

alzchem
group



AGILE SCIENCE PURE RESULTS

Alzchem Group AG

HALF-YEAR
FINANCIAL REPORT
1st half-year 2022

Alzchem at a Glance

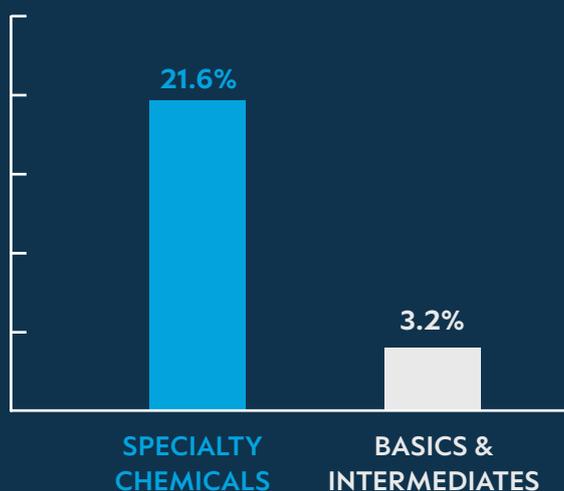
~ € 270
mn

sales generated by Alzchem in
the 1st half-year 2022
1st half-year 2021: ~ € 215 mn

~ € 35
mn

EBITDA achieved by Alzchem
in the 1st half-year 2022
1st half-year 2021: ~ € 36 mn

EBITDA MARGIN BY MAIN SEGMENTS



MARKETS



THREE REPORTING SEGMENTS



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Overview of the 1st half-year 2022

INCREASED SALES FORECAST FOR FISCAL YEAR 2022 CONFIRMED: SALES OF UP TO EUR 520 MILLION EXPECTED.

- Strongest half-year of the Alzchem Group in terms of sales with EUR 269.8 million and 25% growth.
- Continued strong demand in the human nutrition market, the steel and pharmaceutical industries and the automotive sector.
- Successful passing on of cost increases to the market via price increases – EBITDA of EUR 17.1 million almost at previous year's level despite tighter shortages and cost developments on the raw material, energy and logistics markets.
- Significant rise in equity ratio from 23.7% to 30.9%, mainly due to higher interest rates for pension obligations and slightly improved result for the period of EUR 17.4 million.
- Substantial build-up in net working capital to ensure continuous delivery capability.
- Creapure® capacity expansion largely on budget with expected completion in fall 2022.

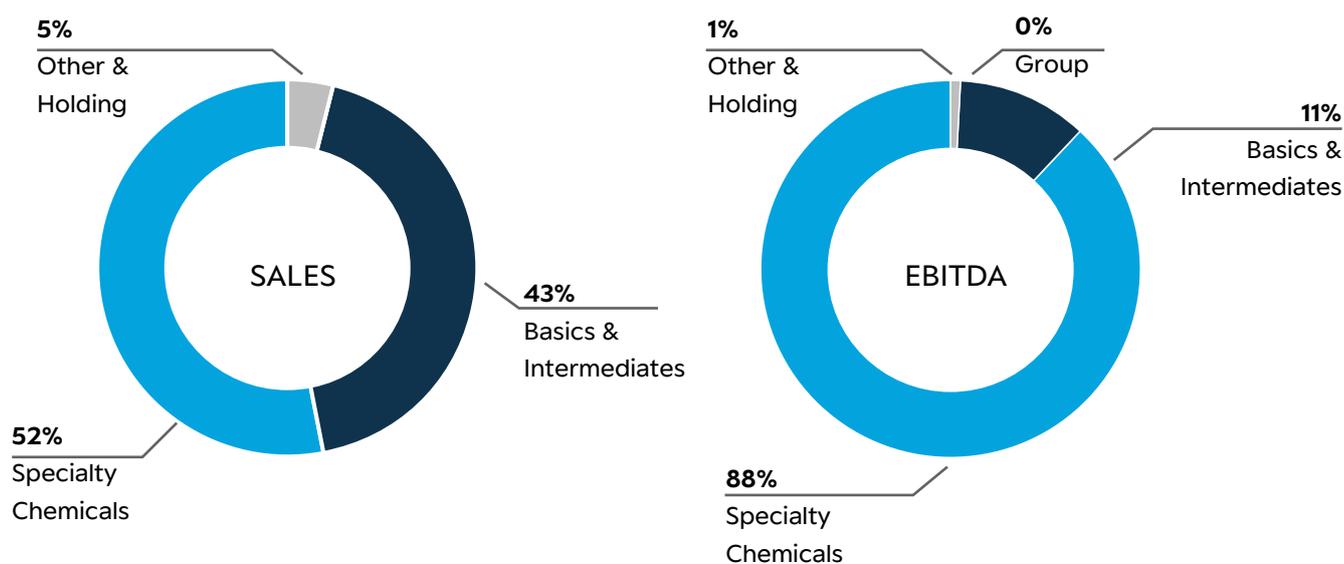
Note: Unless otherwise indicated, all amounts are stated in EUR thousand. For computational reasons, rounding differences of ± one unit may occur in tables.

KEY FIGURES OF THE ALZCHEM GROUP

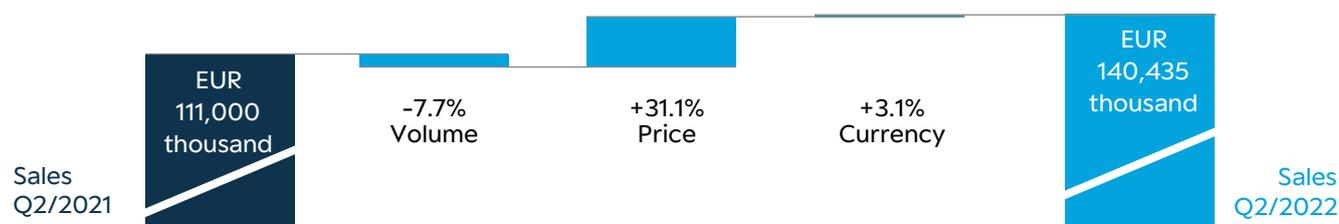
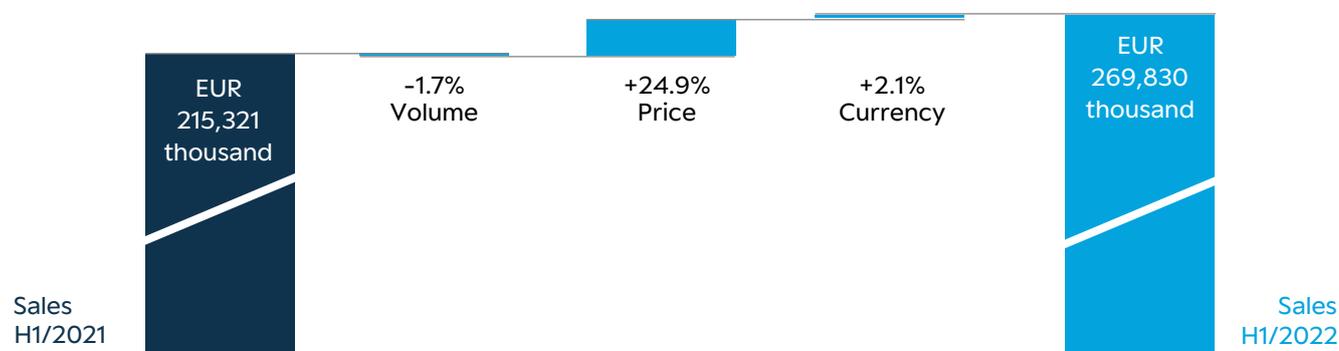
Key figure	Unit	2nd quarter 2021	2nd quarter 2022	1st half-year 2021	1st half-year 2022
Sales	EUR thousand	111,000	140,435	215,321	269,830
EBITDA	EUR thousand	18,993	17,807	35,715	34,876
EBITDA margin	%	17.1	12.7	16.6	12.9
EBIT	EUR thousand	13,094	11,508	24,045	22,272
Result for the period	EUR thousand	9,214	9,630	17,143	17,370
Earnings per share in EUR (undiluted and diluted)*	%	0.90	0.95	1.68	1.71
Equity ratio	%	22.4	30.9	22.4	30.9

* After share buyback in 2021 calculated with the average number of outstanding shares in the period 01.01.-30.06.2021 of 10,158,130 shares and in the period 01.04.-30.06.2021 of 10,147,756 shares. In the period 2022 calculated with 10,135,754 shares.

SALES AND EBITDA SHARE BY SEGMENTS IN THE 1ST HALF-YEAR 2022



CHANGE IN SALES COMPARED TO PREVIOUS YEAR



FORECAST FOR THE FISCAL YEAR 2022 – last adjusted with ad hoc release of April 22, 2022

	2021	Original forecast 2022	Adjusted forecast 2022
Sales	EUR 422,3 million	strongly to particularly strongly increasing (up to EUR 480 million)	strongly to particularly strongly increasing (up to EUR 520 million)
Adjusted EBITDA*	EUR 62,0 million	noticeably declining to especially strongly increasing (up to EUR 68 million)	noticeably declining to especially strongly increasing (up to EUR 68 million)
Adjusted EBITDA margin*	14.7%	stable to slightly declining	stable to slightly declining
Inventories	EUR 86.7 million	stable to noticeably increasing	stable to noticeably increasing
Inventory intensity (previously inventory ratio)	20.5%	stable to slightly declining	stable to slightly declining
Equity ratio	23.7%	stable to slightly increasing	stable to slightly increasing

* No adjustments were made.

¹ The forecasts are based on unchanged regulatory assumptions, such as the continuation of the German Renewable Energy Act (EEG), sec. 19 para. 2 StromNEV, electricity price compensation and the continuation of existing product approvals. Furthermore, the forecasts contain forward-looking statements based on Management's current estimates and currently available information. Such statements are subject to risks and uncertainties that are beyond Alzchem's ability to control or estimate precisely. If any of these or other uncertainties materialize, or if the assumptions underlying any of these statements prove incorrect, then actual results may be materially different from those expressed or implied by such statements.

Interim Group Management Report as of June 30, 2022

1. BUSINESS REPORT

1.1. BUSINESS DEVELOPMENT

1.1.1 PRELIMINARY NOTE

This interim Group management report provides information on the first half-year 2022 and the comparative prior-year period. The figures shown for the second quarter relate in each case to the period from April 1 to June 30, 2022 and 2021 respectively. In accordance with the option provided by

sec. 52 para. 3 of the Stock Exchange Rules for the Frankfurt Stock Exchange, this half-year financial report has not been reviewed in accordance with sec. 115 WpHG or audited in accordance with sec. 317 HGB.

1.1.2 IMPORTANT EVENTS IN THE 1ST HALF-YEAR 2022

The first half of the fiscal year 2022 was predominantly influenced by the war in Ukraine and its economic impact. The Management of the Alzchem Group is dealing with the resulting consequences on an almost daily basis. We therefore report on this in a separate section of this half-year report.

COVID-19 also continues to be a defining issue in Alzchem's daily business activities. Although the effects and imponderables are now no longer so dominant, we also report on this in a separate section.

The two crises "Ukraine war" and "COVID-19" have a partially concurrent influence on Alzchem's business activities. This effect is therefore also explained in a separate section.

Despite the challenges posed by these two crises, Alzchem was able to continue focusing on important growth projects. For example, the expansion of the Creapure® production facilities is in the final straight. The construction work is on schedule and largely on budget, and is scheduled for completion in the fall of 2022. The resulting capacity expansion is urgently needed to meet customer demand.

At the virtual Annual General Meeting on May 5, 2022, among other things, a dividend of EUR 1.00 per share (EUR 10.1 million) was resolved and subsequently paid out to the shareholders.

1.1.3 GLOBAL ECONOMIC ENVIRONMENT

The recovery of the global economy has stalled in the face of new negative shocks. After global output rose strongly in the second half of 2021, the recovery from the Corona crisis lost much of its momentum after the turn of the year. Key factors here were new disruptions from the pandemic and Russia's attack on Ukraine, as a result of which inflation, already strong, intensified further and supply bottlenecks increased again. As a result of the zero COVID strategy pursued in China, tensions in global production networks also intensified again after a gradual easing had been seen in the fall and

winter. In Europe in particular, there were also disruptions in production chains as a result of the war in Ukraine and the sanctions imposed on Russia. Above all, raw material costs again increased significantly at times under the impact of the war in Ukraine.

The underlying economic trend in the advanced economies weakened. As a result, gross domestic product in these countries decreased slightly in the first quarter 2022.

1.1.4 DEVELOPMENT OF THE GROUP

1.1.4.1 EFFECTS OF THE UKRAINE WAR ON THE ALZCHEM GROUP

The economic effects of the war in Ukraine are one of Alzchem's most important issues in the current fiscal year. The direct embargo-related effects on the regional sales side are limited to less than EUR 1 million. However, the effects on the purchasing and logistics side are serious in some cases and very challenging for Alzchem.

The all-embracing topic, which the press also addresses almost daily, is the gas supply in Germany. However, while most of the reports there focus on the gas supply to private households, the effects on industry are often only to be found in specialist articles. One of the most important characteristics of gas is its influence on electricity prices. As part of the so-called merit order, electricity prices are set on a daily basis. Basically, this means that in the daily demand planning for electricity generation in Germany, the power plants with the lowest marginal costs are considered first.

Power plants with higher marginal costs are then added until demand is met. On the electricity exchange, therefore, the last bid to win determines the price of electricity for all suppliers. The price of electricity is therefore determined by the most expensive power plant still needed to meet the demand for electricity. And this most expensive power plant is currently usually the gas-fired power plant. Thus, the currently very high gas prices also lead to high electricity prices. Electricity prices have risen steadily since the fall of 2021, made an enormous leap to previously unseen highs from February 24, 2022, and increased significantly again after Russian gas supplies tightened in June 2022. The following overview shows the development of spot prices on the German energy market for these selected periods:

Period	Average (EUR/MWh)	High (EUR/MWh)
January – June 2021	54.96	94.83
July – December 2021	138.04	431.98
January – February 2022	149.25	297.29
March – June 2022	203.48	487.57

As an electricity-intensive company, Alzchem is directly affected by the high electricity prices. Although part of the electricity required for 2022 has already been secured in advance through supply contracts at significantly lower purchase prices, the remaining volume must be purchased on the spot market at current daily prices. This means enormous additional financial expense for the company.

In contrast, the availability of gas does not have such a serious production-related impact for Alzchem as it does for many other companies in the chemical industry. The company's own direct gas consumption is relatively low and can presumably be completely substituted. Alzchem does purchase certain quantities of natural gas, but 80% of these are resold to customers of the chemical park, so that direct dependence is rather low. With regard to the remaining inhouse use for heat generation, Alzchem is in consultation with the authorities in order to achieve complete substitution in the short term in the event of a gas shortage. Alzchem does not use natural gas at all as a process gas in production. Natural gas is, however, a precursor for the manufacture of certain chemicals, which in turn are used in Alzchem's production.

Specifically, this includes ammonia, nitric acid, ammonium nitrate and urea. As a result of the potential, permanently announced shortage of natural gas, these raw materials are becoming just as scarce and therefore much more expensive than before the outbreak of the Ukraine war. Currently, all of the above products are still available on the market, but at significantly increased costs. A complete shutdown of the Russian gas supply could cause supply bottlenecks for certain products, which in the worst case could lead to a production stop at Alzchem. One of Alzchem's suppliers has already had to declare "force majeure" for an important raw material due to the global raw material and supply bottlenecks, which in turn has led to a partial reduction in production volumes at certain affected production facilities. Such events may occur more frequently in the current situation.

In general, highs in raw material prices can be seen after the outbreak of the war in Ukraine. However, the situation in logistics has also worsened once again. Ukrainian employees are dropping out of forwarders, which in turn is leading to shortages in supply and consequently to higher prices for logistics services. Alzchem notices this particularly in sales,

when contractual arrangements are such that the customer is responsible for picking up the goods. In some cases, products are stored in the company's own warehouses for up to three months until the customer can arrange for the goods to be transported.

Despite these upheavals, Alzchem has succeeded in essentially securing the supply of raw materials and basically maintaining the logistics chains and production (with few outages so far). All plants were mostly supplied with raw materials on time.

1.1.4.2 EFFECTS OF THE COVID-19 PANDEMIC ON THE ALZCHEM GROUP

Management of the still rampant COVID-19 pandemic has almost become a practiced routine, although the Omicron variant has led to rising infection rates. The sickness rate among Alzchem employees remains at a very high level. In view of the abolition of almost all statutory hygiene and protection measures, Alzchem continues to rely on the sense of responsibility of its employees, who have the option of free self-testing at the slightest sign. In production, it has been possible to operate all plants largely without any sickness-related downtime.

However, the Chinese government's zero-COVID strategy is not routine. Alzchem's Chinese sales company was also af-

ected by the two-month complete lockdown in Shanghai. As a result, no invoicing could take place during this period and important raw materials that Alzchem procures through the Chinese company had to wait weeks for shipment from the port in Shanghai to Germany. In addition to this direct effect, the closing of the port also has an impact on Alzchem's supply and logistics chains and reinforces the effect already existing as a result of the Ukraine war of stockpiling important raw materials and stock production of goods in order to be able to maintain the company's own production and supply capabilities.

1.1.4.3 EFFECTS OF THE UKRAINE WAR AND THE COVID 19 PANDEMIC ON ALZCHEM'S BUSINESS ACTIVITIES IN THE 1ST HALF-YEAR 2022

The outbreak of the Ukraine war has further intensified the pressure on raw material prices, raw material availability and logistics chains that already existed as a result of the COVID-19 pandemic. In the energy market, the Ukraine war is causing previously unanticipated distortions in availability and, more importantly, prices. Alzchem is feeling the effects of these distortions primarily on the cost side. Production costs are increasing as a result of high energy and raw material costs. Alzchem has to pass on the increased production costs to customers, which has posed considerable challenges for sales in the first half-year 2022. However, there have been some successes here, as price increases could essentially be pushed through with customers, but the end has certainly not yet been reached here. Permanently rising raw material costs require constant contact and negotiations with customers. With regard to the price of electricity in particular, Alzchem is exposed to considerable cost pressure and, thanks to the flexibility in the control system, reserves the right here to temporarily shut down one or more furnaces in the event of absurd price peaks for electricity, to forego electricity purchases and to reduce inventories in the process. The first half-year 2022 saw daily fluctuations in electricity prices, some of which were significant. This development makes pricing with customers all the more challenging, as Alzchem does not negotiate daily prices with them,

but at least monthly prices. Passing on average cost increases is therefore only possible in most cases with a certain delay of at least one month.

Alzchem sees the second main influence on the development of net working capital. Inventories, trade receivables and trade payables have reached record levels. Inventories reflect the combination of raw material availability, raw material prices, delivery capability and logistics shortages. In purchasing raw materials, Alzchem is partly required to take advantage of short-term availability. In some cases, this also leads to stockpiling that exceeds the production of goods required in the short term in order to be able to ensure delivery capability in the medium term as well. Due to the aforementioned problems in logistics, goods that are ready for shipment cannot be delivered to customers immediately, but wait in Alzchem's warehouses, sometimes for months, until they are picked up by the shipping companies. In this case, the high prices for raw materials lead to a considerable increase in the valuation of inventories, in addition to the volume effect explained above. Alzchem's Management has already reacted to this and launched a project to reduce inventories in the short term. Nevertheless, the sometimes complex production processes and, in particular, Alzchem's campaign production do not always allow inventories to be reduced flexibly.

The price increases for Alzchem's customers on the one hand and for raw materials on the other also lead to higher values for trade receivables and trade payables, without necessarily changing anything in terms of the quantity sold or purchased. Alzchem therefore also sees the figures here at a historically high level. However, no change in the payment behavior of customers or Alzchem has been observed to date.

The increase in inventories leads to a considerable liquidity requirement, which is only reversed when the goods are sold. In general, due to market conditions, there is always the greatest difference between the payment terms of customers and those of suppliers in the first half of a fiscal year. This difference also initially leads to a need for financing when working capital is built up. Since Alzchem has continued to press ahead with all important investment projects, the financing of the working capital build-up results in an increased utilization of the available working capital lines at

the banks accompanying Alzchem. The company reacted at an early stage to the emerging need for liquidity and proactively initiated discussions with the banks. In total, Alzchem was able to increase the available short-term financing lines by EUR 22.5 million in the first half-year 2022 as a result of these activities and is in permanent contact with the banks regarding a further expansion in line with requirements. As a result of these agreements, the financing of the working capital expansion was secured at all times in the first half-year 2022.

In general, it can be said that high energy prices in particular can lead to a decline in the competitiveness of European producers. While logistics problems and raw material prices can currently be observed worldwide, energy prices in Europe are currently far above the level in North America or Asia.

1.1.4.4 RESULTS OF OPERATIONS

Consolidated Income Statement (IFRS, unaudited)

In EUR thousand	2nd quarter 2021	2nd quarter 2022	1st half-year 2021	1st half-year 2022
Sales	111,000	140,435	215,321	269,830
Change in inventories of finished goods and work in progress	-1,621	14,467	-3,765	28,611
Other operating income	2,505	5,736	6,488	9,804
Cost of materials	-37,538	-74,027	-73,765	-147,563
Personnel expenses	-35,209	-36,287	-68,247	-70,286
Other operating expenses	-20,144	-32,517	-40,317	-55,520
EBITDA	18,993	17,807	35,715	34,876
Depreciation and amortization	-5,899	-6,299	-11,670	-12,604
EBIT	13,094	11,508	24,045	22,272
Other interest and similar income	244	2,393	756	3,575
Interest and similar expenses	-414	-643	-838	-1,246
Financial result	-170	1,750	-82	2,329
Result from ordinary business activities	12,924	13,258	23,963	24,601
Taxes on income and earnings	-3,710	-3,628	-6,820	-7,231
Result for the period	9,214	9,630	17,143	17,370
thereof non-controlling interests	43	43	85	85
thereof shares of the shareholders of Alzchem Group AG	9,171	9,587	17,058	17,285
Earnings per share in EUR (undiluted and diluted)*	0.90	0.95	1.68	1.71

* After share buyback in 2021 calculated with the average number of outstanding shares in the period 01.01.-30.06.2021 of 10,158,130 shares and in the period 01.04.-30.06.2021 of 10,147,756 shares. In the period 2022 calculated with 10,135,754 shares.

DEVELOPMENT IN THE 1ST HALF-YEAR 2022

In the first half of 2022, Alzchem achieved an increase in sales from EUR 215,321 thousand to EUR 269,830 thousand, which corresponds to growth of 25%. In absolute terms, the growth in sales is almost evenly distributed between the two segments Specialty Chemicals and Basics & Intermediates. By contrast, sales in the Other & Holding segment remained at the level of the previous year. With volumes sold almost unchanged, the growth in sales was mainly achieved through the necessary price increases, so that the higher energy and raw material costs could largely be passed on to customers.

The cost of materials is considered together with changes in inventories as the "extended cost of materials ratio". Since all raw materials and energy purchases that are important for Alzchem have become significantly more expensive than they were in the same period of the previous year, the extended cost of materials ratio has also increased from 36% to 44%. This shows that it was not possible to pass on the price increases to customers for all Alzchem products in the short term. However, due to the fact that electricity demand had already been partially covered, the significant rise in electricity costs was not fully reflected in Alzchem's extended cost of materials ratio.

Other operating income grew by EUR 3,316 thousand to EUR 9,804 thousand. This rise is primarily the result of currently higher foreign currency gains.

Personnel expenses were up 3% to EUR 70,286 thousand compared to the first half of 2021. This increase is mainly due to the planned annual collective pay increases, a collectively agreed special payment as a result of the suspension of collective bargaining in the chemical industry, and a small growth in the number of employees (+2%).

At EUR 55,520 thousand, other operating expenses were EUR 15,203 thousand higher than in the previous year. The increase is mainly due to higher logistics costs for the shipment of goods. Here, the shortage in the logistics supply also leads to an increase in prices. In general, the overall rise in prices can also be seen in all other expense items. Furthermore, foreign currency losses increased by EUR 732 thousand compared with the first half of 2021.

The almost stable development of EBITDA from EUR 35,715 thousand to EUR 34,867 thousand shows that the consider-

able rise in energy and raw material costs could largely be passed on to the market thanks to the necessary price increases, which are reflected in the enormous growth in sales. Overall, the EBITDA margin was 12.9%, compared with 16.6% in the same period of the previous year.

As planned, depreciation and amortization was EUR 934 thousand above the level of the previous year (EUR 11,670 thousand).

The financial result has improved significantly compared to the first half of 2021. Whereas in the previous year, a negative financial result of EUR -82 thousand was recorded, a positive financial result of EUR 2,329 thousand was achieved in the same period in 2022. Interest expenses for loans payable, leasing liabilities and factoring increased only slightly compared with the previous year. The significant improvement was mainly due to interest rate changes for non-current provisions and pension obligations. Discount rates for non-current provisions increased sharply in the first half of 2022, resulting in interest income well above the prior-year level. By contrast, slightly higher interest expense was recognized for pension obligations, as the interest rates used for this are always those on December 31 of a year. These were higher on December 31, 2021 than on December 31, 2020.

Tax expenses amounted to EUR 7,231 thousand in the first half of 2022 and increased in line with the slight improvement in earnings before taxes. The current Group tax rate of 29.4% is roughly on a par with the previous year's 28.5%.

In total, a consolidated result for the period of EUR 17,370 thousand was achieved in the first half of 2022, which was thus just above the previous year's figure of EUR 17,143 thousand.

Earnings per share for the first half of 2022 improved moderately from EUR 1.68 to EUR 1.71. The share buyback program completed in 2021 slightly reduced the number of shares outstanding compared to the same period of the previous year. 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, 2022 of 10,135,754.

DEVELOPMENT IN THE 2ND QUARTER 2022

The development of sales in the second quarter of 2022 is similar to that in the first half of the year. Compared to the same period of the previous year, sales increased by 26.5% to EUR 140,435 thousand. Here, too, the Basics & Intermediates and Specialty Chemicals segments contributed roughly equally to the sales growth, while the Other & Holding segment remained at around the previous year's level. Here, the higher sales were also mainly the result of increased prices for Alzchem's products. In the Basics & Intermediates segment, however, there was also a slight decline in sales volumes compared with the second quarter of the previous year.

The extended cost of materials ratio (cost of materials including changes in inventories) rose considerably in the second quarter to 42.4%, compared with 35.3% in the same period of the previous year. Here, too, the influence of raw material and energy costs on Alzchem's production activities can be seen.

Other operating income grew by EUR 3,231 thousand. Of this amount, EUR 2,584 thousand is attributable to increased foreign currency gains.

The slight rise in personnel expenses (EUR 1,078 thousand) reflects the collectively agreed increases and one-off payments resulting from the ongoing collective bargaining negotiations in the chemical industry.

Logistics costs contributed the largest absolute amount to the rise in other operating expenses to EUR 32,517 thousand. Compared with the first quarter of 2022, the general price increase in the various expenses gained further momentum in the second quarter of 2022.

EBITDA in the second quarter of the fiscal year 2022 was EUR 17,807 thousand, EUR 1,186 thousand lower than in the second quarter of 2021. Despite the significant sales growth,

it is also evident here that the necessary price increases to pass on the higher costs to the market can only be achieved with a certain delay.

At EUR 6,299 thousand, depreciation and amortization was slightly above the level of the previous year (EUR 5,899 thousand).

The financial result showed the same effects as in the first half of the year. Interest rate changes led to high interest income from the discounting of non-current provisions and, conversely, to an increase in interest expenses for pension obligations. Both effects together resulted in an increase in the financial result of EUR 1,920 thousand to EUR 1,750 thousand.

Tax expenses amounted to EUR 3,628 thousand and were thus almost at the previous year's level. The slight decrease in the Group tax rate to 27.4% is due to special effects in the calculation of deferred tax income.

In the second quarter of 2022, consolidated result for the period amounted to EUR 9,630 thousand, which represents an increase of EUR 416 thousand compared to the same period of the previous year.

Earnings per share in the second quarter of 2022 amounted to EUR 0.95 and were thus slightly higher than in the same quarter of the previous year (EUR 0.90). Here, too, the share buyback program carried out in the previous year had an impact on the number of shares to be included. In the second quarter of 2021, earnings per share were calculated on the weighted basis of 10,147,756 shares and in the second quarter of 2022 on the weighted basis of 10,135,754 shares.

1.1.4.5 FINANCIAL POSITION

Consolidated Cash Flow Statement (IFRS, unaudited)

In EUR thousand	2nd quarter 2021	2nd quarter 2022	1st half-year 2021	1st half-year 2022
Cash flow from operating activities	17,610	-11,588	25,701	-17,169
Cash outflow from investing activities	-6,417	-7,672	-16,403	-15,021
Free cash flow	11,193	-19,260	9,298	-32,190
Cash inflow/outflow from financing activities	-11,617	20,917	-15,731	33,953
Net increase in cash and cash equivalents	-424	1,657	-6,433	1,763

DEVELOPMENT IN THE 1ST HALF-YEAR 2022

The financial position of the Alzchem Group in the first half of 2022 was secured at all times, but was also significantly influenced by the build-up of net working capital. Based on a slight increase in consolidated result for the period, there was a negative cash flow from operating activities. While the Group generated cash and cash equivalents of EUR 25,701 thousand in the first half of 2021, there was a total cash outflow from operating activities of EUR 17,169 thousand in the first half of 2022. The main reasons for this are the inventory build-up and the increase in trade receivables. In the previous year, there was a slight reduction in inventories, whereas in the reporting period inventories increased by approximately EUR 40 million. The reasons for this have already been described in detail in the introductory section.

In the first half of 2022, Alzchem invested EUR 15,021 thousand, EUR 1,382 thousand less than in the same period of the previous year. The initially planned investment projects were analyzed in detail due to the general economic situation and replacement investments that were not absolutely necessary were temporarily halted. As a result, the volume of investment was slightly lower than a year earlier. By contrast, there were no shifts in plans for expansion investments, which remain on the planned project track. The biggest individual projects in the first half of 2022 were the expansion of the Creapure® production plant and renewal projects for the company's own network operations.

Alzchem received a total of EUR 33,953 thousand in cash and cash equivalents from financing activities in the first half of 2022. The significant increase in net working capital required financing from short-term financing lines, which are available to Alzchem for precisely these cases. As a result, Alzchem received a total of EUR 50,662 thousand in the first half of 2022. In contrast, a total of EUR 6,403 thousand was used for the scheduled repayment of long-term loans and leasing liabilities, which is roughly the same level as in the previous year. The dividend resolved by the Annual General Meeting in May 2022, which was increased to EUR 1.00 per share, was paid out to shareholders in the total amount of EUR 10,136 thousand (previous year: EUR 7,821 thousand). The dividend payment thus influenced Alzchem's financing cash flow by EUR 2,315 thousand more than in the previous year. In the same period of the previous year, EUR 1,010 thousand was paid for the share buyback including transaction fees. This reduction in financing cash flow is not included again in the first half of 2022.

Cash and cash equivalents amounted to EUR 10,196 thousand as of June 30, 2022, which corresponds to an increase of EUR 1,763 thousand compared to December 31, 2021, taking into account currency effects.

DEVELOPMENT IN THE 2ND QUARTER 2022

In the second quarter of 2022, the development of cash outflow from operating activities was similar to that of the first half of the year. Due to the increase in working capital, cash flow from operating activities decreased by EUR 29,199 thousand to EUR -11,588 thousand.

Cash outflows for investing activities amounted to EUR 7,672 thousand and were thus slightly higher than in the prior-year quarter. This is mainly due to the final work of the last project phase for the expansion of the Creapure® plant.

The cash flow from financing activities in the second quarter of 2022 is also a mirror image of the first half of 2022. EUR 34,044 thousand in short-term lines were utilized to finance working capital; EUR 2,991 thousand was used to repay long-term loans and leasing liabilities. The dividend payment in May 2022 reduced the financing cash flow by EUR 10,136 thousand.

Cash and cash equivalents amounted to EUR 10,196 thousand and as of June 30, 2022, which corresponds to an increase of EUR 1,657 thousand compared to March 31, 2022, taking into account currency effects.

1.1.4.6 NET ASSETS

Consolidated Balance Sheet (IFRS, unaudited)

In EUR thousand	12/31/2021	06/30/2022	Delta
Assets			
Intangible assets	2,329	2,267	-62
Property, plant and equipment	178,806	180,432	1,626
Lease usage rights	7,686	6,819	-867
Financial assets	20	20	0
Other receivables and other assets	1,320	1,432	112
Deferred tax assets	34,924	19,003	-15,921
Non-current assets	225,085	209,973	-15,112
Inventories	86,676	126,897	40,221
Trade receivables	40,841	57,782	16,941
Other receivables and other assets	16,454	22,947	6,493
Income tax claims	326	91	-235
Cash and cash equivalents	8,285	10,196	1,911
Total current assets	152,582	217,913	65,331
Total assets	377,667	427,886	50,219
Capital			
Equity	89,564	132,090	42,526
Non-current liabilities	211,978	154,630	-57,348
Current liabilities	76,125	141,166	65,041
Balance sheet total	377,667	427,886	50,219

Compared with the balance sheet date of December 31, 2021, total assets increased by EUR 50,218 thousand to EUR 427,886 thousand. The development of current assets contributed significantly to this increase. The current developments on the markets, among other things due to the war in Ukraine, have a considerable influence on Alzchem's net working capital. This is mainly reflected in inventories and trade receivables. Half of the rise in inventories from EUR 86,676 thousand to EUR 126,897 thousand results from price increases compared with December 31, 2021, and the other half from a volume growth, which is spread over both raw materials and finished goods. The current distortions on the raw material and logistics markets require a certain level of inventories to ensure supply capability and, in some cases, raw material purchases for security. Trade receivables contributed to a further increase in current assets. Due to different payment terms, these are always slightly higher in the first half of a calendar year than at the end of the year. However, there is also the effect of increased selling prices to customers, which means that receivables are higher in absolute terms. On the other hand, no change in the payment behavior of customers or unusual payment defaults have been observed to date. Non-current assets were down by EUR 15,113 thousand. This was mainly due to the decrease in deferred tax assets of EUR 15,921 thousand. As a result

of the significant interest-related decline in pension obligations, the deferred tax assets recognized on these assets were also reduced.

Equity rose by EUR 42,525 thousand to EUR 132,090 thousand as of June 30, 2022, compared with December 31, 2021. The equity ratio has thus improved from 23.7% to 30.9% since the last balance sheet date. This increase is due in part to opposing effects. In addition to the positive consolidated result of EUR 17,370 thousand, the main factor here is the interest-related reduction in pension obligations. After deducting deferred taxes of EUR 13,720 thousand, equity increased by EUR 35,280 thousand as a result of the sharp rise in pension interest rates. The development of pension obligations is largely 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 in accordance with IFRS rules. The risk-free market interest rate plays a key role in the actuarial parameters. If this market interest rate falls, pension obligations increase, 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	2021	H1/2021	Q1/2022	H1/2022
Discount rate	2.50	1.75	1.75	1.90	0.90	0.50	1.00	0.90	1.90	3.30

The dividend payment to shareholders led to a decrease in equity. The dividend payment resolved by the Annual General Meeting on May 5, 2022 amounted to EUR 10,136 thousand and was paid out in May.

Alzchem's non-current liabilities have decreased by EUR 57,348 thousand since December 31, 2021. The development of pension obligations just described contributed a total of EUR 48,768 thousand to this reduction. The interest rate change effect alone led to a decrease of EUR 49,069 thousand in the amount of obligations. Furthermore, the scheduled repayment of loan liabilities resulted in a reduction of these obligations by EUR 5,027 thousand.

Current liabilities reflect the effects of the increase in net working capital. Current liabilities rose by EUR 65,042 thousand to EUR 141,166 thousand. The increase occurred in the area of trade payables and in current liabilities to banks. There was a rise of EUR 11,998 thousand in trade payables. This was mainly due to the increase in raw material and energy prices and the general level of inflation. Here, the higher prices lead to a rise in trade payables. The increase in net working capital was mainly financed by drawing on short-term credit lines. These rose by EUR 50,260 thousand compared with December 31, 2021.

1.1.5 DEVELOPMENT IN THE SEGMENTS

1.1.5.1 SPECIALTY CHEMICALS SEGMENT

In EUR thousand	2nd quarter 2021	2nd quarter 2022	1st half-year 2021	1st half-year 2022
External sales	59,330	76,214	116,105	141,493
EBITDA	14,801	16,323	28,748	30,588
EBITDA margin	25.0%	21.4 %	24.8 %	21.6 %
Inventories	38,211	78,543	38,211	78,543

DEVELOPMENT IN THE 1ST HALF-YEAR 2022

In the first half of 2022, the Specialty Chemicals segment was able to build on and continue the pleasing performance of the previous year. Sales volumes increased moderately and sales significantly in almost all business units. The capacity utilization of the entire plant fleet remains at a very high level in order to meet market demand. In addition, Creapure® capacity is being expanded at full speed (expected completion in fall 2022) in order to meet the sustained growth trend in the Dietary Supplements business. In addition, the segment benefited from a high level of orders for products from multi-purpose plants (Customer Manufacturing), the automotive sector (DYHARD®) and agriculture (DORMEX®). There was also a significant year-on-year increase in sales volumes for the animal nutrition business (Creamino®), although current raw material costs continue to intensify global price pressure. The pandemic situation has calmed down to some extent, which is why the COVID-19-based business in the pharmaceuticals sector (Bioselect®) performed below the previous year's level. In general, utilization of the multi-purpose plants, from which a broad product mix is sold to a wide range of customers, remains very good. This diversification has historically proven to be very valuable and resistant to crises.

Despite a continued good order situation and proactive revision of existing customer contracts in order to pass on the continuously rising raw material as well as electricity costs to customers, the EBITDA margin decreased to approximately 21.6% in the first half of 2022 compared to 24.8% in the first half of 2021. EBITDA was slightly above the previous year's level at EUR 30,588 thousand. In general, the manufacture of products in the Specialty Chemicals segment is not as electricity-intensive as, for example, in the Basics & Intermediates segment. Here, higher raw material costs are the main reason for the price increases implemented, and it is evident that passing on of these price increases to customers has already been very successful in this segment.

The significant climb in inventories reflects the higher raw material procurement costs and the increasingly difficult transport situation. An Alzchem-wide inventory optimization program is currently underway, in which all relevant internal processes (ordering process, production process, sales process) are being examined and improved in order to counteract a further build-up of inventories. The challenge here is to find a balance between raw material availability, production planning, delivery capability and optimization of net working capital.

DEVELOPMENT IN THE 2ND QUARTER 2022

Looking at the operating business development of the Specialty Chemicals segment in the second quarter, the picture for the entire first half of the year can be applied accordingly without any reservations.

At EUR 16,323 thousand, the segment result in the second quarter was slightly above the level of the previous year. In

line with the analysis for the first half of the year, the EBITDA margin for the period from April to June 2022 was also lower at 21.4% than in the same period of the previous year (25.0%).

When looking at 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 2021	2nd quarter 2022	1st half-year 2021	1st half-year 2022
External sales	45,178	57,927	86,248	115,368
EBITDA	3,826	854	6,617	3,695
EBITDA margin	8.5%	1.5%	7.7%	3.2%
Inventories	27,879	46,041	27,879	46,041

DEVELOPMENT IN THE 1ST HALF-YEAR 2022

The Basics & Intermediates segment also generated remarkable sales growth in the first half of 2022. Despite the volatile environment, Alzchem succeeded in reliably supplying existing customers and expanding its customer network, particularly in the metallurgy (steel industry) and pharmaceuticals (dicyandiamide) businesses. However, due to the current tense situation on the energy markets and the resulting decline in competitiveness compared with non-European competitors, the pharmaceuticals, agrochemicals and basic chemicals businesses (NITRALZ®) as well as agricultural fertilizers (Perlka®) closed the year below the previous year's level. The NITRALZ® product range is largely based on gas-dependent raw materials such as ammonia, which have been exposed to enormous raw material price increases in recent weeks. Our competitiveness outside Europe is suffering as a result of these price increases being passed on to customers. This effect has already been felt in the sales figures of recent months. In the fertilizer sector, the uncertainty on the markets is also noticeable. The production of the high-grade fertilizer Perlka® is very electricity-intensive and Alzchem is therefore forced to pass on the higher electricity costs to

customers through price increases. The uncertain situation on the markets for agricultural products is currently leading to delayed or restrained ordering behavior on the part of customers.

In general, production in the Basics & Intermediates segment requires electricity and coking coal (directly and indirectly), which are subject to strong price turbulence and price increases. Thanks to the increased adjustment to price escalator clauses, the costs could be passed on to customers to a large extent. However, this occurs with a certain time lag and is not always reflected in sales in the same period in which electricity costs are incurred. Consequently, the tight cost and logistics situation is reflected in a correspondingly lower EBITDA of EUR 3,695 thousand and a reduced EBITDA margin of 3.2%. The segment's inventories also clearly show the effect of rising procurement prices and a strained logistics situation. The Basics & Intermediates segment is also working hard to optimize inventories along the NCN chain and raw material purchasing.

DEVELOPMENT IN THE 2ND QUARTER 2022

The comments on the six-month period also apply to the second quarter of 2022. Alzchem was able to score points for metallurgical products and dicyandiamide in particular with high quality, reliability and good cooperation with customers, which contributed to significant sales growth. The restrained ordering behavior of fertilizer customers was particularly noticeable in the second quarter of the fiscal year and resulted in order volumes below the prior-year level.

Raw material and electricity prices tended to be more volatile in the second quarter of 2022 and were characterized by

higher price increases than in the first three months of the fiscal year. This development resulted in EBITDA significantly below the prior-year figure. The month of June in particular once again saw highs on the electricity market; however, the resulting price increases cannot be implemented until the following month at the earliest.

When looking at 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 2021	2nd quarter 2022	1st half-year 2021	1st half-year 2022
External sales	6,492	6,294	12,968	12,969
EBITDA	-43	830	392	691
EBITDA margin	-0.7%	13.2%	3.0%	5.3%
Inventories	3,825	5,207	3,825	5,207

DEVELOPMENT IN THE 1ST HALF-YEAR 2022

In the first half of 2022, the Other & Holding segment developed in line with the previous year. The purchasing behavior of customers at the chemical park continues to show a stable level. There was also no significant change in the individual services. Although there were slight shifts within the individual service areas (for example, increased demand for media as well as higher demand for waste disposal services), a stable sales development can be reported overall.

The segment's earnings were roughly on a par with the previous year, with minor non-recurring effects due to the passing on of price increases.

Inventories as of the reporting date for the period under review amounted to EUR 5,207 thousand, mainly consisting of consumables and supplies stored by chemical park customers.

DEVELOPMENT IN THE 2ND QUARTER 2022

The comments on the six-month period also apply to the second quarter of 2022.

2. RISK AND OPPORTUNITY REPORT

The management system for identifying risks and opportunities and the measures taken to limit risks are described in detail in the Combined Management Report 2021. The main risks and opportunities arising in the course of business activities were also explained there. The report did not yet address the impact of the war in Ukraine. However, this has already been reported on in a separate section at the beginning of the report and in many other places. Alzchem is significantly affected by the price of electricity. If Alzchem does not succeed in passing on the high electricity prices to the market as a price increase, this could have a negative impact on Alzchem's results of operations in the future. In our medium-term planning, however, we assume that the volatile electricity markets will calm down and that electricity prices will fall from the current level by the middle of next

year. If this development does not occur, negative effects on Alzchem's net assets, financial position and results of operations cannot be ruled out if price pass-through mechanisms were to fail.

With the exception of the situation described above, there have been no significant changes in Alzchem's opportunity and risk structure in the first half of 2022.

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. On the contrary, we expect short to medium-term shifts within our broad portfolio of products and services, which will hold both risks and opportunities for us.

3. SUSTAINABILITY AT ALZCHEM

In the Combined Management Report as of December 31, 2021, we reported on Alzchem's non-financial matters and efforts. There have been no fundamental changes to these statements. However, as a responsible 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 2022 as part of the half-year financial report 2022.

stock of the situation and draw up suggestions for improvement. The successes could already be seen in the second quarter of 2022, in which fewer reportable accidents were registered.

We also pressed ahead with process optimization to further reduce waste. Here, we are working on permanent improvements across all departments in order to be able to realize our vision of complete waste avoidance.

ACTIVITIES IN THE AREA OF SUSTAINABILITY

The roadmap to climate neutrality at Alzchem is taking concrete shape. The project team has compiled the ideas, which will now be examined in the next step for their feasibility and practicability. To this end, the project team is already working on calculating the costs for the individual measures defined. We are sticking to our goal of climate neutrality in the medium term.

We remain committed to our vision of "zero accidents". On the way there, we investigate and analyze every work accident, no matter how minor, and try to analyze the reasons together with the employees and optimize work processes and protective measures. As the number of accidents increased slightly overall in the first quarter of 2022, the "safety tours" that had been suspended at the start of the COVID-19 pandemic were resumed. Employees from outside the plant take

ALZCHEM IS AWARDED BY ECOVADIS FOR ITS SUSTAINABILITY SUCCESSES

In 2022, Alzchem again underwent an independent CSR rating by EcoVadis, the world's largest provider of sustainability ratings for companies, and again improved on its very good result in 2020. The EcoVadis methodology is based on international sustainability standards (Global Reporting Initiative, United Nations Global Compact, ISO 26000) and is overseen by a scientific panel of CSR and supply chain experts to produce reliable CSR ratings. Corporate activities in the areas of environment, labor and human rights, ethics, and sustainable procurement are assessed. With 70 out of 100 achievable points, Alzchem is among the top 4% of companies world-wide assessed by EcoVadis in the field of basic chemical manufacturing. Among the various ESG topics, Alzchem

achieved the highest score for environmental issues and the greatest improvement over 2020 for sustainable sourcing. In recognition of its sustainability successes, Alzchem was once again awarded the Gold Medal, which confirms Alzchem's responsible approach to people and the environment.

EMINEX® PROVES ITSELF

Methane and CO₂ emissions from liquid manure do not have to be. In view of the current price explosion for mineral fertilizers, Eminex® as an innovative product in Alzchem's portfolio offers an effective approach to significantly reducing methane and CO₂ emissions during manure storage and thus significantly improving its environmental impact. This is confirmed by the results of a study conducted at the University of Bonn, which was presented on the occasion of the DLG Field Days 2022.

Practical trials have already delivered convincing results in this regard in recent months. In a study at the University of Bonn, the convincing effect of Eminex® was also scientifically confirmed once again. In addition to a significant reduction in methane and CO₂ emissions of 82 to 100 percent over 182 days, a substantial decrease in nitrous oxide emissions was also demonstrated over the same period. In addition, it was proven that manure treated with Eminex® binds ammonia, thus enhancing its value as a fertilizer and leading to higher yield potential. Alzchem's new product Eminex® suppresses methane and CO₂ emissions during manure storage and thus helps to avoid emissions that are harmful to the climate. Furthermore, this additive stops the formation of foam and a floating layer, ensures more homogeneous manure and better flowability, and also increases the fertilizing effect of the manure. In view of the climate debate and the current supply and price situation for mineral fertilizers, this is an extremely effective approach for farmers to improve the use and image of liquid manure as a valuable nutrient carrier.

ENVIRONMENTAL STATEMENT 2022

Alzchem has been EMAS-registered (Eco-Management and Audit Scheme, also known as EU Eco-Audit) since 1997 and prepares an annual Environmental Statement. Alzchem has this validated by an independent environmental auditor in order to document, monitor and evaluate the impact of its own activities on environmental protection and sustainability. Accordingly, Alzchem has published the Environmental Statement 2022 for its German sites in Trostberg, Schalchen, Hart and Waldkraiburg, underlining the central importance of environmental protection and sustainability for the company.

The reduction, avoidance and recycling of waste, the independent reprocessing of process water and the minimization of energy consumption are just a few examples that demonstrate the high priority placed on environmental protection and sustainability at Alzchem. Last year, expenditure on environmental protection amounted to over EUR 18 million. In addition, the company's production processes are already based predominantly on electricity rather than oil or natural gas. Electricity is the energy of the future and is becoming more and more green thanks to the switch to renewable energies – as are Alzchem's products as a result.

The resource "energy" continues to be the focus of Alzchem's environmental projects. Energy consumption is to be further reduced. One urgent goal is to optimize processes in the manufacture of products and thus reduce the consumption of energy. In addition, emission protection, water consumption and the energy- and raw material-efficient use of resources also play an important role in the Alzchem production network.

Detailed information and key figures can be found in Alzchem's Environmental Statement 2022, which is available on the company's website.

OCCUPATIONAL HEALTH MANAGEMENT

The health of our employees is very important to us. That is why we have a wide range of offers, from nutrition and exercise to preventive health care, giving everyone the opportunity to put together their own individual health program. This year, we again published a spring program as part of the "gesund punkten" initiative. This initiative allows our employees to keep themselves healthy and is also rewarded with non-cash prizes for their participation. The entire program of the campaign consists of three building blocks: nutrition, exercise and prevention. Corresponding individual measures (for example spinning, running and back fitness courses) are offered for the respective building blocks, which in turn are rewarded with health points. Alzchem supports participation in sports events in the region and is always pleased when employees demonstrate their capabilities here as well.

PROFIT-SHARING

In the fiscal year 2021, the Alzchem Group achieved sales of EUR 422.3 million and a significant increase in EBITDA to EUR 62.0 million. After the participation and site development agreement expired, profit-sharing is now based on the general works agreement. Accordingly, our employees will

continue to benefit personally from Alzchem's success. Specifically, this results in a profit-sharing bonus of 38.6% of a monthly salary for 2021. We would like to take this opportunity to thank our employees for their commitment in the past year and are counting on their motivation and dedication in 2022 as well.

INTRODUCTION OF DIGITAL TEACHING AT THE VOCATIONAL SCHOOL

The innovative and forward-looking concept for the comprehensive use of tablet computers in dual training, developed and implemented in a cooperation between the Altötting State Vocational Schools and Alzchem as well as other train-

ing companies, was recognized as exemplary by the Bavarian Ministry of Education and Cultural Affairs. On Alzchem's initiative, trainees have been using their tablet computers for some time now not only in the training company, but also in the vocational school. The corresponding planning began even before the Corona pandemic, but this has accelerated the implementation considerably: The Altötting State Vocational Schools (BSAOE) and the training companies worked together in record time to develop viable concepts for digital instruction. Now, the State Ministry for Education and Cultural Affairs has honored this independent development of solutions for coping with the Corona impairments with an award and a bonus of EUR 1,000.

4. FORECAST REPORT

In an ad hoc announcement dated April 22, 2022, the forecast for consolidated sales made in the consolidated financial statements as of December 31, 2021 was adjusted.

This was reported in the quarterly report as of March 31, 2022. We can confirm this adjusted forecast. The forecasts continue to be as follows:

	2021	Original forecast 2022	Adjusted forecast 2022
Sales	EUR 422.3 million	strongly to particularly strongly increasing (up to EUR 480 million)	strongly to particularly strongly increasing (up to EUR 520 million)
Adjusted EBITDA*	EUR 62.0 million	noticeably declining to especially strongly increasing (up to EUR 68 million)	noticeably declining to especially strongly increasing (up to EUR 68 million)
Adjusted EBITDA margin*	14.7%	stable to slightly declining	stable to slightly declining
Inventories	EUR 86.7 million	stable to noticeably increasing	stable to noticeably increasing
Inventory intensity (previously inventory ratio)	20.5%	stable to slightly declining	stable to slightly declining
Equity ratio	23.7%	stable to slightly increasing	stable to slightly increasing

* No adjustments were made.

The increase in April 2022 at the upper limit of the key figure for sales is due to the necessary price adjustments forced upon us by developments on the raw material and energy markets. By contrast, the passing-on of purchasing prices to the market has only a minor impact on the other forecast key figures. Due to the volatile purchasing markets and the only delayed possibility of passing on cost increases on the purchasing side, we do not see any further growth in EBITDA as a result of the expected increase in sales at the present time. The same applies to the EBITDA margin.

There is currently also no need to adjust the forecast for the financial performance indicators inventories and inventory intensity, even though the volatility of the markets remains challenging. Based on continued high-capacity utilization at our facilities, the implemented changes within production and the initiated inventory reduction project in combination with strict net working capital management, we confirm the adjusted forecast.

With regard to the equity ratio, we continue to anticipate a stable to slightly increasing trend. As we do not expect

any adjustment to earnings, however, opportunities could arise here due to the interest rate environment with regard to pension obligations. We are currently seeing a sharp rise in interest rates in the area of pension obligations. This increase happened in a very short time and in a very volatile and uncertain environment. However, it remains to be seen whether the current trend of rising interest rates will accompany us throughout the year or whether there will be an equally rapid decline in interest rates and is therefore not yet part of our forecast.

The possible effects of a prolonged war in Ukraine, with the consequence of abrupt gas supply stoppages, for example, are also not reflected in this forecast and are currently not foreseeable. However, we would like to point out that a Russian gas supply stop with the effects described above on raw material availability, raw material prices and energy prices could have a negative impact on Alzchem's results of operations.

¹ The forecasts are based on unchanged regulatory assumptions, such as the continuation of the German Renewable Energy Act (EEG), sec. 19 para. 2 StromNEV, electricity price compensation and the continuation of existing product approvals. Furthermore, the forecasts contain forward-looking statements based on Management's current estimates and currently available information. Such statements are subject to risks and uncertainties that are beyond Alzchem's ability to control or estimate precisely. If any of these or other uncertainties materialize, or if the assumptions underlying any of these statements prove incorrect, then actual results may be materially different from those expressed or implied by such statements.

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 results of operations, 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 main 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, 2022

CONSOLIDATED INCOME STATEMENT OF ALZCHEM GROUP AG (IFRS, UNAUDITED)

in EUR thousand	2nd quarter 2021	2nd quarter 2022	1st half-year 2021	1st half-year 2022
Sales revenues	111,000	140,435	215,321	269,830
Change in inventories of finished goods and work in progress	-1,621	14,467	-3,765	28,611
Other operating income	2,505	5,736	6,488	9,804
Cost of materials	-37,538	-74,027	-73,765	-147,563
Personnel expenses	-35,209	-36,287	-68,247	-70,286
Other operating expenses	-20,144	-32,517	-40,317	-55,520
EBITDA	18,993	17,807	35,715	34,876
Depreciation and amortization	-5,899	-6,299	-11,670	-12,604
EBIT	13,094	11,508	24,045	22,272
Other interest and similar income	244	2,393	756	3,575
Interest and similar expenses	-414	-643	-838	-1,246
Financial result	-170	1,750	-82	2,329
Result from ordinary business activities	12,924	13,258	23,963	24,601
Taxes on income and earnings	-3,710	-3,628	-6,820	-7,231
Consolidated result for the period	9,214	9,630	17,143	17,370
Non-controlling interests in consolidated result for the period	43	43	85	85
Consolidated result for the period attributable to shareholders of Alzchem Group AG	9,171	9,587	17,058	17,285
Earnings per share in EUR (undiluted and diluted)*	0.90	0.95	1.68	1.71

* After share buyback in 2021 calculated with the average number of outstanding shares in the period 01.01.-30.06.2021 of 10,158,130 shares and in the period 01.04.-30.06.2021 of 10,147,756 shares. In the period 2022 calculated with 10,135,754 shares.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME OF ALZCHEM GROUP AG (IFRS, UNAUDITED)

in EUR thousand	2nd quarter 2021	2nd quarter 2022	1st half-year 2021	1st half-year 2022
Consolidated result for the period	9,214	9,630	17,143	17,370
Other income				
Items that are not reclassified to the income statement				
Result from the revaluation of defined benefit plans	-2,487	25,941	6,382	49,000
Deferred taxes	696	-7,263	-1,787	-13,720
Total items that are not reclassified to the income statement	-1,791	18,677	4,595	35,280
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	-70	-33	206	10
Deferred taxes	0	0	0	0
Total items that will later be reclassified to the income statement	-70	-33	206	10
Other income	-1,861	18,644	4,801	35,291
Non-controlling interests in other income	0	0	0	0
Shares of the shareholders of AlzChem Group AG in other income	-1,861	18,644	4,801	35,291
Consolidated comprehensive income	7,353	28,274	21,944	52,661
Non-controlling interests in other consolidated comprehensive income	43	43	85	85
Shares of the shareholders of AlzChem Group AG in consolidated comprehensive income	7,310	28,231	21,859	52,576

CONSOLIDATED BALANCE SHEET OF ALZCHEM GROUP AG (IFRS, UNAUDITED)

Assets in EUR thousand	12/31/2021	06/30/2022
Non-current assets		
Intangible assets	2,329	2,267
Property, plant and equipment	178,806	180,432
Lease usage rights	7,686	6,819
Financial assets	20	20
Other receivables and other assets	1,320	1,432
Deferred tax assets	34,924	19,003
Total non-current assets	225,085	209,973
Current assets		
Inventories	86,676	126,897
Trade receivables	40,841	57,782
Other receivables and other assets	16,454	22,947
Income tax claims	326	91
Cash and cash equivalents	8,285	10,196
Total current assets	152,582	217,913
Total assets	377,667	427,886
Equity and Liabilities in EUR thousand		
Equity		
Capital and reserves		
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	-51,104	-15,813
Balance sheet profit	101,127	108,276
Treasury shares	-1,009	-1,009
	87,630	130,070
Non-controlling interests	1,934	2,020
Total equity	89,564	132,090

Equity and Liabilities in EUR thousand	12/31/2021	06/30/2022
Liabilities		
Non-current liabilities		
Provisions for pensions and similar obligations	140,005	91,237
Other provisions	24,372	21,308
Loan liabilities to banks	37,553	32,525
Lease liabilities	5,793	5,088
Other liabilities	171	0
Deferred tax liabilities	4,084	4,472
Total non-current liabilities	211,978	154,630
Current liabilities		
Other provisions	2,968	1,591
Loan liabilities to banks	10,490	60,750
Lease liabilities	1,805	1,737
Trade payables	32,780	44,778
Other liabilities	26,220	29,352
Income tax liabilities	1,862	2,958
Total current liabilities	76,125	141,166
Total liabilities	288,103	295,796
Total equity and liabilities	377,667	427,886

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

	Subscribed capital	Capital reserve adjustment item reverse acquisition	Capital reserve	Other accumulated equity	Balance sheet profit	Treasury shares	Shares of the shareholders of Alzchem Group AG	Non-controlling interests	Total equity
	EUR thousand	EUR thousand	EUR thousand	EUR thousand	EUR thousand	EUR thousand	EUR thousand	EUR thousand	EUR thousand
As of 01/01/2021	101,763	-88,128	24,981	-53,077	81,356	0	66,895	1,763	68,658
Dividend	0	0	0	0	-7,821	0	-7,821	0	-7,821
Acquisition of treasury shares	0	0	0	0	0	-1,007	-1,007	0	-1,007
Total transactions with shareholders	0	0	0	0	-7,821	-1,007	-8,828	0	-8,828
Consolidated result for the period	0	0	0	0	17,058	0	17,058	85	17,143
Other income	0	0	0	4,801	0	0	4,801	0	4,801
Consolidated comprehensive income	0	0	0	4,801	17,058	0	21,859	85	21,944
As of 06/30/2021	101,763	-88,128	24,981	-48,276	90,593	-1,007	79,926	1,848	81,774
As of 01/01/2022	101,763	-88,128	24,981	-51,104	101,127	-1,009	87,630	1,934	89,564
Dividend	0	0	0	0	-10,136	0	-10,136	0	-10,136
Total transactions with shareholders	0	0	0	0	-10,136	0	-10,136	0	-10,136
Consolidated result for the period	0	0	0	0	17,285	0	17,285	85	17,370
Other income	0	0	0	35,291	0	0	35,291	0	35,291
Consolidated comprehensive income	0	0	0	35,291	17,285	0	52,576	85	52,661
As of 06/30/2022	101,763	-88,128	24,981	-15,813	108,276	-1,009	130,070	2,020	132,090

CONSOLIDATED CASH FLOW STATEMENT OF ALZCHEM GROUP AG (IFRS, UNAUDITED)

in EUR thousand	2nd quarter 2021	2nd quarter 2022	1st half-year 2021	1st half-year 2022
Consolidated earnings before taxes	12,924	13,258	23,963	24,601
Depreciation and amortization	5,899	6,299	11,670	12,604
Payments from pension provisions	-329	-364	-749	-878
Profit from the sale of non-current assets	-3	-48	-5	-58
Other non-cash expenses	-1,428	306	2,552	1,835
Financial result	170	-1,750	82	-2,329
Interest received	1	2	6	3
Interest paid	-245	-262	-450	-482
Income taxes paid	-1,968	-1,785	-3,550	-3,310
Increase in inventories	-1,270	-19,271	-23	-40,214
Increase in trade receivables and other receivables	-4,105	-9,417	-19,801	-23,662
Increase in trade payables, other liabilities and other provisions	7,917	1,425	11,814	14,624
Change in other balance sheet items	47	19	192	95
Cash outflow (-)/inflow (+) from operating activities (net cash flow)	17,610	-11,588	25,701	-17,169
Payments for investments in property, plant and equipment	-6,420	-7,720	-16,414	-15,082
Proceeds from the sale of property, plant and equipment	3	48	11	61
Cash outflow from investing activities	-6,417	-7,672	-16,403	-15,021
Free cash flow	11,193	-19,260	9,298	-32,190
Proceeds from short-term financing lines	0	34,044	0	50,662
Payments for the repayment of loan liabilities	-2,824	-2,514	-5,807	-5,462
Repayment of lease liabilities	-465	-477	-922	-940
Dividend payments	-7,821	-10,136	-7,821	-10,136
Dividend payments to non-controlling interests	0	0	-171	-171
Payments for the acquisition of treasury shares	-507	0	-1,010	0
Cash outflow (-)/inflow (+) from financing activities	-11,617	20,917	-15,731	33,953
Net decrease (-)/increase (+) in cash and cash equivalents	-424	1,657	-6,433	1,763
Cash and cash equivalents at the beginning of the period (at the closing rate of the previous year)	11,234	8,435	17,117	8,285
Changes due to exchange rate changes	-27	104	99	148
Cash and cash equivalents at the end of the period	10,783	10,196	10,783	10,196
Net decrease (-)/increase (+) in cash and cash equivalents	-424	1,657	-6,433	1,763

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2022

I. SEGMENT REPORTING

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

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

Segment reporting by operating segments for the 2nd quarter 2022:

in EUR thousand	Specialty Chemicals	Basics & Intermediates	Other & Holding	Consolidation	Group
External sales	76,214	57,927	6,294	0	140,435
EBITDA	16,323	854	830	-200	17,807
EBITDA margin	21.4%	1.5%	13.2%		12.7%
Depreciation and amortization					-6,299
EBIT					11,508
Other interest and similar income					2,393
Interest and similar expenses					-643
Financial result					1,750
Result from ordinary business activities					13,258
Inventories as of 06/30/2022	78,543	46,041	5,207	-2,895	126,897

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

in EUR thousand	Specialty Chemicals	Basics & Intermediates	Other & Holding	Consolidation	Group
External sales	116,105	86,248	12,968	0	215,321
EBITDA	28,748	6,617	392	-41	35,715
EBITDA margin	24.8%	7.7%	3.0%		16.6%
Depreciation and amortization					-11,671
EBIT					24,045
Other interest and similar income					756
Interest and similar expenses					-838
Financial result					-82
Result from ordinary business activities					23,963
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 2022:

in EUR thousand	Specialty Chemicals	Basics & Intermediates	Other & Holding	Consolidation	Group
External sales	141,493	115,368	12,969	0	269,830
EBITDA	30,588	3,695	691	-98	34,876
EBITDA margin	21.6%	3.2%	5.3%		12.9%
Depreciation and amortization					-12,604
EBIT					22,272
Other interest and similar income					3,575
Interest and similar expenses					-1,246
Financial result					2,329
Result from ordinary business activities					24,601
Inventories as of 06/30/2022	78,543	46,041	5,207	-2,895	126,897

Segment reporting by regions:

in EUR thousand	Domestic	Foreign	Group
External sales 2nd quarter 2021	35,518	75,482	111,000
External sales 2nd quarter 2022	40,480	99,955	140,435
External sales 1st half-year 2021	69,441	145,880	215,321
External sales 1st half-year 2022	77,771	192,059	269,830
Non-current assets as of 06/30/2021	181,021	5,472	186,493
Non-current assets as of 12/31/2021	182,787	6,034	188,821
Non-current assets as of 06/30/2022	184,184	5,335	189,518

II. PRELIMINARY NOTE

The subject of these condensed interim consolidated financial statements (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 registration court is located in Traunstein (HRB 28592). Alzchem Group AG is the parent company of the Alzchem Group and prepares these interim consolidated financial statements as of June 30, 2022.

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

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

ACCOUNTING PRINCIPLES

The interim consolidated financial statements of Alzchem Group AG as of June 30, 2022 have been prepared in accordance with the regulations 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) have been applied. Accordingly, these interim consolidated financial statements have been prepared in accordance with the requirements 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 presented in thousands of Euros (EUR thousand) unless otherwise stated. All figures have been rounded up or down to the near-

est thousand euros in accordance with commercial rounding practice, so that individual figures do not always add up exactly to the totals given.

The provisions of the International Financial Reporting Standards (IFRS) whose application is mandatory up to the balance sheet date of June 30, 2022 have been applied. Standards not yet mandatory as of June 30, 2022 have not been applied early.

The explanations in the notes to the consolidated financial statements of Alzchem Group AG as of December 31, 2021 apply accordingly, in particular with regard to the principal accounting and valuation methods. The interim consolidated financial statements have been prepared on a going concern basis.

STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED STANDARDS THAT WERE APPLIED FOR THE FIRST TIME IN THE FISCAL YEAR 2022

Beginning with the fiscal year 2022, the following standards and interpretations revised or newly issued by the IASB were required to be applied for the first time:

• IFRS 16

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 through June 30, 2021. At the current time, such a circumstance does not exist at Alzchem. Consequently, the relief has not been claimed.

• IFRS 1/IFRS 9/IFRS 16/IAS 41 – Annual Improvements Project 2018-2020

IFRS 1 relates to the first-time application of International Financial Reporting Standards with special requirements for the accounting treatment of subsidiaries.

IFRS 9 Financial Instruments with amendments to the “10% test” relating to the derecognition of financial liabilities. An entity considers in the “10% test” only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on behalf of the other.

IFRS 16 provides clarification on the accounting for lease incentives.

IAS 41 Agriculture is not applicable at Alzchem.

The first-time application of the amendments from the Annual Improvements Project 2018-2020 did not result in any changes in Alzchem’s accounting.

• Amendments to IFRS 3, IAS 16 and IAS 37

IFRS 3 Business Combinations has been updated by the amendments such that the references now relate to the current financial reporting framework 2018. The amendments also include the requirement that an acquirer applies IAS 37 to obligations that are within the scope of IAS 37 to determine whether a present obligation exists at the acquisition date as a result of past events. For a levy that is within the scope of IFRIC 21, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to the obligation to pay the levy has occurred by the acquisition date. Finally, the amendments add an explicit clarification that an acquirer shall not recognize contingent assets acquired in a business combination.

The amendments to IAS 16 Property, Plant and Equipment result in a prohibition on deducting from the cost of an item of property, plant and equipment the proceeds arising from the disposal of items that are produced while being brought to the location and condition necessary for it to be capable of operating in the manner intended by Management. Instead, an entity recognizes the proceeds from such disposals and the costs of producing those items in operating result.

The amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets specified that the “costs of fulfilling the contract” comprise the “costs that relate directly to the contract”. Costs that relate directly to a contract can be either incremental costs of fulfilling that contract (examples would be direct costs of labor, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of depreciation expense for an item of property, plant and equipment used in fulfilling the contract).

The first-time application of the amendments from IFRS 3, IAS 16 and IAS 37 did not result in any changes in Alzchem’s accounting.

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

With regard to the amendments already published up to the date of preparation of the consolidated financial statements as of December 31, 2021, we refer to the notes to the con-

solidated financial statements as of December 31, 2021. There have been no changes in this respect.

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 2021	2nd quarter 2022	1st half-year 2021	1st half-year 2022
Sales from product sales	105,285	135,251	204,093	259,214
Sales from services	5,715	5,184	11,228	10,616
	111,000	140,435	215,321	269,830

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

in EUR thousand	2nd quarter 2021	2nd quarter 2022	1st half-year 2021	1st half-year 2022
Product sales in the Specialty Chemicals segment	59,330	76,214	116,105	141,493
Product sales in the Basics & Intermediates segment	45,178	57,927	86,248	115,368
Product sales in the Other & Holding segment	777	1,110	1,740	2,353
Service sales in the Other & Holding segment	5,715	5,184	11,228	10,616
	111,000	140,435	215,321	269,830

Total sales revenues are distributed geographically as follows:

in EUR thousand	2nd quarter 2021	2nd quarter 2022	1st half-year 2021	1st half-year 2022
Germany	35,518	40,480	69,441	77,771
European Union	30,182	45,938	61,829	92,003
Rest of Europe	7,877	4,780	12,784	9,585
NAFTA	12,706	15,720	24,513	32,505
Asia	12,943	13,821	26,105	26,518
Rest of the world	11,774	19,696	20,649	31,448
	111,000	140,435	215,321	269,830

2. OTHER OPERATING INCOME

in EUR thousand	2nd quarter 2021	2nd quarter 2022	1st half-year 2021	1st half-year 2022
Own work capitalized	1,781	1,958	3,892	3,695
Income from currency translation	-278	2,307	1,172	3,628
Income from the release of provisions and liabilities	191	1,030	191	1,030
Income from grants	167	142	343	430
Income from energy tax refunds	84	119	84	119
Income from services to third parties	217	21	304	36
Miscellaneous other income	343	159	502	866
	2,505	5,736	6,488	9,804

3. OTHER OPERATING EXPENSES

in EUR thousand	2nd quarter 2021	2nd quarter 2022	1st half-year 2021	1st half-year 2022
Selling expenses	4,416	6,801	8,488	12,755
Other external services	2,109	2,791	3,916	4,880
Maintenance	2,699	2,765	4,452	4,764
Environmental and disposal costs	2,109	2,018	4,271	4,387
Consulting, research and development costs	1,745	2,036	3,117	3,747
Insurances	951	1,192	1,932	2,407
Currency translation expenses	295	726	1,156	1,888
IT costs	651	708	1,365	1,402
Miscellaneous other expenses	5,169	13,480	11,620	19,290
	20,144	32,517	40,317	55,520

4. FINANCIAL RESULT

The financial result for the first half of 2022 includes interest expense from additions to pension provisions of EUR 696 thousand (first half of 2021: EUR 353 thousand). Of this

amount, EUR 348 thousand was attributable to the second quarter of 2022 (second quarter of 2021: EUR 176 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 of 2022, a dividend of EUR 10,136 thousand (prior-year period: EUR 7,821 thousand) was distributed to the shareholders of Alzchem Group AG. This corresponds to a dividend per share of EUR 1.00 (prior-year period: EUR 0.77).

6. SHARE BUYBACK PROGRAM

In the same period of the previous year, Alzchem Group AG carried out a share buyback program. The program was launched on February 8, 2021 and was successfully completed on June 24, 2021 with the buyback of a total of 40,581 shares with a volume of EUR 999,979.90. Since then, the acquired shares have been openly deducted from equity as a separate item "treasury shares" at acquisition cost including transaction costs and less any tax benefits.

The share buyback in the previous year had an impact on earnings per share. The calculation of the undiluted earn-

ings per share is based on the weighted average number of shares outstanding during the period. Shares bought back during the period were only considered to be outstanding on a pro rata basis up to the time of their buyback and were weighted accordingly. Thereafter, treasury shares are not included in the calculation of shares outstanding.

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

in EUR thousand	2nd quarter 2021	2nd quarter 2022	1st half-year 2021	1st half-year 2022
Weighted average number of shares outstanding	10,147,756	10,135,754	10,158,130	10,135,754
Earnings per share in EUR	0.90	0.95	1.68	1.71
	111,000	140,435	215,321	269,830

7. PROVISIONS FOR PENSIONS AND SIMILAR OBLIGATIONS

Provisions for pensions and similar obligations decreased by EUR 48,768 thousand to EUR 91,237 thousand on June 30, 2022, compared to December 31, 2021. This reduction includes an amount of EUR 35,280 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 1.00% as of December 31, 2021 to 3.30% as of June 30, 2022. The related deferred tax assets, the change in which was also recognized in other comprehensive income, were reduced by EUR 13,720 thousand to EUR 6,524 thousand as of June 30, 2022.

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 by measurement category in accordance with IFRS 9:

	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 measured at fair value through profit or loss			
12/31/2021						
Balance sheet item	Carrying amount	Carrying amount	Carrying amount	Carrying amount	Fair value	
	EUR thousand	EUR thousand	EUR thousand	EUR thousand	EUR thousand	EUR thousand
Financial assets	-	-	20	20	20	
Other receivables and other assets	11,726	-	-	11,726	11,726	
Trade receivables	7,785	33,056	-	40,841	40,841	
Cash and cash equivalents	8,285	-	-	8,285	8,285	
Total financial assets	27,796	33,056	20	60,872	60,872	

	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 measured at fair value through profit or loss			
06/30/2022						
Balance sheet item	Carrying amount	Carrying amount	Carrying amount	Carrying amount	Fair value	
	EUR thousand	EUR thousand	EUR thousand	EUR thousand	EUR thousand	EUR thousand
Financial assets	-	-	20	20	20	
Other receivables and other assets	15,486	-	-	15,486	15,486	
Trade receivables	7,698	50,084	-	57,782	57,782	
Cash and cash equivalents	10,196	-	-	10,196	10,196	
Total financial assets	33,380	50,084	20	83,484	83,484	

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

12/31/2021	At amortized cost		
	Financial liabilities measured at amortized cost	Total amount	
Balance sheet item	Carrying amount	Carrying amount	Fair value
	EUR thousand	EUR thousand	EUR thousand
Loan liabilities to banks	48,043	48,043	50,060
Trade payables	32,780	32,780	32,780
Other liabilities	6,047	6,047	6,047
Total financial liabilities	86,870	86,870	88,887

06/30/2022	At amortized cost		
	Financial liabilities measured at amortized cost	Total amount	
Balance sheet item	Carrying amount	Carrying amount	Fair value
	EUR thousand	EUR thousand	EUR thousand
Loan liabilities to banks	93,275	93,275	93,391
Trade payables	44,778	44,778	44,778
Other liabilities	7,167	7,167	7,167
Total financial liabilities	145,220	145,220	145,336

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

Due to the short-term maturities of the financial assets, it is assumed that the fair values correspond to the carrying amounts on a pro rata basis. The balance sheet items trade accounts payable and other liabilities generally contain liabilities with regularly short remaining terms, so that the fair values are assumed to approximate the carrying amounts reported. The item loan liabilities to banks contains current and non-current financial liabilities. The fair values of liabilities with remaining terms to maturity 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 individual credit ratings of the Group are taken into account in the present value calculation in the form of standard market credit and liquidity spreads. This approach corresponds to hierarchy level 2 of IFRS 13.

The following table shows the financial assets recognized at fair value on a recurring basis after initial recognition and their measurement levels under IFRS 13:

12/31/2021	Level 2	Level 3	Total
Assets			
	EUR thousand	EUR thousand	EUR thousand
Trade receivables - Measured at fair value through other comprehensive income	33,056	-	33,056
Trade receivables - Measured at fair value through other comprehensive income	-	20	20
Total assets	33,056	20	33,076

06/30/2022	Level 2	Level 3	Total
Assets			
	EUR thousand	EUR thousand	EUR thousand
Trade receivables - Measured at fair value through other comprehensive income	50,084	-	50,084
Trade receivables - Measured at fair value through other comprehensive income	-	20	20
Total assets	50,084	20	50,104

Financial liabilities were not recognized at fair value in the reporting period. In the reporting period, there were no re-classifications between the individual fair value hierarchies.

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 in the context of the sale of receivables, for which the purchaser regularly uses the nominal value, are used. In a default event, these values are adjusted for the need for valuation allowances.

The Alzchem Group holds an investment in the category "measured at fair value through profit or loss" whose fair value is attributable to level 3. There were no changes due to

additions or disposals in the reporting period. Due to the lack of reliable input parameters for a more complex model and the minor importance of these investments for the Alzchem Group, the fair 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 impact on the significance of the item for the Alzchem Group or on the net assets, financial position and results of operations of the Alzchem Group. In the first half of 2022, income of EUR 146 thousand (first half of 2021: EUR 5 thousand; second quarter of 2022: EUR 0 thousand; second quarter of 2021: EUR 0 thousand) was recognized on 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 and in the comparative prior-year period, no customer contributed at least 10% each to total Group sales.

10. RELATIONS WITH RELATED COMPANIES AND PERSONS

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

In addition, LIVIA Corporate Development SE, Munich, and four two na GmbH, Munich, the companies controlled by them and the companies controlled by their shareholders or legal representatives are considered related parties of the Alzchem Group in the reporting period. In the same period

of the previous year, HDI Vier CE GmbH, Munich, the companies controlled by it and the companies controlled by their shareholders or legal representatives also belonged to the related parties of the Alzchem Group until the submission of the voting rights notification of May 26, 2021.

In the reporting period, no transactions were conducted with related parties as defined above.

11. SEASONAL INFLUENCES

The business of the Alzchem Group is partly subject to seasonal influences. In particular, the supply cycles for agroche-

mical products mean that sales and thus EBITDA are slightly higher in the first half of a fiscal year than in the second half.

12. EVENTS AFTER THE BALANCE SHEET DATE

No events with a material impact on the net assets, financial position and results of operations of the Alzchem Group occurred after the balance sheet date of the first half of 2022

up to the date of preparation of the interim consolidated financial statements.

Trostberg, July 22, 2022

Alzchem Group AG

The Management Board



Andreas Niedermaier (CEO)



Klaus Englmaier (COO)



Dr. Georg Weichselbaumer (CSO)

List of abbreviations

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

Financial Calendar 2022

September 26 to October 26, 2022

Quiet Period*

October 26, 2022

Q3 Quarterly Statement 2022

* During a "quiet period", Alzchem Group AG only communicates with the capital market to a limited extent before publishing quarterly and full-year results.



With the QR code you will get to all current events of Alzchem.

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.

In the interests of readability, this half-year financial report does not use the masculine, feminine and diverse (m/f/d) forms of language simultaneously. All references to persons apply equally to all genders.

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

Imprint

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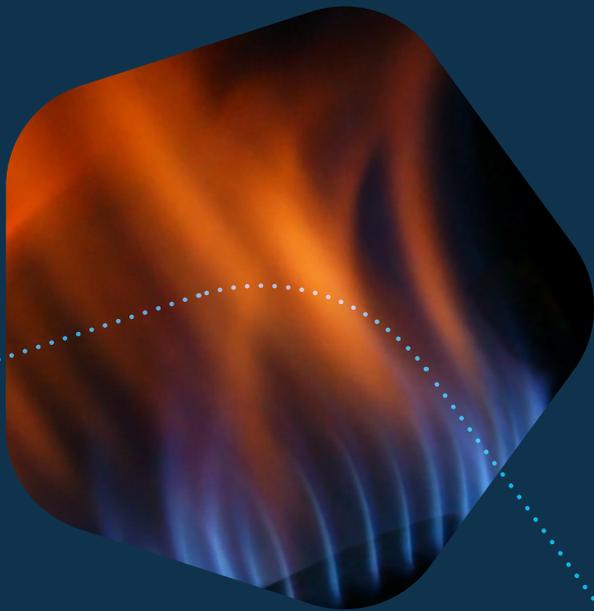
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