

# PRESS RELEASE

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## Electricity price explosions and impending EU ban on calcium cyanamide fertilization jeopardize climate protection and European self-sufficiency

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### Members of the German federal parliament informed themselves at Alzchem about current challenges

**Trostberg** - SPD Members of Parliament Bernd Westphal and Carsten Träger visited the chemical company Alzchem in Trostberg at the beginning of August for an exchange of information with management and the works council. The spokesman for economic policy and the spokesman for environmental policy of the SPD parliamentary group informed themselves on site about the current challenges facing the company. Alzchem CEO Andreas Niedermaier began by presenting the company's products and their markets and applications: The product range extends from carbide to calcium cyanamide and numerous specialty chemicals. Alzchem products are used, for example, in pharmaceutical raw materials, airbags, raw materials for DNA tests (Coronatests), food supplements in the human sector (Creapure®), substances for improved animal nutrition (Creamino®).

Many of these products are based on the starting product carbide and the calcium cyanamide produced from it with its typical nitrogen-carbon bond. CEO Andreas Niedermaier explained to the guests, "For many decades, Alzchem has specialized in this field of chemistry and is now, in many areas, the only manufacturer of these important chemicals outside China." Karl Held, chairman of the works council, pointed out the company's successful development over the past ten years: "Thanks to the constructive cooperation between management and the works council, sales have more than doubled during this time and the number of employees has increased by more than a third to approximately 1650. Alzchem is an important training company in the Traunstein district, with a training quota of about 9 % and about 150 trainees."

AGILE SCIENCE PURE RESULTS



This positive development is threatened by two current challenges. CEO Andreas Niedermaier: "The production of the starting product carbide is extremely electricity-intensive. The industrial electricity price has multiplied within the last year." Due to long-term electricity supply contracts, these cost increases would only partially take effect for Alzchem until now. However, he said, the company would be forced to pass on the foreseeable further increases in electricity costs to its customers. Niedermaier continued, "However, not only the high prices, but also the security of the power supply and thus the reliable availability of electricity are immensely important for the operation of the chemical plants."

Another major challenge for Alzchem is the EU's chemicals policy. For example, a ban on calcium cyanamide fertilization is currently being discussed there because the European Chemicals Agency suspects it poses risks to the environment. The head of Public Affairs at Alzchem, Dr. Hans-Jürgen Klasse, commented on the ban debate: "This is downright grotesque, because compared to other nitrogen fertilizers, calcium cyanamide is characterized by particularly low nitrate leaching and lower emissions of greenhouse gases. Calcium cyanamide is one of the best-studied fertilizers of all. In nearly 114 years of application practice, there has not been a single confirmed case of environmental damage." On the contrary, in a fertilization trial lasting more than 50 years, scientists at the Technical University of Munich (TUM) had even "demonstrated the highest biological soil activity of all fertilization variants" on the calcium cyanamide plots.

CEO Andreas Niedermaier expressed his incomprehension of the EU authority's actions, also in view of the greater independence from China that the EU as a whole is striving for. He said that the German government and a large majority in the Bundestag were also committed to this goal. "A ban on calcium cyanamide fertilization in the EU would jeopardize the production network in Trostberg and further increase dependence on China for important intermediate products. No one can want that in this day and age."

A ban on this proven fertilizer would also have a negative impact on climate protection in Europe. This is because a newly developed Alzchem product based on calcium cyanamide (Eminex®) can largely prevent the particularly climate-damaging emissions of methane and nitrous oxide from manure silos even by adding small quantities. Its good effectiveness has now been confirmed by several independent institutes. CEO Andreas Niedermaier: "We know of no other process that can reduce greenhouse gas emissions from agriculture so quickly, so effectively and so cost-effectively." Carsten Träger said, "With the contribution to food security and climate protection through the binding of methane, Alzchem has two high trump cards in its hand. Now the trial must succeed in convincing the inspectors that the input of calcium cyanamide is harmless to microorganisms."

The delegates were impressed by Alchem's diverse product developments. "The importance of these specialty chemicals for many supply chains in German and European industry has not yet been sufficiently recognized by politicians," Bernd Westphal commented after the exchange of information. It is not acceptable that a large number of well-paid and socially very well protected jobs in Germany are put at risk on the basis of a questionable expert opinion, while at the same time we are becoming completely dependent on Chinese suppliers for important specialty chemicals.



Bildunterschrift: v.l.n.r. Andreas Niedermaier, Vorstandsvorsitzender der Alchem Group AG, Bernd Westphal, Mitglied des Deutschen Bundestages, Dr. Hans-Jürgen Klasse, zuständig für den Bereich Public Affairs bei Alchem, Karl Held, Betriebsratsvorsitzender Alchem, sowie Carsten Träger, Mitglied des Deutschen Bundestages

### **About Alzchem**

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 1,630 people at four production sites in Germany and a plant in Sweden, as well as three sales companies in the USA, China and UK. Alzchem generated Group sales of around EUR 422.3 million and EBITDA of around EUR 62.0 million in 2021.