

PRESS RELEASE

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Energy prices and EU requirements for fertilizers, among other things, as massive challenges for the integrated production of Alzchem Group AG

Dr. Martin Huber visits Alzchem

Trostberg - CSU Secretary General Dr. Martin Huber visited Alzchem in Trostberg to get a first-hand impression of the company's most pressing challenges. Alzchem is an important employer in the region and regularly trains future specialists at a far above-average rate. Andreas Niedermaier, CEO of Alzchem Group AG, and CSO Dr. Georg Weichselbaumer introduced the company to Dr. Martin Huber and Marlene Weichselbaumer, constituency advisor to Dr. Peter Ramsauer, member of the German parliament, and explained the potentially far-reaching effects of the two biggest current factors of uncertainty: energy prices and the management of approval processes (ECHA).

"As an energy-intensive company, we feel a particular responsibility to massively reduce our carbon footprint," Niedermaier said. "Our goal is climate neutrality." To this end, he said, numerous measures have already been implemented and the company is well on its way - but it is now having to pay dearly for this commitment: "With the abandonment of fossil fuels, the forecasts for electricity show that more has to be paid per month than previously for the whole year." The increased costs have to be passed on to the trade with large-scale consequences: among other things, in the case of calcium cyanamide fertilizer, which farmers can then no longer afford. This triggers a spiral of falling yields and declining profitability in agriculture. This example is not a pessimistic future scenario, Niedermaier emphasizes. "This is already reality. Alzchem, like all industry, needs a stable affordable calculation basis for electricity - ideally an industrial electricity price as is already common in other European countries."

Added to this is the impending EU ban on the use of calcium cyanamide in agriculture in general. "Such a ban not only demonstrably lacks any basis, it would also have massive negative effects on yields, animal health, soil health and climate-damaging emissions, among other things," Weichselbaumer explains. "Moreover, it would have far-reaching consequences beyond

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agriculture." After all, carbide, the starting material for Alzchem's Verbund production, and the calcium cyanamide made from it also form the basis for specialty chemicals that are needed as raw materials and precursors in various key industries - for example, in the pharmaceutical and automotive industries. "Our integrated production along the NCN chain is the only one of its kind in Europe," Weichselbaumer says. "If this production network is jeopardized, dependence on Chinese suppliers increases and questions arise about quality standards and assured availability, among several other issues."

Huber paid tribute to the complexity of the Alzchem network and the company's innovative as well as effective product development, highlighting the breadth of areas for which Alzchem products are critical. "Anyone who puts companies like this at risk risks de-industrializing our country," Huber said. "This not only endangers millions of jobs, but also social security and Germany as an industrial location."



Caption: f.l.t.r: Andreas Niedermaier, Chairman of the Board of Alzchem Group AG, Dr. Martin Huber, Member of the Bavarian State Parliament, Dr. Georg Weichselbaumer, Board Member of Alzchem Group AG

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.