

# HALF-YEAR FINANCIAL REPORT 2021

1st half-year 2021



# ALZCHEM AT A GLANCE

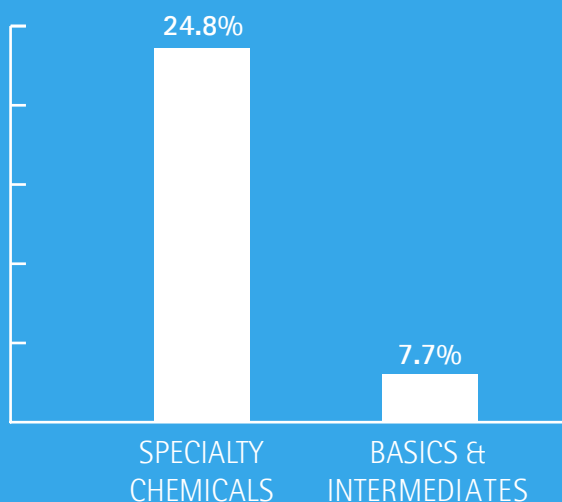
~ € 215  
mn

sales generated  
by AlzChem in the  
1st half-year 2021

~ € 36  
mn

EBITDA achieved  
by AlzChem in the  
1st half-year 2021

## EBITDA MARGIN BY MAIN SEGMENTS



## MARKETS



NUTRITION



FINE CHEMISTRY



PHARMA



AGRICULTURE



METALLURGY

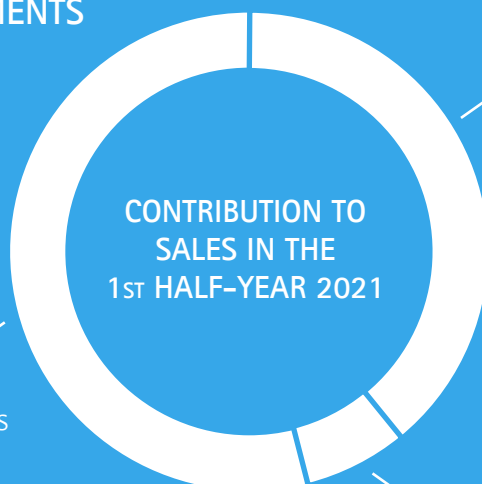


RENEWABLE  
ENERGY

## THREE REPORTING SEGMENTS

54% SPECIALTY  
CHEMICALS

Production and distribution of  
high-quality chemical products



40% BASICS &  
INTERMEDIATES

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

6% OTHER & HOLDING

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

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# OVERVIEW OF THE 1ST HALF-YEAR 2021

## RECORD HALF-YEAR OF ALZCHEM GROUP AG

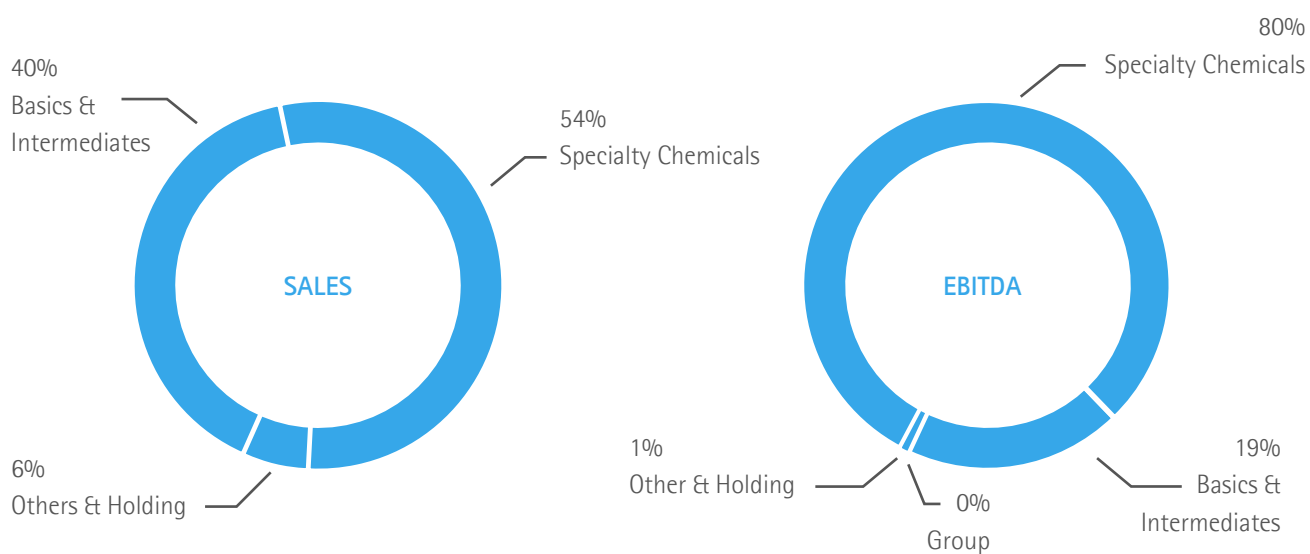
- Both sales and operating profit (EBIT) above plan and well above previous year.
- EBITDA and EBITDA margin at record level.
- Significant rise in equity ratio.
- Very positive business development leads to an increase in the forecast for the fiscal year 2021: sales of up to EUR 415 million and EBITDA of up to EUR 64 million.
- Growth visible across almost the entire product portfolio.
- Successful commissioning of the NITRALZ® production expansion.
- Recovery in steel and automotive sectors faster and more significant than expected.
- Raw material markets, electricity price development and availability in logistics remain challenging.
- Share buyback program successfully implemented.
- Free float increased to 42.9% through successful replacement of shares.

## KEY FIGURES OF THE ALZCHEM GROUP

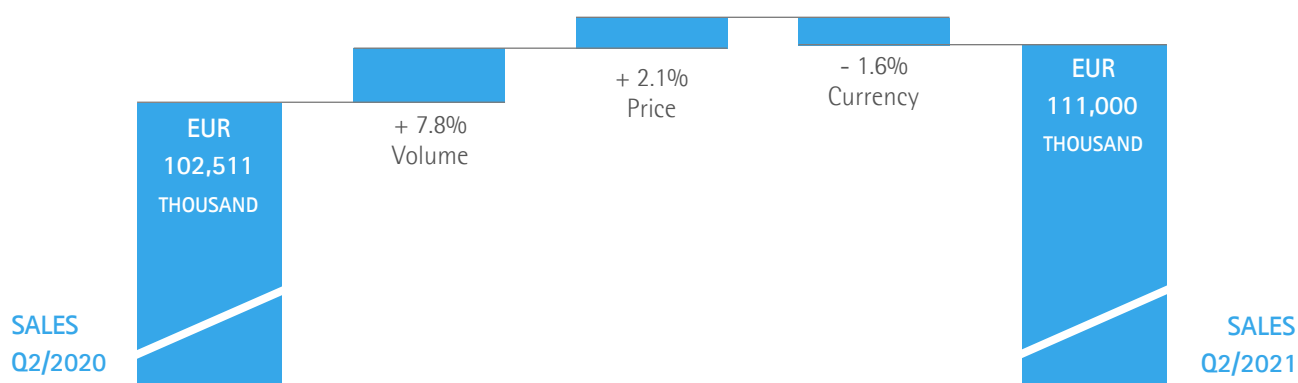
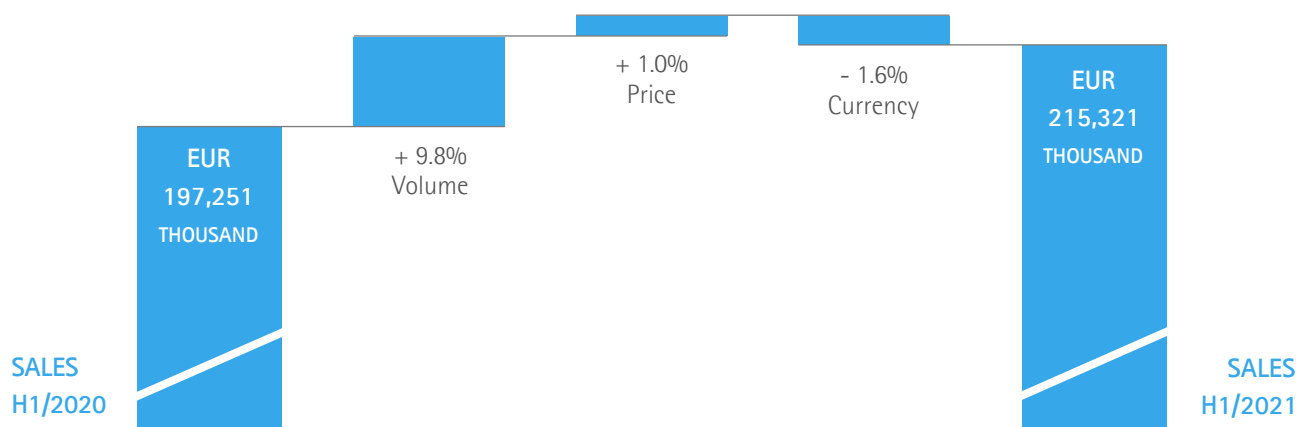
Key figure	Unit	2nd quarter 2020	2nd quarter 2021	1st half-year 2020	1st half-year 2021
Group sales	EUR thousand	102,511	111,000	197,251	215,321
EBITDA	EUR thousand	16,821	18,993	29,136	35,715
EBITDA margin	%	16.4	17.1	14.8	16.6
EBIT	EUR thousand	11,079	13,094	17,812	24,045
Consolidated result for the period	EUR thousand	6,751	9,214	11,173	17,143
Earnings per share in EUR (undiluted and diluted)*	%	0.66	0.90	1.09	1.68
Equity ratio	%	17.7	22.4	17.7	22.4

\* In the period 2020 calculated with 10,176,335 shares. After share buyback in 2021, calculated with the average number of outstanding shares in the period 01/01-06/30/2021 of 10,158,130 shares and in the period 04/01-06/30/2021 of 10,147,756 shares.

## SALES AND EBITDA SHARE BY SEGMENTS IN THE 1ST HALF-YEAR 2021



## CHANGE IN SALES COMPARED TO PREVIOUS YEAR



## FORECAST FOR THE FISCAL YEAR 2021

Forecast <sup>1</sup> for 2021	2020	Original forecast	New forecast
Group	EUR 379.3 million	slightly increasing to increasing (up to EUR 400 million)	significantly to strongly increasing (up to EUR 415 million)
Adjusted EBITDA*	EUR 53.8 million	stable to slightly increasing (up to EUR 57 million)	significantly to strongly increasing (up to EUR 64 million)
Adjusted EBITDA margin*	14.2%	slightly declining to stable	stable to slightly increasing
Inventory ratio	19.0%	very slightly increasing to stable	slightly to noticeably decreasing
Equity ratio	19.4%	stable to slightly increasing	moderately to slightly increasing

\* No adjustments were made.

<sup>1</sup> The forecasts are based on unchanged regulatory assumptions, such as the continuation of the Renewable Energy Sources Act (EEG), Sec. 19 (2) StromNEV, electricity price compensation or product approvals. Furthermore, forward-looking statements based on current management assessments and currently available information are included. Such statements are subject to risks and uncertainties that are beyond AlzChem's ability to control or estimate precisely. Should any of these uncertainties or other imponderables materialize, or should the assumptions on which these statements are based prove incorrect, actual results may differ materially from those expressed or implied.

# INTERIM GROUP MANAGEMENT REPORT AS OF JUNE 30, 2021

## 1. BUSINESS REPORT

### 1.1. BUSINESS DEVELOPMENT

#### 1.1.1 PRELIMINARY NOTE

This interim Group management report provides information on the 1st half-year 2021 and the comparable prior-year period. The stated figures for the 2nd quarter relate to the period from April 1 to June 30, 2021, and 2020, respectively. In accordance with the option provided by Sec. 52 (3) of the Exchange Rules for the Frankfurt Stock Exchange, this half-year financial report has not been reviewed or audited (Sec. 317 HGB).

#### 1.1.2 ECONOMIC ENVIRONMENT

The global economy was on track for the expected growth in the 1st half-year of 2021. In some cases, the growth forecasts made at the beginning of the year were even exceeded. The negative impact of the COVID 19 pandemic was largely confined to the service sector. Industrial production and world trade continued on the expansionary course set at the end of 2020.

However, global economic growth, bottlenecks at ports and on central logistics routes around the world also led to a noticeable increase in prices for raw materials, intermediate products and logistics services. In some cases, this is also reflected in a decline in the availability of certain raw materials or services. At 6.7%, the experts from the Kiel Institute for the World Economy expect further strong growth in global production for the full calendar year 2021.

#### 1.1.3 IMPORTANT EVENTS IN THE 1ST HALF-YEAR 2021

In the 1st half-year 2021, two new plants were successfully commissioned at the Trostberg site. The nitrile plant started operations on budget and on schedule after a construction period of around 15 months with a 50% capacity expansion. The project cost around EUR 12 million. AlzChem can thus further expand its leading position in this business environment. Depending on the product mix, the company expects additional annual sales of at least EUR 10 million to a maximum of EUR 20 million from this investment.

In addition to growth, AlzChem is also consistently focusing on the expansion of an environmentally friendly and sustainable plant infrastructure and built a so-called RTO plant (regenerative thermal oxidation) or regenerative post-combustion plant in a construction period of 14 months. This will enable AlzChem to make a significant contribution to reducing emissions at the Trostberg site. This project was also completed on time and on budget and was commissioned in May 2021. The project total amounted to approx. EUR 6 million.

At the virtual Annual General Meeting on May 12, 2021, a dividend of EUR 0.77 per share (EUR 7.8 million) was approved, among other things, and subsequently paid out to shareholders.

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. On January 29, 2021, the company's Management Board decided to launch a share buyback program with a volume of up to EUR 1,000,000.00. The buyback was carried out for the purpose of acquiring an acquisition currency

that is favorable from the company's perspective. However, it is permissible to use it for other purposes. The program was launched on February 8, 2021, and was successfully completed on June 24, 2021, with the repurchase of a total of 40,581 shares.

The shareholders LIVIA Corporate Development SE, HDI Vier CE GmbH and four two na GmbH carried out a private replacement of shares mainly to institutional investors in June 2021. A total of 17.2% of the share capital was re-placed. LIVIA Corporate Development SE currently holds approx. 29.6%, HDI Vier CE GmbH approx. 12.0% and four two na GmbH approx. 15.1% of the shares. AlzChem Group AG explicitly welcomes the increase in the free float to now approx. 42.9%, as this will help to further increase the liquidity and thus the attractiveness of the share.

#### 1.1.4 DEVELOPMENT OF THE GROUP

##### 1.1.4.1. EFFECTS OF THE COVID-19 PANDEMIC ON THE ALZCHEM GROUP

The COVID-19 pandemic is still dominating public life worldwide. Whereas in the previous year, there was still a great deal of uncertainty about the economic impact, there is now less uncertainty, but not yet 100% certainty. AlzChem

provided detailed information on the economic advantages and disadvantages for the company resulting from the COVID-19 pandemic in its annual report as of December 31, 2020. In principle, nothing has changed with regard to these statements, so they can still be confirmed.

Nevertheless, AlzChem is still preoccupied with the pandemic in its daily and medium-term business. For example, the company is constantly taking precautions against infection of its employees and is continuing to fight the spread of the virus with its hygiene concept. AlzChem employees in Germany were offered vaccination at a very early stage, which also included relatives and was gladly accepted. Only one plant at the AlzChem site in Schalchen had to close for a total of four working days for hygiene protection reasons. There were no other pandemic-related business interruptions.

In the medium term, the company sees the "Long-COVID" effects in logistics as a challenge. The shortage of certain raw materials was also felt by AlzChem in the past six months. However, thanks to forward-looking production planning, no plant has yet had to close due to raw material shortages. Minor delays in the logistics chain of less than a week have been compensated for by adjustments to the production plan or absorbed by inventories.



## 1.1.4.2. EARNINGS POSITION

## CONSOLIDATED INCOME STATEMENT (IFRS, UNAUDITED)

In EUR thousand	2nd quarter 2020	2nd quarter 2021	1st half-year 2020	1st half-year 2021
<b>Sales</b>	<b>102,511</b>	<b>111,000</b>	<b>197,251</b>	<b>215,321</b>
Change in inventories of finished and unfinished products	-3,162	-1,621	-1,010	-3,765
Other operating income	2,648	2,505	5,073	6,488
Cost of materials	-35,253	-37,538	-70,744	-73,765
Personnel expenses	-31,733	-35,209	-64,242	-68,247
Other operating expenses	-18,190	-20,144	-37,192	-40,317
<b>EBITDA</b>	<b>16,821</b>	<b>18,993</b>	<b>29,136</b>	<b>35,715</b>
Depreciation and amortization	-5,742	-5,899	-11,324	-11,670
<b>EBIT</b>	<b>11,079</b>	<b>13,094</b>	<b>17,812</b>	<b>24,045</b>
Other interest and similar income	-433	244	193	756
Interest and similar expenses	-925	-414	-1,799	-838
<b>Financial result</b>	<b>-1,358</b>	<b>-170</b>	<b>-1,606</b>	<b>-82</b>
<b>Result from ordinary business activities</b>	<b>9,721</b>	<b>12,924</b>	<b>16,206</b>	<b>23,963</b>
Taxes on income and earnings	-2,970	-3,710	-5,033	-6,820
<b>Consolidated result for the period</b>	<b>6,751</b>	<b>9,214</b>	<b>11,173</b>	<b>17,143</b>
Non-controlling interests in consolidated result for the period	43	43	85	85
Shares of the shareholders of AlzChem Group AG in the consolidated result for the period	6,708	9,171	11,088	17,058
<b>Earnings per share in EUR (undiluted and diluted)*</b>	<b>0.66</b>	<b>0.90</b>	<b>1.09</b>	<b>1.68</b>

1 In the period 2020 calculated with 10,176,335 shares. After share buyback in 2021, calculated with the average number of outstanding shares in the period 01/01-06/30/2021 of 10,158,130 shares and in the period 04/01-06/30/2021 of 10,147,756 shares.

## DEVELOPMENT IN THE 1ST HALF-YEAR 2021

In the first half-year of 2021, sales increased by 9.2% to EUR 215,321 thousand compared to the same period of the previous year. The sales growth was achieved in both the Specialty Chemicals and Basics & Intermediates segments, with the Basics & Intermediates segment contributing the main share. The Other & Holding segment remained stable at the previous year's level.

As a result of the substantial sales growth, EBITDA also increased considerably compared with the prior-year period. At EUR 35,715 thousand, EBITDA was 22.6% higher than in the 1st half-year 2020, with the EBITDA margin rising from 14.8% to currently 16.6%.

Despite an overall increase in prices on the raw material and electricity markets, the cost of materials ratio improved from 35.9% to 34.3%. This is mainly due to the fact that AlzChem pursues a long-term electricity purchasing strategy and that cost increases could be partially offset by changes in recipes. In addition, the product mix changed compared with the first half of 2020 in such a way that volume increases in the Basics & Intermediates segment made a disproportionately strong contribution to the Group's growth. In response to the more than tight and difficult raw material supply situation, inventories were deliberately slightly increased towards the end of the first half-year, resulting in a higher-than-expected volume increase in the Basics & Intermediates segment. In response to the more than tight and difficult raw material supply situation, inventories were deliberately slightly increased towards the end of the first half-year, so that security

of supply will continue to be a key selling point for AlzChem in the second half of the year. Taking into account the changes in inventories, the cost of materials ratio remained largely stable.

Other operating income increased by EUR 1,415 thousand to EUR 6,488 thousand. This rise is primarily the result of currently higher own work capitalized in connection with the completion of the new NITRALZ® plant. On the other hand, the decrease in foreign currency gains had a negative impact.

Personnel expenses increased by EUR 4,005 thousand compared with the same period of the previous year. This includes planned pay increases and higher performance-related compensation as a result of the significant increase in operating profit.

At EUR 40,317 thousand, other operating expenses were EUR 3,125 thousand higher than in the previous year. The increase is mainly due to the higher business activity. As a result, selling expenses and other external services increased significantly. There were also rises in expenses for marketing, maintenance, and legal and consulting costs, which are attributable to the increased volume of business. Environmental and waste disposal costs and foreign currency expenses showed a slightly opposite trend.

At EUR 11,670 thousand, depreciation and amortization was roughly on a par with the previous year (EUR 11,324 thousand).

The financial result improved significantly by EUR 1,524 thousand to EUR -82 thousand compared with the same period of the previous year. The main reason for this is the development of interest rates for non-current provisions (mainly deposit provision and anniversary provision). In the prior-year period, interest expenses from the adjustment of interest rates for non-current provisions still had to be recognized, whereas in the 1st half-year 2021, interest income from the change in interest rates was recognized. In addition, interest expense was capitalized in the 1st half-year 2021 as part of the manufacturing costs of the new NITRALZ® plant. There were no interest expenses requiring capitalization in the prior-year period.

Tax expenses amounted to EUR 6,820 thousand in the 1st half-year 2021 and increased in line with the improved earnings before taxes. The fact that the current Group tax rate of 28.5% is lower than in the previous year (31%) is due to additional tax payments resulting from a tax audit, which were recognized in tax expense in the prior-year period.

In total, the consolidated result for the period of the 1st half-year 2021 amounts to EUR 17,143 thousand and is thus significantly higher than the previous year's figure, which amounted to EUR 11,173 thousand.

Earnings per share for the 1st half-year 2021 increased from EUR 1.09 per share in the previous year to EUR 1.68 per share in the current reporting period.

On February 8, 2021, the share buyback program started, which reduced the number of shares outstanding. The calculation of undiluted earnings per share is based on the weighted average number of shares outstanding during the reporting period. Repurchased shares are only considered to be outstanding on a pro rata basis until their repurchase and are weighted accordingly. Accordingly, treasury shares are not included in the calculation of shares outstanding. IFRS regulations do not provide for an adjustment of the previous year's figures. In the period from January 1 to June 30, 2021, earnings per share were calculated using a weighted average number of shares outstanding of 10,158,130 and in the period from January 1 to June 30, 2020, of 10,176,335.

#### DEVELOPMENT IN THE 2ND QUARTER 2021

In the 2nd quarter of 2021, the sales development shows a similar picture as in the 1st half of the year. Sales increased by 8.3% to EUR 111,000 thousand. Here, the Basics & Intermediates segment was also the main sales driver, ahead of the Specialty Chemicals segment. Availability and thus supply capability were the top priorities here. The Other & Holding segment remained at the prior-year level.

EBITDA for the 2nd quarter of 2021 increased by 12.9% to EUR 18,993 thousand. The strong sales growth combined with lower inventory changes had a higher effect within EBITDA than the increase in expense items.

The cost of materials ratio remained essentially stable at 34% in the 2nd quarter. If the lower changes in inventories in the 2nd quarter of 2021 are included in the cost of materials ratio, this figure improved from 37.5% to 35.3%.

Other operating income in the 2nd quarter 2021 was almost unchanged from the prior year. Here, higher own work capitalized is also offset by lower foreign currency income. Overall, however, the effects almost offset each other.

Personnel expenses increased by 11% to EUR 35,209 thousand compared with the 2nd quarter of 2020. Collective agreement pay increases and higher performance-related compensation are the reasons for this.

Other operating expenses rose by 10.7% to EUR 20,144 thousand as a result of the increased business volume. The largest absolute rise here was also to be found within maintenance and selling expenses. By contrast, currency effects and environmental and disposal costs were reduced.

At EUR 5,899 thousand, depreciation and amortization remained stable at approximately the same level as in the previous year (EUR 5,742 thousand).

The financial result improved strongly in the 2nd quarter of 2021 compared to the previous year by EUR 1,188 thousand

to EUR -170 thousand. As in the overall view of the 1st half of the year, the reason for this is the development of interest rates for discounting non-current provisions. The prior-year quarter was characterized by an interest expense from the change in interest rates, whereas the higher interest rate level in the reporting quarter resulted in income from the change in interest rates.

Tax expense increased to EUR 3,710 thousand as a result of the higher earnings before taxes. Here, the reduction in the Group tax rate is also due to the additional tax payments made in the same period of the previous year.

The consolidated result for the period of the 2nd quarter of 2021 amounts to EUR 9,214 thousand, which is EUR 2,463 thousand more than the previous year's figure.

Earnings per share for the 2nd quarter of 2021 are EUR 0.90 and thus considerably higher than in the same quarter of the previous year (EUR 0.66). Here, as well, the share buyback program had an impact on the number of shares to be included. In the 2nd quarter of 2021, earnings per share were calculated on the weighted basis of 10,147,756 shares and in the 2nd quarter of 2020 of 10,176,335 shares.

### 1.1.4.3. FINANCIAL POSITION

#### CONSOLIDATED CASH FLOW STATEMENT (IFRS, UNAUDITED)

In EUR thousand	2nd quarter 2020	2nd quarter 2021	1st half-year 2020	1st half-year 2021
<b>Cash flow from operating activities</b>	<b>3,234</b>	<b>17,610</b>	<b>11,712</b>	<b>25,701</b>
Cash outflow from investing activities	-4,812	-6,417	-9,621	-16,403
<b>Free cash flow</b>	<b>-1,578</b>	<b>11,193</b>	<b>2,091</b>	<b>9,298</b>
Cash inflow/outflow from financing activities	1,609	-11,617	-1,048	-15,731
<b>Net increase/decrease in cash and cash equivalents</b>	<b>31</b>	<b>-424</b>	<b>1,043</b>	<b>-6,433</b>

## DEVELOPMENT IN THE 1ST HALF-YEAR 2021

The financial position of the AlzChem Group in the 1st half-year 2021 was stable at all times. It was particularly characterized by strong cash flow from operating activities. The cash inflow from operating activities amounted to EUR 25,701 thousand and thus more than doubled compared to the previous year. The starting point for the strong operating cash flow was the substantial increase in consolidated result for the period. Furthermore, the significant growth in business volumes led to positive cash inflows in the area of working capital.

The cash outflow from investing activities rose sharply by EUR 6,782 thousand compared with the prior-year period. The 1st half of the previous year was not characterized by major investment projects, but focused mainly on capacity expansions and rationalization and maintenance measures for a large number of plants. In the current reporting period, by contrast, two major investment projects were carried out and completed in addition to these usual investments. They related to the capacity expansion of the NITRALZ® plant and the construction of the new regenerative post-combustion plant (RTO plant), which supports AlzChem on its path to more sustainability.

Payments for AlzChem's financing activities amounted to EUR 15,731 thousand in the first half-year of 2021, a significant increase of EUR 14,683 thousand year-on-year. While scheduled repayments of loan and lease liabilities remained largely unchanged, no short-term money market loans had to be taken out in the current half-year under review due to the strong operating cash flow. In the same period of the previous year, these still resulted in an inflow of EUR 13,654 thousand in financing cash flow.

The dividend paid to AlzChem Group AG shareholders reduced the financing cash flow by EUR 7,821 thousand and was therefore EUR 188 thousand higher than the dividend paid in the previous year.

A total of EUR 1,010 thousand, including transaction fees, was paid out for the buyback of treasury shares. This reduction in financing cash flow was also not included in the 1st half of the previous year.

Cash and cash equivalents amounted to EUR 10,783 thousand as of June 30, 2021, which corresponds to a decrease of EUR 6,433 thousand compared to December 31, 2020, taking into account currency effects.

## DEVELOPMENT IN THE 2ND QUARTER 2021

In the 2nd quarter of 2021, the development of cash inflow from operating activities was similar to that of the 1st half of the year. As a result of the positive consolidated result and the working capital effects, cash flow from operating activities increased by EUR 14,376 thousand to EUR 17,610 thousand.

The EUR 1,605 thousand rise in cash outflows for investing activities differs less from the previous year in the analysis of the 2nd quarter than in the analysis of the half-year period. The payments for the two main investment projects, the NITRALZ® plant and the post-combustion plant, took place primarily in the 1st quarter of 2021. The 2nd quarter of 2021 was dominated by completion work, for which lower disbursements were required than in the 1st quarter of 2021.

In the 2nd quarter of 2021, AlzChem paid out EUR 11,617 thousand for financing activities. This corresponds to an increase of EUR 13,226 thousand compared to the same quarter of the previous year. The main difference here was also the raising of short-term money market loans in the 2nd quarter of 2020 in the amount of EUR 13,654 thousand, which was not necessary in the current reporting quarter. EUR 507 thousand was paid in the 2nd quarter of 2021 for the successful completion of the share buyback program.

Cash and cash equivalents amounted to EUR 10,783 thousand as of June 30, 2021, which corresponds to a decrease of EUR 424 thousand compared to March 31, 2021, taking into account currency effects.

## 1.1.4.4. NET ASSETS

## CONSOLIDATED BALANCE SHEET (IFRS, UNAUDITED)

In EUR thousand	12/31/2020	06/30/2021	Delta
<b>Assets</b>			
Intangible assets	1,810	1,767	-43
Property, plant and equipment	175,062	176,680	1,618
Lease usage rights	8,524	8,046	-478
Financial assets	20	20	0
Other receivables and other assets	630	644	14
Deferred tax assets	35,795	33,415	-2,380
<b>Non-current assets</b>	<b>221,841</b>	<b>220,572</b>	<b>-1,269</b>
Inventories	67,402	67,376	-26
Trade receivables	33,124	50,065	16,941
Other receivables and other assets	13,501	15,753	2,252
Income tax claims	1,311	1,011	-300
Cash and cash equivalents	17,117	10,783	-6,334
<b>Total current assets</b>	<b>132,455</b>	<b>144,988</b>	<b>12,533</b>
<b>Total assets</b>	<b>354,296</b>	<b>365,560</b>	<b>11,264</b>
<b>Capital</b>			
Equity	68,658	81,774	13,116
Non-current liabilities	225,767	212,827	-12,940
Current liabilities	59,871	70,959	11,088
<b>Balance sheet total</b>	<b>354,296</b>	<b>365,560</b>	<b>11,264</b>

Compared to the balance sheet date of December 31, 2020, total assets increased by EUR 11,264 thousand to EUR 365,560 thousand. The rise was mainly recorded in the area of current assets. The main drivers of this development were trade receivables and cash and cash equivalents, which, however, had an offsetting effect. Trade receivables increased by EUR 16,941 thousand. This is partly a reporting date-related effect, but also the result of the significant increase in business volume. The reduction in cash and cash equivalents by EUR 6,334 thousand, which is explained in section 1.1.4.3. financial position, had the opposite effect on current assets. In non-current assets, there was a total reduction of only EUR 1,269 thousand. As a result of the major investments in the first half-year 2021 (NITRALZ® expansion and post-combustion plant), non-current assets increased by EUR 1,618 thousand. Deferred tax assets

were down due to the interest rate-related decrease in pension obligations.

Equity increased by EUR 13,116 thousand to EUR 81,774 thousand as of June 30, 2021, compared with December 31, 2020. This represents an increase in the equity ratio from 19.4% to 22.4% since the last balance sheet date. Equity was affected by various effects, some of which were contrary to each other. The positive consolidated result led to a significant increase in equity. In addition, the interest-related decrease in pension obligations had a positive impact on equity at the reporting date of June 30, 2021. After deducting deferred taxes of EUR 1,787 thousand, equity increased by EUR 4,595 thousand as a result of the decline in pension interest rates. The development of pension obligations is significantly influenced by actuarial

parameters. Although a change in these parameters does not affect the consolidated result, it is recognized directly in equity under other comprehensive income in accordance with IFRS rules. 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	1st half-year 2020	Q1/2021	1st half-year 2021
Discount rate	2.50	1.75	1.75	1.90	0.90	0.50	0.80	0.80	0.90

In contrast to these effects, the dividend payment to shareholders and the share buyback program led to a decrease in equity. The dividend payment to shareholders in the 1st half-year 2021 resolved by the Annual General Meeting amounted to EUR 7,821 thousand. Taking into account transaction costs and deferred tax effects, the share buyback program led to a reduction in equity of EUR 1,007 thousand.

Overall, non-current liabilities decreased by EUR 12,940 thousand compared to December 31, 2020. Pension obligations reduced by EUR 6,279 thousand, mainly as a result of the

above-mentioned effects of changes in interest rates. Due to the scheduled repayment of loan and lease obligations, EUR 6,581 thousand was reclassified to the current portion of these obligations.

Current liabilities increased by EUR 11,088 thousand to EUR 70,959 thousand. The increase occurred in the area of trade payables, other liabilities and income tax liabilities. For all three items, the cause of the change is the increased business volume and the increased earnings before taxes. 1.1.5. DEVELOPMENT IN THE SEGMENTS

#### 1.1.5.1. SPECIALTY CHEMICALS SEGMENT

In EUR thousand	2nd quarter 2020	2nd quarter 2021	1st half-year 2020	1st half-year 2021
External sales	57,854	59,330	110,053	116,105
<b>EBITDA</b>	<b>14,457</b>	<b>14,801</b>	<b>24,615</b>	<b>28,748</b>
<b>EBITDA margin</b>	<b>25.0%</b>	<b>25.0%</b>	<b>22.4%</b>	<b>24.8%</b>
Inventories	43,078	38,211	43,078	38,211

#### DEVELOPMENT IN THE 1ST HALF-YEAR 2021

Within the Specialty Chemicals segment, the trend of the fourth quarter of 2020 clearly continued. Volumes increased in almost all business units, in some cases very significantly. In addition to high shipments, the segment also benefited from economies of scale. Of particular note here are the Schalchen site with

the DYHARD® product group (lightweight construction and wind energy) and the Waldkraiburg site with the Bioselect® product family (used in corona PCR tests, among other things), as well as Nigu® nitroguanidine (automotive and agricultural applications). In the dietary supplements business with the Creapure®, LIVADUR®, Alipure® and Encour! brands, sales almost doubled. The systematic expansion of global marketing

activities bore encouraging fruit. The reliability of supply, quality and purity of the products are increasingly winning over the markets. The Creamino® business, on the other hand, is currently still performing slightly below expectations, so that the Management Board has once again sharpened its focus with the "Fast Track" project and AlzChem anticipates a positive development in the coming months.

Despite the ongoing future investments and increased marketing activities, the EBITDA figure of EUR 28,748 thousand and the EBITDA margin of about 25% were also significantly higher than in the previous year. In addition to continuously rising raw material costs, the current USD/EUR exchange rate had a particularly negative impact on the segment result.

The decline in inventories reflects the high level of plant utilization and shipments. Particularly in the multi-purpose plants, inventory levels have decreased very significantly, so that campaigns are generally sent directly from the plants to customers. Detailed planning along the entire supply chain was able to avoid delivery shortfalls, but the challenges posed will

not diminish in the second half of the year, so that AlzChem will have to run one or two additional campaigns again on occasion in order to make the warehouses, and thus availability, a little more robust again.

#### DEVELOPMENT IN THE 2ND QUARTER 2021

The pandemic situation has calmed down to some extent. Accordingly, there has also been a decline in demand for PCR tests and thus for Bioselect® products. Other than that, looking only at the period from April to June 2021, the picture is not significantly different with regard to the operating performance of the Specialty Chemicals segment.

As a result of this effect and the persistently unfavorable USD/EUR exchange rate, the segment's profit of EUR 14,801 thousand was only slightly higher than in the previous year.

When considering inventories as of the reporting date, the same statement applies as for the six-month period.

#### 1.1.5.2. BASICS & INTERMEDIATES SEGMENT

In EUR thousand	2nd quarter 2020	2nd quarter 2021	1st half-year 2020	1st half-year 2021
External sales	38,266	45,178	74,278	86,248
<b>EBITDA</b>	<b>2,485</b>	<b>3,826</b>	<b>4,388</b>	<b>6,617</b>
<b>EBITDA margin</b>	<b>6.5%</b>	<b>8.5%</b>	<b>5.9%</b>	<b>7.7%</b>
Inventories	30,387	27,879	30,387	27,879

#### DEVELOPMENT IN THE 1ST HALF-YEAR 2021

The Basics & Intermediates segment was more than robust in the 1st half-year 2021. Based on a very solid foundation, NCN "Verbund production", all profit centers/business units grew significantly to very significantly. Starting with the NITRALZ® product range through dicyandiamides (mainly pharmaceutical applications) to Perlka® (agrochemical applications) and metallurgical solutions, sales growth was around 16%. Due

to product and customer factors, the currency impact in this segment was or is slightly lower; on the other hand, production here is closer to the raw materials and therefore the partly significant price increases have a more noticeable effect from month to month. The "NCN Excellence" process and cost optimization project, which has been running for more than a year, continues to make a significant contribution to offsetting the ongoing rise in external procurement costs.

The EBITDA and especially the EBITDA margin clearly reflect the above. The segment's margin increased to 7.7% - despite rising raw material and electricity costs. As the year progresses, AlzChem expects a permanently challenging situation on the cost side, which it will continue to actively counteract with optimization measures and a slightly changed product mix.

Inventories in the Basics & Intermediates segment are primarily subject to seasonal fluctuations (mainly agricultural deliveries). In addition, there were delays in raw material deliveries and a very high delivery rate, which led to a significant overall decline in inventories of around 8%.

#### DEVELOPMENT IN THE 2ND QUARTER 2021

Business development in the Basics & Intermediates segment was dominated by two main factors. On the one hand, the market presence in the area of metallurgical products was

substantially expanded, and on the other hand, very high gains were achieved with Perlka®. Both effects are based on the core principles of AlzChem DNA: quality, reliability, customer proximity and partnership. On the basis of long-standing partnerships, it was possible to expand areas of application, place new products and win new customers.

In terms of raw material and electricity prices, we continued to see only one trend in the second quarter of 2021: rising. Above all, the development of German electricity prices and EUA costs (CO<sub>2</sub> certificates) are being observed with concern. For AlzChem, electricity is not a fuel but a raw material (approx. 0.1% of German electricity consumption), so the company must work with customers to find solutions for jointly shouldering these cost burdens.

When considering inventories as of the reporting date, the same statement applies as for the six-month period.

#### 1.1.5.3. OTHER & HOLDING SEGMENT

In EUR thousand	2nd quarter 2020	2nd quarter 2021	1st half-year 2020	1st half-year 2021
External sales	6,391	6,492	12,920	12,968
<b>EBITDA</b>	<b>81</b>	<b>-43</b>	<b>398</b>	<b>392</b>
<b>EBITDA margin</b>	<b>1.3%</b>	<b>-0.7%</b>	<b>3.1%</b>	<b>3.0%</b>
Inventories	3,313	3,825	3,313	3,825

#### DEVELOPMENT IN THE 1ST HALF-YEAR 2021

In the 1st half-year 2021, the Other & Holding segment essentially repeated the performance of the prior-year period. Chemical park customers purchased services at a similar level to the previous year. There was also no significant change in the individual services. In the case of supply chain products, there is a certain shift from warehousing services to shipping, foreign trade and logistics services, and increased demand for operating media, but overall, the business can be described as stable.

The segment's earnings reflect an increase in prices based on expected cost increases.

Inventories at the reporting date of the period under review were reduced to EUR 3,825 thousand. This relates to a large number of auxiliary and operating material inventories, also in connection with the expansion of the plant infrastructure.

#### DEVELOPMENT IN THE 2ND QUARTER 2021

The comments on the six-month period also apply to the analysis of the 2nd quarter of 2021.



## 2. RISK AND OPPORTUNITY REPORT

The management system for identifying risks and opportunities and the measures taken to limit risks were described in detail in the combined Group management report 2020. The main risks and opportunities arising in the course of business activities were also explained there. In comparison, there have been no significant changes in the 1st half-year 2021. Nevertheless, we would like to emphasize at this point that, on the one hand, the current development of CO<sub>2</sub> prices and thus also indirectly of electricity prices may have an impact on the earnings situation of the AlzChem Group in the future (depending on CO<sub>2</sub> compensation models due to carbon leakage). On the other hand, the increasingly "green" composition of the electricity mix in Germany could have a price-stabilizing effect in the future.

We classify the current distortions on the global markets as a temporary phenomenon and do not see the structural orientation of the AlzChem Group as being endangered by this. We anticipate short to medium-term shifts within our broad product and service portfolio, which will hold both risks and opportunities for us.

## 3. SUSTAINABILITY AT ALZCHEM

In the combined management report as of December 31, 2020, we reported on AlzChem's non-financial concerns and efforts. Nothing fundamental has changed in these statements. However, as a responsible and profitable company in the Bavarian region, we also want to inform our stakeholders about our sustainability activities in the first six months of the fiscal year 2021 as part of the half-year financial report 2021.

### ALZCHEM AS AN EMPLOYER AND TRAINER

AlzChem is one of the largest trainers in the region. As part of practical training in the relevant specialist departments, we offer our trainees a state-of-the-art training laboratory and ideal training workshops, as well as varied commercial training. The high quality of our training is also recognized by international corporations – so much that they let us train them.

This year, AlzChem once again invited interested young people to find out about training with us. This time, it was three days during which AlzChem warmly welcomed the students – but unfortunately, due to the COVID-19 pandemic, once again only online. The event was as personal as possible under the circumstances. In addition to live chats with trainees and trainers, all questions about our apprenticeships, the application process and the benefits of training at AlzChem were answered. We are already looking forward to meeting the new trainees.

### ENVIRONMENTAL MATTERS/CERTIFICATIONS

As a responsible company in the Bavarian region, it is a matter of importance to us to further improve environmental protection in a sustainable manner. In March and April 2021, the external audits according to the standards ISO 9001 (quality), ISO 14001 (environment), ISO 50001 (energy) and EMAS (environment) were therefore again carried out by TÜV SÜD Management Service GmbH. As in previous years, the environmental and quality management systems were again successfully recertified, i.e. the validity of our certificates was extended by a further three years. In the area of energy management and EMAS, a monitoring audit was carried out at all three German AlzChem sites and at NIGU Chemie GmbH, and was also successfully passed.

In addition, re-certification audits on occupational health and safety management were carried out by the Trade Supervisory Office at all the above-mentioned AlzChem sites. The effectiveness of the prevention tools for avoiding accidents at work, fires, explosions and substance leaks was examined. AlzChem was again certified as having a functioning OHRIS safety management system.

### CONTRIBUTION DURING COVID-19 PANDEMIC

To protect the staff, we have continued to invest in hygiene measures, moved employees to individual offices, changed processes and workflows, and increasingly enabled mobile working – all to maintain our economic activities and thus social cohesion, but above all to protect our most valuable asset, our health. A coordinated testing and vaccination strategy continues to be urgently needed to fight the Corona pandemic.

We would also like to support the federal government's national testing and vaccination strategy and thus contribute to the pandemic response. In addition to our existing testing strategy, we were able to make our employees and their family members an offer of vaccination through our company doctor, which was very well received.

#### EMISSION REPORT 2020

The annual emission report of the exhaust gas incineration plant (AGV) for the Trostberg Chemical Park has been published and can be viewed on the AlzChem homepage. AlzChem thus informs the public about the proper operation of the AGV. As in previous years, the prescribed limit values were continuously monitored in 2020. There were no exceedances of the daily average values. During the "discontinuous emission measurement" of July 29-31, 2020, an exceedance of a half-hourly value for the component bromine (HBr) was determined. This exceedance could be assigned to an operating error at the measuring instruments in the follow-up. There was no risk for the population at any time.

By operating the AGV, AlzChem ensures the reliable disposal of waste gases and chemical waters at the Trostberg Chemical

Park and thus avoids unnecessary transports of hazardous waste.

#### REGENERATIVE POST-COMBUSTION PLANT (RTO PLANT)

At the Trostberg site, the construction of a new type of waste gas treatment plant based on regenerative thermal oxidation (RTO plant) was successfully completed in June 2021 and commissioned in July 2021. In the RTO plant, which was realized with an investment volume of EUR 6 million after a planning and construction period of around one year, waste gas streams from various production plants can be bundled and cleaned very energy-efficiently and without producing any by-products. The plant thus contributes to maintaining and improving the environmental balance of AlzChem Group AG.

#### 4. FORECAST REPORT

Due to the extremely pleasing business development in the 1st half-year of 2021, the company has significantly revised upwards its forecasts for the fiscal year 2021 made in the consolidated financial statements as of December 31, 2020, in an ad hoc announcement dated July 15, 2021. The forecasts are now as follows:

Forecast <sup>2</sup> for 2021	2020	Original forecast	New forecast 2021
Group	EUR 379.3 million	slightly increasing to increasing (up to EUR 400 million)	significantly to strongly increasing (up to EUR 415 million)
Adjusted EBITDA*	EUR 53.8 million	stable to slightly increasing (up to EUR 57 million)	significantly to strongly increasing (up to EUR 64 million)
Adjusted EBITDA margin*	14.2%	slightly declining to stable	stable to slightly increasing
Inventory ratio	19.0%	very slightly increasing to stable	slightly to noticeably decreasing
Equity ratio	19.4%	stable to slightly increasing	moderately 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), Sec. 19 (2) StromNEV, electricity price compensation or product approvals. Furthermore, forward-looking statements based on current management assessments and currently available information are included. Such statements are subject to risks and uncertainties that are beyond AlzChem's ability to control or estimate precisely. Should any of these uncertainties or other imponderables materialize, or should the assumptions on which these statements are based prove incorrect, actual results may differ materially from those expressed or implied.

The new forecast is based on the assumption that the economic recovery will continue unchanged, that there will be no negative impact on the raw material pipeline, and that there will be no severe restrictions due to the Corona pandemic in the second half-year of 2021.

The planned sales growth is still expected to be achieved organically. The main growth driver will continue to be volume effects. The current order situation shows sustained high demand for the coming months. With our new capacities fully up and running, we see a realistic opportunity to place additional volumes.

Building on our flexible backbone – the NCN chain –, we also see good opportunities in the second half of the year to manage volume flows in line with demand, so that we continue to expect balanced growth in line with the first half-year.

On the earnings side, we do not expect any relief in the short to medium term. We continue to see rising or at least sustained high raw material costs, high electricity and EUA prices, and significantly increased costs in the logistics environment. We also expect the USD/EUR exchange rate to remain unfavorable in the sales area. We do not expect any delivery failures or plant shutdowns, although a corresponding risk cannot be completely ruled out.

Against this background, we see the EBITDA margin tending to face slightly more headwind in the second half-year of 2021 and thus a slightly lower margin for the year as a whole than in the first half-year of 2021.

In view of the absolute level of inventories, we see opportunities to close the year below the prior-year level. On the other hand, there are risks with regard to supply security. Supply chains are constantly exposed to new exogenous influences. In addition to the shortage of freight space, COVID-19 cases in ports, exploding costs for shipping containers, lack of long-distance truck drivers and delays in shipping, which have been discussed in great detail in the media, there are also difficulties in German and European rail traffic. Shunting yards are flooded, railroad tracks are washed out by storms, and electricity lines are interrupted.

AlzChem has alternative supply routes for almost all its main raw materials, but here, as well, we continue to face significant risks that we can only circumvent to a certain extent.

With regard to the equity ratio, we continue to expect an upward trend. We see the renewed decline in the actuarial interest rate below the current level as a significant risk position at this point.

## 5. RESPONSIBILITY STATEMENT

We assure to the best of our knowledge that, in accordance with the applicable accounting principles for half-year financial reporting, the interim consolidated financial statements give a true and fair view of the earnings position, net assets and financial position of the AlzChem Group and that the interim Group management report provides a true and fair view of the business performance, including the results of operations, and the position of the Group, and that the principal opportunities and risks associated with the expected development of the Group in the remaining fiscal year are described.

# INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2021

## CONSOLIDATED INCOME STATEMENT OF ALZCHEM GROUP AG (UNAUDITED)

in EUR thousand	2nd quarter 2020	2nd quarter 2021	1st half-year 2020	1st half-year 2021
<b>Sales</b>	<b>102,511</b>	<b>111,000</b>	<b>197,251</b>	<b>215,321</b>
Change in inventories of finished and unfinished products	-3,162	-1,621	-1,010	-3,765
Other operating income	2,648	2,505	5,073	6,488
Cost of materials	-35,253	-37,538	-70,744	-73,765
Personnel expenses	-31,733	-35,209	-64,242	-68,247
Other operating expenses	-18,190	-20,144	-37,192	-40,317
<b>EBITDA</b>	<b>16,821</b>	<b>18,993</b>	<b>29,136</b>	<b>35,715</b>
Depreciation and amortization	-5,742	-5,899	-11,324	-11,670
<b>EBIT</b>	<b>11,079</b>	<b>13,094</b>	<b>17,812</b>	<b>24,045</b>
Other interest and similar income	-433	244	193	756
Interest and similar expenses	-925	-414	-1,799	-838
<b>Financial result</b>	<b>-1,358</b>	<b>-170</b>	<b>-1,606</b>	<b>-82</b>
<b>Result from ordinary business activities</b>	<b>9,721</b>	<b>12,924</b>	<b>16,206</b>	<b>23,963</b>
Taxes on income and earnings	-2,970	-3,710	-5,033	-6,820
<b>Consolidated result for the period</b>	<b>6,751</b>	<b>9,214</b>	<b>11,173</b>	<b>17,143</b>
Non-controlling interests in consolidated result for the period	43	43	85	85
Shares of the shareholders of AlzChem Group AG in the consolidated result for the period	6,708	9,171	11,088	17,058
<b>Earnings per share in EUR (undiluted and diluted)*</b>	<b>0.66</b>	<b>0.90</b>	<b>1.09</b>	<b>1.68</b>

\* In the period 2020 calculated with 10,176,335 shares. After share buyback in 2021, calculated with the average number of outstanding shares in the period 01/01-06/30/2021 of 10,158,130 shares and in the period 04/01-06/30/2021 of 10,147,756 shares.

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME OF ALZCHEM GROUP AG (UNAUDITED)**

in EUR thousand	2nd quarter 2020	2nd quarter 2021	1st half-year 2020	1st half-year 2021
<b>Consolidated result for the period</b>	<b>6,751</b>	<b>9,214</b>	<b>11,173</b>	<b>17,143</b>
Other income				
Items that are not reclassified to the income statement				
Result from the revaluation of defined benefit plans	-24,218	-2,487	-3,052	6,382
Deferred taxes	6,782	696	855	-1,787
<b>Total items that are not reclassified to the income statement</b>	<b>-17,436</b>	<b>-1,791</b>	<b>-2,198</b>	<b>4,595</b>
Items that will later be reclassified to the income statement				
Result from the market valuation of financial assets	0	0	0	0
Difference amount from currency translation	-67	-70	30	206
Deferred taxes	0	0	0	0
<b>Total items that will later be reclassified to the income statement</b>	<b>-67</b>	<b>-70</b>	<b>30</b>	<b>206</b>
<b>Other income</b>	<b>-17,503</b>	<b>-1,861</b>	<b>-2,168</b>	<b>4,801</b>
Non-controlling interests in other income	0	0	0	0
Shares of the shareholders of AlzChem Group AG in other income	-17,503	-1,861	-2,168	4,801
<b>Consolidated comprehensive income</b>	<b>-10,752</b>	<b>7,353</b>	<b>9,005</b>	<b>21,944</b>
Non-controlling interests in other consolidated comprehensive income	43	43	85	85
Shares of the shareholders of AlzChem Group AG in consolidated comprehensive income	-10,795	7,310	8,920	21,859

CONSOLIDATED BALANCE SHEET OF ALZCHEM GROUP AG (UNAUDITED)

Assets in EUR thousand	12/31/2020	06/30/2021
<b>Non-current assets</b>		
Intangible assets	1,810	1,767
Property, plant and equipment	175,062	176,680
Lease usage rights	8,524	8,046
Financial assets	20	20
Other receivables and other assets	630	644
Deferred tax assets	35,795	33,415
<b>Total non-current assets</b>	<b>221,841</b>	<b>220,572</b>
<b>Current assets</b>		
Inventories	67,402	67,376
Trade receivables	33,124	50,065
Other receivables and other assets	13,501	15,753
Income tax claims	1,311	1,011
Cash and cash equivalents	17,117	10,783
<b>Total current assets</b>	<b>132,455</b>	<b>144,988</b>
<b>Total assets</b>	<b>354,296</b>	<b>365,560</b>

Equity and Liabilities in EUR thousand	12/31/2020	06/30/2021
<b>Equity</b>		
<b>Capital and reserves</b>		
Subscribed capital	101,763	101,763
Capital reserve adjustment item reverse acquisition	-88,128	-88,128
Capital reserve	24,981	24,981
Other accumulated equity	-53,077	-48,276
Balance sheet profit	81,356	90,593
Treasury shares	0	-1,007
	<b>66,895</b>	<b>79,926</b>
Non-controlling interests	1,763	1,848
<b>Total equity</b>	<b>68,658</b>	<b>81,774</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Provisions for pensions and similar obligations	141,775	135,496
Other provisions	24,233	23,997
Loan liabilities to banks	48,042	42,580
Lease liabilities	6,680	5,561
Other liabilities	342	342
Deferred tax liabilities	4,695	4,850
<b>Total non-current liabilities</b>	<b>225,767</b>	<b>212,827</b>
<b>Current liabilities</b>		
Other provisions	2,877	1,609
Loan liabilities to banks	12,704	12,407
Lease liabilities	1,634	2,350
Trade payables	20,880	28,537
Other liabilities	21,583	23,599
Income tax liabilities	193	2,457
<b>Total current liabilities</b>	<b>59,871</b>	<b>70,959</b>
<b>Total liabilities</b>	<b>285,638</b>	<b>283,786</b>
<b>Total equity and liabilities</b>	<b>354,296</b>	<b>365,560</b>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY OF ALZCHEM GROUP AG (UNAUDITED)**

in EUR thousand	Subscribed Capital	Capital reserve- adjustment item reverse acquisition	Capital reserve	Other accumulated equity
<b>As of 01/01/2020</b>	<b>101,763</b>	<b>-88,128</b>	<b>24,981</b>	<b>-48,152</b>
Dividend	0	0	0	0
<b>Total transactions with shareholders</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Consolidated result for the period	0	0	0	0
Other income	0	0	0	-2,168
<b>Consolidated comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-2,168</b>
<b>As of 06/30/2020</b>	<b>101,763</b>	<b>-88,128</b>	<b>24,981</b>	<b>-50,319</b>
<b>As of 01/01/2021</b>	<b>101,763</b>	<b>-88,128</b>	<b>24,981</b>	<b>-53,077</b>
Dividend	0	0	0	0
Acquisition of treasury shares	0	0	0	0
<b>Total transactions with shareholders</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Consolidated result for the period	0	0	0	0
Other income	0	0	0	4,801
<b>Consolidated comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,801</b>
<b>As of 06/30/2021</b>	<b>101,763</b>	<b>-88,128</b>	<b>24,981</b>	<b>-48,276</b>

in EUR thousand	Balance sheet profit	Treasury shares	Shares of the shareholders of AlzChem Group AG	Non-controlling interests	Total equity
<b>As of 01/01/2020</b>	<b>69,294</b>	<b>0</b>	<b>59,758</b>	<b>1,592</b>	<b>61,350</b>
Dividend	-7,632	0	-7,632	0	-7,632
<b>Total transactions with shareholders</b>	<b>-7,632</b>	<b>0</b>	<b>-7,632</b>	<b>0</b>	<b>-7,632</b>
Consolidated result for the period	11,088	0	11,088	85	11,173
Other income	0	0	-2,168	0	-2,168
<b>Consolidated comprehensive income</b>	<b>11,088</b>	<b>0</b>	<b>8,920</b>	<b>85</b>	<b>9,005</b>
<b>As of 06/30/2020</b>	<b>72,750</b>	<b>0</b>	<b>61,047</b>	<b>1,678</b>	<b>62,725</b>
<b>As of 01/01/2021</b>	<b>81,356</b>	<b>0</b>	<b>66,895</b>	<b>1,763</b>	<b>68,658</b>
Dividend	-7,821	0	-7,821	0	-7,821
Acquisition of treasury shares	0	-1,007	-1,007	0	-1,007
<b>Total transactions with shareholders</b>	<b>-7,821</b>	<b>-1,007</b>	<b>-8,828</b>	<b>0</b>	<b>-8,828</b>
Consolidated result for the period	17,058	0	17,058	85	17,143
Other income	0	0	4,801	0	4,801
<b>Consolidated comprehensive income</b>	<b>17,058</b>	<b>0</b>	<b>21,859</b>	<b>85</b>	<b>21,944</b>
<b>As of 06/30/2021</b>	<b>90,593</b>	<b>-1,007</b>	<b>79,926</b>	<b>1,848</b>	<b>81,774</b>



**CONSOLIDATED CASH FLOW STATEMENT OF ALZCHEM GROUP AG (UNAUDITED)**

in EUR thousand	2nd quarter 2020	2nd quarter 2021	1st half-year 2020	1st half-year 2021
<b>Consolidated earnings before taxes</b>	<b>9,721</b>	<b>12,924</b>	<b>16,207</b>	<b>23,963</b>
Depreciation and amortization	5,742	5,899	11,324	11,670
Payments from pension provisions	-257	-329	-635	-749
Profit from the sale of non-current assets	0	-3	-2	-5
Other non-cash expenses	317	-1,428	1,473	2,552
Financial result	1,358	170	1,606	82
Interest received	3	1	154	6
Interest paid	-390	-245	-553	-450
Income taxes paid	-4,038	-1,968	-5,865	-3,550
Increase (+)/decrease (-) in inventories	1,867	-1,270	1,987	-23
Increase in trade receivables and other receivables	-10,817	-4,105	-15,318	-19,801
Increase (+)/decrease (-) in trade payables, other liabilities and other provisions	-450	7,917	787	11,814
Change in other balance sheet items	178	47	547	192
<b>Cash inflow from operating activities (net cash flow)</b>	<b>3,234</b>	<b>17,610</b>	<b>11,712</b>	<b>25,701</b>
Payments for investments in property, plant and equipment	-4,813	-6,420	-9,623	-16,414
Proceeds from the sale of property, plant and equipment	1	3	2	11
<b>Cash outflow from investing activities</b>	<b>-4,812</b>	<b>-6,417</b>	<b>-9,621</b>	<b>-16,403</b>
<b>Free cash flow</b>	<b>-1,578</b>	<b>11,193</b>	<b>2,091</b>	<b>9,298</b>
Proceeds from loans	0	0	0	0
Proceeds from short-term financing lines	13,654	0	13,654	0
Payments for the repayment of loan liabilities	-3,951	-2,824	-5,967	-5,807
Repayment of lease liabilities	-462	-465	-932	-922
Dividend payments	-7,632	-7,821	-7,632	-7,821
Dividend payments to non-controlling interests	0	0	-171	-171
Payments for the acquisition of treasury shares	0	-507	0	-1,010
<b>Cash outflow (-)/inflow (+) from financing activities</b>	<b>1,609</b>	<b>-11,617</b>	<b>-1,048</b>	<b>-15,731</b>
<b>Net decrease (-)/increase (+) in cash and cash equivalents</b>	<b>31</b>	<b>-424</b>	<b>1,043</b>	<b>-6,433</b>
Cash and cash equivalents at the beginning of the period (at the closing rate of the previous year)	10,057	11,234	9,061	17,117
Changes due to exchange rate changes	11	-27	-5	99
Cash and cash equivalents at the end of the period	10,099	10,783	10,099	10,783
<b>Net decrease (-)/increase (+) in cash and cash equivalents</b>	<b>31</b>	<b>-424</b>	<b>1,043</b>	<b>-6,433</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2021

## I. SEGMENT REPORTING

Segment reporting by operating segments for the 2nd quarter of 2020:

in EUR thousand	Specialty Chemicals	Basics & Intermediates	Other & Holding	Consolidation	Group
External sales	57,854	38,266	6,391	0	102,511
<b>EBITDA</b>	<b>14,457</b>	<b>2,485</b>	<b>81</b>	<b>-202</b>	<b>16,821</b>
<b>EBITDA margin</b>	<b>25.0%</b>	<b>6.5%</b>	<b>1.3%</b>		<b>16.4%</b>
Depreciation and amortization					-5,742
<b>EBIT</b>					<b>11,079</b>
Other interest and similar income					-433
Interest and similar expenses					-925
<b>Financial result</b>					<b>-1,358</b>
<b>Result from ordinary business activities</b>					<b>9,721</b>
Inventories as of 06/30/2020	43,078	30,387	3,313	-3,309	73,469

Segment reporting by operating segments for the 2nd quarter of 2021:

in EUR thousand	Specialty Chemicals	Basics & Intermediates	Other & Holding	Consolidation	Group
External sales	59,330	45,178	6,492	0	111,000
<b>EBITDA</b>	<b>14,801</b>	<b>3,826</b>	<b>-43</b>	<b>409</b>	<b>18,993</b>
<b>EBITDA margin</b>	<b>25.0%</b>	<b>8.5%</b>	<b>-0.7%</b>		<b>17.1%</b>
Depreciation and amortization					-5,900
<b>EBIT</b>					<b>13,094</b>
Other interest and similar income					244
Interest and similar expenses					-413
<b>Financial result</b>					<b>-169</b>
<b>Result from ordinary business activities</b>					<b>12,924</b>
Inventories as of 06/30/2021	38,211	27,879	3,825	-2,539	67,376

Segment reporting by operating segments for the 1st half-year of 2020:

in EUR thousand	Specialty Chemicals	Basics & Intermediates	Other & Holding	Consolidation	Group
External sales	110,053	74,278	12,920	0	197,251
<b>EBITDA</b>	<b>24,615</b>	<b>4,388</b>	<b>398</b>	<b>-265</b>	<b>29,136</b>
<b>EBITDA margin</b>	<b>22.4%</b>	<b>5.9%</b>	<b>3.1%</b>		<b>14.8%</b>
Depreciation and amortization					-11,324
<b>EBIT</b>					<b>17,812</b>
Other interest and similar income					193
Interest and similar expenses					-1,799
<b>Financial result</b>					<b>-1,606</b>
<b>Result from ordinary business activities</b>					<b>16,206</b>
<b>Inventories as of 06/30/2020</b>	<b>43,078</b>	<b>30,387</b>	<b>3,313</b>	<b>-3,309</b>	<b>73,469</b>

Segment reporting by operating segments for the 1st half-year of 2021:

in EUR thousand	Specialty Chemicals	Basics & Intermediates	Other & Holding	Consolidation	Group
External sales	116,105	86,248	12,968	0	215,321
<b>EBITDA</b>	<b>28,748</b>	<b>6,617</b>	<b>392</b>	<b>-41</b>	<b>35,715</b>
<b>EBITDA margin</b>	<b>24.8%</b>	<b>7.7%</b>	<b>3.0%</b>		<b>16.6%</b>
Depreciation and amortization					-11,671
<b>EBIT</b>					<b>24,045</b>
Other interest and similar income					756
Interest and similar expenses					-838
<b>Financial result</b>					<b>-82</b>
<b>Result from ordinary business activities</b>					<b>23,963</b>
<b>Inventories as of 06/30/2021</b>	<b>38,211</b>	<b>27,879</b>	<b>3,825</b>	<b>-2,539</b>	<b>67,376</b>

Segment reporting by regions:

in EUR thousand	Domestic	Foreign	Group
External sales 2nd quarter 2020	34,718	67,793	102,511
External sales 2nd quarter 2021	35,518	75,482	111,000
External sales 1st half-year 2020	60,836	136,415	197,251
External sales 1st half-year 2021	69,441	145,880	215,321
Non-current assets as of 06/30/2020	168,589	4,548	173,137
Non-current assets as of 12/31/2020	179,558	5,898	185,456
Non-current assets as of 06/30/2021	181,021	5,472	186,493

## II. PRELIMINARY NOTE

The subject of these condensed interim consolidated financial statements is AlzChem Group AG, a corporation under German law with its registered office at Dr.-Albert-Frank-Str. 32, 83308 Trostberg, Germany, and its subsidiaries. The competent register court is located in Traunstein (HRB 28592). AlzChem Group AG is the parent company of the AlzChem Group and prepares these condensed interim consolidated financial statements (interim consolidated financial statements) as of June 30, 2021.

The companies of the AlzChem Group develop, produce and trade in chemical products of all kinds and provide services, among other things, as chemical park operators. From the basic raw materials coal, lime and electricity, versatile products with typical nitrogen-carbon-nitrogen compounds are manufactured in further production steps at the Trostberg, Schalchen, Hart, Waldkraiburg and Sundsvall (Sweden) sites in very high quality. In addition, sales units are located in Atlanta (USA) and Shanghai (China).

## III. EXPLANATIONS ON THE PRINCIPLES AND METHODS OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

### ACCOUNTING PRINCIPLES

The condensed interim consolidated financial statements of AlzChem Group AG as of June 30, 2021, were prepared in accordance with the provisions of the International Accounting Standards Board (IASB), London, in compliance with the International Financial Reporting Standards (IFRS), as applicable in the EU. The interpretations of the IFRS Interpretations Committee (formerly IFRIC and SIC) were applied. Accordingly, these interim consolidated financial statements were prepared in accordance with the provisions of IAS 34 "Interim Financial Reporting".

The interim consolidated financial statements are presented in Euro (EUR), the functional currency of the parent company AlzChem Group AG. For reasons of clarity, the figures in the interim consolidated financial statements are given in thousands of Euro (EUR thousand), unless otherwise stated.

All figures have been rounded up or down to EUR thousand in accordance with commercial rounding, so that individual figures do not add up exactly to the stated total.

Those provisions of the International Financial Reporting Standards (IFRS) were applied which were mandatory as of the balance sheet date of June 30, 2021. Early application of standards not yet mandatory as of June 30, 2021, was waived.

The explanations in the notes to the consolidated financial statements of AlzChem Group AG as of December 31, 2020, apply accordingly, particularly with regard to the principal accounting and valuation methods. The interim consolidated financial statements were prepared under the going concern assumption.

### ACCOUNTING FOR THE SHARE BUYBACK PROGRAM

According to IAS 32, the purchase price for treasury shares must be deducted from equity. The nominal amount of treasury shares acquired must be openly deducted from equity. AlzChem has opted for disclosure in a single item "treasury shares". All consideration incurred for the transaction is also recognized directly in equity, taking into account any deferred taxes.

### STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED STANDARDS THAT WERE APPLIED FOR THE FIRST TIME IN THE FISCAL YEAR

Beginning with the fiscal year 2021, the following standards and interpretations revised or newly issued by the IASB were required to be newly applied:

- IFRS 4  
IFRS 4 is not applied within AlzChem.
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (IBOR Reform Phase 2)

The amendments are intended to support the preparers of financial statements in providing useful information in the upcoming changes in connection with the IBOR reform.

They supplement the requirements of the first phase of the project and are generally applied when a reference interest rate is replaced by another reference interest rate. The first-time application of these changes had no material impact on AlzChem's net assets, financial position and earnings position.

#### STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED STANDARDS THAT ARE NOT YET MANDATORY

With regard to the amendments already published up to the preparation date of the consolidated financial statements as of December 31, 2020, we refer to the notes to the consolidated financial statements as of December 31, 2020.

- Amendments to IFRS 16 (effective from April 1, 2021)

In response to the ongoing impact of the COVID-19 pandemic, the IASB amended IFRS 16 Leases in March 2021 to provide a one-year extension of practical expedients to assist lessees in accounting for COVID-19-related lease concessions. The relief was originally only applicable until June 30, 2021. These amendments had no impact on AlzChem's consolidated financial statements and are not currently relevant. AlzChem has not made use of the relief.

- Amendments to IAS 12 (effective from January 1, 2023)

The amendments to IAS 12 dated May 2021 are intended to eliminate existing uncertainties in the recognition of deferred taxes in connection with leases and disposal or restoration obligations. This is a clarification of which circumstances are exempt from the so-called "initial recognition exemption". AlzChem has not yet examined whether such matters are to be accounted for in the Group companies, but will deal with the amendments in good time.

#### ADJUSTMENT OF PRIOR-YEAR FIGURES

##### Segment reporting

The changes in the presentation of segment reporting are explained in the notes to the consolidated financial statements as of December 31, 2020. Depreciation, amortization and EBIT are no longer presented at segment level. In addition, the EBITDA margin indicator has been introduced as the ratio of EBITDA to sales in the respective segment. The segment reporting for the prior-year period presented in these interim consolidated financial statements has been adjusted accordingly.

## IV. EXPLANATIONS ON THE INCOME STATEMENT

### 1. SALES REVENUES

The sales revenues of the AlzChem Group can be broken down into product sales and services as follows:

in EUR thousand	2nd quarter 2020	2nd quarter 2021	1st half-year 2020	1st half-year 2021
Sales from product sales	96,502	105,285	185,657	204,093
Sales from services	6,009	5,715	11,594	11,228
	<b>102,511</b>	<b>111,000</b>	<b>197,251</b>	<b>215,321</b>

Sales revenues are distributed among the segments shown in the segment reporting as follows:

in EUR thousand	2nd quarter 2020	2nd quarter 2021	1st half-year 2020	1st half-year 2021
Product sales in the Specialty Chemicals segment	57,854	59,330	110,053	116,105
Product sales in the Basics & Intermediates segment	38,266	45,178	74,278	86,248
Product sales in the Other & Holding segment	382	777	1,326	1,740
Service sales in the Other & Holding segment	6,009	5,715	11,594	11,228
	<b>102,511</b>	<b>111,000</b>	<b>197,251</b>	<b>215,321</b>

Total sales revenues are distributed geographically as follows:

in EUR thousand	2nd quarter 2020	2nd quarter 2021	1st half-year 2020	1st half-year 2021
Germany	34,718	35,518	60,836	69,441
European Union	22,273	30,182	52,320	61,829
Rest of Europe	10,596	7,877	20,572	12,784
NAFTA	9,935	12,706	24,314	24,513
Asia	10,126	12,943	18,638	26,105
Rest of the world	14,863	11,774	20,571	20,649
	<b>102,511</b>	<b>111,000</b>	<b>197,251</b>	<b>215,321</b>

## 2. OTHER OPERATING INCOME

in EUR thousand	2nd quarter 2020	2nd quarter 2021	1st half-year 2020	1st half-year 2021
Own work capitalized	1,314	1,781	2,241	3,892
Income from currency translation	557	-278	1,668	1,172
Income from grants	129	167	229	343
Income from services to third parties	139	217	182	304
Income from the release of provisions and liabilities	346	191	409	191
Income from energy tax refunds	37	84	37	84
Income from the valuation of derivatives	6	0	6	0
Miscellaneous other income	120	343	301	502
	<b>2,648</b>	<b>2,505</b>	<b>5,073</b>	<b>6,488</b>

### 3. OTHER OPERATING EXPENSES

in EUR thousand	2nd quarter 2020	2nd quarter 2021	1st half-year 2020	1st half-year 2021
Selling expenses	3,975	4,416	7,760	8,488
Maintenance	1,985	2,699	4,060	4,452
Environmental and disposal costs	2,502	2,109	4,725	4,271
Other external services	1,777	2,109	3,540	3,916
Consulting, research and development costs	1,334	1,745	2,687	3,117
Insurances	834	951	1,630	1,932
IT costs	657	651	1,336	1,365
Expenses from currency translation	727	295	2,139	1,156
Miscellaneous other expenses	4,399	5,169	9,315	11,620
	<b>18,190</b>	<b>20,144</b>	<b>37,192</b>	<b>40,317</b>

### 4. FINANCIAL RESULT

The financial result for the 1st half-year of 2021 includes an interest expense from the addition to pension provisions of EUR 353 thousand (1st half-year of 2020: EUR 603 thousand). Of this amount, EUR 176 thousand was attributable to the 2nd quarter of 2021 (2nd quarter of 2020: EUR 302 thousand).

## V. EXPLANATIONS ON THE BALANCE SHEET

### 5. EQUITY

The statutory share capital of AlzChem Group AG, Trostberg, remained unchanged at EUR 101,763,350.00 as of the reporting date.

In the first half-year of 2021, a dividend of EUR 7,821 thousand (previous year's period: EUR 7,632 thousand) was distributed to the shareholders of AlzChem Group AG. This corresponds to a dividend per share of EUR 0.77 (prior-year period: EUR 0.75).

### 6. SHARE BUYBACK PROGRAM

The Annual General Meeting of AlzChem Group AG on May 14, 2019, authorized the company to buy back treasury shares until the end of April 30, 2024. On January 29, 2021, the company's Management Board decided to launch a share

buyback program with a volume of up to EUR 1,000,000.00. The buyback was primarily carried out for the purpose of acquiring an acquisition currency that is favorable from the company's perspective. However, this does not preclude the use of the shares for other legally permissible purposes covered by the authorization of the Annual General Meeting.

The program was launched on February 8, 2021, and was successfully completed on June 24, 2021, with the repurchase of a total of 40,581 shares with a volume of EUR 999,979.90. The acquired shares 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. Accordingly, treasury shares are not included in the calculation of shares outstanding. In accordance with IFRS, the previous year's figures are not adjusted.

The following overview shows the weighted average number of shares outstanding for the respective reporting periods:

	2nd quarter 2020	2nd quarter 2021	1st half-year 2020	1st half-year 2021
Weighted average number of outstanding shares	10,176,335	10,147,756	10,176,335	10,158,130
Earnings per share in EUR	0.66	0.90	1.09	1.68

## 7. PROVISIONS FOR PENSIONS AND SIMILAR OBLIGATIONS

Provisions for pensions and similar obligations decreased by EUR 6,279 thousand to EUR 135,496 thousand on June 30, 2021, compared with the level on December 31, 2020. This reduction includes an amount of EUR 6,382 thousand recognized directly in equity in other comprehensive income. The reason for the decrease in pension provisions is the increase in the discount rate from 0.50% as of December 31, 2020, to 0.90% as of June 30, 2021. The related deferred tax assets, the change in which was also recognized in other comprehensive income, dropped by EUR 1,787 thousand to EUR 19,036 thousand as of June 30, 2021.

## 8. FINANCIAL ASSETS AND LIABILITIES

The fair value of a financial instrument is the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction.

The following table shows the carrying amounts and fair values of financial assets per measurement category in accordance with IFRS 9:

12/31/2020 in EUR thousand	At amortized cost	At fair value		Total amount	
	Financial assets measured at amortized cost	Financial assets measured at fair value through other comprehensive income with subsequent reclassification to the income statement	Financial assets at fair value through profit or loss	Carrying amount	Fair value
Balance sheet item	Carrying amount	Carrying amount	Carrying amount	Carrying amount	Fair value
Financial assets	-	-	20	20	20
Other receivables and other assets	10,361	-	-	10,361	10,361
Trade receivables	7,537	25,587	-	33,124	33,124
Cash and cash equivalents	17,117	-	-	17,117	17,117
<b>Total financial assets</b>	<b>35,015</b>	<b>25,587</b>	<b>20</b>	<b>60,622</b>	<b>60,622</b>



06/30/2021 in EUR thousand	At amortized cost	At fair value		Total amount	
	Financial assets measured at amortized cost	Financial assets measured at fair value through other comprehensive income with subsequent reclassification to the income statement	Financial assets at fair value through profit or loss	Carrying amount	Fair value
Balance sheet item	Carrying amount	Carrying amount	Carrying amount	Carrying amount	Fair value
Financial assets	-	-	20	20	20
Other receivables and other assets	11,590	-	-	11,590	11,590
Trade receivables	7,291	42,774	-	50,065	50,065
Cash and cash equivalents	10,783	-	-	10,783	10,783
<b>Total financial assets</b>	<b>29,664</b>	<b>42,774</b>	<b>20</b>	<b>72,458</b>	<b>72,458</b>

The following table shows the carrying amounts and fair values of financial liabilities by measurement category in accordance with IFRS 9:

12/31/2020 in EUR thousand	At amortized cost	Total amount	
	Financial liabilities measured at amortized cost	Carrying amount	Fair value
Balance sheet item	Carrying amount	Carrying amount	Fair value
Loan liabilities to banks	60,746	60,746	64,195
Trade payables	20,880	20,880	20,880
Other liabilities	5,556	5,556	5,556
<b>Total financial liabilities</b>	<b>87,182</b>	<b>87,182</b>	<b>90,631</b>

06/30/2021 in EUR thousand	At amortized cost	Total amount	
	Financial liabilities measured at amortized cost	Carrying amount	Fair value
Balance sheet item	Carrying amount	Carrying amount	Fair value
Loan liabilities to banks	54,987	54,987	57,520
Trade payables	28,537	28,537	28,537
Other liabilities	5,098	5,098	5,098
<b>Total financial liabilities</b>	<b>88,622</b>	<b>88,622</b>	<b>91,155</b>

The fair values of the financial instruments were determined on the basis of the market information available on the balance sheet date and on the basis of the methods and premises described below.

Due to the short-term maturities of the financial assets, it is assumed that the fair values approximate the carrying amounts.

The balance sheet items trade payables and other liabilities generally contain liabilities with regularly short residual terms, so that it is assumed that the fair values approximate the carrying amounts.

The item loan liabilities to banks includes current and non-current financial liabilities. The fair values of liabilities with remaining terms of more than one year are determined by discounting the cash flows associated with the liabilities, taking into account the current interest rate parameters observable on the market. The Group's individual creditworthiness is taken into account in the form of standard market creditworthiness or liquidity spreads when determining the present value. This procedure corresponds to hierarchy level 2 of IFRS 13.

The following table shows the financial assets that are carried at fair value on a recurring basis after initial recognition and their measurement level according to IFRS 13:

#### 12/31/2020 in EUR thousand

Assets	Level 2	Level 3	Total
<b>Trade receivables</b>			
- Valued at fair value through other income	25,587	-	25,587
<b>Financial assets</b>			
- Valued at fair value through profit or loss	-	20	20
<b>Total assets</b>	<b>25,587</b>	<b>20</b>	<b>25,607</b>

#### 06/30/2021 in EUR thousand

Assets	Level 2	Level 3	Total
<b>Trade receivables</b>			
- Valued at fair value through other income	42,774	-	42,774
<b>Financial assets</b>			
- Valued at fair value through profit or loss	-	20	20
<b>Total assets</b>	<b>42,774</b>	<b>20</b>	<b>42,794</b>

Financial liabilities were not recognized at fair value in the reporting period.

No reclassifications between the individual hierarchies for the purpose of determining fair values were made in the reporting period.

The fair value of trade receivables measured at fair value through other comprehensive income is allocated to level 2. The fair values of trade receivables measured at fair value are

derived by reference to transactions in comparable instruments. In particular, the transaction prices are used in the context of the sale of receivables, where the buyer regularly uses the nominal value. In case of a default event, these values are adjusted by the value adjustment requirement.

The AlzChem Group holds an investment in the category "measured at fair value through profit or loss", whose market value is to be allocated to level 3. There were no changes through additions or disposals in the reporting period. In the

absence of reliable input parameters for a more complex model and due to the minor importance of these investments for the AlzChem Group, the market value was estimated on the basis of acquisition costs.

A deviation of the actual market value from this estimated value within a realistic range would not have a material effect on the significance of the item for the AlzChem Group or on the net assets, financial position and earnings position of the AlzChem Group. In the 1st half-year 2021, income of EUR 5 thousand (1st half-year 2020: EUR 16 thousand; 2nd quarter 2021: EUR 0 thousand; 2nd quarter 2020: EUR 11 thousand) was recognized from these financial assets, which was reported within the financial result.

## VI. OTHER EXPLANATIONS

### 9. EXPLANATIONS ON SEGMENT REPORTING

The presentation of the key figures in the segment reporting follows the internal management reporting.

In the current reporting period, no customer contributed at least 10% each of total Group sales. In the prior-year periods presented, one customer contributed at least 10% each of total Group sales. The sales of this customer that exceeded the 10% threshold in the respective period are as follows and are included in the Specialty Chemicals, Basic & Intermediates and Other & Holding segments:

in EUR thousand	2nd quarter 2020	2nd quarter 2021	1st half-year 2020	1st half-year 2021
Sales	13,422	-	22,317	-
	<b>13,422</b>	<b>-</b>	<b>22,317</b>	<b>-</b>

### 10. RELATIONSHIPS WITH RELATED COMPANIES AND PERSONS

Related parties include persons in key positions in the AlzChem Group.

The companies controlled by the shareholders LIVIA Corporate Development SE, Munich, and four two na GmbH, Bichl, and companies controlled by their shareholders or legal representatives are considered related parties of the AlzChem Group in the reporting period. Following the transmission of the voting rights notification by HDI Vier CE GmbH, Munich, dated May 26, 2021, the companies controlled by HDI Vier CE GmbH and companies controlled by their shareholders or legal

representatives are no longer considered related parties of the AlzChem Group.

No transactions were conducted with related parties (as defined above) in the reporting period.

### 11. SEASONAL INFLUENCES

The business of the AlzChem Group is partly subject to seasonal influences. In particular, the supply cycles for agrochemical products mean that sales and thus EBITDA are slightly higher in the 1st half-year of a fiscal year than in the 2nd half-year.

## 12. EVENTS AFTER THE BALANCE SHEET DATE

Effective July 1, 2021, Nigu Chemie GmbH was merged with AlzChem Trostberg GmbH. This will enable the Group to align its corporate structure with the production structure and thus increase operational efficiency. The transaction is carried out at carrying amounts and will therefore have no impact on the AlzChem Group's net assets, financial position and earnings position.

After the balance sheet date of the 1st half-year 2021 and up to the date of preparation of the interim consolidated financial statements, there were no events with a material impact on the net assets, financial position and earnings position of the AlzChem Group.

Trostberg, July 31, 2021

AlzChem Group AG

The Management Board



Andreas Niedermaier (CEO)



Klaus Englmaier (COO)



Dr. Georg Weichselbaumer (CSO)

# IMPRINT

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# FINANCIAL CALENDAR

September 6 to 7, 2021	Fall Conference
September 21, 2021	Berenberg and Goldman Sachs Tenth German Corporate Conference
September 23, 2021	Baader Investment Conference
October 12, 2021	Quiet Period*
November 11, 2021	Quarterly Statement 3rd Quarter 2021
November 22 to 24, 2021	Deutsches Eigenkapitalforum
December 7 to 8, 2021	Münchener Kapitalmarkt Konferenz
December 6 to 9, 2021	Berenberg European Conference

\* During a "Quiet Period", AlzChem Group AG only communicates with the capital market to a limited extent before publishing quarterly and full-year results.

# REMARKS

This half-year financial 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 half-year financial report is also available in German. In the event of deviations, only the German version is binding.

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