



alzchem
group

AGILE SCIENCE PURE RESULTS

Alzchem Group AG

HALF-YEAR FINANCIAL REPORT **1st half-year 2024**

Alzchem at a Glance

~ € 286
mn

sales generated by Alzchem in the 1st half-year 2024
1st half-year 2023: ~ € 277 mn

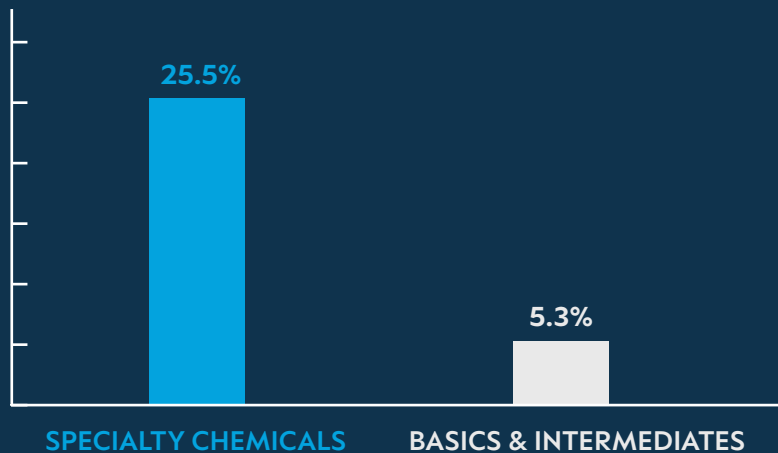
~ € 52
mn

EBITDA achieved by Alzchem in the 1st half-year 2024
1st half-year 2023: ~ € 37 mn

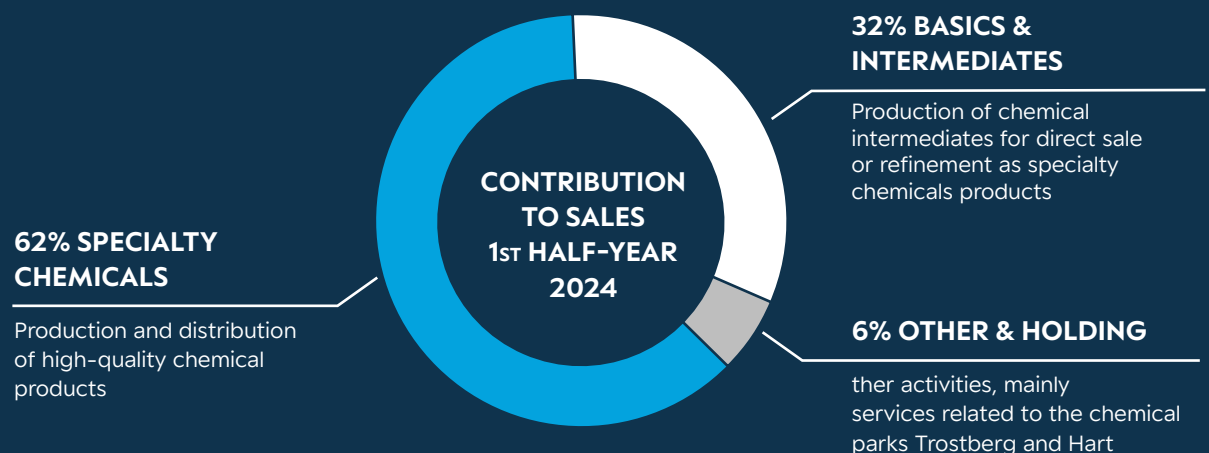
MARKETS

				
HUMAN NUTRITION	ANIMAL NUTRITION	FINE CHEMISTRY	PHARMA	AGRICULTURE
				
RENEWABLE ENERGY	METALLURGY	CUSTOM SOLUTIONS	AGRI SOLUTIONS	AUTOMOTIVE & DEFENSE

EBITDA MARGIN BY MAIN SEGMENTS



THREE REPORTING SEGMENTS







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OVERVIEW OF THE FIRST HALF OF 2024

Strong growth in Specialty Chemicals leads to EBITDA increase of 41.2%; Group sales slightly higher; increase in earnings forecast for fiscal year 2024: EBITDA rise to over EUR 100 million due to faster growth in Specialty Chemicals with unchanged sales forecast

- Group sales increase by 3.3% to EUR 286.3 million.
- Sales growth of 12.5% in the Specialty Chemicals segment compensates for sales decline of -11.8% in the Basics & Intermediates segment.
- Thanks to the high-margin specialty chemicals, Group EBITDA rose disproportionately strongly in relation to sales by 41.2% to EUR 51.9 million, which equates to a significantly higher EBITDA margin of 18.1% (previous year: 13.3%).
- Consolidated result grows by 78% to EUR 26.7 million.
- Free cash flow increases significantly by 64.5% to EUR 51.4 million.
- Implementation of the climate roadmap is progressing as planned – also thanks to government funding.
- Increase in earnings forecast for 2024: EBITDA growth to over EUR 100 million planned (originally: approx. EUR 90 million); expectation for Group sales growth remains unchanged, but with significant shifts towards Specialty Chemicals.

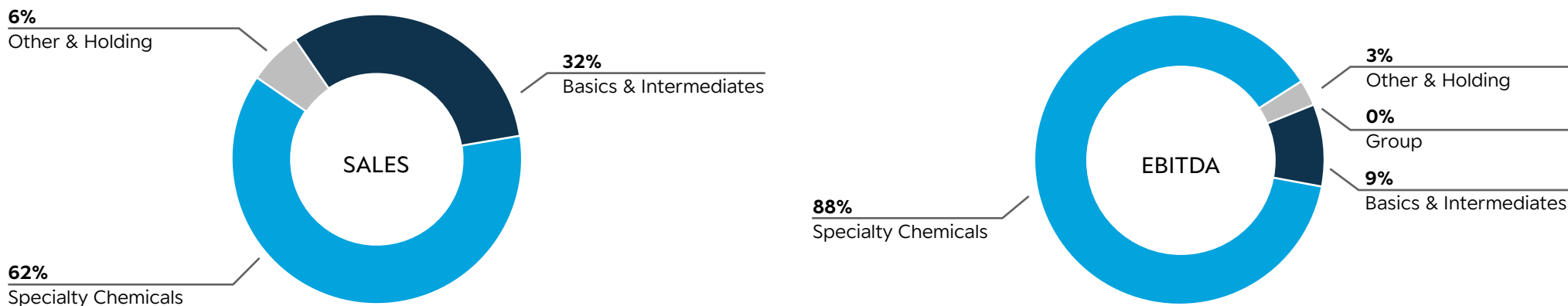
Note: Unless otherwise indicated, all amounts are stated in EUR thousand. For computational reasons, rounding differences of ± one unit may occur in tables.

KEY FIGURES OF THE ALZCHEM GROUP

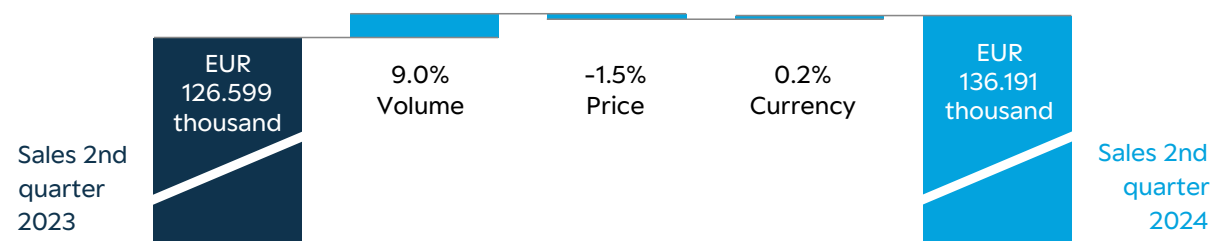
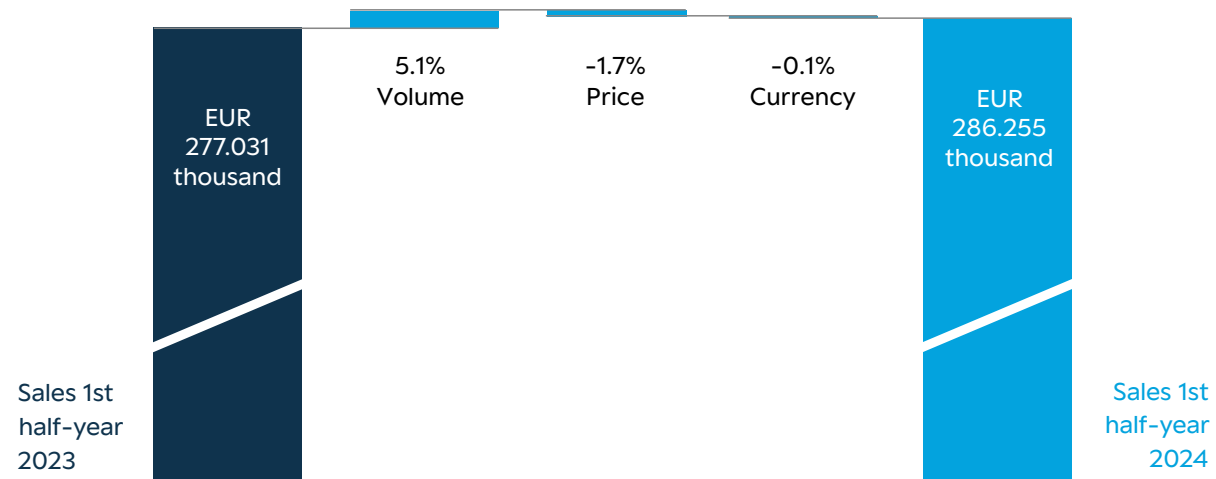
Key figure	Unit	2nd quarter 2023	2nd quarter 2024	1st half-year 2023	1st half-year 2024
Sales	EUR thousand	126,599	136,191	277,031	286,255
EBITDA	EUR thousand	17,872	27,020	36,789	51,930
EBITDA margin	%	14.1	19.8	13.3	18.1
EBIT	EUR thousand	11,537	20,567	24,134	38,942
Result for the period	EUR thousand	7,240	14,427	14,950	26,664
Earnings per share (undiluted and diluted)*	EUR	0.71	1.41	1.46	2.61
Equity ratio	%	35.4	39.4	35.4	39.4

* After share transfer to employees in 2023, calculated using the average number of shares outstanding in the period 01/01-06/30/2023 of 10,162,808 shares and in the period 04/01-06/30/2023 of 10,176,335 shares. In the period 2024, calculated with 10,176,335 shares.

SALES AND EBITDA SHARE BY SEGMENT IN THE FIRST HALF OF 2024



CHANGE IN SALES COMPARED TO PREVIOUS YEAR



INTERIM GROUP MANAGEMENT REPORT AS OF JUNE 30, 2024

1. BUSINESS REPORT

1.1. BUSINESS DEVELOPMENT

1.1.1 PRELIMINARY NOTE

This interim Group management report provides information on the first half of 2024 and the same period of the previous year. The figures stated for the second quarter relate to the period from April 1 to June 30, 2024, and 2023 respectively. In application of the option under

§ 52 (3) of the Stock Exchange Rules for the Frankfurt Stock Exchange, this half-year financial report has not been reviewed in accordance with § 115 of the German Securities Trading Act (WpHG) or audited in accordance with § 317 of the German Commercial Code (HGB).

1.1.2 IMPORTANT EVENTS AND POSITION OF ALZCHEM IN THE FIRST HALF OF 2024

The Alzchem Group generated sales of EUR 286.3 million in the first half of 2024, which corresponds to an increase of 3.3% compared to the previous year's figure of EUR 277.0 million. Thanks in particular to its strong specialty chemicals business, Alzchem was thus able to continue to successfully decouple itself from the development of the chemical-pharmaceutical industry. Industry sales fell slightly by 1%, creating an environment from which Alzchem was not entirely immune in some market areas. In the Basics & Intermediates segment, Alzchem recorded a volume- and price-related decline in sales of -11.8%, as the company continues to refrain from engaging in price wars when competitor prices tend to represent dumping levels. Overall, however, this was successfully compensated for by the strong performance of the Specialty Chemicals segment, which increased sales by 12.5%, mainly driven by volumes.

Looking at the individual product areas, Human Nutrition (Creapure®), Animal Nutrition (Creamino®) and Defense (Nitroguanidine) in particular recorded a further increase in demand. In addition, products in the pharmaceutical (Bioselect®) and automotive (DYHARD®) sectors also performed well in terms of volume and sales growth. In contrast, the general economic situation in the chemical industry had a noticeable impact on the Custom Manufacturing segment (multi-purpose plants), while the NITRALZ® business was negatively affected by strong price-driven competition from China.

The significantly increasing importance of the high-margin specialty chemicals business is also reflected in the earnings performance in the first half of 2024. As a result of the consistent transformation, Alzchem succeeded in increasing Group EBITDA by 41.2% to EUR 51.9 million, a disproportionately strong growth compared to sales. Accordingly, the EBITDA margin also rose significantly from 13.3% to 18.1%.

The financial position also developed very positively in the first half of 2024. As a result of increased profitability and continued strict working capital management, operating cash flow grew by EUR 24.0 million year-on-year to EUR 63.8 million. Free cash flow rose by EUR 20.2 million to EUR 51.4 million. Cash and cash equivalents increased from EUR 11.9 million as of December 31, 2023, to EUR 46.1 million as of June 30, 2024.

In the first half of 2024, there were also developments that will strongly support Alzchem's growth path in the medium term. On the one hand, this concerns the EU Commission's decision to provide Alzchem with significant funding for investments in the area of defense – this is reported on in a separate section. On the other hand, the foundation was laid for further growth in the Human Nutrition business unit. For the further expansion of the specialty chemicals business, Alzchem will again gradually expand its creatine production capacities in the first half of 2025 and the first half of 2026. The continued strong market demand is to be met



with the products Creapure®, LIVADUR® and Creavitalis®. The total investment volume for this will amount to around EUR 15 million. In addition to its general willingness to invest, Alzchem is accompanying this growth with the ongoing development of the market. The company is in close contact with current and potential customers to develop new applications for the Creavitalis® product and establish them on the market. The first deliveries for applications that do not yet exist on the market are expected in the first half of 2025.

Driven by the positive business development, the Alzchem share price also performed strongly in the reporting period. The Xetra closing price on June 28, 2024, was EUR 48.40.

1.1.3 GLOBAL ECONOMIC ENVIRONMENT

The global economy picked up noticeably in the first few months of 2024, as especially the emerging markets saw much stronger growth. Production picked up noticeably in China in particular, although many indicators suggest that domestic private demand continues to lack momentum. A slightly slower pace of expansion was observed in the advanced economies. For example, economic momentum in the USA slowed to 0.3% compared to the previous quarter, as both private and government consumption expanded at a much slower pace. The development of inventories and foreign business also had a dampening effect. In contrast, the econo-

Source: KIEL INSTITUTE ECONOMIC OUTLOOK NO. 114 (2024|Q2); World Economy Summer 2024 from June 13, 2024

1.1.4 ALZCHEM GROUP AG RECEIVES FUNDING TOTALING EUR 35.3 MILLION

In the first half of 2024, Alzchem Group AG was granted non-repayable funding in the amount of EUR 35.3 million. EUR 34.4 million of this comes from the EU Commission's ASAP ("Act in Support of Ammunition Production") funding instrument. Alzchem will use these funds to increase its production capacities for nitroguanidine and to renew and expand its existing facilities for the production of guanidine nitrate within two and a half years. Guanidine nitrate is a precursor of nitroguanidine, which is used in plant protection, as a propellant for airbags and in defense applications. The planned multi-year total investment amounts to approximately EUR 76 million. The contractual arrangements with the EU Commission were finalized in

This corresponds to significant growth of around 85% since the beginning of the year. In addition to this significant increase in value, shareholders are also likely to view positively the fact that the analysts at Kepler Cheuvreux initiated coverage of the Alzchem share in April 2024. The most recent price target issued by Kepler Cheuvreux is EUR 56.00.

Among other things, an increased dividend of EUR 1.20 per share (previous year: EUR 1.05) was approved at the Annual General Meeting on May 7, 2024. The resulting total amount of EUR 12.2 million (previous year: EUR 10.7 million) was paid out to shareholders on May 10, 2024.

my in Europe picked up again after 1.5 years of stagnation. GDP growth of 0.3% in the eurozone was mainly due to the fact that exports increased while imports fell slightly.

On the business side, sentiment, which had brightened noticeably after the turn of the year, has recently deteriorated slightly. However, the global economic climate indicator calculated by the Kiel Institute on the basis of 42 countries suggests that global production will continue to expand noticeably in the second quarter of 2024.

July 2024. Alzchem's current efforts are focused on applying for and obtaining the regulatory approvals required for the plant and production expansion.

In addition, Alzchem is supported by the Federal Office for Economic Affairs and Export Control (Bundesamt für Wirtschaft und Ausfuhrkontrolle – BAFA) in implementing its climate roadmap. In the first half of 2024, the company received funding commitments of EUR 0.9 million, which represent non-repayable investment grants. This will fund three Alzchem climate projects for energy saving, heat recovery and increasing efficiency.

1.1.5 DEVELOPMENT OF THE GROUP

1.1.5.1 RESULTS OF OPERATIONS

CONSOLIDATED INCOME STATEMENT (IFRS, UNAUDITED)

in EUR thousand	2nd quarter 2023	2nd quarter 2024	1st half-year 2023	1st half-year 2024
Sales revenue	126,599	136,191	277,031	286,255
Change in inventories of finished goods and work in progress	9,105	12,682	10,021	6,162
Other operating income	1,906	3,731	7,480	7,289
Cost of materials	-62,374	-57,999	-138,533	-111,236
Personnel expenses	-36,012	-42,468	-71,274	-83,056
Other operating expenses	-21,352	-25,117	-47,936	-53,484
EBITDA	17,872	27,020	36,789	51,930
Depreciation and amortization	-6,335	-6,453	-12,655	-12,988
EBIT	11,537	20,567	24,134	38,942
Other interest and similar income	106	687	155	979
Interest and similar expenses	-1,661	-1,366	-3,542	-2,820
Financial result	-1,555	-679	-3,387	-1,841
Result from ordinary business activities	9,982	19,888	20,747	37,101
Taxes on income and earnings	-2,742	-5,461	-5,797	-10,437
Result for the period	7,240	14,427	14,950	26,664
thereof non-controlling interests	43	42	85	85
thereof shares of the shareholders of Alzchem Group AG	7,197	14,385	14,865	26,579
Earnings per share in EUR (undiluted and diluted)*	0.71	1.41	1.46	2.61

* After share transfer to employees in 2023, calculated using the average number of shares outstanding in the period 01/01-06/30/2023 of 10,162,808 shares and in the period 04/01-06/30/2023 of 10,176,335 shares. In the period 2024, calculated with 10,176,335 shares.

DEVELOPMENT IN THE FIRST HALF OF 2024

In the first half of 2024, sales rose from EUR 277,031 thousand in the previous year to EUR 286,255 thousand. This corresponds to growth of EUR 9,224 thousand or 3%. Across the Group as a whole, volume increases led to a 5.1% rise in sales, while at the same time a fall in prices reduced sales by 1.7%. As had already become apparent in the first quarter of 2024, the two operating segments also developed strongly in opposite directions in the entire first half of the year. Growth was once again recorded in the Specialty Chemicals segment, where an increase in sales of EUR 19,811 thousand (+12%) was achieved. By contrast, sales in the Basics & Intermediates segment were EUR 12,228 thousand below the previous year's level. Growth in the Specialty Chemicals segment was again mainly generated by volume increases, particularly in the Human Nutrition, Animal Nutrition and Defense product areas. The decline in the Basics & Intermediates segment is the result of volume reductions in low-margin areas and price formula-related reductions. Sales in the Other & Holding segment increased slightly compared to the previous year.

The "extended cost of materials ratio" ((cost of materials +/- change in inventories) / sales) fell from 46% to 37%. A major influence here is the targeted, increasing shift in sales to the Specialty Chemicals segment, where production is not as electricity- and raw material-intensive. This adjusted product mix alone led to an improvement in the cost of materials ratio. In addition, slightly lower costs for electricity and other key raw materials had an impact. The current good capacity utilization of growth products with low downtime costs also made a significant contribution. The continuously high capacity utilization leads to increased efficiency in production processes and therefore has an improving effect on the use of materials.

Other operating income remained almost unchanged at the previous year's level. The main offsetting effects were the EUR 958 thousand year-on-year increase in own work capitalized and the EUR 1,277 thousand decrease in exchange rate gains.

Personnel expenses grew by around 17% to EUR 83,056 thousand compared to the first half of 2023. In addition to the collectively agreed increases, the higher additions to provisions for earnings- and share price-related wage and salary components due to the positive business and share price performance also contributed to this. The number of full-time equivalents increased slightly.

At EUR 53,484 thousand, other operating expenses were EUR 5,548 thousand higher than in the previous year. Across the expense items subsumed here, prices continued to rise in many areas. While expenses from foreign currency translation fell, disposal costs rose because of higher volume production in the Specialty Chemicals segment. Research & development expenses were also higher than in the previous year.

EBITDA increased significantly due to the above-mentioned explanations. It amounted to EUR 51,930 thousand in the first half of 2024 after EUR 36,789 thousand in the previous year. This led to a rise in the EBITDA margin from 13.3% in the previous year to 18.1%.

Depreciation and amortization amounted to EUR 12,988 thousand, almost on a par with the previous year's level of EUR 12,655 thousand.

The financial result in the first half of 2024 was EUR -1,841 thousand, a significant improvement on the previous year's figure of EUR -3,387 thousand. Due to Alzchem's positive liquidity situation, interest income was generated on the one hand through short-term time deposits of excess liquidity. On the other hand, interest expenses were reduced due to the lower utilization of factoring and working capital lines. Furthermore, the interest rate change effects from the valuation of long-term personnel and landfill provisions led to the improved financial result compared to the previous year.

Tax expenses amounted to EUR 10,437 thousand in the first half of 2024 (previous year: EUR 5,797 thousand). The increased tax expense is due to the improved earnings before taxes. At 28%, the current Group tax rate is on a par with the previous year.

In total, consolidated result for the period amounted to EUR 26,664 thousand in the first half of 2024, up 78% on the previous year's figure of EUR 14,950 thousand.

The strong increase in consolidated result for the period is also reflected in the development of earnings per share, which rose from EUR 1.46 to EUR 2.61 in the first half of 2024. Earnings per share were calculated using a weighted average number of shares in circulation of 10,162,808 in the period from January 1 to June 30, 2023, and 10,176,335 in the period from January 1 to June 30, 2024.

DEVELOPMENT IN THE 2ND QUARTER OF 2024

Looking at the second quarter of 2024, the sales trend is similar to that of the first half of the year. Sales in this quarter rose by EUR 9,592 thousand compared to the same quarter of the previous year to EUR 136,191 thousand. Across the Group as a whole, volume increases led to a 9.0% rise in sales, while at the same time a fall in prices reduced sales by 1.5%. Here, too, the operating segments recorded opposing trends. While sales in the Specialty Chemicals segment increased, the Basics & Intermediates segment recorded a decline in sales as expected, although this was lower than the increase in the Specialty Chemicals segment.

At 33%, the "extended cost of materials ratio" ((cost of materials +/- change in inventories)/ sales) declined in the second quarter of 2024 compared to the previous year's figure of 42%. The statements made for the half-year period apply equally to this development in the quarterly analysis.

Other operating income increased by EUR 1,825 thousand compared to the previous year. Of this, EUR 363 thousand is attributable to higher foreign currency gains and EUR 516 thousand to higher own work capitalized as a result of increased own construction activities.

Personnel expenses amounted to EUR 42,468 thousand and were therefore significantly higher than the previous year's level of EUR 36,012 thousand, as in the six-month period. This increase was primarily due to higher additions to provisions for profit-related wage and salary components as a result of the positive business and share price performance.

Other operating expenses amounted to EUR 25,117 thousand in the second quarter of 2024 and were therefore higher than the previous year's figure of EUR 21,352 thousand. The comments on the development in the first half of 2024 apply equally here.

Driven by the significant increase in sales, EBITDA amounted to EUR 27,020 thousand in the second quarter of fiscal year 2024 and was thus significantly higher than the previous year's level of EUR 17,872 thousand. The EBITDA margin thus rose from 14.1% to 19.8% in the second quarter of 2024. This reflects the effect of the systematic shift in sales to the Specialty Chemicals segment and the associated margin increase.

At EUR 6,453 thousand, depreciation and amortization remained stable at the previous year's level of EUR 6,335 thousand.

The financial result improved from EUR -1,555 thousand in the same quarter of the previous year to EUR -679 thousand. The effects correspond to those of the half-year figures and are mainly due to Alzchem's significantly improved liquidity position.

Tax expenses amounted to EUR 5,461 thousand and were therefore higher than the previous year's tax expenses, in line with the increase in earnings before taxes. The Group tax rate was therefore stable at 27% in both periods.

In the second quarter of 2024, consolidated result for the period amounted to EUR 14,427 thousand, almost double the previous year's figure of EUR 7,240 thousand.

Earnings per share for the second quarter of 2024 were EUR 1.41 and therefore significantly higher than the prior-year quarter figure of EUR 0.71. In the second quarter of 2024, earnings per share were calculated in the same way as in the second quarter of 2023 with a number of 10,176,335 shares.

1.1.5.2 FINANCIAL POSITION

CONSOLIDATED CASH FLOW STATEMENT (IFRS, UNAUDITED)

in EUR thousand	2nd quarter 2023	2nd quarter 2024	1st half-year 2023	1st half-year 2024
Cash flow from operating activities	29,570	30,379	39,814	63,829
Cash outflow from investing activities	-3,739	-5,541	-8,577	-12,435
Free cash flow	25,831	24,838	31,238	51,394
Cash outflow from financing activities	-24,430	-14,845	-30,812	-17,260
Net increase in cash and cash equivalents	1,401	9,993	426	34,134

DEVELOPMENT IN THE FIRST HALF OF 2024

The first half of 2024 was characterized by a strong operating cash flow. The Alzchem Group's financial position was secure at all times. Cash flow from operating activities amounted to EUR 63,829 thousand and was therefore EUR 24,015 thousand higher than the previous year's figure, when cash flow from operating activities totaled EUR 39,814 thousand. This was mainly due to the significant increase in earnings from current business activities and the continued very strict working capital management.

Alzchem invested EUR 12,435 thousand in the first half of 2024, which is EUR 3,858 thousand more than in the same period of the previous year. In the first months of the fiscal year 2023, the investment policy was deliberately more restrained in view of the development of the economic environment. In the first half of 2024, investments were mainly made in the completion of the photovoltaic park at the Trostberg site, in the expansion of creatine capacities and in infrastructure measures, and the preliminary project was launched as part of ASAP activities.

The improved cash flow from operating activities more than compensated for the cash outflow from investing activities, which was also higher than in the same period of the previous

year. Free cash flow therefore amounted to EUR 51,394 thousand in the first half of 2024, up EUR 20,156 thousand on the previous year.

Alzchem had a cash outflow from financing activities of EUR 17,260 thousand in the first half of 2024. The cash outflow was therefore EUR 13,552 thousand lower than in the same period of the previous year, which was mainly characterized by the refinancing at the beginning of the fiscal year, when EUR 30 million in long-term loans were taken out and EUR 44 million in short-term financing lines were repaid. Alzchem's strong liquidity meant that no financing lines had to be drawn down in the first half of 2024. Scheduled repayments of long-term loans in the first half of 2024 were slightly below the previous year's level, as some financing was finally repaid at the end of last year. The dividend payment to Alzchem shareholders amounted to EUR 12,212 thousand and was therefore EUR 1,527 thousand higher than in the previous year.

Cash and cash equivalents amounted to EUR 46,067 thousand as of June 30, 2024, which corresponds to an increase of EUR 34,134 thousand compared to December 31, 2023, taking currency effects into account.



DEVELOPMENT IN THE 2ND QUARTER OF 2024

In the second quarter of 2024, the development of cash inflow from operating activities was similar to that of the first half of 2024. In total, Alzchem received EUR 30,379 thousand from operating activities, which corresponds to an increase of EUR 809 thousand compared to the previous year.

Payments for investing activities amounted to EUR 5,541 thousand and were therefore higher than in the same quarter of the previous year. This also reflects the previous year's restrained investment policy.

Alzchem's financing activities resulted in a cash outflow of EUR 14,845 thousand. Alzchem used the liquidity generated from operations in the same quarter of the previous year to reduce the short-term financing lines by EUR 10,791 thousand. In addition, non-current loans and lease liabilities amounting to EUR 2,633 thousand (previous year: EUR 2,953 thousand) were repaid. The dividend to shareholders was paid in the second quarter of 2024 in the amount of EUR 12,212 thousand (previous year: EUR 10,685 thousand).

Cash and cash equivalents totaled EUR 46,067 thousand as of June 30, 2024, which corresponds to an increase of EUR 9,993 thousand compared to March 31, 2024, taking currency effects into account.

1.1.5.3 NET ASSETS

CONSOLIDATED BALANCE SHEET (IFRS, UNAUDITED)

in EUR thousand	12/31/2023	06/30/2024	Delta
Assets			
Intangible assets	3,664	3,702	38
Property, plant and equipment	177,281	179,138	1,857
Lease usage rights	4,855	4,383	-472
Financial assets	6	6	0
Other receivables and other assets	1,369	1,348	-21
Deferred tax assets	20,921	18,923	-1,998
Non-current assets	208,096	207,500	-596
Inventories	107,478	107,918	440
Trade receivables	75,212	76,884	1,672
Financial assets	0	0	0
Other receivables and other assets	19,239	24,025	4,786
Income tax claims	2,769	1,031	-1,738
Cash and cash equivalents	11,883	46,067	34,184
Total current assets	216,581	255,925	39,344
Total assets	424,677	463,425	38,748
Capital			
Equity	163,559	182,552	18,993
Non-current liabilities	178,487	170,930	-7,557
Current liabilities	82,631	109,943	27,312
Balance sheet total	424,677	463,425	38,748

Compared to the balance sheet date of December 31, 2023, assets increased by a total of EUR 38,748 thousand to EUR 463,425 thousand. Current and non-current assets developed in opposite directions. In non-current assets, the slight increase in property, plant and equipment was more than offset by the decrease in deferred tax assets due to the change in pension obligations. The rise in current assets of EUR 39,344 thousand since December 31, 2023, is largely due to the significant growth in cash and cash equivalents of EUR 34,184 thousand as a result of the strong cash flow.

Equity increased by EUR 18,993 thousand to EUR 182,552 thousand as of June 30, 2024, compared to December 31, 2023. The equity ratio has therefore improved from 38.5% to 39.4% since the last reporting date. The positive consolidated result of EUR 26,664 thousand increased equity by the same amount. The dividend of EUR 12,212 thousand approved by the Annual General Meeting on May 7, 2024, and paid out on May 10, 2024, had a reducing effect on equity. The higher actuarial interest rate for pension obligations compared to the previous

year's balance sheet date led to a reduction in negative other accumulated equity and thus to an increase in equity compared to December 31, 2023.

Alzchem's non-current liabilities decreased by EUR 7,557 thousand to EUR 170,930 thousand compared to December 31, 2023.

The pension obligations contained therein are significantly influenced in their development by actuarial parameters. Although a change in these parameters does not affect the consolidated result, it is recognized directly in equity under other comprehensive income in accordance with IFRS rules. The risk-free market interest rate plays a key role in the actuarial parameters. If this market interest rate rises, pension obligations fall, while a drop in the market interest rate leads to an increase in pension obligations. Historically, the risk-free market interest rate has developed as follows:

in %	2016	2017	2018	2019	2020	2021	2022	2023	H1/2023	Q1/2024	H1/2024
Discount rate	1.75	1.75	1.90	0.90	0.50	1.00	3.70	3.20	3.60	3.50	3.60

The interest rate development described above for the valuation of pension obligations led to a decrease of EUR 5,602 thousand. However, the pension payments that Alzchem pays to former

employees also have a reducing influence on the development of pension obligations. These pension payments have historically developed as follows:

in EUR thousand	2016	2017	2018	2019	2020	2021	2022	2023	H1/2023	Q1/2024	H1/2024
Pensions paid	-583	-674	-725	-1,005	-1,181	-1,516	-1,685	-1,930	-998	-633	-1,104

No new employees have been included in the pension plan since 2007, as these are old programs from Alzchem's history. Due to the age structure, pension payments were relatively low in the past and are now slowly increasing as more employees eligible for the plan retire. The plan is structured so that future pension payments extend over a very long projected period of approximately 30 years and thus do not materially affect Alzchem's financial performance.

The existing non-current loan liabilities were repaid as scheduled, which led to a decrease in non-current liabilities of EUR 4,416 thousand. By contrast, non-current other provisions in-

creased by EUR 2,455 thousand, mainly due to the rise in provisions in the personnel area for performance-related remuneration, which grew in line with the positive earnings performance.

The increase from EUR 27,312 thousand to EUR 109,943 thousand in current liabilities is mainly due to the growth in business activity, higher profit-related liabilities to employees, higher tax provisions due to the good result and higher trade payables and other liabilities as of the reporting date.

1.1.6 DEVELOPMENT IN THE SEGMENTS

1.1.6.1 SPECIALTY CHEMICALS SEGMENT

in EUR thousand	2nd quarter 2023	2nd quarter 2024	1st half-year 2023	1st half-year 2024
External sales	73,172	85,805	158,955	178,766
EBITDA	14,936	22,843	30,955	45,527
EBITDA margin	20.4%	26.6%	19.5%	25.5%
Inventories	67,479	60,314	67,479	60,314

DEVELOPMENT IN THE FIRST HALF OF 2024

The growth trend of recent quarters in the Specialty Chemicals segment was also evident in the first half of 2024. The segment's sales grew by 12% or EUR 19,811 thousand to EUR 178,766 thousand. This increase was primarily driven by volume growth. Compared to the previous year, the volume increase was a significant 11%; prices remained largely stable.

Across the segment, almost all product areas contributed to growth, albeit to varying degrees. The Dietary Supplements product area continues to develop very positively. Demand for creatine "Made in Germany" has increased further compared to the same period last year. Alzchem has created a differentiating feature here and has established a strong position in the market with Creapure®. The Creapure® brand is perceived by end customers as a synonym for top quality and is explicitly in demand. The fact that Alzchem was able to benefit from the increase in demand is due to the investments in the expansion of creatine capacities with commissioning at the end of the fiscal year 2022. The quantity produced was gradually increased from the first quarter of 2023 until the full production capacity could be called up and sold in the first half of 2024. In addition to Creapure®, Creavitalis® was created as a second brand in the Food & Health segment to reach further target groups in addition to competitive sports. The current development in the global creatine market offers Alzchem additional growth potential with new applications. Against this background, work is underway on a further gradual expansion of production capacities in the first half of 2025 and the first half of 2026.

Alzchem also achieved significant sales growth in the guanidine salts product area (including nitroguanidine). Nitroguanidine from Alzchem is used in the agrochemical, automotive and defense industries. There has been a significant increase in demand in the defense sector in particular.

Following a Europe-wide selection process, Alzchem was awarded an investment grant of EUR 34.4 million by the EU Commission as part of the ASAP ("Act in Support of Ammunition Production") funding instrument. The non-repayable funds are to be used over a period of two and a half years to increase the production capacities for nitroguanidine and to renew and expand the existing facilities for the production of guanidine nitrate. The contractual arrangements with the EU Commission were finalized in July 2024. Alzchem's current efforts are focused on applying for and obtaining the regulatory approvals required for the plant and production expansion.

The animal nutrition business with Creamino® continues to develop positively and was able to increase sales compared to the previous year thanks to higher volumes.

In the pharmaceutical sector (Bioselect®), Alzchem is benefiting from the general trend towards the increasing importance of customized, individual DNA analyses. Among other things, Alzchem has established itself with Bioselect® products for the effective detection



and investigation of cancer. The significant increase in volumes in this area also shows that Alzchem's customers have now reduced their surplus stocks, which arose in the course of the corona-related boom.

There is also a positive sales trend in the automotive sector, where Alzchem supports light-weight construction with DYHARD®.

In contrast, Custom Manufacturing of multi-purpose plants recorded a significant decline in sales, as expected. Alzchem was unable to completely escape the continuing negative trend in the chemical industry in Germany. The customers are mostly large companies in the chemical industry that have Alzchem manufacture specific products for them in small quantities per recipe. These customers are currently facing declining volumes. Alzchem continues to regard this as a temporary phase and therefore as an opportunity for the future, as the plants are well diversified and can therefore serve a wide range of products. This diversification has historically proven to be very valuable and crisis-resistant.

Sales in the agricultural product area (Dormex®) were also below the previous year's level. There is considerable price competition with Asian competitors in this area. As a result, Alzchem was forced to implement slight price reductions to keep sales volumes at a largely stable level. It remains to be seen whether Alzchem will be able to benefit from the disruptions to the sea routes in the Red Sea, as logistics from Asia are becoming increasingly unre-

DEVELOPMENT IN THE 2ND QUARTER OF 2024

Looking at the second quarter of 2024, the sales trend is similar to that of the first half of the year. In this quarter, sales increased by EUR 12,633 thousand compared to the same quarter of the previous year to EUR 85,805 thousand (+17%). The volume effect led to a 16% growth in sales and was therefore significantly stronger than in the entire first half of the year. Price effects were largely negligible.

In terms of products, the sales trend in the second quarter was largely in line with the trend in the first half of the year.

liable and expensive.

EBITDA increased significantly to EUR 45,527 thousand compared to EUR 30,955 thousand in the previous year (+47%). This resulted in a significant increase in the EBITDA margin to 25.5% compared to 19.5% in the previous year. The growth trend in the Specialty Chemicals segment thus also continued in the EBITDA margin in the first half of 2024. While energy and raw material costs are declining overall compared to last year, the very good capacity utilization of the plants is also contributing to significantly more efficient production. Exceptions to the positive earnings trend are, in particular, products that are affected by the general development of the chemical industry in Germany and Europe or are exposed to strong price competition from Asian competitors.

The segment's inventories amounted to EUR 60,314 thousand and were therefore significantly lower than the previous year's figure of EUR 67,479 thousand. The decline is due to a combination of price and volume effects. One reason for the reduction in inventories is the year-on-year decline in the cost of energy and other key raw materials. The results of strict working capital management with a focus on lower inventory levels and lower safety buffers in purchasing and sales are also evident. Furthermore, the improved availability of logistics means that inventories can be delivered more quickly and on time.

EBITDA in the second quarter of 2024 increased significantly and shows a similar comparison to the half-year period. In the second quarter of 2024, EBITDA amounted to EUR 22,843 thousand and was therefore EUR 7,907 thousand higher than in the previous year. In line with the half-year analysis, the EBITDA margin also increased significantly in the period from April to June 2024 to 26.6% compared to the previous year's figure of 20.4%.

The same statement applies to inventories as of the reporting date as for the six-month period.

1.1.6.2 BASICS & INTERMEDIATES SEGMENT

in EUR thousand	2nd quarter 2023	2nd quarter 2024	1st half-year 2023	1st half-year 2024
External sales	46,038	41,848	103,375	91,147
EBITDA	2,410	3,055	5,190	4,857
EBITDA margin	5.2%	7.3%	5.0%	5.3%
Inventories	56,072	46,338	56,072	46,338

DEVELOPMENT IN THE FIRST HALF OF 2024

As expected, the Basics & Intermediates segment recorded a decline in sales. In the first half of 2024, sales amounted to EUR 91,147 thousand, which is EUR 12,228 thousand less than in the previous year. While the volume effect resulted in a decrease in sales of around -5%, the price effect reduced sales by -6%. Overall, the decline in energy costs and other key raw materials in particular meant that sales prices were reduced through price escalation clauses and cost reductions were therefore passed on to customers. The decline in sales was exacerbated by targeted volume reductions in individual product areas, although the volume effects must be considered separately for each product area. In the current fiscal year, the rule still applies that volume reductions are consciously accepted if the market does not allow for profitable pricing.

Despite the decline and stabilization of the cost level, some products in the Basics & Intermediates segment are exposed to strong Asian competition, which has significantly lower energy and CO₂ costs to process and operates under different ESG framework conditions than Alzchem. Alzchem cannot and does not want to match the prices of these competitors, as the company is convinced that they do not allow for economically sustainable operations. As a result, some customers are switching to the Asian competition and placing lower volume orders with Alzchem. It remains to be seen how sustainably the Asian competition can maintain this price level. Alzchem has made a conscious decision to accept lower sales volumes in favor of economically viable sales prices, as long as this does not have a negative impact on "Verbund production" overall.

The NITRALZ® product area with applications in the pharmaceutical, agrochemical and basic chemicals industries faces particularly strong price competition from Asian competitors.

Here, sales fell compared to the same period of the previous year due to a combination of volume and price reductions. Sales can be realized here primarily with customers who place delivery reliability, quality and reliable compliance with ESG criteria above short-term cost effects. In the NITRALZ® area, Alzchem also intends to increasingly move away from standard applications towards special applications to gain a significant competitive advantage over the dumping competition from Asia. The first new product specifications are already being tested together with customers.

Sales in the metallurgy business were also below the previous year's level. Almost all customers have now switched to price escalation clauses, which take into account the lower energy and raw material costs compared to the previous year when setting prices. Nevertheless, there were also smaller declines in volumes. Seasonal competition from Eastern Europe and the general economic situation of European steel producers were the main reasons for this.

In the pharmaceutical sector (building block dicyandiamide), in which Alzchem is the only producer in Europe, sales were also below the previous year's level due to a combination of volume and price effects. Although European pricing is significantly higher than that of Asian competitors, Alzchem's reliable quality, delivery reliability and speed of delivery represent a competitive advantage that customers continue to trust – albeit at a reduced level.

The development in the agricultural sector with the fertilizer Perlka® should be highlighted on a positive note. Thanks to a significant recovery in demand, sales increased considerably despite slightly lower prices. Due to the better specification of the product, customers are prepared to pay a premium over cheaper alternatives. Natural gas-based products from Russia



in particular are still available at significantly lower prices, as imports of (natural gas-based) fertilizers are still not subject to an EU embargo.

Despite a significant drop in sales, EBITDA of EUR 4,857 thousand is only EUR 333 thousand below the previous year's level. The deliberate decision to forego business with lower margins and the price war with Asian or Russian competitors therefore had a positive effect on the EBITDA margin, which rose from 5.0% in the previous year to 5.3% in the current reporting period. The consistent pricing strategy and the stabilized cost level compared to the same period last year are having an effect here.

DEVELOPMENT IN THE 2ND QUARTER OF 2024

Looking at the second quarter of 2024, the sales trend is similar to that of the half-year period. The segment saw a decline in sales in the second quarter of 2024. Sales amounted to EUR 41,848 thousand, down EUR 4,190 thousand on the previous year. The reasons for this are already included in the explanations for the first half of 2024 and also apply to the second quarter of 2024. However, volumes were slightly more stable compared to the previous year. The volume effect led to a decline in sales of only around 3% in the second quarter and was therefore lower than in the six-month period.

In terms of products, the sales trend in the second quarter also corresponds to the trend in the half-year period.

The segment's inventories amounted to EUR 46,338 thousand and were therefore significantly lower than the previous year's figure of EUR 56,072 thousand. One of the main reasons for the reduction in inventories is the year-on-year decrease in the cost of energy and other key raw materials. In addition, the results of strict working capital management with a focus on lower inventory levels and lower safety buffers in the purchasing and sales areas are also evident. Furthermore, the improved availability of logistics means that inventories can be delivered more quickly and on time.

EBITDA shows a different picture to sales. EBITDA amounted to EUR 3,055 thousand in the second quarter of 2024, up EUR 645 thousand or 27% on the previous year. As a result, the EBITDA margin also developed positively, increasing from 5.2% in the previous year to 7.3% in the current reporting period. The consistent pricing strategy and the stabilized cost level compared to the same period last year had a particularly strong impact in the second quarter. The smaller decline in volumes than in the entire first half of 2024 with the same price trend also contributed to the improved earnings situation.

The same statement applies to inventories as of the reporting date as for the six-month period.

1.1.6.3 OTHER & HOLDING SEGMENT

in EUR thousand	2nd quarter 2023	2nd quarter 2024	1st half-year 2023	1st half-year 2024
External sales	7,389	8,538	14,701	16,342
EBITDA	438	848	913	1,386
EBITDA margin	5.9%	9.9%	6.2%	8.5%
Inventories	3,589	3,805	3,589	3,805

DEVELOPMENT IN THE FIRST HALF OF 2024

At EUR 16,342 thousand, the Other & Holding segment achieved an increase in sales of EUR 1,641 thousand compared to the previous year. This essentially corresponds to the passing on of cost increases to the chemical park customers. The services used by Alzchem's chemical park customers were primarily of a variable nature (energy supply, technical services and network operation).

At EUR 1,386 thousand, the segment's EBITDA was EUR 473 thousand higher than in the previous year.

Inventories amounted to EUR 3,805 thousand as of the reporting date of the period under review, mainly consisting of auxiliary and operating materials stored by chemical park customers.

DEVELOPMENT IN THE 2ND QUARTER OF 2024

The comments on the six-month period also apply to the second quarter of 2024.

2. RISK AND OPPORTUNITY REPORT

The management system for recording risks and opportunities and the measures to limit risks were described in detail in the combined management report 2023. The main risks and opportunities arising in the course of business activities were also explained there. There were no significant changes in the opportunity and risk structure of Alzchem in the first half of 2024.

3. SUSTAINABILITY AT ALZCHEM

In the combined management report as of December 31, 2023, Alzchem reported on the non-financial aspects of the company for the first time and voluntarily in accordance with the newly adopted European Sustainability Reporting Standards (ESRS). The feedback on this first-time initiative was consistently positive and has met with lively interest from investors and other stakeholders, particularly in Europe. Nothing fundamental changed in the state-

ments in this sustainability declaration in the first half of 2024. However, as a responsible company in the Bavarian region, we would like to inform our stakeholders about our current sustainability activities in the fiscal year 2024 in this half-year report as of June 30, 2024. To cover the entire six-month period, we are also reporting on the activities that were already explained in the quarterly report of Alzchem Group AG as of March 31, 2024.

3.1. SAP SUSTAINABILITY FOOTPRINT MANAGEMENT (SFM): IMPLEMENTATION PLANNED

With the implementation of the SAP Sustainability Footprint Management (SFM) software, Alzchem wants to be one of the first companies to be able to calculate CO₂ footprints in an integrated SAP software landscape. On the way there, a feasibility study (proof of concept) was started together with SAP. The first real production processes were modeled in the new SAP module and CO₂ footprints were determined. The required functionalities are being developed in close cooperation with SAP.

The first impressions of the feasibility study are very promising. As soon as the current project phase has been completed and the first production processes have been implemented, further production processes will be modeled and implemented.

Alzchem would like to have the modeling and calculation of CO₂ footprints in SAP SFM audited by an external certification body by the end of the current fiscal year, so that audited results of selected products can be verified in the future. This will enable Alzchem to provide customers, but also the public, with structured information on a product-specific CO₂ footprint in a digital and verifiable process.

3.2. NEW TRAINING CENTER FOR CHEMICAL TECHNICIANS IN TROSTBERG

The trainees of today form the foundation for the successful development of Alzchem tomorrow. Alzchem therefore considers the construction of a new, state-of-the-art training center for prospective chemical technicians at the Trostberg site with a total area of around 600 square meters to be an important investment in the future. Chemical technicians are responsible for the large-scale production of Alzchem's diverse product range. Around EUR 2.8 million will be invested in the modern, exemplary facility, which is expected to be integrated into the training operation at the end of 2025, to train young people to become qualified

junior staff. In addition to Alzchem, numerous international companies that have always had their young employees trained by Alzchem will also benefit from training at the highest level. The company is one of the largest training providers in the region and is proud of the high training rate of 9% at its German sites compared to the rest of the industry. Every year, up to 50 trainees start their training in commercial, metal and electrical engineering as well as chemical and logistics areas at Alzchem. The ground-breaking ceremony for the new training center is scheduled for this summer.



3.3. IMPLEMENTATION OF THE ACT ON CORPORATE DUE DILIGENCE OBLIGATIONS IN SUPPLY CHAINS

Sustainability and respect for human rights as part of this are of particular importance to Alzchem in all areas of the supply chain. In this respect, Alzchem complies with all requirements of the Act on Corporate Due Diligence Obligations in Supply Chains (Lieferketten-sorgfaltspflichtengesetz – “LkSG”), which has been applicable to it since January 1, 2024. In particular, the company has set up a risk management system to ensure compliance with human rights due diligence obligations. This is coordinated by the Human Rights Officer, who monitors the rules relevant to compliance with human rights and the voluntary commitments made by Alzchem in this regard and continuously improves risk management for compliance with human rights due diligence obligations. Alzchem’s policy statement on human rights highlights the company’s commitment to respecting human rights, which is already reflected in other company policies such as the Corporate Guideline, the Supplier Code of Conduct and the established USGQ policy on the environment, safety, health and quality.

As part of the regular risk analysis, Alzchem identifies human rights risks that are considered a priority due to their potential severity and the opportunities to influence them. These are currently in particular the health protection and occupational safety of Alzchem employees, environmental protection, product safety and the (non-)observance of human rights in the supply chain. The results of the risk analyses are incorporated into the relevant business processes and in particular into the supplier management system. Where risks exist, Alzchem implements suitable preventive measures and will ultimately also part ways with suppliers in the event of violations.

Alzchem will continuously and cooperatively develop its human rights and environmental due diligence obligations and report regularly on the status of implementation.

3.4. UPDATE ON THE ALZCHEM GROUP’S CLIMATE ROADMAP: OUR PATH TO CLIMATE NEUTRALITY

Alzchem sees sustainable management as a fundamental prerequisite for maintaining and further developing its economic, social and ecological performance. The roadmap to climate neutrality was developed with a package of measures and submitted to the Annual General Meeting in May 2023 for a vote. Over 95% of shareholders voted in favor of implementing the measures defined in the climate roadmap and thus also support the social responsibility that this entails.

The package of measures was developed by the Management Board together with an internal sustainability committee. The target of climate neutrality is to be achieved in two main ways: through independence from fossil fuels (defossilization) and climate-neutral production. This goes hand in hand with the conversion of combustion processes to renewable alternatives, for example in the form of electricity or hydrogen.

STEP BY STEP TOWARDS CHANGE

Alzchem already has low CO₂ emissions in the production process compared to the rest of the industry. In total, around one third of the total emissions can currently be used internally as a raw material and thus recycled. The remaining two thirds of CO₂ emissions, amounting to around 110,000 tons (basis: 2022), are to be drastically reduced in the future. Alzchem considers these so-called Scope 1 emissions, i.e. the emissions released in its own company, to be the central adjusting screw that is to be turned with all its might to achieve net zero as quickly as possible. They are therefore at the heart of the climate roadmap.

The following four principles have emerged for Alzchem’s green path:

- Alzchem wants to close the production cycles more efficiently,
- Alzchem wants to reduce the amount of energy required,
- Alzchem wants to make more intensive use of the waste heat generated in the production processes and
- Alzchem wants to avoid any form of waste of resources.





This is to be achieved through four specific packages of measures derived from the above-mentioned principles, which have the following current status:

PACKAGE 1: CO₂ liquefaction/utilization of CO₂ as a raw material using modern processes

The main focus here is on new boiler houses with the use of highly concentrated CO₂. Initial plans for this have already been drawn up.

PACKAGE 2: Sustainable raw material management through alternative raw materials

The planned hydrogen pipeline for the use of hydrogen released during production is already under construction and is expected to go into operation in 2024. The scenarios for the Swedish lime kiln are already being examined. As major investments and several parties are involved here, the implementation of this measure will still take some time. This has already been taken into account in the climate roadmap.

PACKAGE 3: Heat recovery through the use of waste heat

The use of waste heat from our production facilities has been and is being constantly expanded. The implementation of the first projects is already resulting in lower CO₂ emissions.

Package 4: Increasing efficiency by optimizing production processes

Alzchem wants to avoid any form of waste of resources. Cooling water is an important keyword here. By implementing various projects, a direct cooling water saving of approx. 15% was already achieved in 2023. For example, cooling water is used multiple times thanks to projects that have already been implemented. In addition, direct savings of around 17% have already been achieved in the fiscal year 2023.

IN SUMMARY: INTO A GREEN FUTURE WITH ALZCHEM

With the climate roadmap, Alzchem has developed a powerful set of instruments that will ultimately produce a proud balance sheet: The packages of measures described above should lead to a CO₂ reduction of around 90,000 tons per year by 2030. That is more than 75% of our current annual CO₂ emissions. The first targets have already been achieved with savings of -3.4% in Scope 1 and -19.1% in Scope 2. Due to the transformation of the production program away from Basics & Intermediates and towards Specialties, the realization of Scope 2 savings will be completed much faster than originally planned.

3.5. COMMISSIONING OF THE PHOTOVOLTAIC PARK: GREEN ENERGY GENERATION AT THE TROSTBERG SITE

A new photovoltaic park at the Trostberg site is nearing completion and commissioning. On an area of 19,000 square meters, 2,721 PV modules with a total output of approx. 1,300 kWp have been installed.

The project supports Alzchem's sustainability goals in several ways. The increased proportion of green energy improves Alzchem's CO₂ footprint. Alzchem is thus taking a further step towards climate neutrality.

At the same time, Alzchem employees in particular will benefit from the project. The construction of PV carports will provide an additional 200 employee parking spaces. They will be able to park comfortably in future, protected from the weather. At the same time, 36 charging points will initially be installed to accommodate the increasing number of e-vehicle owners within the company. Refueling the e-vehicles is free of charge for Alzchem employees. In this way, Alzchem is creating an additional incentive for its employees to make the transition to electromobility.

4. FORECAST REPORT

In an ad hoc announcement dated July 30, 2024, the forecast made in the consolidated financial statements as of December 31, 2023, was increased with regard to EBITDA and the EBITDA margin. The following table provides an overview of the target values for the Group's

financial performance indicators for the fiscal year 2024 that were forecast in the consolidated financial statements as of December 31, 2023, and have now been partially raised:

	Unit	2023	Original forecast 2024	Adjusted forecast 2024
Group sales	EUR million	540.6	Growing to around EUR 570 million	Growing to around EUR 570 million
Adjusted EBITDA*	EUR million	81.4	Growing to around EUR 90 million	Growing to over EUR 100 million; likely linear development of half-year EBITDA
Adjusted EBITDA margin*	%	15.1	Growing to 15.8%	Growing to over 17.5%
Inventories	EUR million	107.5	Stable	Stable
Inventory intensity	%	19.9	Stable	Stable
Equity ratio	%	38.5	Growing strongly	Growing strongly

* No adjustments were made.

In light of the key figures achieved in the first half of 2024, we have adjusted our expectations for EBITDA upwards and continue to see no change in the increase in sales.

Even though the forecast sales growth has not changed compared to the previous forecast, we nevertheless see and expect a change in the product mix in sales, which is also derived from the developments in the first half of the year. In the original forecast, we had already assumed an increase in sales in the Specialty Chemicals segment and a slight (price-related) decline in sales in the Basics & Intermediates segment. However, we see that we have already been able to grow sales in the Specialty Chemicals segment much more consistently and expect this trend to continue in the second half of 2024, even if the growth rates compared to the second half of the previous year are no longer likely to be as significant as in the first half of 2024 due to the existing very good plant capacity utilization in both comparative periods. If the main growth drivers Dietary Supplements, Animal Nutrition and Defense remain as expected, we also see year-on-year growth in almost all other product areas of the segment.

Only in the Custom Manufacturing area of multi-purpose plants, we do not expect a recovery based on customer discussions until the fiscal year 2025, although sales in the second half of the year are already likely to be higher than in the first half of 2024. By contrast, the effect in the Basics & Intermediates segment is slightly more pronounced due to the price formulas and lower volumes – although we do not expect any further significant decline. The current forecasts in the fertilizers segment should also contribute to a stabilization of sales. However, we would like to point out that the sales forecast of around EUR 570 million is likely to represent the upper limit based on current knowledge and that actual sales may be slightly below this amount. We will have to monitor developments in the NITRALZ® product area and especially in the steel industry. For the steel industry in particular, we do not currently anticipate an additional downturn in the economic situation.

The stronger shift in the expected product mix towards the higher-margin products of the Specialty Chemicals segment with an unchanged cumulative sales forecast is the main reason

for the increase in the EBITDA forecast. We are adjusting the previous forecast of growth to around EUR 90 million upwards and, with EBITDA of over EUR 100 million, expect a likely linear development of half-year EBITDA in 2024. EBITDA in the first half of 2024 has already improved significantly compared to the previous year due to the changed product mix. In particular, the positive impact of plants running at a consistently high production level on the earnings situation is evident. This has led to significant improvements in efficiency, which are reflected in lower production costs. In addition, we currently assume that energy and raw material prices will remain stable at the current level and not rise again. The collective wage agreement in the chemical industry with an increase of 2.00% from September 2024 and the increase in earnings- and share price-related remuneration are already part of this forecast. Despite the improved earnings situation, we are continuing to pursue strict cost management. From a segment perspective, we therefore continue to expect Specialty Chemicals to be the main driver of EBITDA growth in the second half of the year. We anticipate EBITDA in the Basics & Intermediates segment to stagnate at the current level – here, too, the development of the NITRALZ® product area remains a key variable.

The increase in the EBITDA forecast while sales remain the same also leads to a corresponding increase in the forecast EBITDA margin. Taking into account the forecast key figures, we are adjusting the forecast for the rising EBITDA margin from around 15.8% to over 17.5%.

Our previous forecast for the financial performance indicators inventories, inventory intensity and equity ratio remains unchanged.

We continue to assume a stable price level for inventories and expect a similar development compared to December 31, 2023. Even if a further increase in equity is expected due to the increased EBITDA forecast and the current interest rate trend for the measurement of pension obligations, we are currently also assuming a rise in total assets, meaning that we are leaving the forecast for the equity ratio unchanged.

All other forecast disclosures made in the consolidated financial statements as of December 31, 2023, continue to apply.

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, 2024

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

in EUR thousand	2nd quarter 2023	2nd quarter 2024	1st half-year 2023	1st half-year 2024
Sales revenue	126,599	136,191	277,031	286,255
Change in inventories of finished goods and work in progress	9,105	12,682	10,021	6,162
Other operating income	1,906	3,731	7,480	7,289
Cost of materials	-62,374	-57,999	-138,533	-111,236
Personnel expenses	-36,012	-42,468	-71,274	-83,056
Other operating expenses	-21,352	-25,117	-47,936	-53,484
EBITDA	17,872	27,020	36,789	51,930
Depreciation and amortization	-6,335	-6,453	-12,655	-12,988
EBIT	11,537	20,567	24,134	38,942
Other interest and similar income	106	687	155	979
Interest and similar expenses	-1,661	-1,366	-3,542	-2,820
Financial result	-1,555	-679	-3,387	-1,841
Result from ordinary business activities	9,982	19,888	20,747	37,101
Taxes on income and earnings	-2,742	-5,461	-5,797	-10,437
Consolidated result for the period	7,240	14,427	14,950	26,664
Non-controlling interests in consolidated result for the period	43	42	85	85
Share of Alzchem Group AG shareholders in consolidated result for the period	7,197	14,385	14,865	26,579
Earnings per share in EUR (undiluted and diluted)*	0.71	1.41	1.46	2.61

* After the transfer of shares to employees in 2023, calculated using the average number of shares outstanding in the period from January 1 to June 30, 2023, of 10,162,808 shares and in the period from April 1 to June 30, 2023, of 10,176,335 shares. In the period 2024, calculated with 10,176,335 shares.

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

in EUR thousand	2nd quarter 2023	2nd quarter 2024	1st half-year 2023	1st half-year 2024
Consolidated result for the period	7,240	14,427	14,950	26,664
Other result				
Items that will not be reclassified to the income statement				
Result from the revaluation of defined benefit plans	1,471	1,511	-1,544	6,296
Deferred taxes	-412	-423	432	-1,763
Total items that will not be reclassified to the income statement	1,059	1,088	-1,112	4,533
Items that will be reclassified subsequently to the income statement				
Result from the market valuation of financial assets	0	0	0	0
Difference amount from currency translation	-467	229	-766	7
Deferred taxes	0	0	0	0
Total items that will be reclassified subsequently to the income statement	-467	229	-766	7
Other income	592	1,317	-1,878	4,540
Non-controlling interests in other income	0	0	0	0
Share of the shareholders of Alzchem Group AG in other income	592	1,317	-1,878	4,540
Consolidated comprehensive income	7,832	15,744	13,072	31,204
Non-controlling interests in other consolidated comprehensive income	43	42	85	85
Share of the shareholders of Alzchem Group AG in other consolidated comprehensive income	7,790	15,702	12,987	31,119

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

Assets in EUR thousand	12/31/2023	06/30/2024
Non-current assets		
Intangible assets	3,664	3,702
Property, plant and equipment	177,281	179,138
Lease usage rights	4,855	4,383
Financial assets	6	6
Other receivables and other assets	1,369	1,348
Deferred tax assets	20,921	18,923
Total non-current assets	208,096	207,500
Current assets		
Inventories	107,478	107,918
Trade receivables	75,212	76,884
Financial assets	0	0
Other receivables and other assets	19,239	24,025
Income tax claims	2,769	1,031
Cash and cash equivalents	11,883	46,067
Total current assets	216,581	255,925
Total assets	424,677	463,425

Equity and liabilities in EUR thousand	12/31/2023	06/30/2024
Equity		
Capital and reserves		
Subscribed capital	101,763	101,763
Capital reserve adjustment item reverse acquisition	-88,459	-88,459
Capital reserve	24,981	24,981
Other accumulated equity	-21,639	-17,099
Balance sheet profit	144,979	159,346
	161,625	180,532
Non-controlling interests	1,934	2,020
Total equity	163,559	182,552

Equity and liabilities in EUR thousand	12/31/2023	06/30/2024
Liabilities		
Non-current liabilities		
Provisions for pensions and similar obligations	100,294	94,692
Other provisions	19,691	22,146
Loan liabilities to banks	48,665	44,249
Lease liabilities	3,377	2,857
Other liabilities	171	0
Deferred tax liabilities	6,289	6,986
Total non-current liabilities	178,487	170,930
Current liabilities		
Other provisions	3,537	3,704
Loan liabilities to banks	8,833	9,303
Lease liabilities	1,613	1,661
Trade payables	31,554	51,471
Other liabilities	28,930	31,337
Income tax liabilities	8,164	12,467
Total current liabilities	82,631	109,943
Total liabilities	261,118	280,873
Total equity and liabilities	424,677	463,425



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
Status as of 01/01/2023	101,763	-87,451	24,981	-15,316	121,044	-1,009	144,012	1,934	145,946
Dividend	0	0	0	0	-10,685	0	-10,685	0	-10,685
Total transactions with shareholders	0	0	0	0	-10,685	0	-10,685	0	-10,685
Share-based remuneration employees	0	-1,009	0	0	0	1,009	0	0	0
Consolidated result for the period	0	0	0	0	14,865	0	14,865	85	14,950
Other income	0	0	0	-1,878	0	0	-1,878	0	-1,878
Consolidated comprehensive income	0	0	0	-1,878	14,865	0	12,987	85	13,072
Status as of 06/30/2023	101,763	-88,460	24,981	-17,194	125,223	0	146,313	2,020	148,334
Status as of 01/01/2024	101,763	-88,459	24,981	-21,639	144,979	0	161,625	1,934	163,559
Dividend	0	0	0	0	-12,212	0	-12,212	0	-12,212
Total transactions with shareholders	0	0	0	0	-12,212	0	-12,212	0	-12,212
Share-based remuneration employees	0	0	0	0	0	0	0	0	0
Consolidated result for the period	0	0	0	0	26,579	0	26,579	85	26,664
Other income	0	0	0	4,540	0	0	4,540	0	4,540
Consolidated comprehensive income	0	0	0	4,540	26,579	0	31,119	85	31,205
Status as of 06/30/2024	101,763	-88,459	24,981	-17,099	159,346	0	180,532	2,020	182,552

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

in EUR thousand	2nd quarter 2023	2nd quarter 2024	1st half-year 2023	1st half-year 2024
Consolidated earnings before taxes	9,982	19,888	20,747	37,101
Depreciation and amortization	6,335	6,454	12,655	12,988
Payments from pension provisions	-403	-471	-967	-1,104
Profit from the sale of non-current assets	0	-1	-1	-3
Other non-cash expenses	1,454	4,777	2,914	7,887
Financial result	1,555	679	3,387	1,841
Interest received	53	359	76	502
Interest paid	-813	-593	-1,527	-1,177
Income taxes paid	-2,016	-2,676	-3,994	-3,188
Increase in inventories	-6,504	-10,541	-4,043	-440
Increase (-)/decrease (+) in trade receivables and other receivables	20,969	4,849	3,053	-8,053
Increase (+)/decrease (-) in trade payables, other liabilities and other provisions	-751	7,736	7,689	17,680
Change in other balance sheet items	-291	-81	-175	-205
Cash inflow from operating activities (net cash flow)	29,570	30,379	39,814	63,829
Payments for investments in property, plant and equipment	-3,768	-5,543	-8,577	-12,439
Proceeds from the sale of property, plant and equipment	29	2	0	4
Cash outflow from investing activities	-3,739	-5,541	-8,577	-12,435

in EUR thousand	2nd quarter 2023	2nd quarter 2024	1st half-year 2023	1st half-year 2024
Free cash flow	25,831	24,838	31,238	51,394
Proceeds (+)/payments (-) from short-term financing lines	-10,791	0	-44,033	0
Proceeds from loan liabilities	0	0	30,000	0
Payments from the repayment of loan liabilities	-2,514	-2,208	-5,027	-3,979
Repayment of lease liabilities	-440	-425	-896	-898
Dividend payments	-10,685	-12,212	-10,685	-12,212
Dividend payments to non-controlling interests	0	0	-171	-171
Cash outflow from financing activities	-24,430	-14,845	-30,812	-17,260
Net increase in cash and cash equivalents	1,401	9,993	426	34,134
Cash and cash equivalents at the beginning of the period (at the closing rate of the previous year)	8.126	35.998	9.243	11.883
Changes due to exchange rate changes	-228	76	-370	50
Cash and cash equivalents at the end of the period	9,299	46,067	9,299	46,067
Net increase in cash and cash equivalents	1,401	9,993	426	34,134

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2024

I. SEGMENT REPORTING

Segment reporting by operating segment for the second quarter of 2023:

in EUR thousand	Specialty Chemicals	Basics & Intermediates	Other & Holding	Consolidation	Group
External sales	73,172	46,038	7,389	0	126,599
EBITDA	14,936	2,410	438	88	17,872
EBITDA margin	20.4%	5.2%	5.9%		14.1%
Depreciation and amortization					-6,335
EBIT					11,537
Other interest and similar income					106
Interest and similar expenses					-1,661
Financial result					-1,555
Result from ordinary business activities					9,982
Inventories as of 06/30/2023	67,479	56,072	3,589	-648	126,492

Segment reporting by operating segment for the second quarter of 2024:

in EUR thousand	Specialty Chemicals	Basics & Intermediates	Other & Holding	Consolidation	Group
External sales	85,805	41,848	8,538	0	136,191
EBITDA	22,843	3,055	848	274	27,020
EBITDA margin	26.6%	7.3%	9.9%		19.8%
Depreciation and amortization					-6,453
EBIT					20,567
Other interest and similar income					687
Interest and similar expenses					-1,366
Financial result					-679
Result from ordinary business activities					19,888
Inventories as of 06/30/2024	60,314	46,338	3,805	-2,539	107,918



Segment reporting by operating segment for the first half of 2023:

in EUR thousand	Specialty Chemicals	Basics & Intermediates	Other & Holding	Consolidation	Group
External sales	158,955	103,375	14,701	0	277,031
EBITDA	30,955	5,190	913	-269	36,789
EBITDA margin	19.5%	5.0%	6.2%		13.3%
Depreciation and amortization					-12,655
EBIT					24,134
Other interest and similar income					155
Interest and similar expenses					-3,542
Financial result					-3,387
Result from ordinary business activities					20,747
Inventories as of 06/30/2023	67,479	56,072	3,589	-648	126,492

Segment reporting by operating segment for the first half of 2024:

in EUR thousand	Specialty Chemicals	Basics & Intermediates	Other & Holding	Consolidation	Group
External sales	178,766	91,147	16,342		286,255
EBITDA	45,527	4,857	1,386	160	51,930
EBITDA margin	25.5%	5.3%	8.5%		18.1%
Depreciation and amortization					-12,988
EBIT					38,942
Other interest and similar income					979
Interest and similar expenses					-2,820
Financial result					-1,841
Result from ordinary business activities					37,101
Inventories as of 06/30/2024	60,314	46,338	3,805	-2,539	107,918

Segment reporting by region:

in EUR thousand	Domestic	Abroad	Group
External sales 2nd quarter 2023	35,765	90,834	126,599
External sales 2nd quarter 2024	41,724	94,467	136,191
External sales 1st half-year 2023	78,461	198,570	277,031
External sales 1st half-year 2024	83,805	202,450	286,255
Non-current assets as of 06/30/2023	180,613	4,727	185,339
Non-current assets as of 12/31/2023	180,450	5,349	185,799
Non-current assets as of 06/30/2024	182,175	5,047	187,222

II. PRELIMINARY NOTE

The subject of these condensed consolidated interim financial statements (consolidated interim financial statements) are Alzchem Group AG, a corporation under German law with its registered office at Dr.-Albert-Frank-Str. 32, 83308 Trostberg, Germany, and its subsidiaries. The competent register court is located in Traunstein (HRB 28592). Alzchem Group AG is the parent company of the Alzchem Group and prepares these interim consolidated financial statements as of June 30, 2024.

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. The basic raw materials coal, lime and electricity are used in further production steps at the Trostberg, Schalchen, Hart, Waldkraiburg and Sundsvall (Sweden) sites to manufacture versatile products with typical nitrogen-carbon-nitrogen compounds of the highest quality. There are also sales units in Atlanta (USA), Shanghai (China) and Coventry (United Kingdom).

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, 2024, were 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) were applied. Accordingly, these interim consolidated financial statements were prepared in accordance with the provisions of IAS 34 "Interim Financial Reporting".

The interim consolidated financial statements are presented in euros (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 EUR thousand in

accordance with commercial rounding, meaning that individual figures do not always add up exactly to the totals shown.

The provisions of the International Financial Reporting Standards (IFRS) that were mandatory as of the balance sheet date of June 30, 2024, were applied. Standards that were not yet mandatory as of June 30, 2024, were not applied early.

The explanations in the notes to the consolidated financial statements of Alzchem Group AG as of December 31, 2023, apply accordingly, particularly regarding the significant accounting policies. The interim consolidated financial statements were prepared on a going concern basis.

STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED STANDARDS APPLIED FOR THE FIRST TIME IN FISCAL YEAR 2024

The following standards and interpretations revised or newly issued by the IASB were mandatory from the fiscal year 2024 onwards:

- **Amendments to IAS 1 – Presentation of Financial Statements (classification of liabilities with ancillary conditions as current or non-current)**

The amendments to IAS 1 are intended to clarify the criteria for classifying liabilities as current or non-current. In future, only “rights” that exist at the end of the reporting period will be decisive for the classification of a liability. In addition, supplementary guidelines for the interpretation of the criterion “right to defer settlement of the liability for at least twelve months” and explanations on the characteristic “settlement” have been included. Furthermore, with regard to the classification of liabilities as current or non-current, it is clarified that only ancillary conditions that an entity must fulfill on or before the reporting date affect this classification. The clarifications have no effect on the classification of the maturities of the Alzchem Group’s liabilities. However, an entity must

disclose information in the notes that enables users of financial statements to understand the risk that long-term liabilities with covenants could become repayable within twelve months. The loan and credit agreements contain covenants that are customary on the capital market. Failure to comply with these agreements means that non-current liabilities to banks are reclassified as current liabilities. Based on the current 12-month plan, the company does not expect the covenants to be impaired.

- **Amendments to IFRS 16 – Leases (lease liability in a sale and leaseback transaction)**

The amendment to IFRS 16 contains requirements for the subsequent measurement of leases in the context of a sale and leaseback (SLB) for seller-lessees. This is primarily intended to standardize the subsequent measurement of lease liabilities to prevent inappropriate profit recognition. In principle, the amendment means that the payments expected at the beginning of the term are to be taken into account in the subsequent measurement of lease liabilities under an SLB. In each period, the lease

liability is reduced by the expected payments and the difference to the actual payments is recognized in profit or loss. Alzchem does not act as the seller-lessee in a sale and leaseback transaction. The change therefore has no effect on the net assets, financial position and results of operations of Alzchem.

- **Amendments to IAS 7 and IFRS 7 – Cash Flow Statement/ Financial Instruments (Disclosures on Supplier Financing Arrangements)**

The amendments to IAS 7/IFRS 7 are intended to increase the transparency of supplier financing arrangements and their impact on an entity’s liabilities, cash flows and liquidity risk. The amendments supplement the existing disclosure requirements in that companies are obliged to provide qualitative and quantitative information on financing agreements with suppliers. According to the current status, the amendment has no effect on the net assets, financial position and results of operations of Alzchem, as there are no supplier financing agreements.

STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED STANDARDS WHOSE APPLICATION IS NOT YET MANDATORY

Standards	Amendment relates to	Obligation to apply from	Adoption by EU Commission already completed
IAS 21	Effects of changes in exchange rates Lack of exchangeability	01/01/2025	No
IFRS 7/IFRS 9	Amendments to the classification and measurement of financial instruments	01/01/2026	No
IFRS 18	Presentation and disclosures in the financial statements	01/01/2027	No
IFRS 19	Subsidiaries without public accountability: Disclosures	01/01/2027	No

IV. NOTES TO THE INCOME STATEMENT

1. SALES REVENUES

The Alzchem Group's sales revenues can be broken down into product sales and services as follows:

in EUR thousand	2nd quarter 2023	2nd quarter 2024	1st half-year 2023	1st half-year 2024
Sales from product sales	119,567	129,387	264,205	273,268
Sales from services	7,032	6,804	12,826	12,987
	126,599	136,191	277,031	286,255

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

in EUR thousand	2nd quarter 2023	2nd quarter 2024	1st half-year 2023	1st half-year 2024
Product sales in the Specialty Chemicals segment	73,172	85,805	158,955	178,766
Product sales in the Basics & Intermediates segment	46,038	41,848	103,375	91,147
Product sales in the Other & Holding segment	357	1,734	1,875	3,355
Service sales in the Other & Holding segment	7,032	6,804	12,826	12,987
	126,599	136,191	277,031	286,255

The geographical breakdown of total sales is as follows:

in EUR thousand	2nd quarter 2023	2nd quarter 2024	1st half-year 2023	1st half-year 2024
Germany	35,765	41,724	78,461	83,805
European Union	43,941	42,951	94,699	89,136
Rest of Europe	6,427	5,220	12,704	11,475
NAFTA	21,833	23,343	45,938	45,955
Asia	9,690	8,570	17,458	19,438
Rest of the world	8,943	14,383	27,771	36,446
	126,599	136,191	277,031	286,255

2. OTHER OPERATING INCOME

in EUR thousand	2nd quarter 2023	2nd quarter 2024	1st half-year 2023	1st half-year 2024
Own work capitalized	944	1,460	2,000	2,958
Income from currency translation	481	844	3,239	1,962
Income from services to third parties	106	891	128	928
Income from grants	128	207	288	355
Income from the reversal of provisions and liabilities	87	187	507	232
Income from energy tax re-funds	0	0	0	0
Miscellaneous other income	158	142	1,318	854
	1,906	3,731	7,480	7,289

3. OTHER OPERATING EXPENSES

in EUR thousand	2nd quarter 2023	2nd quarter 2024	1st half-year 2023	1st half-year 2024
Selling expenses	4,887	4,801	11,281	10,317
Environmental and disposal costs	3,280	4,358	6,074	8,763
Maintenance	2,176	2,872	4,639	5,292
Consulting, research and development costs	1,582	2,532	3,318	4,919
Other external services	1,741	2,270	3,552	4,171
Insurances	1,239	1,447	2,488	2,913
IT costs	757	904	1,515	1,840
Expenses from currency translation	1,130	563	4,656	1,482
Miscellaneous other expenses	4,560	5,370	10,413	13,787
	21,352	25,117	47,936	53,484

4. FINANCIAL RESULT

The financial result for the first half of 2024 includes an interest expense of EUR 1,588 thousand (first half of 2023: EUR 1,651 thousand) from additions to pension provisions. Of this amount, EUR 794 thousand was attributable to the second quarter of 2024 (second quarter of 2023: EUR 825 thousand).

V. NOTES TO 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 2024, a dividend of EUR 12,212 thousand (prior-year period: EUR 10,685 thousand) was distributed to the shareholders of Alzchem Group AG. This corresponds to a dividend per share of EUR 1.20 (prior-year period: EUR 1.05).

As of December 31, 2022, the company held a total of 40,581 treasury shares. These treasury shares were transferred to certain employees in the first half of 2023 as part of a share-based payment. The provisions of IFRS 2 require this employee remuneration to be recognized in the capital reserve. With the transfer to the employees, the previously separately reported item "treasury shares" was reclassified to the item "Capital reserve adjustment item rev. acquisition/IFRS 2". Since then, Alzchem no longer holds any treasury shares. This affected the number of shares used to calculate earnings per share. The calculation of basic earnings per share is based on the weighted average number of shares in circulation during the reporting period. The shares transferred to employees are considered to be in circulation pro rata temporis from the date of transfer and are weighted accordingly. Until then, treasury shares were not included in the calculation of shares in circulation. An adjustment of the previous year's figures is not provided for by the IFRS regulations.

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

In EUR thousand	2nd quarter 2023	2nd quarter 2024	1st half-year 2023	1st half-year 2024
Weighted average number of shares in circulation	10,176,335	10,176,335	10,162,808	10,176,335
Earnings per share in EUR	0.71	1.41	1.46	2.61

6. PROVISIONS FOR PENSIONS AND SIMILAR OBLIGATIONS

Provisions for pensions and similar obligations fell by EUR 5,602 thousand compared to December 31, 2023, to EUR 94,692 thousand as of June 30, 2024. This decrease includes an amount of EUR 6,296 thousand that was recognized directly in equity before deduction of deferred taxes in other comprehensive income. The reason for this reduction in pension provisions is the increase in the discount rate from 3.2% as of December 31, 2023, to 3.6% as of June 30, 2024. The deferred tax assets recognized for these effects dropped by EUR 1,763 thousand. This change was also recognized directly in equity in other comprehensive income.

7. 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 at fair value through profit or loss		
12/31/2023					
Balance sheet items	Carrying amount	Carrying amount	Carrying amount	Carrying amount	Fair value
	EUR thousand	EUR thousand	EUR thousand	EUR thousand	EUR thousand
Financial assets	-	-	6	6	6
Other receivables and other assets	14,564	-	-	14,564	14,564
Trade receivables	9,588	65,624	-	75,212	75,212
Cash and cash equivalents	11,883	-	-	11,883	11,883
Total financial assets	36,034	65,624	6	101,664	101,664

	At amortized cost		At fair value		Total amount
	Financial assets measured at amortized cost	Financial assets measured at fair value through other comprehensive income with subsequent reclassification to the income statement	Financial assets at fair value through profit or loss		
06/30/2024					
Balance sheet items	Carrying amount	Carrying amount	Carrying amount	Carrying amount	Fair value
	EUR thousand	EUR thousand	EUR thousand	EUR thousand	EUR thousand
Financial assets	-	-	6	6	6
Other receivables and other assets	16,969	-	-	16,969	16,969
Trade receivables	8,731	68,153	-	76,884	76,884
Cash and cash equivalents	46,067	-	-	46,067	46,067
Total financial assets	71,767	68,153	6	139,926	139,926



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

12/31/2023	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	57,498	57,498	56,991
Trade payables	31,554	31,554	31,554
Other liabilities	7,451	7,451	7,451
Total financial liabilities	96,503	96,503	95,996

06/30/2024	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	53,551	53,551	52,968
Trade payables	51,471	51,471	51,471
Other liabilities	7,641	7,641	7,641
Total financial liabilities	112,663	112,663	112,080

The fair values of the financial instruments were determined based on the market information available on 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 approximately to the carrying amounts. The balance sheet items trade payables and other liabilities generally contain liabilities with short remaining terms, so that the fair values are assumed to approximate the carrying amounts. The loan liabilities to banks item contains current and non-current financial liabilities. The fair values of liabilities with remaining terms

12/31/2023	Level 2	Level 3	Total
	EUR thousand	EUR thousand	EUR thousand
Assets			
Trade receivables			
- Measured at fair value through other comprehensive income	65,624	-	65,624
Financial assets			
- Measured at fair value through profit or loss	-	6	6
Total assets	65,624	6	65,630

Financial liabilities were not recognized at fair value in the reporting period. There were no reclassifications between the individual hierarchies to determine fair values in the reporting period.

The fair value of electricity derivatives measured at fair value through profit or loss is allocated to level 2.

The market value of trade receivables measured at fair value through other comprehensive income is allocated to level 2. The market values of trade receivables measured at fair value are derived with reference to transactions in comparable instruments. In particular, the transaction prices in the context of the sale of receivables, for which the buyer regularly uses the nominal value, are used. In the case of a default event, these values are adjusted by the value adjustment requirement.

of more than one year are determined by discounting the cash flows associated with the liabilities, taking into account the current interest rate parameters observable on the market. The Group's individual credit ratings 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 that are recognized at fair value on a recurring basis after initial recognition and their measurement level in accordance with IFRS 13:

06/30/2024	Level 2	Level 3	Total
	EUR thousand	EUR thousand	EUR thousand
Assets			
Trade receivables			
- Measured at fair value through other comprehensive income	68,153	-	68,153
Financial assets			
- Measured at fair value through profit or loss	-	6	6
Total assets	68,153	6	68,159

The Alzchem Group holds one investment in the "at fair value through profit or loss" category, the market value of which is to be allocated to level 3. There were no changes due to additions or disposals in the reporting period. In the absence of reliable input parameters for a more complex model and due to the minor significance of these investments for the Alzchem Group, the market value was estimated based on acquisition costs. A deviation of the actual market value from this estimate within a realistic range would not have a material impact on the significance of the item or on the net assets, financial position and results of operations of the Alzchem Group. In the first half of 2024, EUR 23 thousand (first half of 2023: EUR 28 thousand; second quarter 2024: EUR 23 thousand; second quarter 2023: EUR 28 thousand) income was recognized from this financial asset, which was reported in the financial result.

VI. OTHER NOTES

8. NOTES TO 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 same period of the previous year, no customer contributed at least 10% of total Group sales.

9. RELATIONS WITH RELATED PARTIES 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.

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

10. SEASONAL INFLUENCES

The Alzchem Group's business is partly subject to seasonal influences. In particular, the supply cycles for agrochemical products mean that sales and therefore EBITDA can be slightly higher in the first and fourth quarters of a fiscal year than in the other quarters.

11. EVENTS AFTER THE BALANCE SHEET DATE

After the balance sheet date of the first half of 2024, there were no events with a material impact on the net assets, financial position and results of operations of the Alzchem Group up to the time of preparation of the interim consolidated financial statements.

Trostberg, August 1, 2024

Alzchem Group AG

The Management Board

Andreas Niedermaier (CEO)

Klaus Englmaier (COO)

Andreas Lösler (CFO)

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

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.

Financial calendar 2024

October 12 to November 7, 2024

Quiet Period*

November 7, 2024

Q3 Quarterly Statement 2024

* 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.



alzchem.com/en/investor-relations/financial-calendar/



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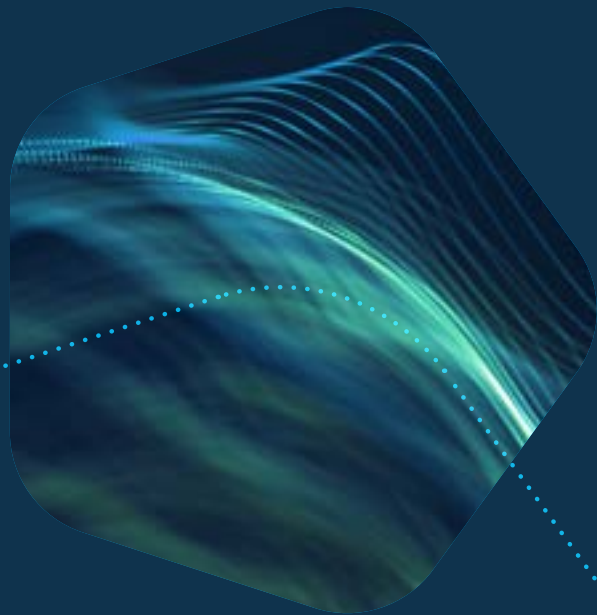
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