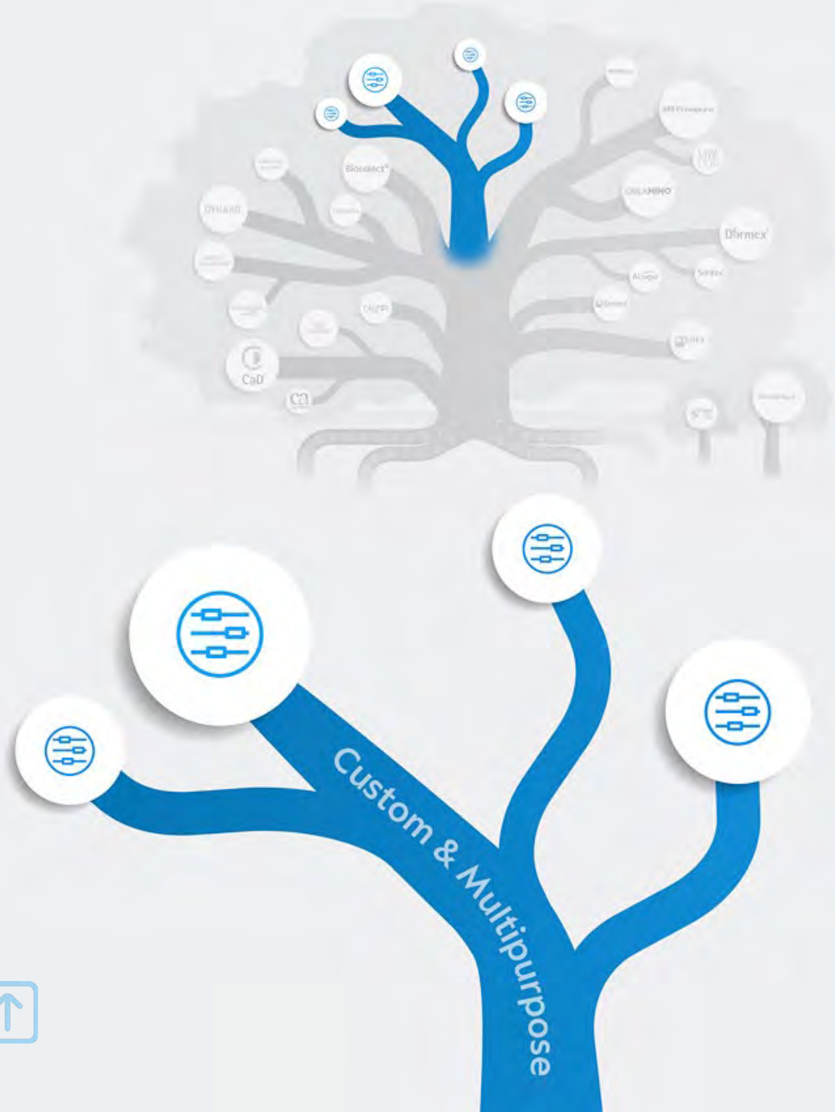
Fine Chemicals and Pharma



Bioselect®	Highly purified form of guanidine salts	
DYHARD®	Hardeners and accelerators in powder, paste and liquid form	
DCD FOR METFORMIN	Versatile intermediate in various markets including the pharmaceutical industry	
GUANIDINE-SALTS	Fuel for airbags, key production of the intermediate product	
NITRO-GUANIDINE	Intermediates for agrochemical products	
MELFLOCK® ALZOFIX®	Applications in waste water treatment, paper, textile and leather industry	
THIOUREA	Various applications incl. flotation agent and pharmaceutical raw material	

"VERBUND" SYSTEM – FULLY INTEGRATED BUSINESS MODEL

Custom Manufacturing in Multipurpose Plants



Mutli purpose plants are the nursery for new Alzchem products

The design allows for a quick changeover between a multitude of products

With flexible and sophisticated technologies we cater to the needs of a variety of end markets (pharma, polymers, automotive, plant nutrition)

Alzchem strengths like strict project management, quick decision making and adaptation to customer needs are key to success in the custom manufacturing market

Continuous improvement based on 100 years of process Know How delivers the basis for profitable growth

“VERBUND” SYSTEM – FULLY INTEGRATED BUSINESS MODEL

Nutrition

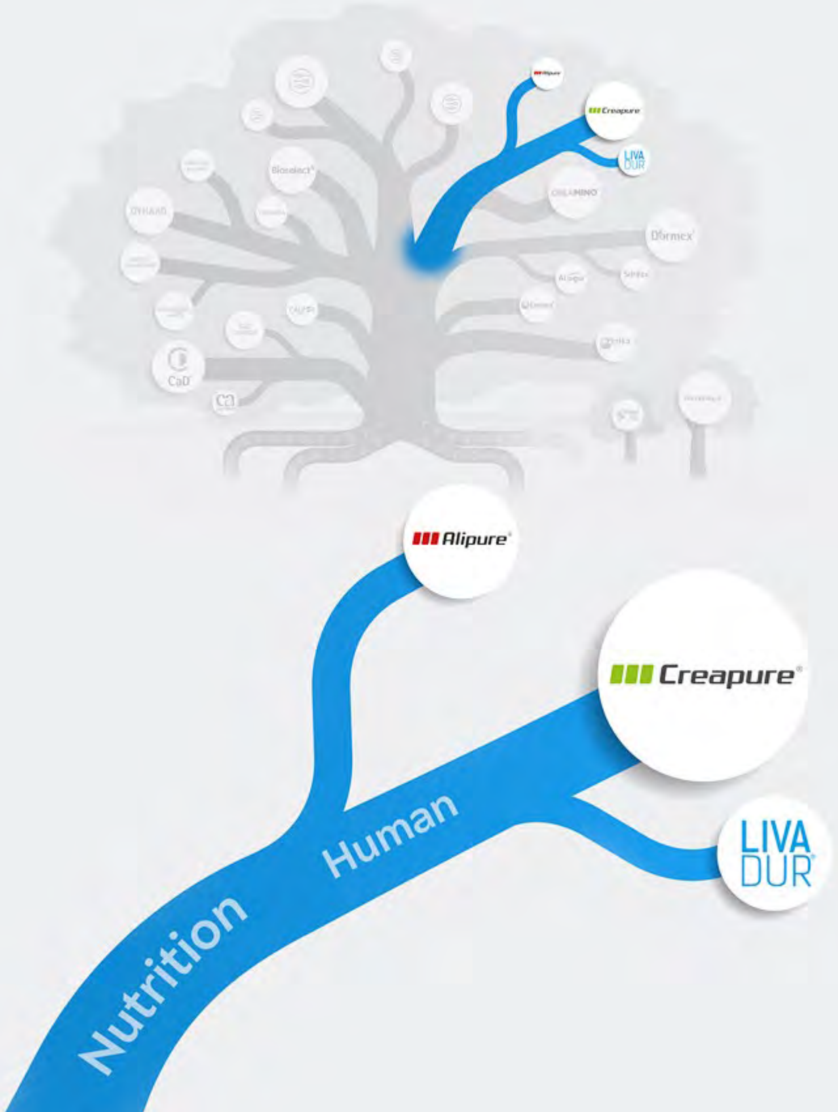
ANIMAL NUTRITION

CREAMINO®

A feed additive for broilers and pigs

"VERBUND" SYSTEM – FULLY INTEGRATED BUSINESS MODEL

Nutrition



HUMAN NUTRITION

Creapure®

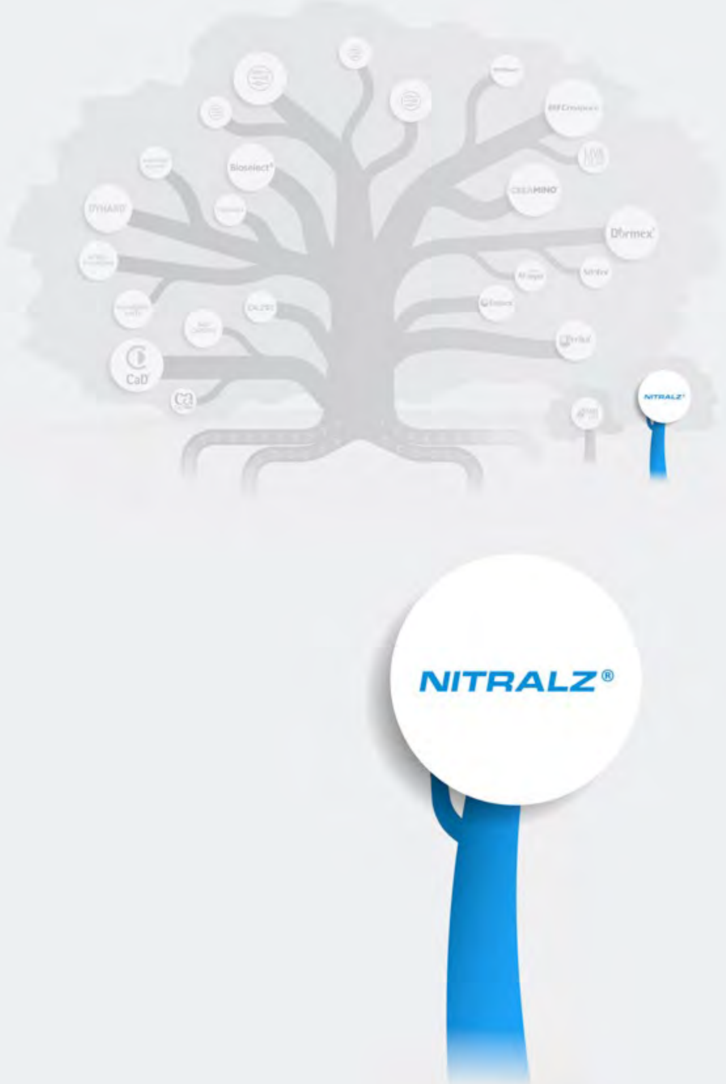
Premium brand for creatine monohydrate as a food supplement in sports nutrition

LIVA DUR®

Dietary supplement with pure creatine

"VERBUND" SYSTEM – FULLY INTEGRATED BUSINESS MODEL

Nitralz®



NITRALZ®
PIGMENTS

Various nitriles as essential intermediates for high performance pigments and phthalocyanine pigments

NITRALZ®
AGROCHEMICALS

Different nitriles are important raw materials for agricultural products, like special fungicides, insecticides and herbicides

NITRALZ®
PHARMACEUTICALS

Nitriles products are used as intermediates for different API's (active pharmaceutical ingredients)

NITRALZ®
BIOCIDES

Nitriles are an essential raw material for the production of the versataile biocide "Benzisothiazolinone"

"VERBUND" SYSTEM – FULLY INTEGRATED BUSINESS MODEL

Silzot®

Silzot® HQ

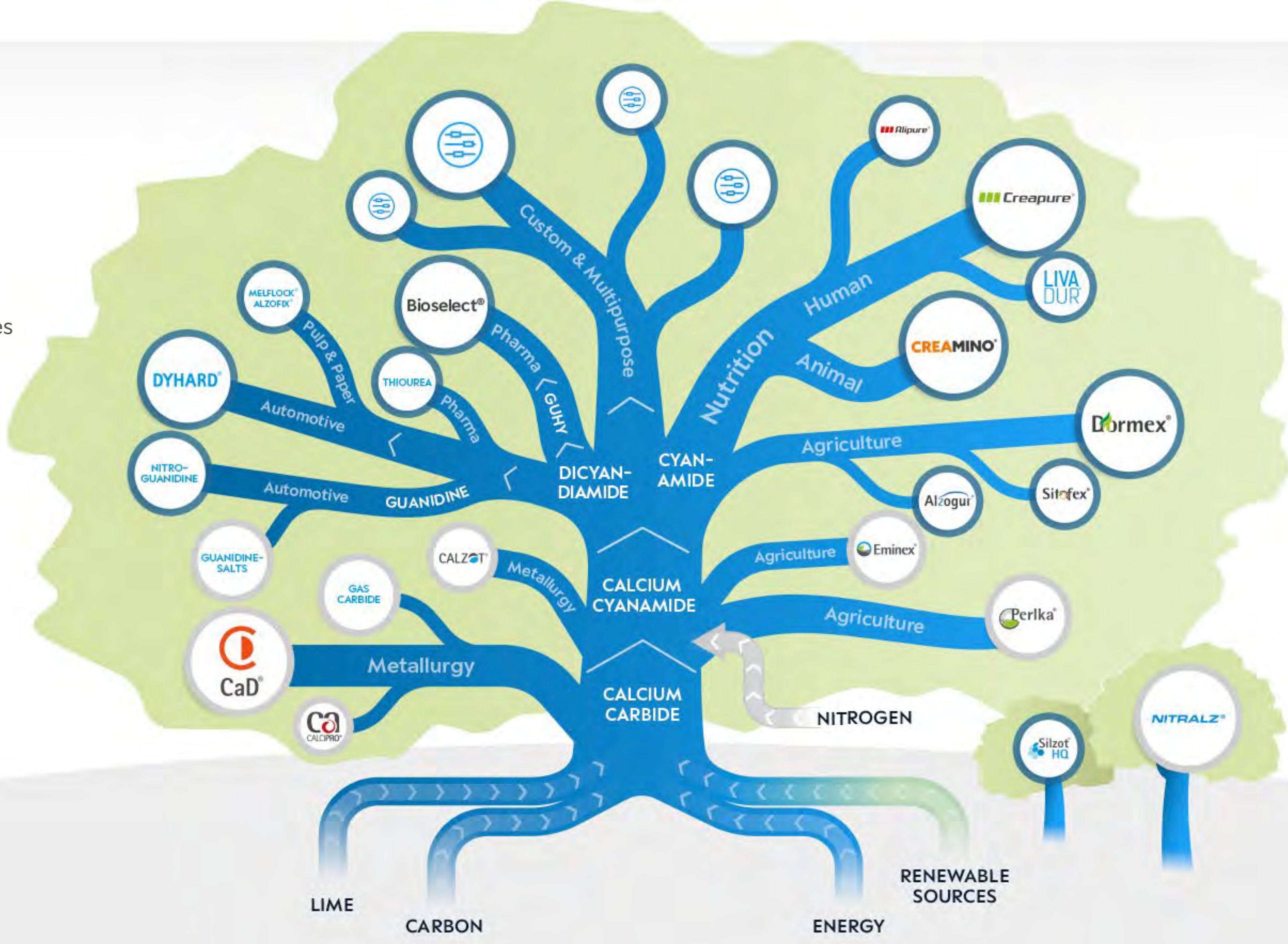
Silicon nitride powder for ceramic applications

"VERBUND" SYSTEM – FULLY INTEGRATED BUSINESS MODEL

Ability to adapt production to meet changing end market needs

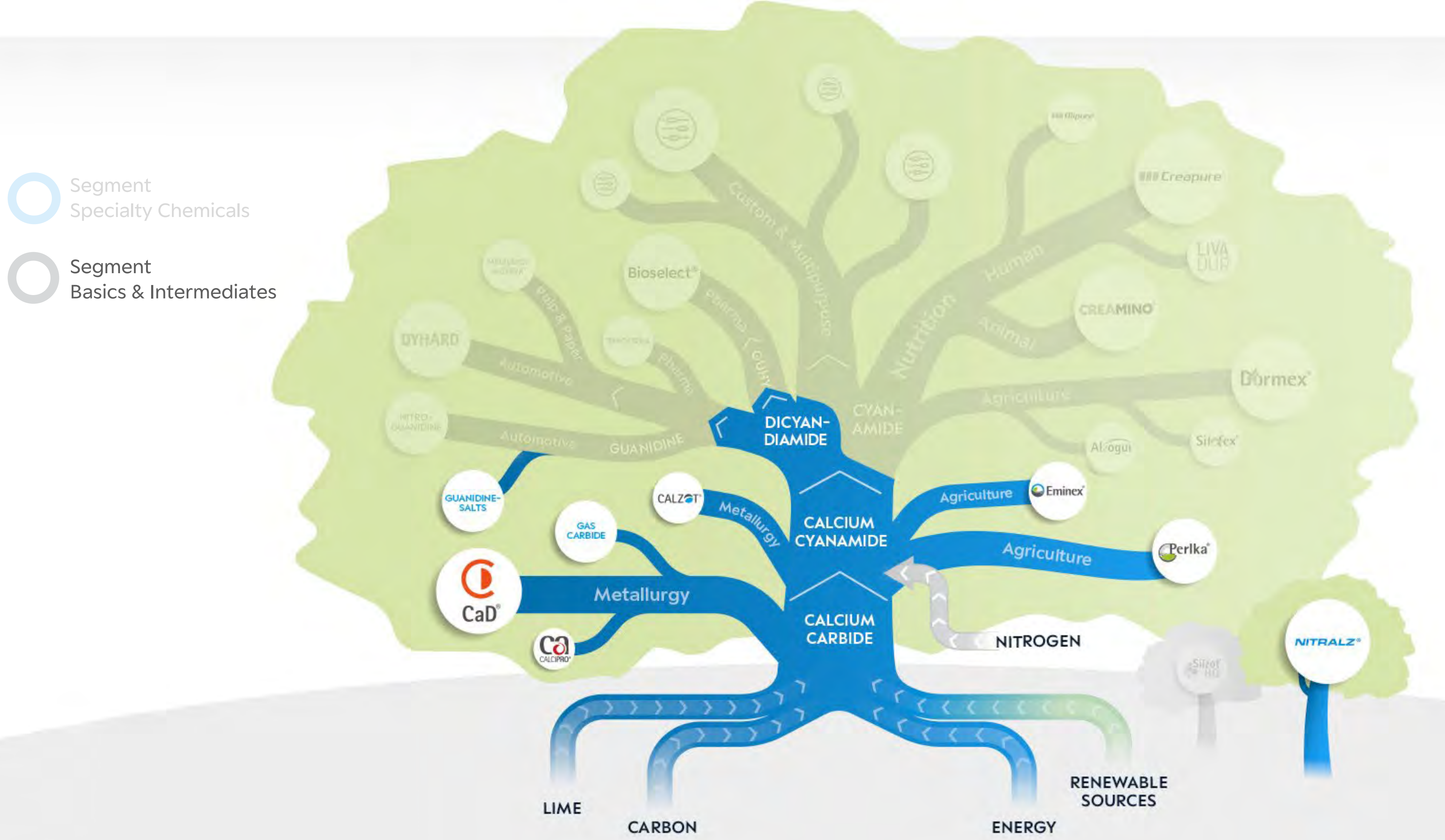
Segment Specialty Chemicals

Segment Basics & Intermediates



"VERBUND" SYSTEM – FULLY INTEGRATED BUSINESS MODEL

Ability to adapt production to meet changing end market needs

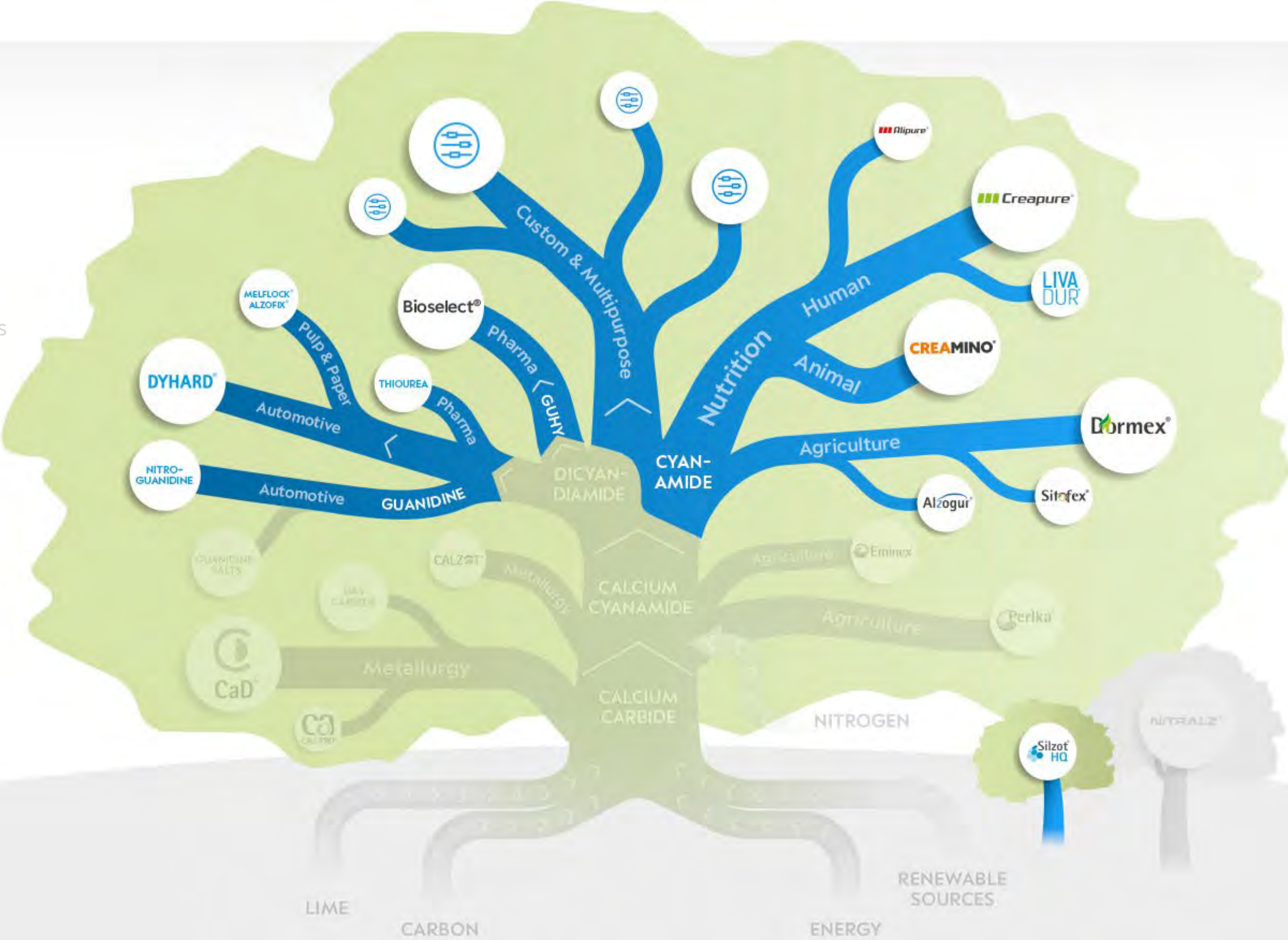


"VERBUND" SYSTEM – FULLY INTEGRATED BUSINESS MODEL

Ability to adapt production to meet changing end market needs

Segment Specialty Chemicals

Segment Basics & Intermediates

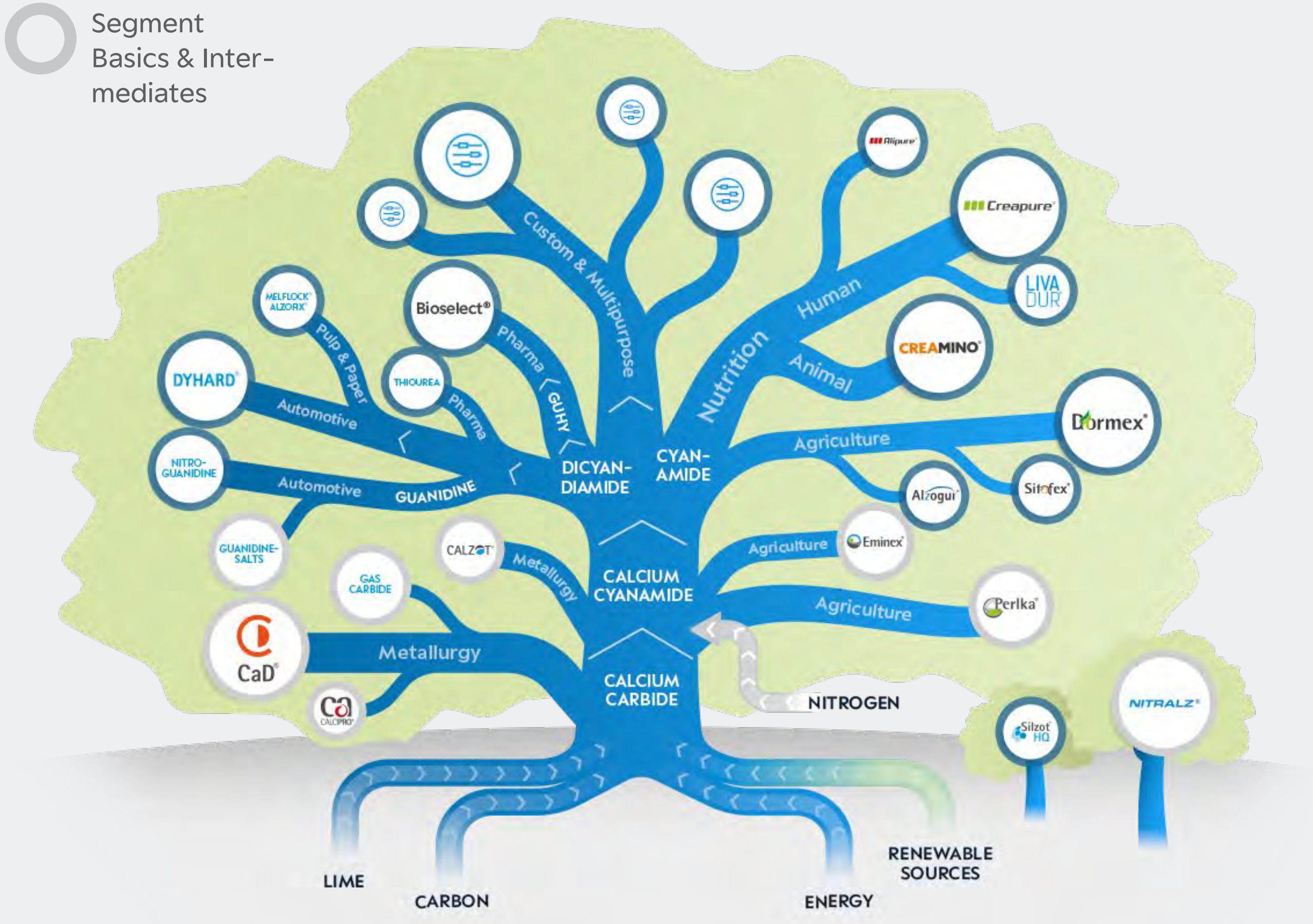


"VERBUND" SYSTEM – FULLY INTEGRATED BUSINESS MODEL

Benefits of the "Verbund" system approach

Segment Specialty Chemicals

Segment Basics & Inter-mediates



BENEFITS OF "VERBUND"

- Full control of product quality and specifications
- Lower costs
- Higher financial predictability
- Certainty of supply
- Well positioned to address niche markets
- Economies of scale
- Low carbon footprint

MEGATRENDS AS GROWTH DRIVERS

POPULATION GROWTH

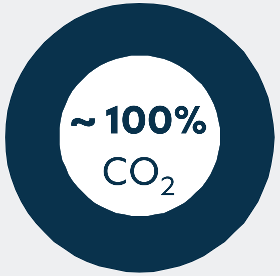
LONGER LIFE EXPECTANCY

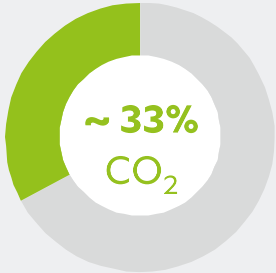
CLIMATE CHANGE

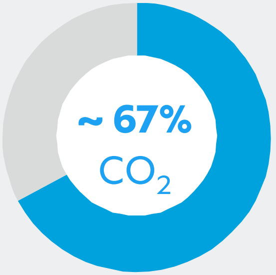
SUSTAINABILITY

ESG - CO_2 BALANCE

Alzchem's potential is not only to offset all of its CO_2 but also to go far beyond it



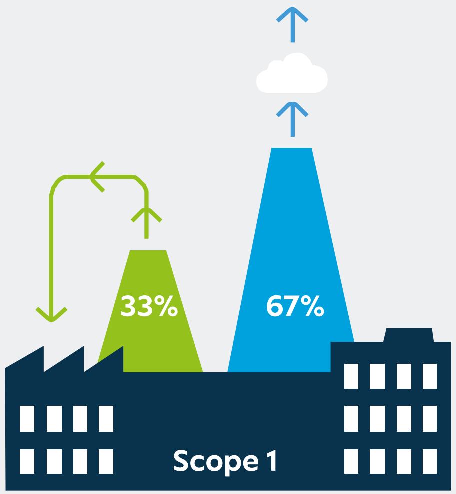




CO_2 gross emissions
~ 150 kto[1]

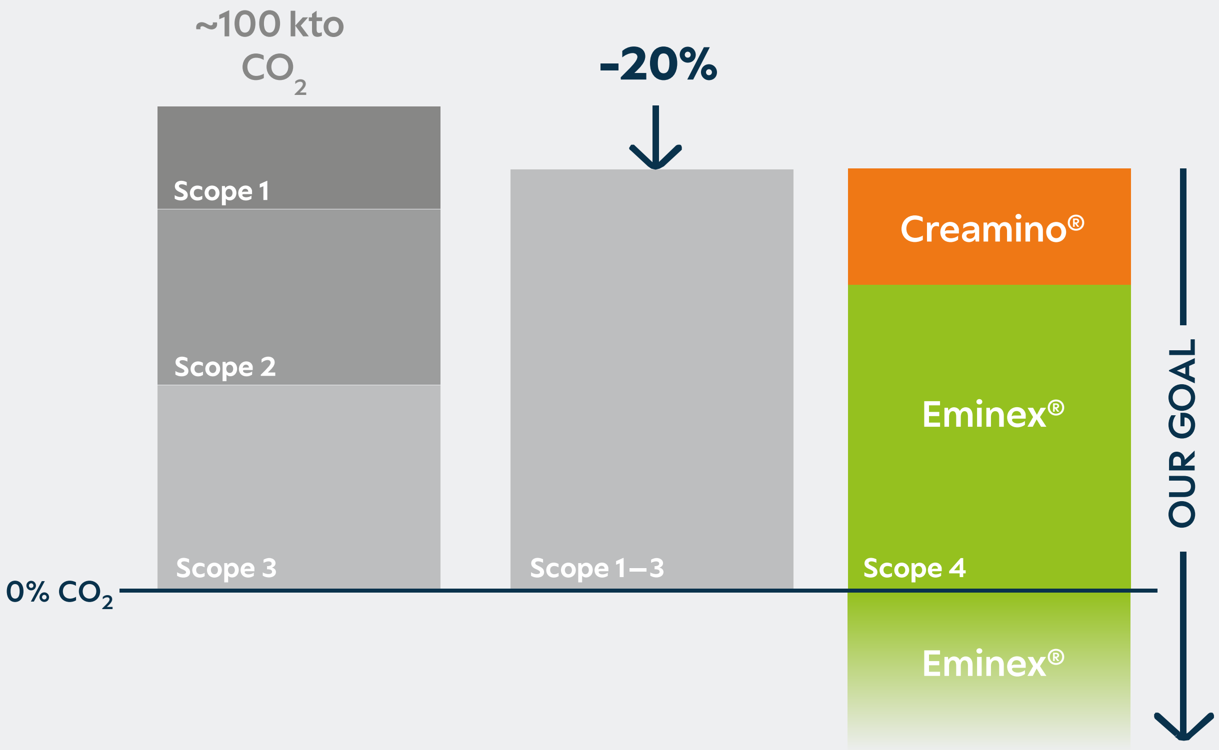
CO_2 internal use
~ 50 kto

CO_2 net emissions
~ 100 kto



Scope 1	Process & Self-generated heat
Scope 2	External power and heat supply
Scope 3	Fossil carbon in raw materials
Scope 4	Contributions to emission reduction from the use phase of chemical products

FURTHER CO_2 COMPENSATION POTENTIAL



TODAY
CO_2-Netto-Emissions

UNTIL 2030
CO_2-Reduction compared to 2020

NEAR FUTURE
0% CO_2
Emissions
Compensation potential

Status 2020

SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY

Tradition and commitment at the same time

- **Excellent dealing with people and the environment**
- **Successful reduction of the annual CO_2 emissions by approx. 50,000 tons**
- **Investment of approx. 20 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**

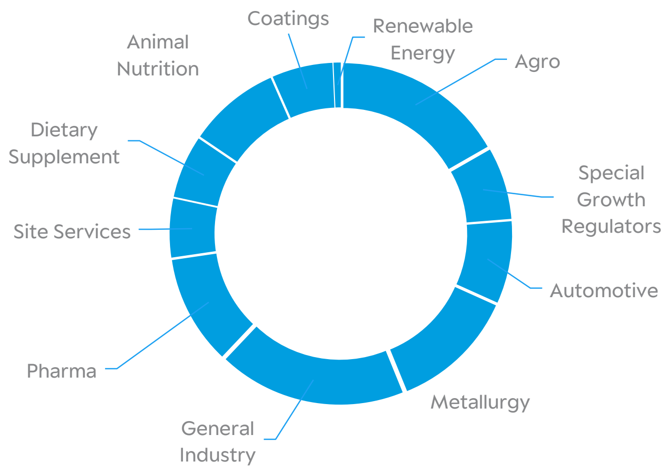
RESILIENT BUSINESS MODEL

Diversified end markets on a global scale, broad customer base & low dependence on suppliers

PRODUCTS & MARKETS

Diversified product portfolio for satisfying diversified end markets on a global scale

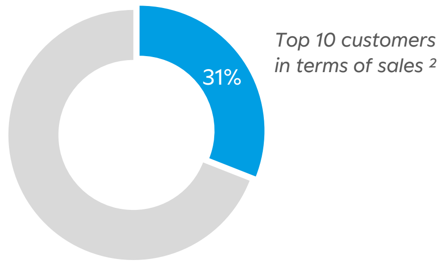
Unrelated end markets & products [1]



RESILIENCE OF BUSINESS / LOW CYCLICALITY

CUSTOMERS

Diversified customer base with long-term relationships

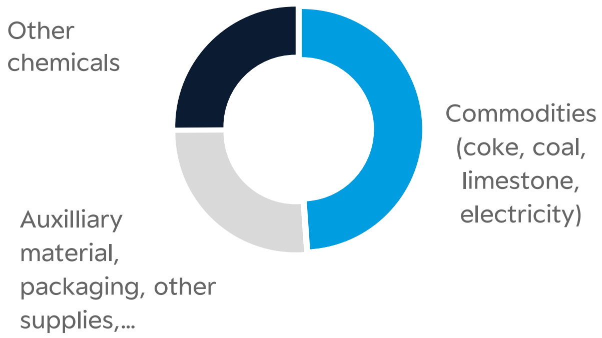


- Long-standing relationships with key customers due to exclusive distribution contracts
- Availability of potential alternative distribution partners and channels for most products mitigates risk of concentration

INDEPENDENCY / DIVERSIFICATION

SUPPLIERS

Inputs are mainly commodities such as coke, limestone and electricity ("Verbund" system)



Low dependence on suppliers due to nature of raw materials

INDEPENDENCY / SECURITY OF SUPPLY

(1), (2) In terms of sales in 2021

AGENDA – ROADSHOW PRESENTATION Q4 2021

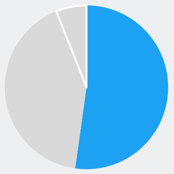
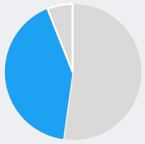
KEY INVESTMENT HIGHLIGHTS

Leading positions in selected Specialty niche markets supported by global developments

- Leading Market Positions in Selected Niches
- Strong Barriers to Entry
- R&D is a Driver of Growth
- Growth Supported by global developments
- Well Positioned to Capture Future Growth

I. LEADING MARKET POSITIONS

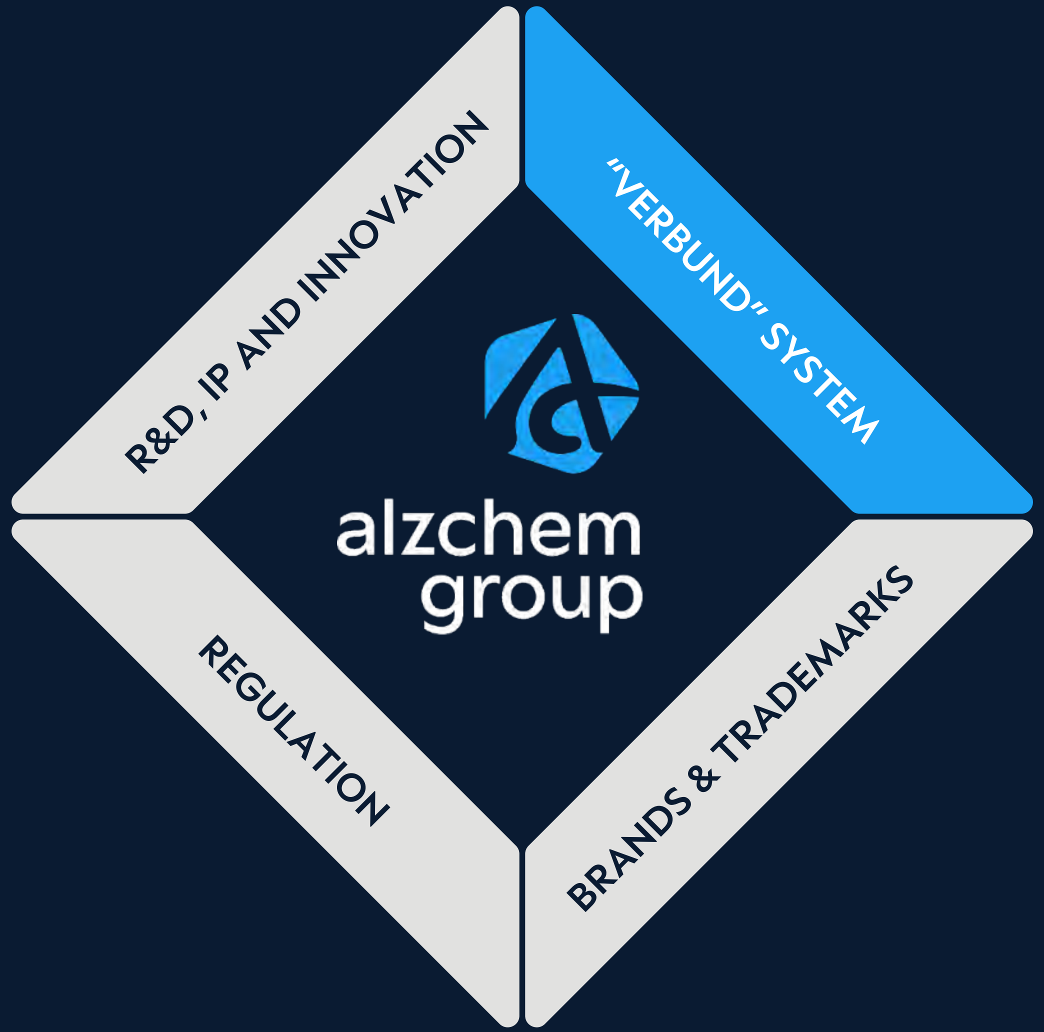
In Selected Niches / Products

	1-12/2021 SEGMENT SPLITS	GLOBAL MARKET POSITION[1]	SELECTED KEY BRANDS	DESCRIPTION	END-MARKETS
SPECIALITY CHEMICALS	Net Sales  EBITDA Margin: 23.0%	1	CREAMINO®	A nutritional additive for poultry and pigs	Feed additive
		Top 3	Creapure®	Premium brand for Creatine monohydrate used as supplements in sports nutrition	Dietary supplement
		1	Dormex®	Plant growth regulator used in fruit production	Agriculture
		1	Bioselect®	Highly purified form of guanidine salts	Pharma/API
BASICS & INTERMEDIATES	Net Sales  EBITDA Margin: 6.2%	1(2)	CaD®	Calcium carbide-based process chemical for hot metal desulfurization	Steel industry
		1	Guanidine Salts	Gas generator for air bags, key production intermediate	Airbags Agrochemicals
		Top 3	NITRALZ®	High quality aliphatic and aromatic nitriles via gas phase technology	Pharma Agriculture Biocides Pigments

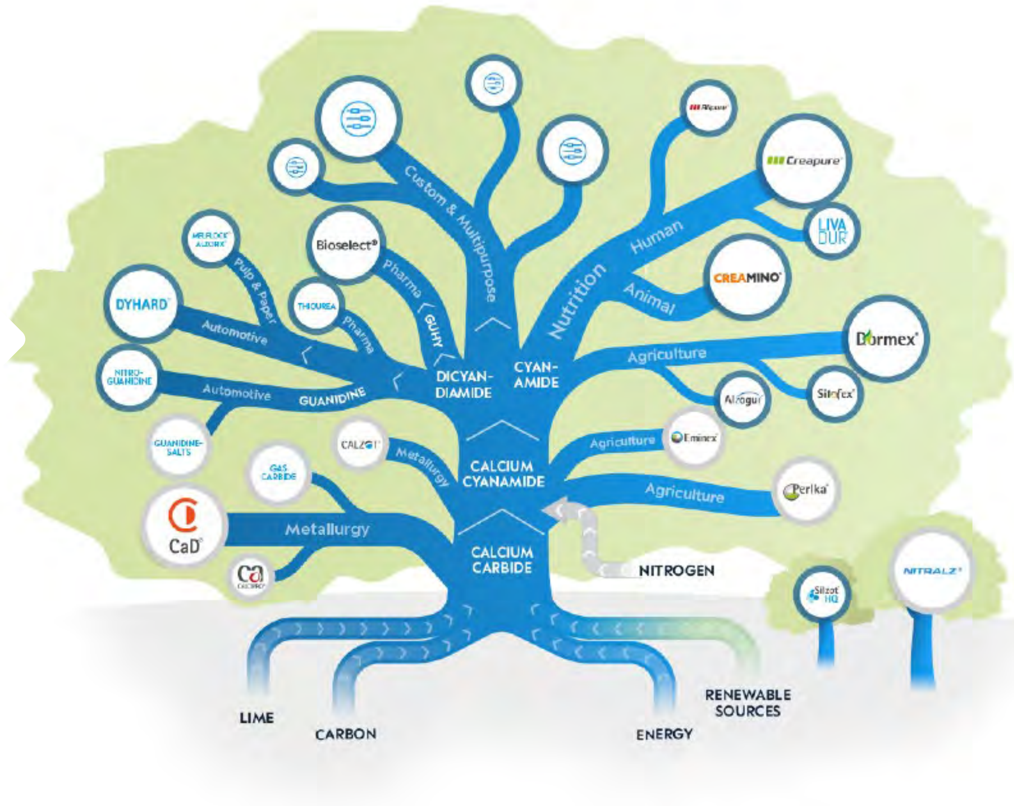
(1) Based on market share in revenue terms; Frost & Sullivan, summary report on global specialty chemical markets, November 2016; (2) European market leader

STRONG BARRIERS TO ENTRY

Protecting margins and creating a high degree of resilience



"VERBUND" SYSTEM



STRONG BARRIERS TO ENTRY

Protecting margins and creating a high degree of resilience

BRANDS & TRADEMARKS

Creapure®

DYHARD®

CREAMINO®

Silzot®

Bioselect®

Dormex®

STRONG BARRIERS TO ENTRY

Protecting margins and creating a high degree of resilience

REGULATION

II. STRONG BARRIERS TO ENTRY

Protecting margins and creating a high degree of resilience

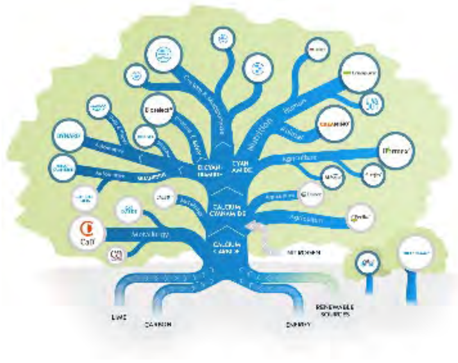
R&D, IP AND INNOVATION

- Process know-how
- Specialisation in carbide based chemicals
- R&D activities directed towards Specialty Chemicals
- ~ 70 patent families

II. STRONG BARRIERS TO ENTRY

Protecting margins and creating a high degree of resilience

"VERBUND" SYSTEM



BRANDS & TRADEMARKS

Creapure®
DYHARD®
CREAMINO®
Silzot®
Bioselect®
Dormex®

REGULATION

GMP – Good Manufacturing Practice Product
REACH Compliance
efsa – European Food Safety Authority
FDA

R&D, IP AND INNOVATION

- Process know-how
- Specialisation in carbide based chemicals
- R&D activities directed towards Specialty Chemicals
- ~ 70 patent families

III. R&D IS A DRIVER OF GROWTH

Investment strategy with a strong focus on R&D

SIGNIFICANT R&D INVESTMENTS

R&D[(1)] Activities

~ 70 patent families

~ 489 granted patents

~ 80 patent applications

NEW ASSETS IN PLACE

New **Facilities**

~ €245m

investments 2014–2021 to support growth

HIGH DEGREE OF INNOVATION

Sales from new facilities

~ 20%

of sales from newly established production plants or are new specialty products developed since 2014

2023 | 2024 | 2025

Green DYHARD® Accelerator

Alternative Energy

New Budbreak Product

Creamino® New Species

Customized Bioselect® Product

2023

2022

New Application Sitofex®

New Application Dormex®

Close recycle loops

Industrial Gases

Cosmetic Additive

2022

EMINEX® Emission Reduction

Next Generation CalciPro®

Functional Food Creapure®/GMP

MANAGEMENT ESTIMATES

[(1)] *R&D = Research & Development and process development, six sigma, patent costs, registration costs*

IV. GROWTH SUPPORTED BY GLOBAL DEVELOPMENTS

Highly specialized products supported by lasting megatrends

POPULATION GROWTH

CREAMINO®

Perlka®

Dormex®

LONGER LIFE EXPECTANCY

Creapure®

Bioselect®

LIVA DUR®

PHARMA MATERIALS

CLIMATE CHANGE

DYHARD®

Silzot®

Eminex®

V. WELL POSITIONED TO CAPTURE FUTURE GROWTH

Potential for high market growth for Alzchem's key products

- ✓ Leading market positions in selected niches
- ✓ Strong barriers to entry
- ✓ R&D is a driver of growth
- ✓ Growth supported by global developments

→ **Well positioned to capture future growth**

- Creatine for sports & health nutrition, functional food and health

- Plant growth regulators
- Dormex® is the dominating cyanamide product in horticultural applications

- Raw materials for a variety of end markets (pharma, agro, biocides, pigments)

- The only supplemental creatine source for broiler nutrition
- Largest supplier of GAA

- Only existing production plant outside of China
- Cost competitiveness due to the Alzchem "Verbund" system
- Highest quality, Made in Germany

- Calcium Cyanamide changes agriculture
- Nitrogen efficiency
- Emission reduction (CH_4 – CO_2 Eq.)

AGENDA – ROADSHOW PRESENTATION Q4 2021

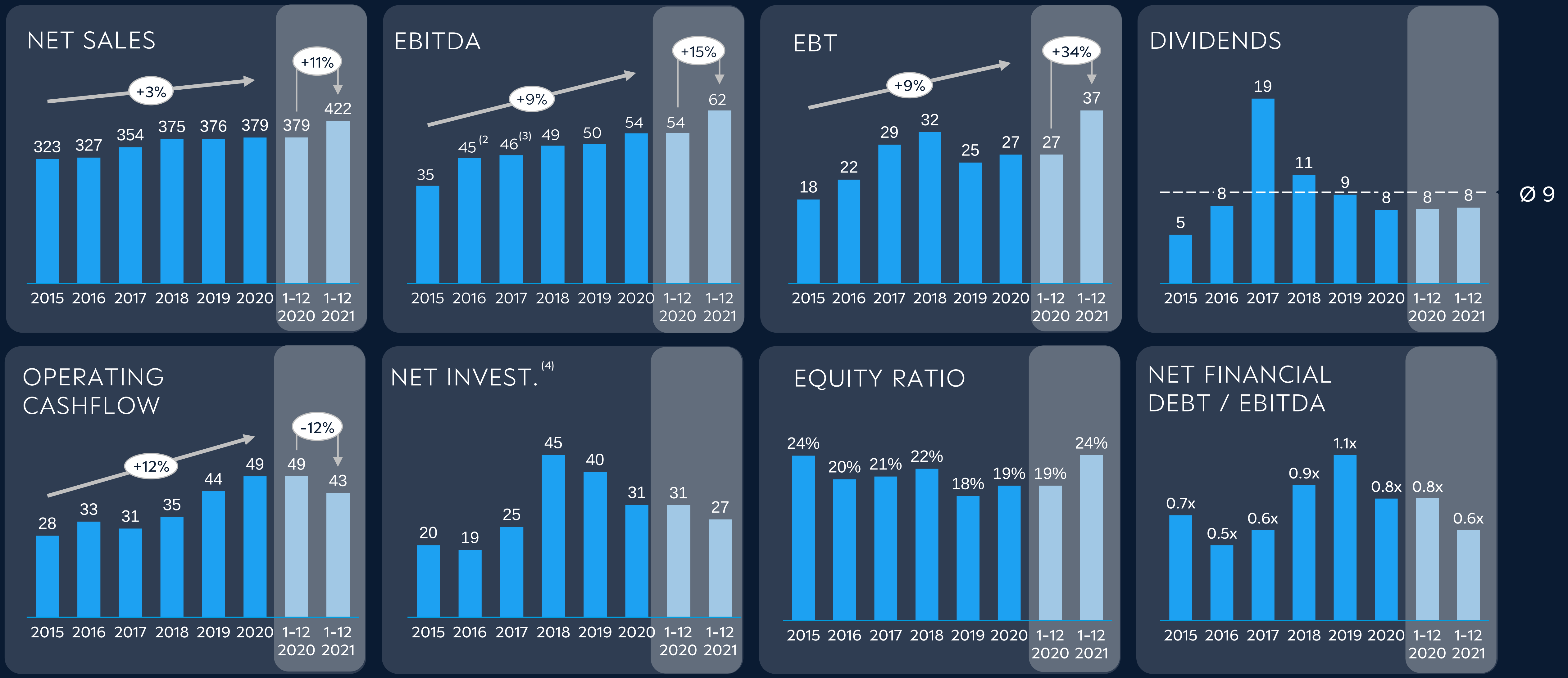
KEY INVESTMENT HIGHLIGHTS

Leading positions in selected Specialty niche markets supported by global developments

- Key Financials
- Current Trading / Corona update
- Specialty Chemicals is Main Driver – CAPEX
- Product Segments – Excellent Performance and Development
- Sustainable Financing Policy
- Pensions
- Targets & Outlook

KEY FINANCIALS

Development in key figures[1]

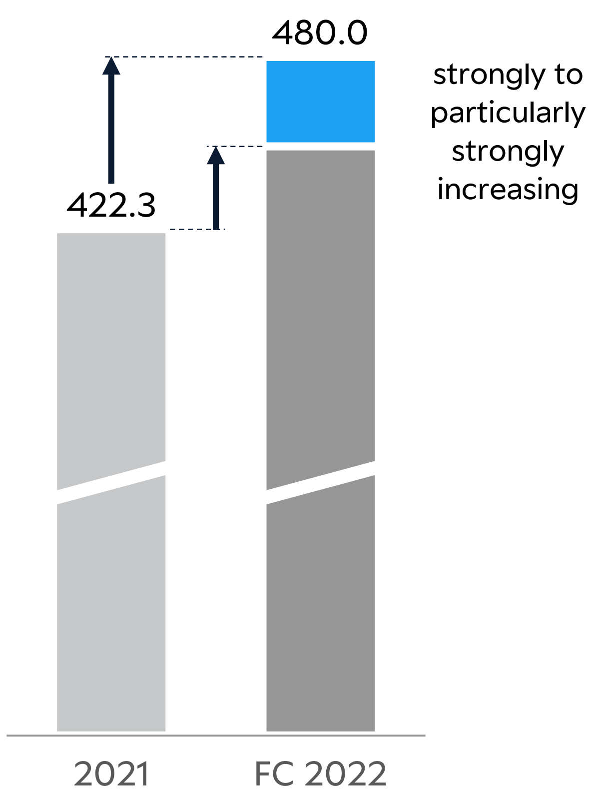


1) All figures in M€; (2) Adjusted by a non-operational, one-time IPO-provision of € 6.3m; (3) Adjusted by € 2.0m IPO costs; (4) Posted invoices

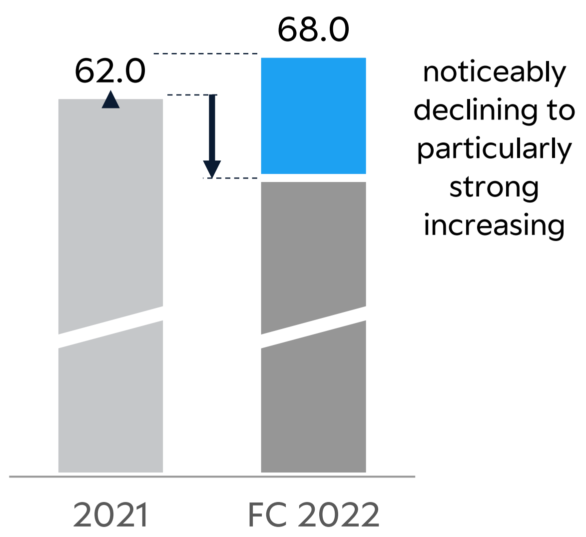
OUTLOOK 2022 (in M€)

Parity of cost with price increases will determine EBITDA

SALES



EBITDA



COMMENTS

- Price increases will determine EBITDA – in some cases there might be a time lag due to volatile commodity markets
- Further growth of NITRALZ® and Creamino® business
- Stable development in the agricultural, steel and automotive sectors
- On-time commissioning of Creapure® capacities
- Further high raw material and electricity price development and fluctuation
- USD exchange rate 1.15

IMPLEMENTING OPERATING TARGETS

Focus on the key growth drivers and sustainability

Implementation of price increases, at least in the amount of the cost increases

SUSTAINABILITY

- Set the path to CO_2 neutral growth and climate neutrality by 2045
- Vision 0 accidents
- Vision 0 waste – promoting circular economy
- Introduction of EU Taxonomy Regulation – Taxonomy compliance
- Organize transition from - NFRD (Nonfinancial Reporting Directive) to CSRD (Corporate sustainability Reporting Directive)

Realization and commissioning of Creapure® capacity expansion

Increase utilization of Nitralz® and Creamino® capacities

Management of COVID-19 effects

FINANCIAL CALENDAR

Upcoming dates

FEB 24	2022	Annual Report 2021
APR 28	2022	Quarterly Statement 1st Quarter 2022
MAY 5	2022	Annual General Meeting 2022
MAY 23 - 24	2022	German Spring Conference
JUL 26	2022	Half-Year Financial Report 2022
SEP 5 - 6	2022	Fall Conference
SEP 19 - 21	2022	Berenberg and Goldman Sachs German Corporate Conference
SEP 19 - 23	2022	Baader Investment Conference
OCT 26	2022	Quarterly Statement 3rd Quarter 2022
NOV 15 - 16	2022	Münchner Kapitalmarkt Konferenz
NOV 28 - 30	2022	Deutsches Eigenkapitalforum

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Investor Relations
T +49 8621 86-2888
ir@alzchem.com