



# QUARTERLY STATEMENT

1st quarter of 2021



# ALZCHEM AT A GLANCE

~ € 104  
mn

sales generated by AlzChem  
in the 1st quarter of 2021

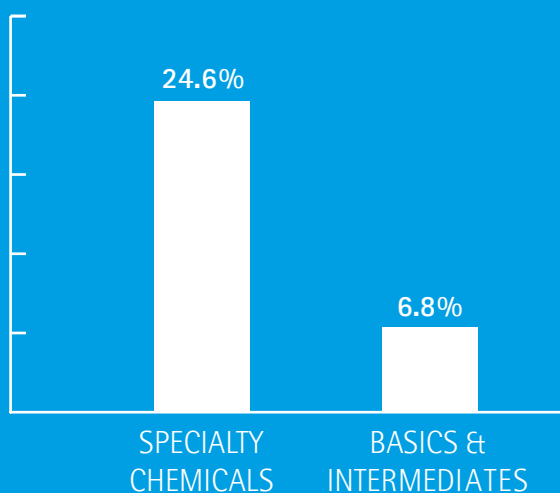
1st quarter of 2020: ~ € 95 mn

~ € 17  
mn

EBITDA achieved by AlzChem  
in the 1st quarter of 2021

1st quarter of 2020: ~ € 12 mn

## EBITDA MARGIN BY MAIN SEGMENTS



## MARKETS



NUTRITION



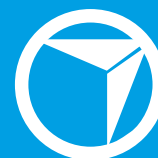
FINE CHEMISTRY



PHARMA



AGRICULTURE



METALLURGY



RENEWABLE  
ENERGY

## THREE REPORTING SEGMENTS

54.4% SPECIALTY  
CHEMICALS

Production and distribution of  
high-quality chemical products

CONTRIBUTION TO  
SALES IN THE  
1st QUARTER OF 2021

39.4% BASICS &  
INTERMEDIATES

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

6.2% OTHER & HOLDING

Other activities, mainly  
services related to the chemical  
parks Trostberg and Hart

# CONTENT

<b>6</b>	<b>DEVELOPMENT OF THE GROUP</b>
6	COVID-19
6	Share buyback program
7	Earnings position 1st quarter of 2021
9	Financial position 1st quarter of 2021
10	Net assets as of March 31, 2021
<b>11</b>	<b>DEVELOPMENT OF THE SEGMENTS</b>
11	Speciality Chemicals segment
12	Basics & Intermediates segment
13	Other & Holding segment
<b>13</b>	<b>SUSTAINABILITY AT ALZCHEM</b>
<b>14</b>	<b>OUTLOOK</b>
<b>15</b>	<b>SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE</b>
<b>14</b>	<b>LIST OF ABBREVIATIONS</b>
<b>14</b>	<b>IMPRINT</b>
<b>14</b>	<b>FINANCIAL CALENDAR 2021</b>
<b>14</b>	<b>REMARKS</b>

# RECORD Q1: EBITDA +36%, SALES +10% AND GROWTH ACROSS ALL SEGMENTS

## 1ST QUARTER 2021

- Strongest 1st quarter in the company's history.
- Noticeable broad-based economic recovery in the market environment, particularly in the automotive and steel industries.
- Successful expansion of the pharmaceutical portfolio with Bioselect® products and the building block dicyandiamide.
- Creapure® back on growth path.
- Seasonally high Dormex® shipments.
- Strong development of equity and equity ratio thanks to positive consolidated result for the period and interest-related reduction in pension obligations.
- Distortions on the raw material and logistics markets mitigated by forward-looking supply chain management.
- Strong cash flow due to good operating sales performance, successful implementation of cost and process optimization measures, continued strict net working capital management and higher capex spending.
- Share buyback program successfully launched.
- Outlook for 2021 confirmed: Sales and EBITDA expected at upper end of guidance due to excellent start to the year.

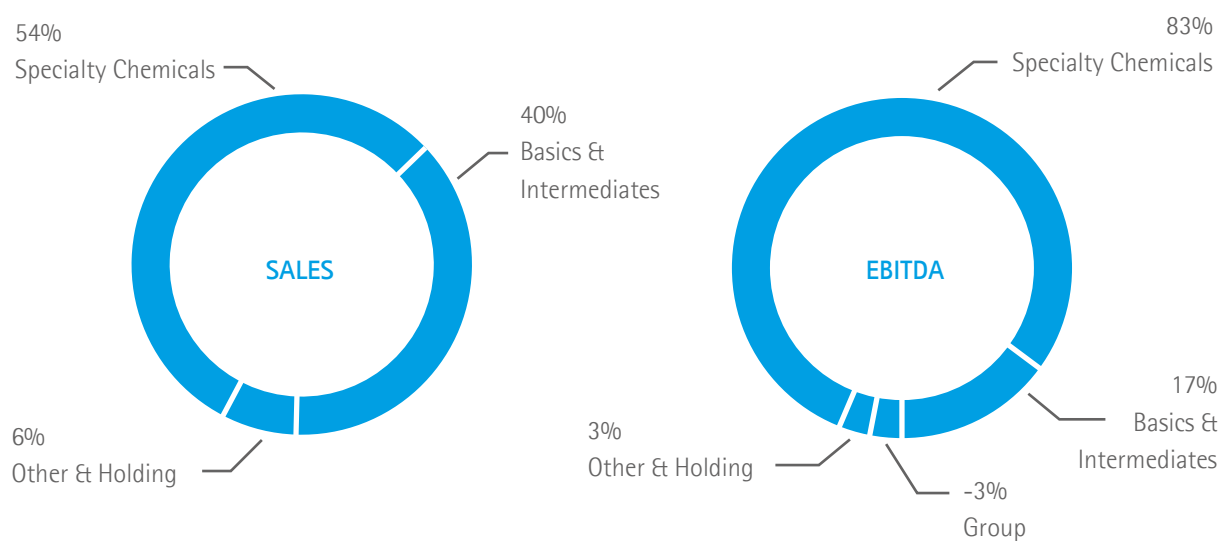
## KEY FIGURES OF THE ALZCHEM GROUP IN THE 1ST QUARTER OF 2021

		1st quarter 2019	1st quarter 2020	1st quarter 2021	CAGR*
	Unit				
Group Sales	EUR thousand	92,123	94,740	104,321	6%
EBITDA	EUR thousand	13,231	12,315	16,722	12%
EBITDA margin	%	14.36	13.00	16.03	
EBIT	EUR thousand	8,934	6,733	10,951	11%
Consolidated result for the period	EUR thousand	5,553	4,422	7,930	20%
Earnings per share in EUR (undiluted and diluted)**	EUR	0.54	0.43	0.78	20%
Equity ratio	%	19.47	23.93	23.04	

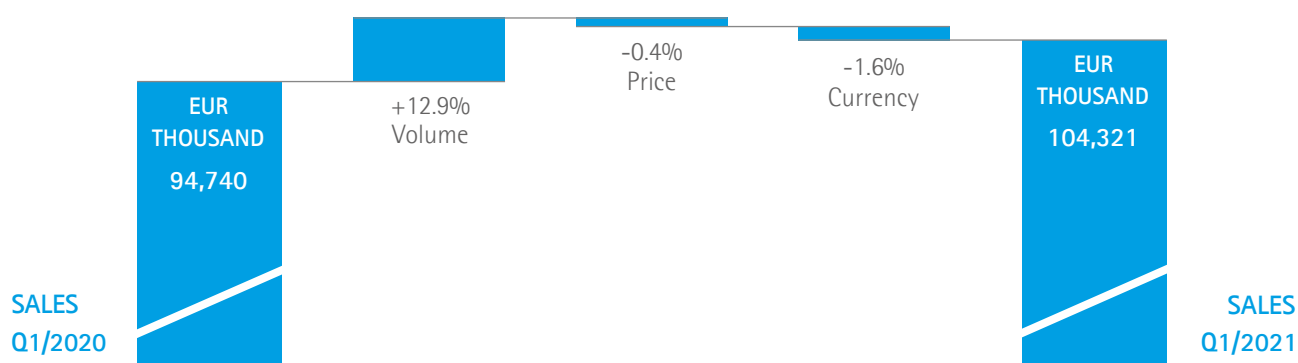
\* CAGR = Compound Annual Growth Rate (final value/starting value)<sup>1/n</sup> (1/number of years)

\*\* In the period 2018 - 2020 calculated with 10,176,335 shares. After share buyback in 2021, calculated with the average number of outstanding shares in the period 01/01-03/31/2021 of 10,168,503 shares.

## SALES AND EBITDA SHARE BY SEGMENT IN THE 1ST QUARTER OF 2021



## CHANGE IN SALES COMPARED TO PREVIOUS YEAR



## 1. DEVELOPMENT OF THE GROUP

### 1.1 COVID-19

The COVID 19 pandemic continues to be a concern for AlzChem. In our Annual Report 2020, we commented in detail on the economic and financial impact of this pandemic.

We can still say that AlzChem has come through this difficult phase very well so far, and that in some cases it sees itself in an even stronger position than before the pandemic. In particular, the good business development in the first quarter of 2021 confirms us in this statement in a dynamic economic environment.

The strongly diversified product portfolio provided stability in the previous year and is now making a major contribution to the fact that the strongest first quarter in the company's history can be reported. Continuing challenges in the COVID-19 environment can be largely offset or in some cases significantly overcompensated.

Management continues to regard the markets relevant to the company as latently fragile. Nevertheless, the opportunities of the fourth quarter of 2020 continue to exist in the first quarter of 2021; in part they have already been realized, as the operating profit shows.

Building on long-term, reliable supplier relationships on the one hand and its own raw material supply via the "Verbund" on the other, the AlzChem Group was able to maintain all supply chains even in the challenging environment of the first quarter of 2021. The AlzChem Group's raw material supply is robust and thus supports a continuous production process.

The coming months will show whether the constraints in the raw material and logistics markets are subject to further tightening or whether supply chains are approaching normalization.

With the tailwind of a pleasing first quarter of 2021, the possibility of balancing sales and earnings internally across the different business areas, and the preparations made regarding

- Hygiene,
- Organization,

- Personnel,
- Legal framework and
- Financing

the Management Board is convinced that AlzChem will continue to operate successfully in the business environment, provided that the general conditions do not deteriorate significantly.

### 1.2 SHARE BUYBACK PROGRAM

The Annual General Meeting of AlzChem Group AG on May 14, 2019 authorized the company to buy back its own shares until the end of April 30, 2024.

By resolution of the Management Board dated January 29, 2021, the Management Board of the company decided to launch a share buyback program with a volume of up to EUR 1,000,000.00. To the extent permitted by law, the company may suspend or interrupt the share buyback program at any time.

The buyback is carried out for the purpose of acquiring an acquisition currency that is favorable from the company's point of view. This does not preclude the use of the shares for other legally permissible purposes covered by the authorization of the Annual General Meeting.

By March 31, 2021, the company had acquired a total of 11,933 treasury shares. The shares acquired are openly deducted from equity as a separate item "treasury shares" at acquisition cost including transaction costs and less any tax benefits.

The share buyback has an impact on earnings per share. The calculation of basic earnings per share is based on the weighted average number of shares outstanding during the period. Shares repurchased during the period are only considered to be outstanding on a pro rata basis until they are repurchased and are weighted accordingly. Thereafter, treasury shares are not included in the calculation of shares outstanding. There are no plans to adjust the previous year's figures in this respect. In the period from January 1 to March 31, 2021, earnings per share were calculated using a weighted average number of shares outstanding of 10,168,503. In the period from January 1 to March 31, 2020, earnings per share were calculated using a weighted average number of shares outstanding of 10,176,335.

### 1.3 EARNINGS POSITION 1ST QUARTER OF 2021

#### CONSOLIDATED INCOME STATEMENT FOR THE 1ST QUARTER 2021 (IFRS, UNAUDITED)

in EUR thousand	1st quarter 2019	1st quarter 2020	1st quarter 2021
<b>Sales</b>	<b>92,123</b>	<b>94,740</b>	<b>104,321</b>
Change in inventories of finished and unfinished products	7,895	2,152	-2,144
Other operating income	4,427	2,425	3,983
Cost of materials	-39,541	-35,491	-36,226
Personnel expenses	-30,666	-32,509	-33,038
Other operating expenses	-21,007	-19,002	-20,174
<b>EBITDA</b>	<b>13,231</b>	<b>12,315</b>	<b>16,722</b>
Depreciation and amortization	-4,297	-5,582	-5,771
<b>EBIT</b>	<b>8,934</b>	<b>6,733</b>	<b>10,951</b>
Other interest and similar income	45	626	513
Interest and similar expenses	-1,214	-874	-425
<b>Financial result</b>	<b>-1,169</b>	<b>-248</b>	<b>88</b>
<b>Result from ordinary business activities</b>	<b>7,765</b>	<b>6,485</b>	<b>11,039</b>
Taxes on income and earnings	-2,212	-2,063	-3,109
<b>Consolidated result for the period</b>	<b>5,553</b>	<b>4,422</b>	<b>7,930</b>
thereof non-controlling interests	43	43	43
thereof shares of the shareholders of AlzChem Group AG	5,510	4,379	7,887
<b>Earnings per share in EUR (undiluted and diluted)<sup>1</sup></b>	<b>0.54</b>	<b>0.43</b>	<b>0.78</b>

In the first quarter of 2021, sales increased by 10.1% year on year to EUR 104,321 thousand. In absolute terms, the two segments Specialty Chemicals and Basics & Intermediates contributed almost equally to the sales growth. Sales in the Other & Holding segment were almost unchanged.

Other operating income amounted to EUR 3,983 thousand, a significant increase of EUR 1,558 thousand over the previous year. This is mainly due to higher own work capitalized for the increased investment activity as a result of the expansion of the NITRALZ® plant, for which a number of partial services were performed in-house.

The ratio of cost of materials to total operating performance was again significantly lower than a year earlier. After 37.5% in the first quarter of 2020, it was 34.7% in the first quarter of 2021. If changes in inventories are included in an expanded cost of materials ratio, this increased from 35.2% in the first quarter of 2020 to 36.8% in the first quarter of 2021. This is due in part to significantly higher raw material and electricity prices at our production sites in Germany and Sweden. In addition, the changed product mix has an impact on the ratio, with the noticeable sales growth in the Basics & Intermediates segment having a dampening effect.

<sup>1</sup> Based on 10,176,335 shares as of 03/31/2019, 03/31/2020 and 10,168,503 shares as of 03/31/2021. See explanation in section 1.2.

With the number of employees almost unchanged, personnel expenses increased by 1.6% to EUR 33,038 thousand. This rise essentially corresponds to the planned annual pay increases.

At EUR 20,174 thousand, other operating expenses were EUR 1,172 thousand higher than in the previous year. This mainly reflects the Group's higher sales activity, which led to higher overall expenses for distribution and freight. The significant decline in travel expenses as a result of the ongoing global travel restrictions also had a counteracting effect in this quarter. However, there are also significant costs to be calculated from the pandemic, e.g. for hygiene products or rapid tests.

The significant increase in sales also had a positive impact on EBITDA. This amounted to EUR 16,722 thousand in the first quarter of 2021 and was thus EUR 4,407 thousand (+35.8%) higher than in the same period of the previous year. In addition to the pleasing development of sales, especially of high-margin products, the decline in the cost of materials ratio and the moderate increase in other expense items also had a positive impact on EBITDA.

Depreciation and amortization amounted to EUR 5,771 thousand and thus remained almost unchanged from the previous year (EUR 5,582 thousand).

The financial result in the first quarter of 2021 is positive at EUR 88 thousand and has thus improved by EUR 336 thousand. Interest income decreased compared to the previous year. In the previous year, this figure included non-recurring effects from interest income from tax refunds. However, the decrease in interest expenses by EUR 449 thousand had a greater impact than the decrease in interest income. This was mainly due to interest rate change effects for the measurement of non-

current provisions, which were lower in the first quarter of 2021 than in the first quarter of the prior year.

In addition, the lower interest on new loans taken out in the fiscal year 2020 also had a positive impact on the financial result. The scheduled repayment of older loan obligations led to a decrease in interest expense. As the new loans taken out in 2020 have lower interest rates, this resulted in lower interest expenses overall for almost the same financing volume.

The increase in tax expense developed in line with the increase in earnings before taxes and is therefore EUR 1,046 thousand higher than in the previous year.

Earnings per share increased from EUR 0.43 per share to EUR 0.78 per share due to the improved consolidated net profit for the period.

On February 8, the share buyback program started, which reduced the number of shares in circulation. The calculation of basic earnings per share is based on the weighted average number of shares outstanding during the period. Shares repurchased during the period are only considered to be outstanding on a pro rata basis until their repurchase and are weighted accordingly. Thereafter, treasury shares are not included in the calculation of shares outstanding. There are no plans to adjust the previous year's figures in this respect. In the period from January 1 to March 31, 2021, earnings per share were calculated using a weighted average number of shares outstanding of 10,168,503. In the period from January 1 to March 31, 2020, earnings per share were calculated using a weighted average number of shares outstanding of 10,176,335. Further explanations on the share buyback program are provided under 1.2.



## 1.4 FINANCIAL POSITION 1ST QUARTER OF 2021

## CONSOLIDATED CASH FLOW STATEMENT FOR THE 1ST QUARTER 2021 (IFRS, UNAUDITED)

in EUR thousand	1st quarter 2019	1st quarter 2020	1st quarter 2021
<b>Cash flow from operating activities</b>	<b>-2,050</b>	<b>8,477</b>	<b>8,091</b>
Cash outflow from investing activities	-12,262	-4,810	-9,985
<b>Free cash flow</b>	<b>-14,312</b>	<b>3,667</b>	<b>-1,896</b>
Cash outflow (+)/inflow (-) from financing activities	18,897	-2,657	-4,114
<b>Net decrease (-)/increase (+) in cash and cash equivalents</b>	<b>4,585</b>	<b>1,010</b>	<b>-6,010</b>

The cash inflow from operating activities remained essentially stable compared with the prior-year quarter and amounted to EUR 8,091 thousand, compared with EUR 8,477 thousand in the previous year. In the previous year, the initiated inventory reduction project led to a significant cash inflow in the operating cash flow, which did not occur again in the same amount in the first quarter of 2021, but was almost offset by the significantly increased consolidated result for the period. The significant increase in receivables due to the very positive business performance had a temporary negative impact on cash flow.

The cash outflow from investing activities increased sharply by EUR 5,175 thousand compared with the same period of the previous year, thus almost doubling. The main investment projects in the first quarter of 2021 related to the expansion of capacity and the improvement of AlzChem's sustainability.

The capacity expansion of the NITRALZ® plant was substantially pushed forward and is nearing completion. The construction of the new regenerative thermal oxidization plant (RTO plant) supports AlzChem's path to greater sustainability. However, investing activities in the prior-year quarter (Q1/2020) were not influenced by any major individual investments.

A total of EUR 4,114 thousand, or EUR 1,457 thousand more than in the same period of the previous year, was used for AlzChem's financing activities. This resulted on the one hand from higher scheduled loan repayments and on the other hand from expenses for the acquisition of treasury shares.

Despite the strong operating cash flow, the increased cash outflows for AlzChem's investing and financing activities led to an overall decrease in cash and cash equivalents, taking into account currency effects, of EUR 6,010 thousand in the first quarter of 2021.

## 1.5 NET ASSETS AS OF MARCH 31, 2021

### CONSOLIDATED BALANCE SHEET AS OF MARCH 31, 2021 (IFRS, UNAUDITED)

in EUR thousand	12/31/2020	03/31/2021	Delta
<b>Assets</b>			
Intangible assets	1,810	1,670	-140
Property, plant and equipment	175,062	175,052	-10
Leasing usage rights	8,524	8,391	-133
Financial assets	20	20	0
Other receivables and other assets	630	630	0
Deferred tax assets	35,795	33,026	-2,769
<b>Non-current assets</b>	<b>221,841</b>	<b>218,789</b>	<b>-3,052</b>
Inventories	67,402	66,160	-1,242
Trade receivables	33,124	47,248	14,124
Other receivables and other assets	13,501	14,775	1,274
Income tax claims	1,311	954	-357
Cash and cash equivalents	17,117	11,234	-5,883
<b>Total current assets</b>	<b>132,455</b>	<b>140,371</b>	<b>7,916</b>
<b>Total assets</b>	<b>354,296</b>	<b>359,160</b>	<b>4,864</b>
<b>Capital</b>			
Equity	68,658	82,748	14,090
Non-current liabilities	225,767	213,356	-12,411
Current liabilities	59,871	63,056	3,185
<b>Balance sheet total</b>	<b>354,296</b>	<b>359,160</b>	<b>4,864</b>

Assets have increased by EUR 4,864 thousand to EUR 359,160 thousand since December 31, 2020. The decrease in non-current assets by EUR 3,052 thousand was offset by the increase in current assets by EUR 7,916 thousand.

The decrease in non-current assets mainly results from the reduction in deferred tax assets due to the significant decrease in pension obligations. Non-current assets remained almost stable during the period under review, as additions and depreciation and amortization almost offset each other.

In the area of current assets, in addition to reporting-date-related causes, among other things the significant increase in quarterly sales led to a substantial rise in trade receivables. The decrease in cash and cash equivalents and the slight decline in inventories slightly counteracted this increase.

AlzChem's equity amounted to EUR 82,748 thousand as of March 31, 2021, a sharp increase of EUR 14,090 thousand compared with December 31, 2020, which led to an improvement in the Group equity ratio from 19.4% to 23.0%.

Overall, the positive development of equity in the first quarter of 2021 resulted from three factors. (i) The positive consolidated result for the period also led to an increase in equity, as did (ii) the interest-related decrease in pension obligations. After deduction of deferred taxes, the decrease in pension obligations led to an increase in equity of EUR 6,386 thousand, which was recognized in other comprehensive income. (iii) The share buyback had a negative impact on equity, as treasury shares are to be presented as a deduction from equity. Including transaction costs and taking into account tax benefits, the share buyback resulted in a reduction in equity of EUR 502 thousand.

The development of pension obligations is significantly influenced by actuarial parameters. Although a change in these parameters does not affect consolidated net income, it is recognized directly in equity under other comprehensive income. The risk-free market interest rate plays a significant

role in the actuarial parameters. If this market interest rate falls, there is an increase in pension obligations, while an increase in the market interest rate leads to a decrease in pension obligations. The risk-free market interest rate developed historically as follows:

in %	2015	2016	2017	2018	2019	2020	Q1/2019	Q1/2020	Q1/2021
Discount rate	2.50	1.75	1.75	1.90	0.90	0.50	1.40	1.70	0.80

Overall, non-current liabilities decreased by EUR 12,411 thousand compared with December 31, 2020. This decrease resulted mainly from the aforementioned interest-related decrease in pension obligations of EUR 8,863 thousand. Furthermore, the scheduled repayment of loan and lease liabilities led to a reduction in non-current liabilities of EUR 3,418 thousand.

Current liabilities amounted to EUR 63,056 thousand as of March 31, 2021, an increase of EUR 3,185 thousand compared with December 31, 2020. Trade payables increased as of the reporting date, and a portion of non-current lease liabilities was reclassified to current lease liabilities due to the maturity of the lease.

## 2. DEVELOPMENT OF THE SEGMENTS

### 2.1 SPECIALTY CHEMICALS SEGMENT

in EUR thousand	1st quarter 2019	1st quarter 2020	1st quarter 2021
External sales	50,063	52,199	56,775
<b>EBITDA</b>	<b>11,711</b>	<b>10,158</b>	<b>13,947</b>
EBITDA margin	23.4%	19.5%	24.6%
<b>Inventories</b>	<b>49,672*</b>	<b>44,183*</b>	<b>39,154</b>

\* as of 12/31 of the previous year

The development within the Specialty Chemicals segment was extremely pleasing. Utilization of the entire plant portfolio increased again compared to an already high level in the fourth quarter of 2020, with the result that we are increasingly producing at the limits of capacity with some plants and additional business has to be accompanied by investments in capacity expansions.

In addition to consistent implementation of the Creamino® strategy, including a significant intensification of our market presence, we successfully drove forward the strategic realignment of our market presence in the area of dietary

supplements in the first quarter of 2021, so that we can report sustainable growth rates for Creapure®, among others. In addition to Creapure®, we are working with continued high commitment on the marketing of the products LIVADUR® and Encour!™, which are intended for end customers, and we are convinced that we will be able to offer interesting end-customer products.

In the area of chemical applications, we successfully continued the "Made in Bavaria" trend from the previous quarter in the first quarter of 2021, placing new products on the market and winning new customers for existing chemical solutions.

Comprehensive sustainable process cost optimizations support the positive EBITDA margin development of the segment.

With our specialty application Silzot HQ®, we were able to initiate the turnaround after a partly difficult previous year and successfully establish ourselves in promising niches such as lightweight construction.

We were able to deliver the pharmaceutical and agricultural specialty products Bioselect® and Dormex® worldwide at a stable high level. Changes in the COVID-19 test procedure will not leave our Bioselect® volumes unscathed, so we have already begun to establish further applications for our products at an early stage.

EBITDA thus reflects on the one hand the strong operating performance across all our business units in the segment, and on the other hand, process cost optimizations can further underpin this trend. Increases in raw material costs and an unfavorable EUR/USD exchange rate are impacting earnings, but have been successfully offset to date.

Inventories in the first quarter of 2021 follow the trend of high plant capacity utilization, so that a further reduction is to be reported. However, AlzChem continues to strive to maintain a high level of supply capability and is therefore also considering an increase in safety stock at selected plants.

## 2.2 BASICS & INTERMEDIATES SEGMENT

in EUR thousand	1st quarter 2019	1st quarter 2020	1st quarter 2021
External sales	35,465	36,012	41,070
<b>EBITDA</b>	<b>1,038</b>	<b>1,903</b>	<b>2,791</b>
EBITDA margin	2.9%	5.3%	6.8%
<b>Inventories</b>	<b>28,125*</b>	<b>30,924*</b>	<b>26,416</b>

\* as of 12/31 of the previous year

The Basics & Intermediates segment also achieved more than pleasing growth in sales in the first quarter of 2021. Here, we also succeeded in convincing the market of our products on a broad basis – starting with our solutions for hot metal desulfurization and acetylene production, through Perlka® and dicyandiamide for farmers and as an essential raw material in the pharmaceutical industry, to our NITRALZ® product range.

The backbone here is a stable, reliable and efficient "Production Verbund" within the NCN chain. Even after more than 100 years of production experience, we were able to implement further process cost optimizations extremely successfully in

the last six months and thus continuously positively influence the segment's results.

We are keeping a critical eye on the extremely volatile developments on the raw material and electricity markets so that we can minimize the risks to our purchasing process as far as possible. At the same time, we aim to pass on cost increases to our customers to an appropriate extent.

The segment's inventories were also reduced again as a result of sales increases and process improvements.

### 2.3. OTHER & HOLDING SEGMENT

in EUR thousand	1st quarter 2019	1st quarter 2020	1st quarter 2021
External sales	6,595	6,529	6,476
<b>EBITDA</b>	<b>357</b>	<b>317</b>	<b>435</b>
EBITDA margin	5.4%	4.9%	6.7%
<b>Inventories</b>	<b>3,766*</b>	<b>3,586*</b>	<b>3,424</b>

\* as of 12/31 of the previous year

The Other & Holding segment also largely repeated the performance of the comparative quarter of 2020 in the first quarter of 2021. Customers of our chemical parks purchased our services in the first three months of 2021 at a similar level to the previous year. There were shifts between some services. For example, we saw higher demand for storage capacity in quarters 2 and 3 of the last fiscal year and, in contrast, increased production volume-related services in the first quarter of 2021.

The segment's results reflect a price increase based on planned cost increases. It also shows that the cost discipline measures introduced are having the desired effect.

There were no significant changes in inventories in the period under review compared with the previous year.

### 3. SUSTAINABILITY AT ALZCHEM

As a responsible and profitable company in the Bavarian region, we also want to inform our stakeholders about our sustainability activities in the first quarter of the fiscal year 2021 as part of the quarterly statement. In the combined management report as of December 31, 2020, we reported on AlzChem's non-financial concerns and efforts in chapter 10. There were no fundamental changes to this in the reporting period.

#### COVID-19

To protect the staff, we have continued to invest in hygiene measures, moved employees to individual offices only, changed processes and workflows, and enabled more mobile working – all to maintain economic life and thus social cohesion, and to protect our most valuable asset, our health. A coordinated testing and vaccination strategy is urgently needed to combat the Corona pandemic. We, too, would like to support the federal government's national testing and vaccination strategy and thus make an important contribution to pandemic control. In addition to our existing testing strategy, sufficient self-tests have been made available to the staff since the beginning of April 2021, before AlzChem was legally required to do so. The self-tests are carried out regularly by employees on their own responsibility.

#### MELFLOCK® PRODUCT

Paper, a sustainable and natural product made from renewable raw materials, is more in demand than ever. Tissues, kitchen rolls, paper bags, food boxes, cartons – all based on a natural, renewable raw material. In paper production, the pulp is processed to produce papers with a wide variety of properties. This is where our auxiliaries such as cationic dicyandiamide resins, our Melflock® products, come into play. The Melflock® products and the most important raw material, dicyandiamide,

are manufactured in Germany in environmentally friendly processes. With our production and backward integration, we offer a reliable and clean source for sustainable and environmentally friendly application in the paper industry.

## EMINEX® PRODUCT

The German government has set a target of reducing greenhouse gas emissions by at least 55% by 2030. On the one hand, farm manure such as liquid manure is to be used for energy, while on the other hand, emissions from livestock farming are to be reduced. However, manure storage and spreading account for around 19% of methane emissions in Germany. This is precisely where our new product EMINEX® can help to significantly reduce these emissions, thus making a substantial contribution to reducing greenhouse gases. Adding small amounts of EMINEX® to liquid manure blocks almost all of the gas formation from the manure that occurs in it. EMINEX® inhibits the bacteria in the manure – depending on the amount used – for a certain period of time.

In addition to reducing emissions, it is particularly important for farmers that the manure retains its fertilizing effect and has a positive impact on plants. Analyses of the manure's constituents show that it is even qualitatively upgraded. A higher proportion of ammonium nitrogen increases the plant availability of the manure. Thus, in addition to the reduction of climate-damaging gases, the use of EMINEX® can also result in additional increased yields. The market launch of EMINEX® is already planned for the current year 2021.

## 4. OUTLOOK

The forecasts for the fiscal year 2021 made in the consolidated financial statements as of December 31, 2020 can essentially be confirmed with this quarterly statement. We expect the following development for the fiscal year 2021:

Forecast <sup>2</sup> for 2021	Unit	2020	Forecast 2021
Group sales	EUR thousand	379,257	slightly increasing to increasing (up to EUR 400 million)
Adjusted EBITDA*	EUR thousand	53,805	stable to slightly increasing (up to EUR 57 million)
Adjusted EBITDA margin*	%	14.2	slightly declining to stable
Inventory ratio	%	19.0	very slightly increasing to stable
Equity ratio	%	19.4	stable to slightly increasing

\* No adjustments were made.

<sup>2</sup> The forecasts are based on unchanged regulatory assumptions, such as the continuation of the Renewable Energy Sources Act (EEG), § 19 (2) StromNEV, electricity price compensation and the continuation of existing product approvals. The forecasts also contain forward-looking statements based on current management estimates and currently available information. Such statements are subject to risks and uncertainties that are beyond AlzChem's ability to control or estimate precisely. Should one of these factors of uncertainty or other imponderables occur, or should the assumptions on which these statements are based prove incorrect, the actual results could differ materially from the results explicitly mentioned or implicitly contained in these statements.

The planned sales growth is to continue to be achieved organically. The main growth driver will be volume effects. In view of the COVID-19 pandemic, volume shifts in the product portfolio are anticipated. However, depending on the duration or after-effects of the crisis, we continue to see the opportunity for Group sales at the upper end of the forecast.

The better we succeed in aligning our production to the short-term changes in demand, the better we will be able to master this crisis and possibly even emerge stronger from it. One advantage here is certainly the great flexibility of the NCN chain as well as the great in-house engineering know-how to be able to support and implement projects at short notice.

On the earnings side, we see headwinds on the commodity markets and on the electricity exchanges. On the other hand, we expect our AlzFit 2025 strategy program to have a significant impact on (cost) efficiency, so that we will be able to compensate noticeably for cost increases and see EBITDA well at the upper end of the forecast corridor.

Against this background, we also expect the EBITDA margin to remain within the specified corridor.

For the financial performance indicator inventories, we currently see significantly more opportunities than risks. Based on continued high capacity utilization at our facilities, the successfully implemented changes within production, and strict net working capital management, we forecast at least a stable development of the indicator.

With regard to the financial performance indicator equity ratio, we expect a (slight) upward trend. In addition to a pleasing operating business performance, we expect tailwind from an actuarial interest rate > 0.50% (as of December 31, 2020).

## 5. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

After the balance sheet date of March 31, 2021, no significant events occurred that could have an impact on the net assets, financial position and results of operations of AlzChem.

# LIST OF ABBREVIATIONS

€/EUR	Euro
AG	Aktiengesellschaft (stock corporation)
EBIT	Earnings before interest and taxes
EBITDA	Earnings before interest, taxes, depreciation and amortization

## IMPRINT

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## FINANCIAL CALENDAR 2021

May 12, 2021	Annual General Meeting 2021
July 6 to August 5, 2021	Quiet Period*
August 5, 2021	Half-year Financial Report 2021
October 12 to November 11, 2021	Quiet Period
November 11, 2021	Q3 Quarterly Statement 2021

## REMARKS

This quarterly statement 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.

Only the German version of this quarterly statement is legally binding.



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