



alzchem
group

AGILE SCIENCE PURE RESULTS

Alzchem Group AG

ANNUAL REPORT 2025



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In the interests of readability, the annual 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.

Alzchem at a glance

SALES IN € MILLION

2024	2025
~ 554.2	~ 562.1

SHARE PRICE PERFORMANCE IN %

2024	2025
~ 117.6	+162.7

DIVIDEND IN €/SHARE

2024	2025
5.31	6.28

Dividend in €/share	1.80	2.10
for fiscal year	2024	2025 ¹

¹ Subject to approval by the Annual General Meeting on May 5, 2026

EBITDA IN € MILLION

2024	2025
~ 105.3	~ 116.5



EMPLOYEES

2024	2025 ²
1,725	1,765

² Average value over the fiscal year 2025

MARKETS



HEALTH & NUTRITION



ANIMAL NUTRITION



FINE CHEMISTRY



PHARMA



AGRICULTURE



RENEWABLE ENERGIES



METALLURGY



CUSTOMER SYNTHESIS



AGRI SOLUTIONS



AUTOMOTIVE



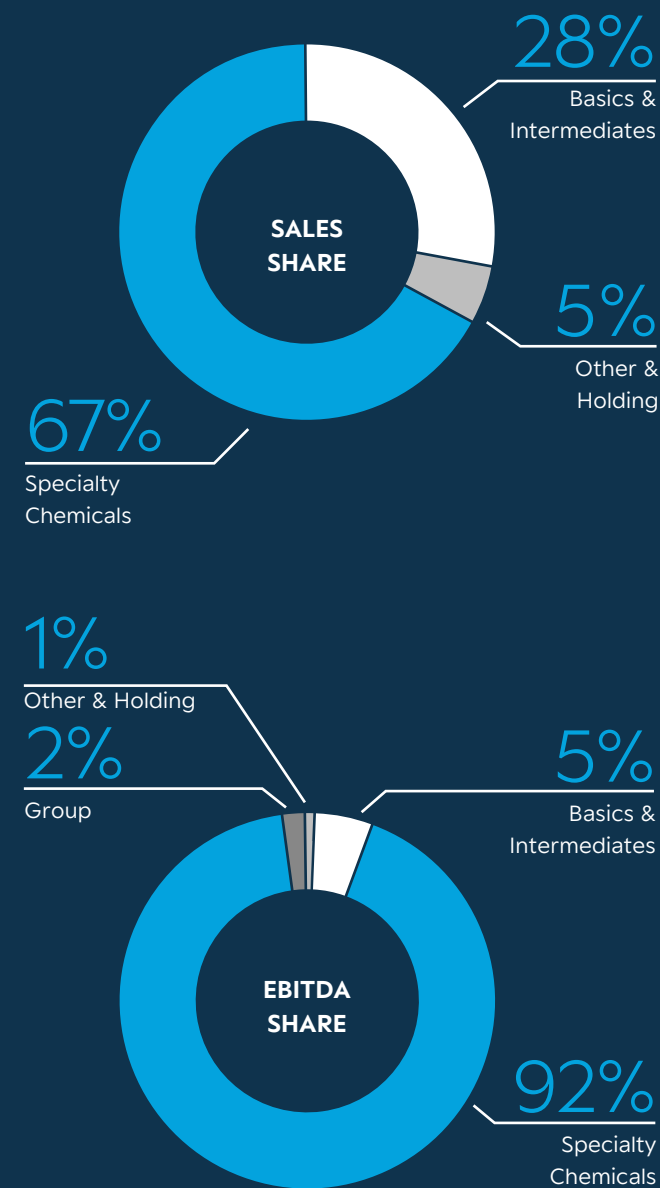
DEFENSE

Key figures

In EUR thousand	2021	2022	2023	2024	2025	CAGR ^{a)}
Group sales	422,293	542,223	540,649	554,231	562,115	7%
EBITDA	62,046	61,441	81,373	105,268	116,479	17%
EBITDA margin	14.7%	11.3%	15.1%	19.0%	20.7%	
EBIT	37,572	35,898	55,473	78,950	89,831	24%
Consolidated annual result	27,764	30,223	34,792	54,246	63,630	23%
Earnings per share in EUR (undiluted and diluted) ^{b)}	2.72	2.96	3.40	5.31	6.28	23%
Equity ratio	23.7%	34.5%	38.5%	42.9%	41.8%	
Inventory intensity	20.5%	22.6%	19.9%	18.3%	20.6%	

a) CAGR = Compound Annual Growth Rate (final value/starting value)^(1/number of years)

b) After share buyback & share transfer to employees in 2025, calculated using the average number of outstanding shares of 10,106,339. After share buyback throughout the entire period 2024, calculated using 10,174,204 shares.



Specialty Chemicals segment

BUSINESS ACTIVITY

Production and distribution of high-quality chemical products (specialty chemicals)

OVERVIEW

SALES in € mn

379

EBITDA in € mn

107

KEY BRANDS

CREAMINO[®]

Bioselect[®]

Dormex[®]

**LIVA
DUR[®]**

Creapure[®]

Creavitalis[®]

DYHARD[®]

Nitroguanidin

Silzot[®]

KEY FIGURES

In EUR thousand	2021	2022	2023	2024	2025
External sales	220,499	288,361	319,802	348,089	378,776
EBITDA	50,664	53,014	73,243	94,017	106,794
EBITDA margin	23.0%	18.4%	22.9%	27.0%	28.2%
Inventories	53,971	68,535	55,998	59,074	55,364
Inventory intensity	24.5%	23.8%	17.5%	17.0%	14.6%

Basics & Intermediates segment

BUSINESS ACTIVITY

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

OVERVIEW

SALES in € mn

155

EBITDA in € mn

6

KEY BRANDS



KEY FIGURES

In EUR thousand	2021	2022	2023	2024	2025
External sales	176,274	227,539	192,183	174,003	155,091
EBITDA	10,985	4,983	9,531	10,825	5,617
EBITDA margin	6.2%	2.2%	5.0%	6.2%	3.6%
Inventories	33,400	49,945	49,139	41,912	58,235
Inventory intensity	18.9%	22.0%	25.6%	24.1%	37.5%

AGILE SCIENCE PURE RESULTS

WHAT MOVES US

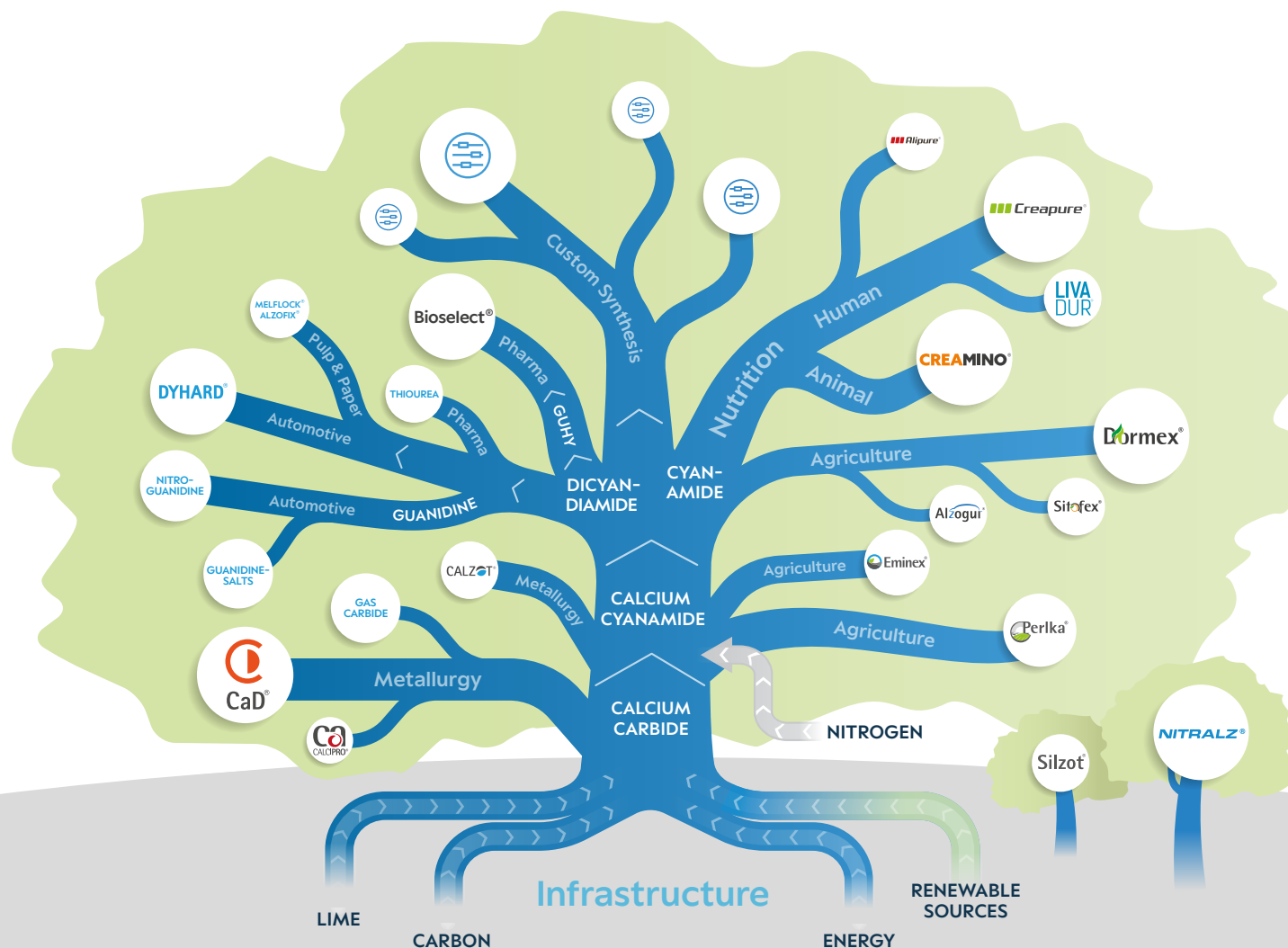
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Our “production Verbund”

The main products of the Alzchem Group are based on the same raw materials, namely lime and coal. Along the calcium carbide/calcium cyanamide (NCN) chain, Alzchem integrates many processing and refining steps to create the respective products in the Basics & Intermediates and Specialty Chemicals segments.

This vertical integration in production is a key strength of the Alzchem Group. It is only made possible by the geographical proximity of the four historically grown sites in the Bavarian Chemical Triangle. The “Verbund production” allows Alzchem to react flexibly to changes in demand, as many products from the Basics & Intermediates segment are also raw materials for products in the Specialty Chemicals segment.

In addition, there are various synergies in the production process and in research and development. The “Verbund production” secures the company a high degree of independence from external suppliers.



We act: we offer solutions for global challenges



POPULATION GROWTH

In 1900, there were around 1.7 billion people living worldwide. By the year 2000, this figure had risen to more than 6.1 billion and the United Nations estimates that we will be around 9.7 billion¹ by 2050. As arable land is limited worldwide, we need efficient processes to continue supplying the growing population with food. This is where Alzchem comes in: with our specialty products, we support successful, efficient and sustainable agricultural production in agriculture and animal nutrition worldwide.

¹ Source: UN forecast on the development of the world population (January 1, 2023)



HEALTHY AGING

People are getting older and older, especially in the western industrialized nations. In 2000, the average global life expectancy was around 67 years, and by 2020 it had risen to around 73 years. Scientists expect it to rise further in the coming years. At the same time, civilization and age-related diseases are on the rise and awareness of health and nutrition is growing. Alzchem also provides answers here with products in the areas of food supplements, pharmaceuticals, cosmetics and health.



CLIMATE PROTECTION

Energy efficiency and renewable energies are crucial for the future of our planet and are becoming increasingly important worldwide. Examples of this are the Green Deal in the EU and corresponding measures in the latest 5-year plan in China and the global efforts to quickly replace combustion engines and completely free the energy supply from fossil fuels.

Alzchem is ideally positioned to participate in this development. We offer products for hydrogen-powered vehicles, the lightweight construction of vehicles and aircraft and in wind energy. At the same time, as a major consumer, we benefit directly from the change in the electricity mix and develop sustainable products with a negative CO₂ balance.

DYHARD® **Silzot®**  **Eminex®**



SAFETY

Safety is a fundamental human need. It gives us a feeling of protection and security, whether at work or in everyday life – for example when driving. At Alzchem, we produce an important raw material that reliably triggers airbags even after years of use. It also plays a decisive role in defense technology: it is essential for the production of propellants for artillery shells. Safety ensures the protection of human life and the defense of countries. In the current security situation, we have a special significance and responsibility, as we are the only supplier of this raw material in the western hemisphere.

Nitroguanidin

Guanidinnitrat

AGILE SCIENCE, PURE RESULTS

I am creatine – and this is my story

"I was born in 1832 – not in a delivery room, but in the laboratory of French chemist Michel Eugène Chevreul. There, he discovered and extracted me from meat and gave me my name, inspired by the Greek word *kreas* (meat). Although I had always been part of the human body, it was his discovery that gave me my own identity. At that time, I was just an inconspicuous molecule, but I knew that my career had only just begun.

In 1847, German chemist Justus von Liebig took a closer look at me. He recognized my chemical identity as methylguanidinoacetic acid and brought me to prominence with his famous meat extract ("Liebig meat broth"). Suddenly, I was more than just a laboratory find – I was a molecule with potential.



In the late 19th century, my existence was also proven in organs and blood. Scientists began to suspect that I could do more than just add flavor to meat broth. However, my real breakthrough came in 1927, when Fiske and Subbarow discovered my "power upgrade" – phosphocreatine. Finally, it was understood that I was the key to rapid energy supply in muscle cells. I was no longer just a molecule, I was an energy architect.

And then came the 1990s – my moment of glory! Thanks to modern research, I became the darling of the sports world. Athletes from a wide range of disciplines increasingly relied on me to specifically increase muscle mass and performance. At that time, the Alzchem company in Trostberg also gave the starting signal for my further development: under the Creapure® brand, the company set a new standard – for maximum purity and uncompromising quality.

And today? I am no longer just at home in the gym, but also a valued component in health and food applications.

From an inconspicuous molecule to a global game changer – I am creatine, and my story shows how science is changing the world for the better.

But what is my true mission?

MY JOB: YOUR BODY'S SECRET ENERGY MANAGER

A small molecule with a big job, that is how you could describe me. I am active where the body needs energy: in the muscles, in the brain, in every cell that has to perform. I step in when movement requires strength. I help when exhaustion threatens. I replenish reserves, stabilize processes, and keep the internal rhythm in balance. Whether during a sprint, a night shift, a treatment, or in the years of change – I am a silent companion to humans. I support muscles, promote regeneration, stabilize energy balance, and help maintain performance and well-being.

I am not an invention, not an external additive – I am a natural part of the human body. However, it is only through precise chemical manufacturing processes that I become available in the high purity required for dietary supplements.

My specialty? Fast power – exactly when you need it. In the form of phosphocreatine, I ensure that your muscle and nerve cells receive a lightning-fast supply of adenosine triphosphate (ATP) – the ultimate fuel for every cell.

Creatine became popular as a dietary supplement in professional sports, especially in the early 1990s, with its breakthrough closely linked to the Olympic Games of 1992 in Barcelona.



Whether it is an explosive sprint, the last set in training, or stressful moments: I step in when your energy supply is on the brink. And it is not just your muscles that benefit from me – your brain loves me too. Studies show that I stabilize energy metabolism and thus support cognitive processes.

In short: I am the invisible hero that promotes performance and concentration.

But enough about my personal perspective – let us take a look at how Alzchem, as a manufacturer of high-quality creatine under the Creapure® and Creavitalis® brands, sets standards with globally recognized standards. Where manufacturing expertise, responsibility, and precision come together: in fully integrated production.”

ALZCHEM: SETTING THE GLOBAL CREATINE STANDARD WITH RESPONSIBILITY AND QUALITY

For Alzchem, creatine is much more than just a chemical product; it stands for health and performance – a contribution that can improve the everyday lives of many people and therefore has real social relevance.

Our creatine products not only support athletes but are also becoming increasingly important in prevention and therapy, for example in neurodegenerative diseases or age-related muscle loss.

For this reason alone, the production of creatine is an important strategic growth area for Alzchem. As the only European manufacturer, we guarantee the highest purity and safety – a promise that creates trust and strengthens our global market position. This promise means responsibility: for people's health, for sustainable production, and for continuous innovation.

We believe that the global creatine market, with its diverse applications, will continue to grow significantly.

The areas of application for creatine that we present here range from (competitive) sports and everyday life to numerous applications in the health sector, including topics such as women's health.

With Creapure® and Creavitalis®, we provide ingredients in the form of dietary supplements, enabling people worldwide to achieve their goals more easily.



Sports & performance

Creapure®: the gold standard in sports – from Trostberg to the world

It is no longer a secret: in the field of sports, creatine in the form of Creapure® is THE must-have – THE booster for strength, performance, and recovery. It does not just make your muscles bigger on its own – its strength lies in its energy supply. It enables more intense training sessions, more repetitions, and faster recovery. This is precisely why athletes worldwide appreciate Creapure®: those who can train harder and longer achieve their goals faster. In sports, however, it is not only the effect that counts, but also the absolute purity of the creatine. Only a product of the highest quality – as demonstrated by the inclusion of Creapure® in the Cologne List® – meets the demands of the performance community worldwide.

Creapure® has therefore long established itself as an indispensable building block for performance. Whether in professional sports or ambitious everyday training, our creatine enjoys great trust and reputation among athletes. Numerous studies have proven that creatine is one of the most researched and effective supplements worldwide.

2025 was a year full of highlights for Creapure®. With FC Bayern Basketball, we not only celebrated the German championship title, but also the extension of our partnership – a strong sign of top performance at the highest level. At HYROX, the rapidly growing global fitness race, we are now taking to the big stage as title partner at international events in Rio, Vienna, Houston, and Lyon.

We are also involved in American football: our cooperation with the Munich Ravens shows how Creapure® provides power and rapid recovery even in the toughest sports. And because innovation is part of our DNA, we launched a new product form in January 2025 with Creapure® Gluco: the practical chewable tablet combines creatine and glucose for fast energy and optimal absorption. Field studies confirm that the taste, effect, and suitability for everyday use are convincing across the board.

Creapure® is therefore more than just a product – it is a global quality standard, a promise of performance, and an example of how our expertise from Trostberg is changing the world of sports.



[Creapure® and FC Bayern Basketball](#)



[Creapure® on Instagram](#)



Creapure®

Offizieller Partner

Energy for everyday life

Creavitalis®: the ingredient that takes functional food to the next level

Creatine is no longer just for athletes – it is also conquering everyday life, as everyone can benefit from it. New consumer groups, such as working people with high stress levels or people who simply want to optimize their lifestyle, are now discovering products with creatine for themselves.

The "Everyday Health & Performance" trend shows that people are looking for simple solutions for more energy, stress resistance, and better cognitive performance.

This is exactly where creatine comes into its own. It has a neuromodulatory and neuroprotective effect on the brain.

This is because severe stress causes energy levels to drop and fatigue to set in. With sufficient creatine, energy stores remain full and ATP (adenosine triphosphate) is made available more quickly – which means staying fit, focused, and productive for longer, even with less sleep. Studies also show that creatine can support mood by providing energy for the production of dopamine and serotonin.

Would it not be particularly convenient to simply consume creatine through tasty foods? This is possible with Creavitalis®, our finely ground creatine monohydrate, which is ideal as an ingredient in functional foods. Like its sister product Creapure® from the sports sector, this creatine brand for the food & health sector stands for the highest purity and is produced in Trostberg, Upper Bavaria.

Since fall 2025, foods containing Creavitalis® have been available on supermarket shelves. How did this come about? In October 2025, the Ehrmann dairy and Alzchem announced their collaboration. With the "High Protein Creatine" product line, they have jointly taken functional nutrition to the next level. The focus is on Creavitalis®, which became available for the first time in the form of everyday foods.

The product range includes puddings, drinks, and bars – all sugar-, lactose-, and gluten-free, low in fat, and, above all, containing 1.5 g of Creavitalis® per serving. This transforms a proven ingredient for dietary supplements into a real moment of pleasure with functional added value. Whether before training or as a snack between meals: the combination of taste and smart food makes Ehrmann products the ideal companion for an active lifestyle. Creatine thus becomes an integral part of everyday life – for anyone who wants to combine uncomplicated enjoyment and performance. Creatine is therefore more than just a supplement: it is a game changer for everyday life, health, and well-being – and Alzchem is actively shaping this development.



[Creavitalis® website](#)



[Creavitalis® on Instagram](#)

Regeneration and therapy

Creavitalis®: for applications in the health sector

Creavitalis® is particularly suitable for use in the health sector, as well as in food, as a reliable ingredient for innovative dietary supplements and a wide range of health-related applications. Creatine is a real energy hero for the whole body. However, we do not just need energy for our biceps at the gym: our heart, lungs, respiratory muscles, and even our intestinal peristalsis are made up of muscles. When we lack energy, we feel it everywhere. That is why creatine is becoming increasingly important in healthcare.

Creavitalis® can help improve the quality of life for dialysis patients. Scientific studies show that patients who already suffer from a structural creatine deficiency lose significant amounts of the creatine naturally present in the body during dialysis treatment and thus have to endure serious health impairments, such as increased muscle breakdown, persistent fatigue, dangerous weakening of the immune system, and psychological limitations. Creatine-based treatment solutions can effectively support patients in this regard.

People with long COVID or chronic fatigue (chronic fatigue syndrome, CFS) can also benefit from the additional energy provided by creatine – a real ray of hope in phases when every movement is difficult.

Of course, the path to health-related applications is not a sprint: approval processes must be clarified, studies conducted, and safety data reviewed. We are actively involved in this process with research and development that opens up new perspectives. Together with leading universities, we are working on projects that aim to establish creatine as an integral part of modern therapy concepts.

KNOWLEDGE CREATES THE FUTURE: ALZCHEM IS ADVANCING CREATINE RESEARCH IN THE HEALTH SECTOR

Alzchem is not only a producer of creatine – we are also knowledge accelerators! In order to uncover the secrets surrounding the effects and diverse applications of creatine, we support a wide range of scientific studies, especially in the health sector. To ensure that we do not miss out on new trends and that researchers worldwide are optimally networked, we have established the Scientific Advisory Board (SAB) – a network of leading universities and renowned scientists around the globe. The common goal? To deepen existing knowledge, generate new insights, and discover innovative applications in the field of health. And, of course, only the best is used: creatine from Trostberg.



In 2025, we supported over twenty exciting studies. Highlights included a study in New Zealand researching creatine during pregnancy. Or in Brazil, where creatine was tested against PMS symptoms with a top women's soccer team. In Spain, we are supporting research on "Creatine and its effects in older adults", and in Germany, we are investigating how creatine can provide even better support in the fight against long and post-COVID symptoms.



Women's Health

Strength in times of change with Creavitalis® and LIVADUR®



In recent years, the view of creatine has broadened significantly – from a pure sports supplement to a target group that is increasingly coming into focus: women in midlife and beyond. Why them in particular? Quite simply, in the female body, creatine levels are closely linked to the hormone estrogen. Women store less creatine overall and also produce less of it – a real bottleneck that makes itself felt. As estrogen levels decline during menopause, body composition also changes: muscle mass and strength decrease (keyword: sarcopenia), bone density declines and the risk of osteoporosis increases. Even everyday activities such as carrying, bending over or walking quickly become a challenge.

The good news is that strength training is one of the most effective "therapies" during this phase of life. And this is exactly where creatine comes in. It supports the adaptation of the muscles to training and can also have a positive effect on bones and the brain. For everyday life, this means that women who do regular strength training and take creatine supplements have a higher chance of building noticeable muscle. Creatine not only supports the muscles, but also the brain and energy supply – important for fatigue, PMS, mood swings, and cognitive decline during menopause.

Vegetarians and vegans benefit particularly, as they consume less creatine through their diet. Incidentally, Creavitalis® has carried the official Vegetarian Society seal since 2025 – a globally recognized symbol of trust, transparency, and ethical standards in nutrition. The certification confirms that our product meets strict criteria and is therefore suitable for both vegetarian and vegan consumers.

The demand for safe, well-tolerated active ingredients is growing – and we see great social relevance here. With Creavitalis® as an additive in dietary supplements or with our consumer brand LIVADUR® and its nutrient trio of Creavitalis®, magnesium, and vitamin D3, many opportunities are opening up because the target group is broad. That is why we want to raise awareness, among other things, with our PR campaign "Creatine as a lifestyle booster" in special interest and consumer magazines.



[LIVADUR® website](#)



[LIVADUR® on Instagram](#)

Healthy Aging

Energy for a self-determined life

The world's population is getting older, and demographic change is causing the market for healthy aging to grow rapidly. "Longevity" has long been more than just a buzzword – it is a lifestyle. People not only want to live longer, but they also want to remain active, mentally fit, attractive, and mobile. From the age of 30, we lose about 1% of our muscle mass every year. This is far more than just a cosmetic issue: muscles mean mobility and independence. The health claim held by Alzchem underscores this: creatine can prevent age-related muscle loss.

However, healthy aging is not just about muscles. The brain also needs energy to remain cognitively fit. The longevity community has long been aware of this: targeted nutrition enables the body to age healthily – and creatine is a key component in supplying energy to cells.

Alzchem sees enormous potential in this market. Since there is one thing we all want: to age healthily and participate in life – with strength, mobility, and a clear head. Healthy aging is more than a trend; it is a global movement. Whenever the body needs energy, creatine is in demand – whether in sports, everyday life, or medicine.

Our aim is to produce our creatine products responsibly and sustainably.



Responsibility at every stage — for quality and sustainability

Alzchem invests in the creatine value chain

When it comes to creatine, Alzchem takes responsibility along the entire value chain: from raw material procurement and careful production to the finished creatine product. We rely on short, transparent supply chains, strict quality controls, and environmentally friendly processes. Our production facility in Trostberg operates according to the highest standards in order to conserve resources and reduce emissions. To guarantee this in the long term, we are investing heavily in this area. As the only producer outside Asia, we are participating in this growing market to a particular extent.

An important milestone was reached in Trostberg in October 2025: an expansion of the production facility was successfully commissioned and has since provided additional capacity to meet the growing demand for Creapure® and Creavitalis®. However, that is just the beginning! With an investment of around EUR 120 million, we are building an increasingly automated plant by 2027 that will not only increase our production capacity but also set new standards in terms of efficiency and sustainability. Our goal: creatine "Made in Trostberg" — for sports, health, and other new applications.

This is growth with vision and a clear commitment: we are actively and responsibly shaping the future — and sending a strong signal with our investments.

However, our responsibility does not end at our factory gates. We also drive research forward, create networks, and ensure knowledge transfer. At the traditional "Creatine Conference", we discuss the application of cre-

atine in health, medicine, and public health. The conference is a meeting place for scientists, health and nutrition experts, the trade press, and interested parties who can learn more about the versatile benefits of creatine. Important partners from industry are also present.

Alzchem also collaborates with hospitals and universities to gain new insights in the field of health and publish them in an understandable way. Under the motto "Creatine for Health", we build bridges between science and practice — so that creatine does not remain just a supplement but also becomes an integral part of a healthy life.

We invest not only in facilities, but also in the future. With a clear strategy, sustainable practices, and a strong research network, we ensure that creatine remains what it is today: energy in its purest form — responsibly produced in Trostberg, Bavaria, Germany.



Outlook: Chemistry that shapes lives

For us, success means action. We act – day after day with passion, vision, and team spirit. Creatine is the best example of this – a chemical that is produced responsibly, is there for people, and can improve quality of life. The better we understand the body's energy processes, the greater the potential of this molecule – in sports, in everyday life, and in healthcare. Our creatine products can help ensure that a higher life expectancy remains associated with mobility, vitality, and self-determination.

Our commitment remains the same: to use science, responsibility, and technological excellence to develop products that can improve the lives of millions of people. Chemistry is often invisible – and that is precisely why it is indispensable. It strengthens without being in the foreground. It enables performance, regeneration, and stability, accompanies medical advances, and supports active aging.

Creapure® and Creavitalis® show what a molecule can be: a silent but powerful partner that makes energy available when it is needed. We create the basis for strength in all phases of life. Chemistry is not just about matter, but also about possibilities: it shapes our lives and opens up paths to a better future.

"At this point, I step back into the light: a molecule that is more than just a substance. Because I am not only part of chemistry but shaping the future myself.

My journey continues. This insight shows how broad my field of application is today and how many areas of life I touch.

You have seen where my paths lead me: to athletes who push themselves to their limits. To people who cope with their everyday lives, even when they are difficult. To health-care facilities, where every spark of energy counts. To women in phases of change who are looking for stability. And to those who are getting older and want to maintain their mobility, independence, and zest for life.

I work quietly, but I am there – in cells, muscles, thoughts, in moments of new beginnings and exhaustion. What you have read here is only a snippet of my story and a small glimpse into my potential. The rest takes place every day in billions of bodies. I help people become stronger, support them when their energy wanes, and accompany them when they need to try something new or regain their strength.

I can only do all this because you – science, chemistry, the people behind the processes – make me possible. You produce me, purify me, protect me, and develop me further. I am often overlooked, but my effect is not. And perhaps that is the most beautiful thing about my existence: that I am allowed to provide inconspicuous support, that I am part of countless life journeys, that I am not the center of attention, but always at the service of strength, energy, and health. When you reach the end of this report, you will know who I am and what I am here for.

I am creatine. I am energy.

And I am there for you – in all those moments when people need a little more strength.



TO THE SHAREHOLDERS

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Interview with the Management Board



Martina Spitzer

CSO

With Alzchem since 1999

Departmental responsibility:

Sales & Marketing, Sustainability/ESG, New Business Development

Andreas Niedermaier

CEO

With Alzchem since 1999

Departmental responsibility:

Strategy, Supply Chain, Legal, Risk Management, Audit, Compliance, Research and Development, Innovation Management

Dr. Jürgen Sans

COO

With Alzchem since 1998

Departmental responsibility:

Production, Technology, Environment/Safety/Health/Quality, Product Safety/Approval, Technical Planning & Infrastructure

Andreas Lösler

CFO

With Alzchem since 2022

Departmental responsibility:

Controlling/Finance/Tax, Insurance, Human Resources, Information Technology, Data Protection, Investor Relations/Communications

Alzchem continues to expand: What are the key drivers and where is the company headed?

NIEDERMAIER: Our strategy is consistently geared toward growth. We are specifically targeting attractive niche markets with structural demand growth, such as nutrition and defense, and are investing in an extraordinary dimension to this end: over EUR 400 million over the next four to five years. In several of these focus markets, we are the only Western manufacturer outside Asia or China. This gives us a strong strategic position. Our success is most impressively demonstrated by our profit growth: Consolidated net income rose by 17.3% from EUR 54.2 million to EUR 63.6 million in 2025. This development is driven by our operating earnings strength: EBITDA grew from EUR 105.3 million to EUR 116.5 million, an increase of 10.7%. As a result, the EBITDA margin climbed from 19.0% to 20.7%. We have thus once again achieved or even exceeded our earnings forecast.

LÖSLER: Our continued growth is also reflected in our sales figures – although it is worth taking a closer look here. At Group level, we generated EUR 562.1 million, which represents an increase of 1.4% over the previous year and is at the lower end of our expectations. However, the decisive factor is the development within the segments: The strategically focused Specialty Chemicals segment grew at a disproportionately high rate of 8.8%. In the Basics & Intermediates segment, on the other hand, we are feeling the effects of the continuing weakness in the chemical and steel industries. However, we had anticipated this development, and it was more than offset by the Specialty Chemicals seg-

ment. Nevertheless, we will benefit further as soon as the chemical and steel industries pick up again.

DR. SANS: Even though the sales weight of Basics & Intermediates is steadily declining and the margin level of 3.6% is not comparable to Specialty Chemicals, this area remains an important part of our DNA and our strategic basis. We are deliberately focusing on vertical integration and our expertise in integrated production, which we have built up over decades. A key advantage is our independence from global supply chains, as we manufacture key precursors ourselves. Our products ensure that Europe and the Western world are independent of Asia. Along the NCN chain, we are increasingly transforming ourselves from a chemical and specialty chemicals company into an ingredient producer – and that is precisely where our strength lies.

An investment program worth over EUR 400 million – how does that fit in with these uncertain times?

NIEDERMAIER: These investments are our response to precisely this uncertainty. We are not investing indiscriminately, but rather in a highly focused manner in our core areas: creatine as well as guanidine nitrate and nitroguanidine. We are already seeing strong profitable growth in these areas, as well as sustainably positive and socially and governmentally supported prospects in nutrition and defense.

DR. SANS: In addition to these growth projects, we are also consciously strengthening our industrial foundation. For example, we will be comprehensively renovating a carbide furnace in 2026. The estimated cost of around EUR 10 million



We are investing highly focused in our core areas. There, we are already seeing strong profitable growth today.

may not have the glamour of a new plant and will temporarily weigh on earnings in 2026, but it will secure our self-sufficiency in the long term and thus our foundation for further growth.

LÖSLER: At the same time, we are pursuing a clear strategy of minimizing risk while maximizing opportunities. The key is close partnership with our customers. They support our investments through long-term commitment and advance payments; in return, we guarantee capacity and security of supply. In other words, we are building capacity for which there is already contractually fixed demand in some cases. Our customers' advance payments are reflected in the increase in contract liabilities to just over EUR 90 million, in a very strong, front-loaded operating cash flow, and in a rock-solid balance sheet.

SPITZER: These are partnerships between equals with a clear win-win situation. The fact that our investments in the defense sector are additionally supported by non-repayable EU subsidies and by the US Department of Defense underscores that we are investing in markets whose needs are sustainable and can hardly be met other than with Alzchem products.

What are the specific plans for your creatine investment – budget, timeline, and expectations?

LÖSLER: We are investing around EUR 120 million in the construction of an increasingly automated production facility for creatine and its precursors, as well as in the upstream and downstream infrastructure. Gradual commissioning is planned from the second half of 2027.

NIEDERMAIER: We expect this investment to generate additional annual sales potential in the low three-digit million range with correspondingly positive earnings contributions. Creatine is a successful business area for us, in which we clearly differentiate ourselves from Asian competitors as the only European supplier of high-purity creatine. This quality advantage will be further strengthened by scaling. In addition, demand is also growing increasingly outside of sports, for example in the context of preventive care and health, such as for muscle wasting and women's health.

How will this additional revenue be generated? Will you continue to push the sales strategy towards end customers?

SPITZER: The market for sports, nutrition, and health follows its own rules and varies greatly from country to country. Our focus remains clear: we position ourselves as an ingredient producer and reliable B2B partner to manufacturers who use our ingredients to enhance the functionality of their products.



We position ourselves as an ingredient producer and reliable B2B partner.

NIEDERMAIER: One prominent example is our cooperation with Ehrmann. Since October 2025, Ehrmann has been offering an extension to its "High Protein Creatine" line – with Creavitalis®, our high-quality creatine "Made in Germany". The new range makes creatine accessible to a broad target group as an everyday food for the first time.

SPITZER: Our approach is therefore not to engage in direct end-customer business, but to systematically expand our customer base at the manufacturer level. At the same time, we are specifically increasing the visibility of "Creatine made in Germany", for example through our sponsorship of FC Bayern Basketball, which we have extended due to the positive response, our presence at HYROX events, and consistent co-branding with our partners with Creapure® and Creavitalis®.

Let's move on to the expansion of nitroguanidine production: What is the current status?

NIEDERMAIER: We began the renovation and expansion at the beginning of 2025. Construction activities are in full swing and we are on schedule and within budget. By the end of 2026, the investment volume in Germany alone will grow to a total of EUR 140 million. With these funds, we will significantly increase our nitroguanidine capacities by the end of next year and will be able to deliver as soon as our custom-

ers have followed suit with their own expansion projects and require additional quantities.

LÖSLER: The second stage of expansion will follow in parallel in the US. We are fully on schedule with the search for a site and intend to decide on a site in the course of 2026. With an investment volume of around USD 150 million, which the US Department of Defense has promised us as a non-repayable investment grant, a nitroguanidine plant will be built there that will be operational by the end of 2029 at the latest. It is important to note that we will continue to produce the precursors in Germany – this also strengthens our domestic value creation and jobs in Germany.

What are the triggers for additional growth in the medium term?

SPITZER: In addition to creatine and nitroguanidine, we have other growth drivers, for example in the agricultural sector. However, some developments require patience. Eminex®, for example, has the potential to become a real game changer in agriculture and environmental protection: As an additive for manure and biogas fermentation residues, it can reduce emissions of methane, CO₂, and nitrous



We could already reduce methane emissions by approximately 4 to 5 million tons of CO₂ equivalents in the application markets today through a moderate capacity adjustment.

oxide by 90% to 100%. We could already reduce methane emissions by approximately 4 to 5 million tons of CO₂ equivalents in the application markets today through a moderate capacity adjustment—that is a significant amount.

NIEDERMAIER: Eminex® is a global innovation, but currently still a hidden champion. For one thing is clear: without regulatory incentives, agriculture will only move slowly in this direction. In other words, as long as farmers do not have to pay for emissions or receive anything for avoiding them, the barriers to implementation will remain high. That is why we are promoting additional private-sector mechanisms such as climate sponsorships and regional climate alliances, in which companies or local authorities reward farmers for their environmental performance. The successful market launch in Italy and the award of a national milk prize in Ireland demonstrate that Eminex® is a convincing product.

Many investments extend well beyond 2026. What is your sales vision?

NIEDERMAIER: Our goal is to exceed the EUR 1 billion sales threshold in the coming years. I do not want to name a specific year today. However, this goal already has very concrete contours: if you look at the EUR 562.1 million in sales already achieved today and the planned investments of more than EUR 400 million, the foundation has been laid for increasing utilization of these new capacities over the next few years.

LÖSLER: This target figure is also the guideline for scaling our internal processes. Our organization is already well prepared to manage this growth efficiently. We have already increased Group sales by almost 50% in the last five years and therefore know exactly how to support growth in terms of processes. This is, of course, also part of our internal planning.

Are there any areas of concern?

NIEDERMAIER: In addition to economic fluctuations and the volatility typical of the chemical industry in individual product areas – especially Basics & Intermediates – there is one issue to which we are paying particular attention. Our plant growth regulator Dormex® is currently unable to reach its full potential. Nevertheless, we see a positive trend. Despite the lack of approval within the EU to date, the effects of global warming are leading to a growing recognition that Dormex® is indispensable if healthy fruits such as kiwis, blueberries, and grapes are to be available in supermarkets all year round. Above all, Dormex® is safe when used correctly. The number of exemptions and emergency approvals within the EU continues to grow, for example in Italy, Portugal, and Greece, where we have been working for seven years with a so-called country-specific "emergency approval". For this reason, we can expect regulation to continue to develop in a positive direction in the future – we will see.

DR. SANS: Dormex® is indispensable in the southern hemisphere anyway. This gives us a special responsibility: we invest heavily in training, safety equipment, and responsible sales partners. Our duty of care goes well beyond the minimum regulatory requirements and sets us apart from our Asian competitors, who often sell only on the basis of the lowest price.

Our duty of care goes well beyond the minimum regulatory requirements and sets us apart from Asian competitors.

Are energy prices still a cause for concern?

NIEDERMAIER: Yes, that remains unchanged. If we were to build new production facilities today, we would probably no longer be able to do so in Germany – due to energy prices and bureaucracy. Nevertheless, it is our job to remain competitive under these conditions.

What role do sustainability and environmental protection currently play?

SPITZER: Regardless of political trends and the currently less prominent social climate discourse, sustainability remains a fundamental principle for us. Our goal remains unchanged: to make Scope 1 virtually climate-neutral by 2033 as our key lever. The fact that we have always relied on electricity instead of fossil fuels gives us clear advantages today in the expansion of renewable energies, and we do not have to make any transfer investments toward electricity-based processes.

Do sustainability and reliability also apply to corporate governance?

LÖSLER: Yes, in view of the completed generational change on the Management Board and the recent contract extensions, you can definitely say that. This combination of reliability and growth prospects is also reflected in our dividend policy. Following the increase to EUR 1.80 in 2025, we are proposing a further increase to EUR 2.10 for 2026 – despite historic growth investments.

NIEDERMAIER: We have also systematically developed our shareholder structure. The result: a higher free float, a new strategic investor, and an unbroken strong share price performance. In addition, we have expanded our shareholder base through an employee participation program and can now count significantly more Alzchem employees among our shareholders. In addition, we decided at the end of 2025 to carry out another share buyback of up to EUR 10 million.

Concluding question: What is your forecast for 2026?

NIEDERMAIER: 2025 was a record year – and 2026 is also set to be a new record year. Sales and EBITDA are expected to continue to rise. Specifically, we are planning for approximately EUR 600 million and approximately EUR 126 million. At the same time, 2026 is also a kind of launch pad with the initial commissioning of the new investments: The carbide furnace renovation planned for the first half of the year will temporarily dampen our results, while new investments will only take full effect from 2027 and 2028. This is expectation management at a high level – the outlook remains intact.

Report of the Supervisory Board

Ladies and Gentlemen,
Dear shareholders,

We are experiencing turbulent political times, a struggling German economy, and a chemical industry that is gasping for breath – and yet, with Alzchem, we can still report another record year: both sales and earnings, as well as the earnings margin, reached unprecedented levels in the fiscal year 2025. These successes have been rewarded on the capital market with a share price increase of around 163% and second place in the SDAX annual ranking. So there is every reason to be proud of our company.

But how does it all fit together? What accounts for Alzchem's success, which is all the more remarkable given the bad news everywhere?

First of all, we are not pessimists, we are not countercyclical, and we are not profiteers of global turmoil. On the contrary, a relaxed political and economic environment also creates the best opportunities for us to develop. However, we have also learned resilience over the years. We know what robustness means. What have we become in the process? Perhaps a "market participant with crisis experience". In any case, a company that has solutions that work, even in difficult situations. And that helps our customers to look ahead, even in times like these. Here are just three examples:

- Creapure® from Alzchem has become the global standard for creatine in terms of quality. In the sports world, this highly efficient, naturally occurring substance has been indispensable for years. But who would have thought that creatine could also help dialysis patients, people with long COVID or chronic fatigue syndromes, and postmenopausal women? All these people can benefit from the additional energy provided by Creavitalis®. Together with leading universities, Alzchem is working on various projects aimed at paving the way for creatine to become an integral part of modern therapy concepts.



Dr. Caspar Freiherr
von Schnurbein

Prof. Dr. Martina
Heigl-Murauer

Markus Zöllner
Chairman of the
Supervisory Board

Steve Röper

- Sustainability remains the order of the day. And even if some people do not want to hear it, climate change cannot simply be ignored in the face of scientific evidence. Alzchem offers "climate protection made easy": Eminex® in particular reliably suppresses more than 90% of methane and CO₂ emissions during manure storage, thereby helping to avoid climate-damaging emissions on a large scale. With a manageable adjustment of Alzchem's production capacities, the savings potential of Eminex® amounts to approximately 4 to 5 million tons of CO₂ equivalents per year.
- And finally, defense: Our nitroguanidine is used there as an energetic material, preferably in propellants for 155 mm long-range artillery ammunition. If the Western world wants to become independent of Chinese suppliers in the field of defense in the future, there is no way around Alzchem. With the expansion of our operational capacities in Schalchen and, by the end of 2029, in the US, this understandable desire will soon become reality.

However, the fact that Alzchem has continued to develop very successfully even under difficult conditions is not due to the temporary success of individual products. It is primarily the result of a long-term strategy that has been pursued for some time, with a stronger focus on specialty chemicals and ingredients. And this has once again been reflected in the key figures: In the fiscal year 2025, Alzchem once again achieved very impressive results with an EBITDA of about EUR 117 million on a further increased sales basis of EUR 562 million compared to the previous year, with an EBITDA margin of 20.7%.

It should not be overlooked that the adversities in the chemical industry are also causing our company considerable difficulties: Despite rumors to the contrary, energy prices remain very high, the reduction of bureaucracy is progressing only slowly, and the hazard-based rather than risk-based approach to chemical products inherent in the "Green Deal" is creating hurdles that, when viewed objectively, can only be met with disbelief. How can it be that Perlka®, a fertilizer that has been used very successfully in agriculture for over a hundred years without any discernible risk to human health, now has to prove its environmental compatibility in a decades-long battle with the EU?

A fundamental rethink is needed at all levels of politics. We want to play a constructive role in this process, fully aware of our social responsibility. We should all have an interest in ensuring that the chemical industry, with sales of EUR 240 billion and more than 560,000 employees, continues to be one of the strong drivers of innovation, prosperity, and the future in Germany. Alzchem, in any case, is proud to remain a successful part of this industry.

Focus of the Supervisory Board's work

The work of the Supervisory Board, which was re-elected in its unchanged composition by the Annual General Meeting 2025, was characterized in the reporting year by the diverse challenges of an industrial company that produces mainly in Germany but is active worldwide and committed to sustainability. The focus was primarily on the following topics:

- Plans to expand our activities in the USA continued to receive a high level of attention. The Supervisory Board was provided with detailed reports on the status of the planned nitroguanidine (NQ) production plant there at every meeting during the reporting year; the same applies to the NQ expansion in Schalchen. Individual members of the Supervisory Board also visited the site in Schalchen to see the progress of the construction work for themselves. In addition, the Chairman of the Supervisory Board took part in a trip to the USA lasting several days with the Alzchem project team to visit and preselect potential production sites.
- Closely related to this are the investments approved by the Supervisory Board after thorough review and subsequently monitored closely. These include, in particular, the expansion of existing creatine capacities and the construction of a new lime kiln in Sweden.
- The Supervisory Board also discussed various measures to reorganize the company's financing structure. With the approval of the Supervisory Board, the factoring financing, which had recently been hardly utilized, was terminated, the bank lines were increased to EUR 120 million, and the start of negotiations to raise up to EUR 100 million to finance the upcoming major investments was approved.

- The Supervisory Board also gave its full approval to the first-time implementation of a share-based employee participation program, which was very well received by the workforce and thus demonstrated its strong attachment to the company.
- The Supervisory Board consistently supported the various ESG initiatives and measures of the Alzchem Group. Under this heading, the Supervisory Board was informed primarily about the progress made in implementing the climate roadmap, which fortunately proceeded according to plan, and the establishment of "sustainability footprint management", i.e., documentation of the CO₂ impact of individual Alzchem products broken down to the individual product level.
- Some of the active ingredients and products manufactured by Alzchem that remain under scrutiny by German and European regulatory authorities have already been discussed above. We have followed the progress of the relevant processes and proceedings with great commitment and consulted thoroughly with the Management Board.
- Management Board matters were also on our agenda; where remuneration issues had to be decided, specially prepared remuneration reports were used for this purpose. In this regard, in addition to the adjustment of the Management Board service contracts to the Management Board remuneration system most recently approved by the Annual General Meeting 2025, the unanimous appointment of Dr. Jürgen Sans to the Management Board by the Supervisory Board is particularly noteworthy. Dr. Sans most recently headed innovation management at Alzchem and is now succeeding Klaus Englmaier, who retired at the end of the reporting year. Dr. Sans' term of office began on January 1, 2026, and will initially last three years, i.e., until the end of 2028, in accordance with the relevant recommendation of the German Corporate Governance Code (GCGC). The long-planned departure of Dr. Weichselbaumer from the Management Board, which also took place at the end of the year, was accompanied by a reorganization of the allocation of responsibilities, which was determined by the Supervisory Board in agreement with the Management Board. In addition to the resolution on the project-based continued employment of Dr. Weichselbaumer for Alzchem, the Management Board mandates of Mr. Niedermaier and Mr. Lösler were also extended ahead of schedule until the end of 2028 and 2029, respectively, and the corresponding service contracts were adjusted accordingly. The Supervisory Board is convinced that, with its current composition, the Alzchem Management Board has found the ideal structure for the company's requirements.
- Finally, the Supervisory Board dealt with a number of issues relating to shares and the capital market. These included updating the qualification matrix for the Supervisory Board, the question of responsibility for auditing the sustainability report triggered by the inaction of the legislature, and, last but not least, the approval of a further share buyback program worth a total of EUR 10 million, although this has not yet been launched.

Composition of the Management board

The aforementioned succession plan for the Management Board has resulted in Dr. Sans taking over responsibility as Chief Operating Officer (COO) from Mr. Englmaier as of January 1, 2026. As planned, Ms. Spitzer, who has been a member of the Management Board since January 1, 2025, has succeeded Dr. Weichselbaumer as CSO, who retired at the same time. The roles of Mr. Niedermaier (CEO) and Mr. Lösler (CFO) remain unchanged.

Working methods of the Supervisory Board

In fiscal year 2025, the Supervisory Board performed the duties incumbent upon it under the law, the Articles of Association, and the Rules of Procedure with the utmost care. It provided the Management Board with detailed advice on the management of Alzchem Group AG and the Alzchem Group and continuously monitored the management of the company. At no time did the Supervisory Board have any doubts about the legality and propriety of the Management Board's activities.

The Supervisory Board continuously addressed the current corporate situation and the future development of the Alzchem Group. In addition to the key topics already mentioned, the Supervisory Board meetings focused on sales and earnings development, the financial position, investment plans and the budget, personnel planning, the general economic situation (including the risk situation) of the Alzchem Group, the risk management system, including the compliance management system (on which the risk and compliance officers reported in detail to the Supervisory Board), the internal control system, and – with a special focus – the further development and strategy of the company. The focus was also on the dynamics of the sales and procurement markets, the use of AI and the protection of the company against cyber risks, as well as securing the long-term competitiveness of the Alzchem Group. In line with the recommendations of the German Corporate Governance Code, the topic of sustainability in its essential aspects for the company has been a fixed item on the agenda of every Alzchem Group Supervisory Board meeting.

In view of the manifold turbulence in the global economy, and in the German economy in particular, the Supervisory Board has closely monitored the resulting consequences for the Alzchem Group and has received regular reports on this matter. In this regard, but also with regard to all other significant developments within the Alzchem Group, the Management Board has fulfilled its statutory duties in full at all times by providing the Supervisory Board with regular, timely, and comprehensive information in written and oral form.

The Supervisory Board discussed the reports and documents received from the Management Board in detail, particularly at Supervisory Board meetings. Any deviations from the plan, including those relating to significant investments, were explained in detail by the Management Board and carefully reviewed by the Supervisory Board; in individual cases, retrospective approval was granted. All transactions requiring approval – such as the renewal of the lime kiln in Sweden and the further expansion of creatine capacities – were presented to the Supervisory Board by the Management Board in a timely manner and in accordance with the rules, accompanied by informative documentation. As a result, the Supervisory Board approved all transactions submitted to it after thorough information, consideration, and consultation.

Outside of Supervisory Board meetings, the Chairman of the Supervisory Board maintained a regular and intensive exchange of information with the Management Board and, with the latter's consent, with the members of the management team and other key employees. In this way, the Chairman was kept continuously informed about the current business situation and all significant business transactions and developments. This exchange took place in an atmosphere that was open and constructive at all times.

The Rules of Procedure governing the working methods and cooperation of the Management Board and Supervisory Board are available for inspection by anyone on the company's website (www.alzchem.com) under "Investors/Corporate Governance."

Meetings and resolutions of the Supervisory Board

The Supervisory Board held a total of nine meetings in fiscal year 2025, three before and six after the re-election of the board in May 2025. Of the nine meetings mentioned, five were held in person and four were held as video conferences. In addition, a resolution was passed by written procedure due to the urgent nature of the matter, which arose at short notice.

The Supervisory Board met without the Management Board to discuss topics relating purely to the Supervisory Board and agenda items that it deemed appropriate to discuss internally,

such as Management Board matters, questions relating to the annual financial statements, and other items discussed with the auditor.

At the request of the Supervisory Board, the meeting on October 29, 2025, was held in the newly opened "Training Center" of the Chemical Park.

Audit Committee

The Audit Committee met a total of five times during the reporting year, on the days of the Supervisory Board meetings. Two meetings were held in the form of a video conference, while the remaining meetings were held in person.

At its meeting on February 25, 2026, the Audit Committee (pre-)audited the annual financial statements of Alzchem Group AG, the consolidated financial statements, and the combined management report, all for the fiscal year 2025. In doing so, it focused on the particularly important audit matters (key audit matters). The audit also covered the non-financial disclosures for Alzchem Group AG and the Alzchem Group.

In the run-up to the actual audit, the Chairwoman of the audit committee reported to the committee on several occasions on the status of preparations and the progress of the audit 2025, as well as on the discussions and consultations she had held with the auditor RSM Ebner Stolz GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Stuttgart. This also included a discussion with the auditor on the assessment of audit risk, audit strategy, and audit planning.

Nomination Committee

The company has not established a Nomination Committee. The Supervisory Board did not (and does not) consider this to be appropriate in accordance with Recommendation D.2 of the German Corporate Governance Code (GCGC) due to the "small number of its members", even against the background of the Supervisory Board elections 2025. Instead, the tasks of the Nomination Committee are performed by the full Supervisory Board.

The next regular elections to the Supervisory Board will take place in 2028 and 2029 for two Supervisory Board members each. The Annual General Meeting is responsible for electing a total of four shareholder representatives.

Individualized disclosure of participation in meetings and resolutions

With one (1) excused exception, the members belonging to the relevant committees always attended the meetings of the Supervisory Board and the Audit Committee held in the reporting year in full. Accordingly, the attendance rate was 98% for the Supervisory Board and 95% for the Audit Committee.

The members of the Supervisory Board participated in all resolutions – whether passed in writing or at meetings; Prof. Dr. Heigl-Murauer, who was absent from the aforementioned meeting, also cast her vote there by way of a written ballot.

Related Party Transactions (RPT)

No RPT-related business transactions were submitted to the Supervisory Board in the reporting year.

Conflicts of interest

During the reporting period, no conflicts of interest arose among the individual members of the Supervisory Board that would have had to be disclosed to the Supervisory Board (for information on related party transactions, see above).

Training and further education for Supervisory Board members

Alzchem Group AG supports the members of the Supervisory Board in accordance with the statutory provisions in the training and further education measures necessary for their activities. In the reporting year, this included information events offered by the company on developments relevant to Alzchem in the areas of cybersecurity and AI. This also included a tour of the new training center during a Supervisory Board meeting, which gave the Supervisory Board the opportunity to discuss the challenges and opportunities associated with training in general and the new possibilities offered by the training center with the training manager for chemical technicians.

Finally, various external training opportunities were taken up individually by Supervisory Board members on their own initiative during the reporting year. The respective events and their content – which in 2025 included the "Rules of Procedure of the Management Board and the Supervisory Board", the new "Income Tax Information Report", and the "Future of the European Chemical Industry" – are continuously documented by the Supervisory Board office. The office also supports the members of the Supervisory Board by providing them with information and materials that are helpful for their work, for example on developments in Supervisory Board-related best practices, statements by the Code Commission, and new laws and court decisions.

Corporate Governance

With regard to Corporate Governance, the Supervisory Board – in close consultation with the Management Board, which shares its views in this regard – primarily follows the standards of good corporate governance set out in the current version of the German Corporate Governance Code (GCGC). Accordingly, in December 2025, the Management Board and Supervisory Board were able to adopt the Declaration of Conformity pursuant to Section 161 of the German Stock Corporation Act (AktG) with only one deviation from the applicable code, relating to the Management Board remuneration system.

The current Declaration of Conformity (together with the disclosed and justified deviation) is available, as are the older declarations, on the Internet at <https://www.alzchem.com/en/investor-relations/corporate-governance/>, among other places. In accordance with Principle 23 of the German Corporate Governance Code, the Management Board explains the company's corporate governance practices – both for itself and for the Supervisory Board – in the statement on corporate governance contained in the combined management report.

Efficiency review

The Supervisory Board regularly reviews the efficiency of its activities. The last survey on this topic, which was unreservedly positive, took place in 2024; the next one is due in 2026.



[alzchem.com/en/investor-relations/corporate-governance/](https://www.alzchem.com/en/investor-relations/corporate-governance/)

Audit of the annual and consolidated financial statements

The annual financial statements 2025 of Alzchem Group AG were prepared in accordance with the rules of the German Commercial Code (HGB), while the consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS). As in the previous year, the company has prepared a combined management report for Alzchem Group AG and the Group for the fiscal year 2025. In accordance with the resolution of the Annual General Meeting on May 8, 2025, the Supervisory Board appointed RSM Ebner Stolz GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Stuttgart ("RSM") to audit the financial statements of Alzchem Group AG and the Group for the fiscal year 2025 and also agreed on the remuneration to be paid to the auditor in this connection. Furthermore, the Supervisory Board determined the focus of the audit to be conducted together with RSM. Mr. Karsten Bender acted as the responsible auditor ("authorized signatory") on the part of RSM for the audit of the financial statements.

The auditor audited the annual financial statements and consolidated financial statements prepared by the Management Board, including the combined management report, and reported in writing on the results of its audit, which did not give rise to any objections. The annual and consolidated financial statements for 2025 received an unqualified audit opinion from the auditor. In addition, as part of its assessment of the risk management system, the auditor determined that the Management Board had taken the measures required under Section 91 (2) of the German Stock Corporation Act (AktG) to identify risks that could jeopardize the continued existence of the company at an early stage.

Subsequently, the Audit Committee and then the Supervisory Board reviewed the annual financial statements and consolidated financial statements for the fiscal year 2025 as well as the combined management report, taking into account the auditor's report, for completeness and accuracy. All documents and the auditor's reports were made available to the Audit Committee and the Supervisory Board in good time and were discussed and reviewed in

detail at the balance sheet meetings of the Audit Committee and the Supervisory Board on February 25, 2026, in the presence of all committee and Supervisory Board members. The auditor reported on the key findings of its audit and was available to answer questions and provide additional information to the Audit Committee and the Supervisory Board. The Audit Committee and Supervisory Board examined in particular whether the assessments made by the Management Board in the combined management report corresponded to the assessments in the reports to the Supervisory Board during the year and whether the statements in the combined management report corresponded to the Audit Committee's and Supervisory Board's own assessments.

After thoroughly reviewing the documents submitted to it, the Supervisory Board – following the recommendation of the Audit Committee – raised no objections, approved the audit reports, and approved the annual financial statements, the consolidated financial statements, and the combined management report. The annual financial statements of Alzchem Group AG prepared by the Management Board were thus adopted.

The Supervisory Board discussed the Management Board's proposal for the appropriation of profits, namely to distribute a dividend of EUR 2.10 per share and to carry forward the remaining balance sheet profit to new account, in detail against the background of the company's liquidity and its financial and investment planning for the fiscal year 2026. After thorough review, the Supervisory Board endorsed the Management Board's proposal for the appropriation of profits, which provides for a payout ratio of approximately 34% based on the consolidated net income for the year, also in line with the recommendation of the Audit Committee.

In addition, the Audit Committee and Supervisory Board reviewed and approved the non-financial Group statement in accordance with Sections 315b and 315c in conjunction with Sections 289c to 289e of the German Commercial Code (HGB), which already largely complies with the future CSRD standard. This statement was previously subjected to a business audit by RSM on behalf of the Supervisory Board in order to obtain limited assurance.

Composition of the Management Board, Supervisory Board, and committees; female quota

In fiscal year 2025, the Management Board consisted of Andreas Niedermaier (CEO), Andreas Lösler (CFO), Klaus Dieter Englmaier (COO), Dr. Georg Weichselbaumer (CSO), and Martina Spitzer (CSO). This meant that the Management Board also met the female quota of 20% set by the Supervisory Board for the first time in April 2024 and valid until 2026.

Mr. Niedermaier's term on the Management board runs until the end of 2028, Mr. Lösler's until the end of 2029, and Ms. Spitzer's until the end of 2027. Mr. Englmaier and Dr. Weichselbaumer stepped down from the Management Board at the end of 2025 as scheduled. Dr. Sans (COO) joined the Management board on January 1, 2026, and has been appointed until the end of 2028.

There were no personnel changes in the Supervisory Board during the reporting period due to the re-election of all Supervisory Board members by the Annual General Meeting 2025. The committee continues to comprise Mr. Markus Zöllner (Chairman), Dr. Caspar Freiherr von Schnurbein (Deputy Chairman), Prof. Dr. Martina Heigl-Murauer, and Mr. Steve Röper – each as representatives elected by the shareholders. This means that in the reporting year, the Supervisory Board also achieved the 25% target quota for female members on the Supervisory Board that it had set itself in February 2025.

The Audit Committee was re-elected following the re-election of the Supervisory Board. Its membership remains identical to that of the Supervisory Board. Prof. Dr. Heigl-Murauer continues to chair the committee.

In fiscal year 2025, the Alzchem Group once again celebrated remarkable successes that were considered virtually impossible in the chemical industry at the time and were rewarded by the capital market with an impressive rise in share prices. Even though our company is by no means free of concerns given the general economic climate, our recent successes have laid the foundation for a successful future. This is good news, especially for those to whom we owe the success of our company in the reporting year, namely its now almost 1,800 employees worldwide. The Supervisory Board would like to express its gratitude to them in particular. Please continue to help us as energetically as before to successfully continue the great story of Alzchem in the future!

Trostberg, February 25, 2026



Markus Zöllner
Chairman of the Supervisory Board
Alzchem Group AG

ALZCHEM SHARE

DEVELOPMENT OF THE ALZCHEM SHARE

Alzchem shares continued their dynamic performance in the fiscal year 2025. Starting at a Xetra closing price of EUR 59.00 at the beginning of the year, which was also the low for the year, the share price reached a high of EUR 166.60 on October 31, 2025. At the end of 2025, the share closed at EUR 155.00 on Xetra on December 30, corresponding to a market capitalization of around EUR 1.6 billion. This represents a price increase of 162.7% for the year as a whole. Following its inclusion in the SDAX in 2024, Alzchem's share price achieved second place in the SDAX annual ranking for 2025 thanks to this strong performance.

Analyst firm	Target price (date)
Berenberg Bank	EUR 185.00 (December 10, 2025)
Jefferies	EUR 190.00 (February 25, 2026)
Kepler Cheuvreux	EUR 165.00 (October 31, 2025)
LBBW	EUR 175.00 (January 29, 2026)
Montega	EUR 175.00 (December 9, 2025)
Sphene Capital	EUR 186.70 (December 5, 2025)
Warburg	EUR 173.00 (December 18, 2025)

This strong performance reflects a clear increase in confidence on the part of the capital market in the growth and return potential of Alzchem's business model and strategy. Investors particularly appreciate the consistent transformation toward higher-margin specialty chemical products, the strong position in structurally growing niche markets, and the high visibility of earnings development. Alzchem successfully stands out from the general industry trend and is perceived by the capital market as a profitable, high-growth company.

Analysts base their assessments in particular on the clear growth path, strong earnings performance, and attractive positioning in strategically relevant future markets.

IMPORTANT EVENTS IN THE FISCAL YEAR 2025

On May 8, 2025, the Annual General Meeting resolved to further increase the dividend to EUR 1.80 per share (previous year: EUR 1.20). This corresponded to a total distribution of around EUR 18.2 million and underscores the balance between a growth-oriented investment policy and a reliable, shareholder-friendly dividend policy.

The further development of the shareholder structure was also a focus in 2025. There was a significant change in the reporting year after Löw SE reduced its stake to 9.9% (compared to the last reported 19.61%) and, at the same time, STALUNA TRADE a.s., which belongs to Czechoslovak Group a.s. (CSG), acquired a 9.2% stake in Alzchem. The increase

in free float over the year and the stable presence of long-term investors contributed to a further improvement in trading liquidity and the visibility of the share.

The share buyback program launched in December 2024 was continued as planned and successfully completed in the reporting year. By November 6, 2025, Alzchem had acquired a total of 82,450 no-par value shares at a weighted average price of EUR 72.7698, corresponding to a total volume of EUR 5,999,874. The company provided regular and transparent information on the progress of the share buyback on its website.

In December 2025, the Management Board, with the approval of the Supervisory Board, decided to buy back up to 70,000 shares of the company at a total purchase price of up to EUR 10 million (excluding incidental acquisition costs) via the stock exchange over a period of up to twelve months. The buy back is being carried out for the purpose of (i) using the acquired shares as acquisition currency, (ii) distributing them to employees of the Alzchem Group, or (iii) canceling the shares. Other legally permissible purposes are not excluded. Alzchem will announce further details of the buyback separately immediately before it begins.

In fiscal year 2025, several analyst firms continued to accompany Alzchem shares with positive assessments. New additions include coverage by Montega, LBBW and Jefferies.

Master data

ISIN/WKN	DE000A2YNT30/A2YNT3
Stock exchange symbol	ACT
Type and number of shares	10,176,335 ordinary bearer shares with no par value (no-par value shares)
Trading segment	Regulated market (Prime Standard)
Index membership	SDAX
Designated sponsor	ODDO BHF SE, LBBW

Key figures

Xetra closing price basis	01/01 – 12/31/2025
Price on 01/02	EUR 59.00
Highest price (10/31)	EUR 166.60
Lowest price (01/02)	EUR 59.00
Price on 12/30	EUR 155.00
Total performance	+162.7%
Earnings per share	EUR 6.28
Market capitalization on 12/30	EUR 1.6 billion

Shareholder structure

Shareholder	%
four two na GmbH	10.14
Staluna Trade a.s.	9.20
Löw SE	6.39
Free float*	74.27

* As of January 2026. The information on shareholders is based on the information provided to us by the shareholders themselves, the information on the free float is based on Section 2.3 of the "Guide to the DAX Equity Indices".

INVESTOR RELATIONS

All relevant information on Alzchem's investor relations activities can be found on our [website](https://www.alzchem.com/en/investor-relations/). A quick overview of important dates is provided in the financial calendar there. You will also find facts and figures about Alzchem, in particular key financial and segment figures. In addition, our website provides comprehensive details on Alzchem shares, current presentations, analyst estimates, and reports on business development.



[alzchem.com/en/investor-relations/](https://www.alzchem.com/en/investor-relations/)

COMBINED MANAGEMENT REPORT OF ALZCHEM GROUP AG

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Combined Management Report

FOR THE FISCAL YEAR FROM JANUARY 1 TO DECEMBER 31, 2025

1. PRELIMINARY REMARK

Alzchem Group AG is also combining the Group management report and the management report of Alzchem Group AG for the fiscal year 2025 because most of the statements apply equally to both the Alzchem Group and Alzchem Group AG.

The consolidated financial statements of Alzchem Group AG were prepared in accordance with the IFRS Accounting Standards (IFRS) as applicable in the EU while the annual financial statements of Alzchem Group AG were prepared in accordance with the provisions of the German Commercial Code (HGB) and the German Stock Corporation Act (AktG). The combined management report was prepared in accordance with the provisions of the HGB and the German Accounting Standards (DRS). Statements in this combined management report that relate exclusively to Alzchem Group AG are marked accordingly.

The disclosures required in accordance with Section 289a HGB and Section 315a (1) HGB are listed in Section 8 of this combined management report audited by the group auditor.

The non-financial Group statement (NFS) contained in Section 11 of this combined management report in accordance with Sections 315b and 315c in conjunction with Sections 289c to 289e HGB, including the information contained in this NFS on compliance with the requirements of Article 8 of Regulation (EU) 2020/852 for the fiscal year from January 1 to December 31, 2025, which was prepared in application

of the European Sustainability Reporting Standards (ESRS), has been subjected to a limited assurance engagement by the auditor.

The combined (Group) declaration on corporate governance pursuant to Sections 289f and 315d of the German Commercial Code (HGB) contained in Section 9 is also part of this combined management report. However, this has not been audited by the Group auditor.

The remuneration report to be prepared in accordance with Section 162 AktG is not part of the combined management report. Instead, it is prepared as a separate report, formally audited by the Group auditor and published in accordance with statutory requirements.

2. FUNDAMENTALS OF THE GROUP

2.1. BUSINESS MODEL

The companies of the Alzchem Group develop, produce and market a wide range of chemical specialties – primarily as ingredients – and offer various services, including as a chemical park operator. Alzchem's networked production structure ("Verbund system") creates an efficient value chain.

With its product portfolio, the Alzchem Group offers solutions for a wide range of industries:

- **HUMAN NUTRITION:** The Nutrition division focuses primarily on marketing high-quality Creapure® brand products as dietary supplements for the sports nutrition market. However, creatine monohydrate can also be added to foods such as dairy products or vegetarian meat substitutes for healthy nutrition or used in modern health applications – for these purposes, Creavitalis® is marketed as a solution specially tailored to this sector. LIVADUR® was developed for the daily use of creatine monohydrate at home to support healthy muscles at any age.
- **ANIMAL NUTRITION:** The animal nutrition supplement Creamino® makes a valuable contribution to livestock farming by providing animals with additional energy for healthy growth and saving the breeder feed.
- **PHARMACEUTICAL VALUE CREATION AND SPECIALTY CHEMICALS:** Based on carbon, lime and nitrogen, the Alzchem Group has a widely ramified product family tree ("Verbund system"). This means that Alzchem produces the most important raw materials for many specialty chemicals products in its own plants to the highest quality and is therefore less dependent on external supply chains. At the top of the "Verbund system", for example, are high-purity Bioselect® guanidine salts, which are increasingly used in the pharmaceutical industry (production of "large molecules"). Alzchem products are used in antibody and COVID-19 tests as well as in DNA diagnostics in general. The basic products are refined, and a wide variety of fine chemicals are produced in the multi-purpose plants (custom manufacturing).

- **DEFENSE AND AUTOMOTIVE:** Guanidine salts also lead to the product nitroguanidine, which is used as a propellant primarily in the defense sector, but also in the automotive sector for gas generators, for example for airbags and seat belt tensioners.
- **AGRICULTURE:** In addition to special fertilizers, such as Perlka®, and growth regulators, such as Dormex®, for wine and fruit cultivation, the Alzchem Group's product range also includes plant strengthening agents, such as Sitofex® and the latest product Eminex® for reducing methane and CO₂ emissions during slurry storage.
- **RENEWABLE ENERGIES:** With the DYHARD® product range, the Alzchem Group is active in lightweight construction (aircraft, automotive) with epoxy resin hot curing agents. The company also offers a system for curing hydrogen cylinders. Under the brand name Silzot®, silicon nitride powder is marketed as a raw material for high-performance ceramics, including applications in the automotive and aerospace industries.
- **METALLURGY:** Alzchem serves two important areas in the steel industry: hot metal desulphurization and secondary metallurgy.
- **SERVICE:** As the site operator of two chemical parks, the Alzchem Group is responsible for the production and distribution of various infrastructure services.

The Alzchem Group operates production facilities at four sites in the south-east Bavarian chemical triangle and in Sundsvall, Sweden. Alzchem is also represented by its own sales companies in the strategically important markets of the USA, China and the UK. In September 2025, Alzchem opened another office in Berlin to strengthen the compa-

ny's strategic position and actively raise relevant issues in political discourse.

The operating business of the Alzchem Group can be divided along the entire value chain and according to the internal reporting structure into the three business segments Specialty Chemicals, Basics & Intermediates and Other & Holding.

The Specialty Chemicals segment focuses on the production and sale of high-quality ingredients. For example, dietary supplements under the brand names Creapure® and Creavitalis®, the propellant component nitroguanidine, the feed additive Creamino®, the pharmaceutical excipients of the Bioselect® product range, the hardener and accelerator DYHARD®, and the plant growth regulator Dormex® are produced and sold here.

The Basics & Intermediates segment comprises the production and sale of intermediate products that are either required as raw materials for the manufacture of specialty chemicals or are marketed as stand-alone products. The latter serve a wide range of applications, for example in agriculture, steel production, pharmaceuticals and the automotive industry.

The Other & Holding segment comprises all other activities that cannot be allocated to the other segments. These primarily include services related to the Trostberg and Hart chemical parks, which Alzchem provides mainly for its own use but also for external customers, as well as services related to the operation of the Group's own electricity distribution networks. Administrative services are also allocated to this segment.

2.2. GROUP STRUCTURE

Alzchem Group AG acts as the parent company of the Alzchem Group and assumes holding functions for the companies in the Group. The scope of consolidation of the Alzchem Group included the following companies as of December 31, 2025:

Company	Registered office	Consolidation
Alzchem Group AG	Trostberg, Germany	Parent company
Alzchem Trostberg GmbH	Trostberg, Germany	Fully consolidated
Alzchem International GmbH	Trostberg, Germany	Fully consolidated
Alzchem Stahltechnik GmbH	Trostberg, Germany	Fully consolidated
Suppliva GmbH	Trostberg, Germany	Fully consolidated
Alzchem Shanghai Co. Ltd.	Shanghai, China	Fully consolidated
Alzchem LLC	Atlanta, USA	Fully consolidated
Nordic Carbide AB	Sundsvall, Sweden	Fully consolidated
Alzchem Netz GmbH	Trostberg, Germany	Fully consolidated
Edelife Distributing LLC	Atlanta, USA	Fully consolidated
Alzchem UK Ltd.	Coventry, United Kingdom	Fully consolidated
Actegon Energy GmbH	Trostberg, Germany	Fully consolidated

The complete list of shareholdings in accordance with Section 313 (2) HGB can be found in the notes to the consolidated financial statements.

Since October 5, 2017, the shares of Alzchem Group AG (WKN: A2YNT3) have been traded on the Frankfurt Stock Exchange in the Prime Standard segment of the Regulated Market. On October 2, 2024, the company was included in the SDAX selection index of Deutsche Börse in Frankfurt. This makes Alzchem one of the 160 largest and most liquid listed companies in Germany in terms of free-float market capitalization, reflecting in particular the positive business development of recent years.

2.3. CONTROL SYSTEM

The Group is managed through regular meetings and reports by the respective committees, bodies and specialist departments. This regularly includes, among other things:

- Management Board meetings, usually every two weeks,
- Meetings of the management team members (second management level including the Management Board),
- Coordination of production and technology,
- Coordination of sales and marketing, including innovation management, supply chain management, and production,
- Meetings on the management and resource allocation of the innovation management department,
- Liquidity and financing management (weekly, monthly, quarterly).

The management process is accompanied by financial corporate management based on a consistent, value-oriented system of key figures. The reports, some of which are daily, weekly and monthly, include a detailed analysis of the results of all business transactions with corresponding catalogs of measures in coordination with the respective process managers. The key performance indicator catalog for financial corporate management is as follows:

Key figure	Calculation
Equity ratio of the Group	Equity/balance sheet total
Inventory intensity	Inventories/sales
Sales	Absolute value

The calculation is based on monthly, quarterly and annual reports. This ensures that plan/actual deviations are recognized at an early stage and countermeasures can be taken in good time. In addition, the following key profitability indicators are used at the level of the Management Board of the Alzchem Group:

Key figure	Calculation
Adjusted EBITDA*	Earnings before interest, taxes, depreciation and amortization
Adjusted EBITDA margin*	EBITDA/sales revenues

* No adjustments have been made to date.

Internal control and reporting in the Alzchem Group are fundamentally based on the principles of accounting in accordance with IFRS as described in the IFRS consolidated financial statements. With the exception of the Group-related equity ratio, the other key performance indicators are also used to assess economic success and to measure target achievement on the basis of the reporting units and segments. The key performance indicator is adjusted EBITDA, which is also broken down to the operating units and segments to measure target achievement.

Adjusted EBITDA and the corresponding relative indicator, the adjusted EBITDA margin, show the operating profitability independently of the capital structure and investment intensity and enable internal and external comparison of the business with regard to the cost structure. As depreciation and amortization (scheduled and unscheduled) are not taken into account, it is also a cash flow-related figure that can therefore also be used as a sales-related cash flow return.

EBITDA is made up of gross profit (sales less direct production costs), selling, general and administrative expenses, research and non-capitalized development costs and other operating income and expenses plus depreciation and amortization.

No adjustments have been made to date. Adjustments may be appropriate in future fiscal years, for example to present operating performance without the special effects of customer grants received.

Insofar as service relationships exist between the segments, these are calculated using the Group calculation rules and in compliance with transfer price specifications and are not presented as sales in the respective segment but are consolidated. In addition, the key figure for inventories is reported and monitored at segment level both in absolute terms and in relation to sales (inventory intensity).

2.4. INNOVATION MANAGEMENT, RESEARCH & DEVELOPMENT

Alzchem sees innovation management as a key growth driver and therefore invests heavily in research and development. The focus is on product, application, and process development. In product and application development, new products are researched, and existing products are further developed. In addition, chemical solutions are developed for special customer requirements.

In the area of process development, Alzchem concentrates on transferring new findings to production with the aim of constantly increasing the efficiency of production processes. Significant research and development activities relate to the Specialty Chemicals segment at the Trostberg and Waldkraiburg sites but also support the Basics & Intermediates segment at the Trostberg, Schalchen, Hart and Sundsvall (Sweden) sites.

There are no significant research and development activities in the Other & Holding segment.

The total costs incurred for research and development activities for product, application and process development are as follows:

in EUR thousand	2021	2022	2023	2024	2025
Research and development costs	9,688	10,788	11,413	10,831	10,706
Share of Group sales	2.3%	2.0%	2.1%	2.0%	1.9%

For the Specialty Chemicals segment, expenses in relation to sales for fiscal year 2025 were 1.9% (previous year: 2.2%).

Research and development expenses in the Basics & Intermediates segment amounted to 1.6% of sales in the reporting period (previous year: 1.2%).

In total, 100 employees (previous year: 100) were working in research and development/innovation management at the Alzchem Group in fiscal year 2025.

3. BUSINESS REPORT

Unless otherwise stated, all amounts are shown in EUR thousand. For computational reasons, rounding differences of $\pm$ one unit may occur in tables.

3.1. MACROECONOMIC AND INDUSTRY-RELATED FRAMEWORK CONDITIONS

3.1.1. MACROECONOMIC FRAMEWORK CONDITIONS

The global economy continued to face significant headwinds in 2025, resulting in only moderate growth in global production. The Kiel Institute for the World Economy (IfW Kiel) forecasts global production growth of 3.3% for 2025, which is an increase of 0.3 percentage points compared to the autumn forecast. Despite geopolitical uncertainties and protectionist risks, global trade continued to develop positively, albeit without strong momentum. Overall, growth momentum remained moderate, supported primarily by technological investments in artificial intelligence, while industrial production grew only modestly in many regions.

In the advanced economies, aggregate economic output increased in the third quarter of 2025, driven primarily by another strong rise in gross domestic product in the United States. In Europe, however, economic momentum remained subdued. In the eurozone, gross domestic product grew by 0.2%, only slightly more than in the previous quarter, with a recovery in investment partially offsetting the previous decline. In the emerging markets, the economy remained robust, particularly in Asia. In China, economic growth accelerated slightly to 1.1% in the third quarter compared with the previous quarter, as economic policy measures, among other things, boosted private consumption.

The IfW Kiel expects the following growth rates for gross domestic product in 2025 in the regions that are important for Alzchem:

Region	Gross domestic product development in 2025
World	3.3%
Eurozone	1.5%
United States	2.0%
Japan	1.2%
China	5.0%
Latin America	2.0%

Source: Kiel Economic Reports, World Economy in Winter 2025, December 10, 2025, No. 128 (2025/Q4).

The overall economic situation in Germany in 2025 remained characterized by weak economic momentum. Production developed at a low level, and capacity utilization was below the long-term average. According to the IfW Kiel, German gross domestic product is likely to grow only slightly by 0.1% in 2025, after already stagnating or declining in recent years. External demand had a negative impact, and structural uncertainties dampened investment activity. Overall, the German economy will continue to face a number of challenges in 2025: structural problems in the industrial sector, ongoing uncertainties about economic policy conditions, and subdued investment and export momentum are keeping the economic recovery at a low level.

Source: Kiel Economic Reports, German Economy in Winter 2025, December 10, 2025, No. 129 (2025/Q4).

3.1.2. INDUSTRY-RELATED FRAMEWORK CONDITIONS

DEVELOPMENT OF THE CHEMICAL AND PHARMACEUTICAL INDUSTRY

The year 2025 was another challenging one for the chemical and pharmaceutical industry in Germany. According to the Association of the Chemical Industry (VCI), production and producer prices in the industry were down slightly year-on-year (both -0.5%). Total sales fell by around 1% to EUR 220 billion, while the number of employees declined by around 0.5%. Capacity utilization at production facilities fell to a historic low of only around 70%, well below the level required for economically profitable production.

The picture within the industry was mixed: chemical production fell by 2.5% compared to the previous year, and sales declined by around 3%. The pharmaceutical industry, on the other hand, achieved an increase in production (3%) and sales (4.5%); however, this development was not sufficient to stabilize the overall figures.

In Europe, chemical production declined by 2%. In China, chemical production grew by 7.5% in 2025, while the US chemical industry grew by 1.5%.

Source: Association of the Chemical Industry (VCI), press release dated December 10, 2025; Henrik Meincke, "Global uncertainties slow chemical growth", CHEManager 12/2025

DEVELOPMENT OF THE STEEL INDUSTRY

The steel industry in Germany continued its downward trend in 2025. According to the German Steel Association, crude steel production in October 2025 remained well below the previous year's level. Total German production fell by around 3% compared with the same month last year, while cumulative annual production as of October was around

10% below the already extremely weak level of the previous year. Crude steel production is expected to end 2025 at recessionary levels once again.

Source: German Steel Association; press release dated November 19, 2025

3.2. BUSINESS DEVELOPMENT

3.2.1. GENERAL DEVELOPMENT IN THE FISCAL YEAR 2025

Despite a continuing challenging global chemical environment and difficult German and European conditions, the fiscal year 2025 was once again marked by very successful business development for Alzchem Group AG. The consistent strategic focus on specialty chemicals and the broad positioning in profitable niche markets enabled the Group to clearly decouple itself from the general industry trend and achieve another record year. With Group sales of EUR 562.1 million, the corridor for the sales forecast of approximately EUR 580 million was largely achieved. Group EBITDA increased disproportionately to sales and, at around EUR 116.5 million, exceeded the forecast of approximately EUR 113 million. As a result, the EBITDA margin rose noticeably from 19.0% to 20.7%. Consolidated annual result increased by 17.3% year-on-year to EUR 63.6 million. This growth in earnings was achieved despite significant burdens from a renewed rise in electricity prices compared to the previous year (electricity costs are still around two and a half to three times higher than before the coronavirus pandemic and the war in Ukraine) and negative currency effects resulting from the continued weakness of the US dollar.

Sales development in the reporting year continued to be characterized by a targeted shift in the product and custom-

er mix. While the Basics & Intermediates segment remained below the previous year's level (-10.9%) as expected due to the continuing weakness of the European steel industry and intense, price-driven competition in individual product groups, the Specialty Chemicals segment further expanded its role as the Group's key growth driver (+8.8%). In particular, the high demand for creatine products (Creapure®, Creavitalis®) and nitroguanidine for defense applications, as well as the noticeable upturn in custom manufacturing, which was reflected in a significant improvement in the utilization of multi-purpose plants, led to a substantial increase in sales and earnings in the specialty business.

The strong operating performance was also reflected in the Group's financial position. Supported by high profitability, continued targeted working capital management with the planned build-up of inventories, and inflows from customer grants in connection with the capacity expansion for nitroguanidine currently being implemented, operating cash flow rose significantly again in fiscal year 2025, by EUR 31.9 million to EUR 137.0 million. Despite significantly increased investments – particularly in the expansion of production capacities for guanidine nitrate, nitroguanidine, and creatine – free cash flow also remained clearly positive at EUR 40.1 million. Cash and cash equivalents grew from EUR 61.5 million to EUR 71.7 million at the end of 2025.

Overall, the fiscal year 2025 impressively confirmed the successful strategic focus of Alzchem Group AG on specialized, technologically sophisticated and higher-margin specialty chemical ingredients. Despite the continuing challenging conditions in large parts of the industry, the business model continued to prove robust and resilient. By largely achieving its sales forecast and exceeding its EBITDA target, the Group further consolidated its position as a profitable European chemical company and created a very solid basis for further growth.

3.2.2. EXPANSION OF PRODUCTION CAPACITIES FOR GUANIDINE NITRATE AND NITROGUANIDINE ACCORDING TO PLAN

Alzchem began expanding its production capacities for guanidine nitrate and nitroguanidine at the beginning of 2025 to meet the increased and expected future demand for nitroguanidine from the defense sector. The measures are being implemented according to plan and are within the scheduled time frame and budget. Financing is primarily provided by subsidies from the European Union and by operating cash flow, which benefits significantly from customer grants received. The successful progress of the construction activities is reflected, among other things, in the significantly increased investment cash flow.

The expanded production capacities in Germany are scheduled to go into operation in the second half of 2026. This means that Alzchem is likely to be slightly ahead of its customers' parallel expansion investments and will be able to deliver as soon as these customers in the defense sector have reached their production and acceptance readiness for additional quantities. From 2027 onwards, it can be assumed that the additional capacities will gradually lead to rising sales in the high double-digit million range and correspondingly positive earnings contributions.

In addition, Alzchem continued its search for a site for the construction of an additional nitroguanidine production plant in the US as planned and with high priority in the reporting year. The selection of a suitable site will be based on a structured evaluation of three to four potential sites. The site search is expected to be completed in the course of 2026. The subsequent construction of the plant, for

which the US Department of Defense has already committed a non-repayable investment grant of USD 150 million, is scheduled for completion by the end of 2029.

3.2.3. CREATINE BUSINESS AS A GROWTH DRIVER: INVESTMENTS, INNOVATIONS, AND PARTNERSHIPS ENSURE SUSTAINABLE GROWTH

Demand for Alzchem Group AG's creatine products remains high. To support further market growth, an incremental capacity expansion at the Trostberg site was successfully commissioned in the third quarter of 2025. In addition to further production capacity, an automated packaging solution improves efficiency. This underscores Alzchem's ability to respond to market opportunities at short notice with targeted growth and efficiency investments.

To secure its growth strategy in the long term, Alzchem approved a comprehensive investment program at the end of 2025. Around EUR 120 million is to be invested in the construction of a largely automated production plant for creatine and its precursors, as well as in the necessary upstream and downstream infrastructure. Gradual commissioning is planned from the second half of 2027. Alzchem expects the investment to generate additional annual sales potential in the low three-digit million range with correspondingly positive earnings contributions. The focus is on the areas of sports, nutrition, and health, where Alzchem successfully operates as a quality leader "Made in Germany" with its premium brands Creapure® and Creavitalis®.

Alzchem made further significant progress in the field of functional nutrition in 2025. Ehrmann, one of Germany's leading dairies, successfully launched its "High Protein Creatine" product line in collaboration with Alzchem, making creatine available to a broad target group for the first time in everyday foods such as puddings, drinks, and bars. The cooperation highlights the increasing establishment of creatine outside of classic sports applications and confirms Alzchem's strategy of tapping into new attractive sales markets and applications.

The brand positioning was also further strengthened in the sports sector. The partnership with FC Bayern Basketball was extended and entered its second joint season. With Creapure®, Alzchem supports the reigning German champions as their official creatine partner, thereby strengthening the brand's perception as a premium supplier of creatine "Made in Germany" in international top-class sports. The extension of the cooperation with HYROX, the world's leading fitness event series, is also expected to contribute significantly to this.

At the same time, Alzchem is driving forward the further development of the creatine market. As the only Western manufacturer, the company is specifically involved in research into new areas of application, including cognitive performance, women's health, healthy aging, and selected clinical pictures. A visible expression of this commitment was the Creatine Conference successfully organized by Alzchem in Munich in March 2025, which brought together international experts from science, health, and industry and confirmed the long-term growth potential of creatine.

3.2.4. UPDATE ON THE EU COMMISSION'S RESTRICTION PROCEDURE FOR THE USE OF CALCIUM CYANAMIDE

Since 2019, a restriction procedure for the use of calcium cyanamide as a fertilizer has been pending at the European level. This is based on a proposal submitted by the European Chemicals Agency (ECHA), which proposes to ban the use of calcium cyanamide as a fertilizer after a transition period of three years. In April 2025, the EU Commission presented a largely identical ban proposal from the ECHA to the member states in the REACH Regulatory Committee (representatives of the EU member states) but extended the transition period to five (marketing) and six (use) years, respectively.

In 2025, the REACH Regulatory Committee discussed the proposal for a possible Europe-wide ban on calcium cyanamide as a fertilizer several times on this basis. However, no final decision has yet been reached, as the EU Commission's proposal did not receive sufficient support among the member states. They pointed in particular to the importance of calcium cyanamide for industrial value chains and the potential negative effects, for example on the reliability of nitroguanidine production in geopolitically challenging times. At the end of 2025 and for 2026, they called for further analysis and examination of alternative restriction options that take appropriate account of the changed framework conditions for Europe's security and the special features of Alzchem's "Verbund production".

Alzchem therefore continues to assume that the current proposal by the EU Commission will not be approved, even though a restriction on use or even a ban cannot be completely ruled out. The company remains of the opinion that calcium cyanamide can be used safely when applied properly and sees a need for further information and education regarding the actual risks and conditions of use. The risks

discussed by the EU Commission are purely theoretical and have never been proven to materialize in over 100 years of use. Against this background, Alzchem remains in close contact with the EU Commission and the German federal government.

3.2.5. SPECIAL EFFECTS FROM CUSTOMER GRANTS RECEIVED

In fiscal year 2025, Alzchem received payments under long-term supply agreements with customers, which guarantee customers annual production or delivery volumes from the capacity expansion of nitroguanidine production in Germany. These payments significantly change certain key figures for Alzchem and are therefore explained separately and in summary here.

IMPACT ON THE CONSOLIDATED CASH FLOW STATEMENT

According to IFRS accounting rules, customer grants received must be shown in operating cash flow. Operating cash flow was therefore significantly influenced by the customer grants received. In fiscal year 2025, Alzchem received customer prepayments amounting to EUR 58,765 thousand, which increased operating cash flow by this amount.

IMPACT ON THE CONSOLIDATED BALANCE SHEET

The contractual provisions and customer payments have a significant impact on Alzchem's consolidated balance sheet in the form of a balance sheet extension: Specifically, these are the balance sheet items "Other receivables and other assets" on the assets side and "Contract liabilities" on the liabilities side of the consolidated balance sheet. The balance sheet item "Other receivables and other assets" includes receivables from future customer payments, provided that the contractual provisions stipulate payments from custom-

ers for which no further conditions need to be met apart from a time component. These receivables are reduced by customer payments and reported as non-current or current depending on their maturity. As of December 31, 2025, EUR 20,578 thousand was reported in non-current and EUR 10,381 thousand in current other receivables and other assets.

All amounts received as part of this investment project and reported as receivables from future customer grants under "Other receivables and other assets" are initially reported as contract liabilities on the liabilities side of the consolidated balance sheet in accordance with IFRS rules. As significant consideration for these customer grants, Alzchem has committed to providing additional production capacity for the delivery of products (nitroguanidine) from the new production plant – this commitment represents the contract liability. As soon as these additional quantities can be delivered, the contract liability is reversed over the respective term of the individual customer contract in accordance with the quantities to be delivered per year as part of revenue recognition. This revenue recognition complies with the requirements of IFRS 15. The reversal of the contract liability results in additional revenue – independently of and in addition to the products actually delivered and invoiced at the agreed market prices. This will have a significant impact on earnings from the fiscal year 2027 onwards. As of December 31, 2025, a total of EUR 88,099 thousand from this project was reported in non-current contract liabilities and EUR 1,303 thousand in current contract liabilities.

The recognition of these balance sheet items also has an impact on the balance sheet total and, consequently, on the Group's equity ratio. As of December 31, 2025, Alzchem's balance sheet total increased by EUR 89,402 thousand in connection with these special effects.

IMPACT ON THE CONSOLIDATED INCOME STATEMENT

In fiscal year 2025, customer grants had only a minor impact on the consolidated income statement. To date, only minor interest income resulting from interest-bearing receivables from customer grants has been recognized in the income statement.

3.2.6. SALES AND REVENUE

Alzchem closed the fiscal year 2025 with record sales of EUR 562,115 thousand, representing an increase of EUR 7,884 thousand over the previous year. A significant growth in sales was achieved through a clear shift in sales shares toward the Specialty Chemicals segment. This enabled Alzchem to successfully continue its consistent transformation toward higher-margin specialty chemical ingredients. In contrast, the Basics & Intermediates segment saw a decline in volumes, partly deliberate and partly driven by economic factors, and a planned drop in sales. While sales in the Specialty Chemicals segment increased by EUR 30,687 thousand to EUR 378,776 thousand, they fell in the Basics & Intermediates segment to EUR 155,091 thousand (EUR -18,912 thousand). At EUR 28,247 thousand, the Other & Holding segment was slightly below the previous year's level (EUR -3,893 thousand).

Looking at the Group as a whole, sales growth compared with the previous year is attributable to a combination of positive volume and price effects:

CHANGE IN SALES COMPARED TO THE PREVIOUS YEAR

in %			Fiscal year 2025
Sales 2024	EUR thousand	554,231	
Volume	%		+0.31
Price	%		+1.85
Currency	%		-0.73
Sales 2025	EUR thousand	562,115	

The situation in the individual segments must be viewed in a differentiated manner. While the Specialty Chemicals segment recorded positive volume and price effects, the decline in sales in the Basics & Intermediates segment was primarily due to volume effects. Here, Alzchem deliberately accepted the decline in volume when the market did not allow for profitable pricing and at the same time there was no negative impact on the "Verbund production". This is examined in more detail in the discussion of sales development in the individual segments in section 3.2.8.1.1.

3.2.7. PURCHASING AND PRODUCTION

The situation for Alzchem's purchasing continued to stabilize in the past fiscal year. Global supply bottlenecks have been significantly reduced compared to previous years. Weak national and global industrial activity led to a further decline in global demand and increased competition among suppliers. As a result of low capacity utilization, delivery times normalized and contributed to a general stabilization of the supply situation. With the exception of electricity, the

prices of Alzchem's most important raw materials fluctuated in both directions. No raw material experienced extreme price fluctuations in the past fiscal year. Overall, it can be said that the price level declined slightly compared with the previous year. Similar to the availability of goods, the global slowdown in industrial activity and increasing competition among suppliers also played a significant role in price developments. However, prices for key raw materials remained above the level seen before the start of the war in Ukraine in 2022.

The availability of logistics services also remained largely stable. Nevertheless, increasing geopolitical tensions and trade conflicts pose an ever-growing challenge. Repeated announcements and the entry into force of additional US tariffs led to recurring delays in clearance at US ports and thus to temporary delivery bottlenecks. In addition, conflicts in the Red Sea region continued to lead to detours around the Suez Canal and increased transport costs to and from Asia.

Electricity prices rose significantly compared to the previous year. Price increases occurred particularly in the first quarter of the fiscal year. The ongoing expansion and share of renewable energies led to increasing fluctuations, both seasonally and on an hourly basis within individual days. Renewable energies such as wind and solar energy are weather-dependent and therefore not always constantly available. This volatility led to fluctuations in electricity generation, which in turn affected electricity prices. In addition, the expansion of renewable energies requires considerable investment in new plants and the modernization and expansion of the power grid, which has further increased the prices Alzchem has to pay for grid fees compared to previous years.

When purchasing electricity, Alzchem has stuck to its proven strategy of no longer buying electricity in Germany one to two years in advance, as the traded forward prices are subject to high risk and speculation premiums. Experience in previous fiscal years has shown that spot purchases generally enable more favorable prices than the previously traded forward prices for the same period. Currently, electricity is purchased in smaller tranches two to a maximum of three months in advance if the traded prices appear reasonable. Purchases are only made after consultation with sales and production. This allows for accurate forecasting of which orders have already been finalized and incorporated into production planning.

In addition to this pricing strategy, Alzchem in Germany uses the concept of electricity price-optimized furnace operation to reduce electricity costs. Alzchem's largest electricity consumers are the two carbide furnaces at its Hart site. The concept of electricity price-optimized furnace operation involves scaling back or shutting down the carbide furnaces when electricity is at its most expensive and producing at full capacity when electricity is at its cheapest. In the mornings and evenings, the power supply to the carbide furnaces is adjusted as far as possible without affecting the quality of the production process. Furthermore, during the warmer months, when electricity prices tend to be lower, production takes place in both carbide furnaces, whereas during the colder months, when electricity prices are usually higher, one of the two carbide furnaces is taken out of production.

In addition, a process has been established to reduce electricity consumption at short notice on days when electricity prices are significantly higher. With two to three days' notice, economic and weather-related changes are forecast in advance, enabling sharp price fluctuations on an hourly basis to be reliably identified at an early stage. In coordination with production, necessary maintenance measures are scheduled to coincide precisely with periods of particularly high electricity prices, and the amount of electricity purchased on the spot market is reduced at an early stage. This enables Alzchem to optimize its electricity consumption, effectively storing cheap electricity in its carbide inventory and still supplying the production network with carbide during periods of higher electricity prices.

With the flexibility of its furnace operation, Alzchem also makes an important contribution to stabilizing the power grids. In addition, grid stability is significantly supported by the fact that both German furnaces have been qualified for the "SEAL" system service product (real-time system services from interruptible loads). SEAL comprises measures that ensure the reliability of the grid by switching off electrical consumers at short notice for a small fee if necessary. These interventions are crucial for balancing fluctuations between electricity supply and demand and keeping the grid frequency within permissible limits.

However, in order to meet energy relief requirements, it is necessary to ensure compliance with the 7,000-hour rule

regarding continuous electricity consumption, despite all flexibility.

Alzchem's production had to be managed very flexibly in the past fiscal year. On the one hand, the special focus on grid and electricity price-optimized furnace operation requires a high degree of flexibility throughout the entire Alzchem production chain. On the other hand, the deliberate decision to refrain from volume sales with negative margins partly led to rather short-term reductions in volume. However, carbide stocks also had to be planned taking into account the comprehensive carbide furnace renovation in 2026. To this end, carbide stocks were continuously increased to remain capable of production and delivery as planned even during the approximately six-month maintenance work in 2026.

Production demand for nitroguanidine and Creapure® remained particularly high in 2025, so the plants were operated at high capacity. In order to meet demand in all areas, employees had to step in at short notice on other production lines. This high level of flexibility is a hallmark of Alzchem and its workforce in particular.

The production and procurement team successfully mastered all uncertainties in the fiscal year 2025. Viewed over the year and across the entire company, the plants were operated at a satisfactory capacity utilization rate for the most part.

3.2.8. NET ASSETS, FINANCIAL POSITION AND RESULTS OF OPERATIONS

3.2.8.1. RESULTS OF OPERATIONS

in EUR thousand	2023	2024	2025
Sales revenues	540,649	554,231	562,115
Change in inventories of finished and unfinished goods	-3,804	-5,317	16,038
Other operating income	13,857	17,301	23,342
Cost of materials	-225,145	-195,663	-198,286
Personnel expenses	-145,637	-160,499	-173,611
Other operating expenses	-98,547	-104,785	-113,119
EBITDA	81,373	105,268	116,479
Depreciation and amortization	-25,900	-26,318	-26,648
EBIT	55,473	78,950	89,831
Other interest and similar income	382	2,230	3,238
Interest and similar expenses	-7,666	-5,837	-5,131
- thereof non-cash	-4,457	-3,512	-3,395
Financial result	-7,284	-3,607	-1,893
Result from ordinary business activities	48,189	75,343	87,938
Taxes on income and earnings	-13,397	-21,097	-24,308
Consolidated annual result	34,792	54,246	63,630
thereof non-controlling interests	171	171	171
thereof interests of shareholders of Alzchem Group AG	34,621	54,075	63,459
Earnings per share in EUR (undiluted and diluted)*	3.40	5.31	6.28

In fiscal year 2025, the Group generated sales of EUR 562,115 thousand, which represents an increase of EUR 7,884 thousand or 1% compared to the previous year's figure of EUR 554,231 thousand. Considering the factors of volume, price, and currency, this sales development can be broken down as follows:

in EUR thousand	2023	2024	2025
Sales of the previous year	542,223	540,649	554,231
Volume effect in %	-9.16	3.03	0.31
Price effect in %	9.38	-0.45	1.85
Currency effect in %	-0.52	-0.07	-0.73
Sales of the fiscal year	540,649	554,231	562,115

As already described in section 3.2.6., sales development in fiscal year 2025 showed the planned differentiated picture in the various segments. As expected, the Basics & Intermediates segment saw a decline in sales of EUR 18,911 thousand, which was primarily attributable to volume effects. In contrast, the Specialty Chemicals segment once again recorded significant growth of EUR 30,687 thousand, which more than offset the decline in sales in the Basics & Intermediates segment. The Other & Holding segment recorded a drop in sales of EUR 3,893 thousand compared to the previous year. A detailed analysis of the main factors influencing sales development is provided in the segment reporting.

* After share buyback & share transfer to employees in 2025, calculated using the average number of outstanding shares of 10,106,339. After share buyback throughout the entire period 2024, calculated using 10,174,204 shares.

Sales are distributed across the global regions and economic areas as follows:

in EUR thousand	2023	2024	2025
Germany	152,130	157,206	163,680
European Union (excluding Germany)	173,404	177,978	176,041
Rest of Europe	28,309	27,170	26,785
NAFTA	94,661	90,305	101,544
Asia	39,789	43,375	39,053
Rest of the world	52,355	58,197	55,012
Total	540,649	554,231	562,115

The increase in Group sales compared with the previous year was achieved in particular through gains in the NAFTA region and in the domestic market of Germany. The biggest sales driver was the Human Nutrition product area. While the NAFTA region also saw growth in the defense sector (nitroguanidine), domestic growth in multi-purpose plants contributed to the improvement in sales. This clearly shows that Alzchem has so far been very little affected by the customs dispute between the EU and the US.

The decline in sales in Asia is primarily due to high price pressure from local competitors.

In fiscal year 2025, Alzchem generated other operating income of EUR 23,342 thousand, which was EUR 6,041 thousand higher than in the previous year. The increase is primarily attributable to higher capitalized own work in the course of intensified investment activity.

The “extended cost of materials ratio” ((cost of materials +/- change in inventories) / sales revenues) improved from 36.3% to 32.4%. The reduction is primarily attributable to increased sales in the Specialty Chemicals segment, where production is less energy- and raw material-intensive and therefore has a lower material content. Despite a significant increase in electricity prices compared to the previous year, the cost of materials alone was only slightly above the previous year’s level. The rise in inventories resulted from a targeted increase in carbide inventories in the run-up to extensive maintenance work on a carbide furnace at the Hart site, which is scheduled to take place in the first half of 2026. The purpose of building up inventories is to ensure that sufficient carbide stocks are available during the approximately six-month maintenance work to guarantee delivery capability and the production of the specialty chemicals based on it.

Personnel expenses for the fiscal year 2025 amounted to EUR 173,611 thousand, up 8% on the previous year. In addition to the collectively agreed wage and salary increases, the slight increase in the number of employees – due to the organic growth of the Group – contributed to this rise. In addition, the issue of bonus shares as part of the employee participation program had an upward effect on personnel expenses.

The number of employees at Alzchem developed as follows:

Employees ¹	2018 ²	2019	2020	2021	2022	2023	2024	2025
Commercial workers	802	821	818	818	850	857	870	885
Employees	635	677	679	683	698	700	725	755
Trainees	125	125	134	135	129	133	130	125
Total employees	1,562	1,623	1,631	1,636	1,677	1,689	1,725	1,765
Change	2.4%	4.0%	0.5%	0.3%	2.5%	0.7%	2.1%	2.3%

¹ Employees = calculation of the average number of employees at the end of the last four quarters prior to the respective reporting date, including those employed abroad

² Figures for the full year 2018 are unaudited and are calculated as the sum of the two audited short fiscal years 2018/I and 2018/II.

Other operating expenses amounted to EUR 113,119 thousand in fiscal year 2025, up EUR 8,334 thousand on the previous year. This corresponds to an increase of 8%. The main factors influencing this rise were exchange rate losses resulting from the currency translation of the US dollar and higher expenses for scheduled maintenance measures.

In fiscal year 2025, Alzchem generated EBITDA of EUR 116,479 thousand, which corresponds to a growth of EUR 11,211 thousand or 11% compared to the previous year. At 20.7%, the EBIT-DA margin was significantly higher than the previous year's margin of 19.0%.

Depreciation and amortization totaled as follows:

in EUR thousand	2023	2024	2025
Amortization of intangible assets	738	964	1,049
Depreciation on property, plant, and equipment	23,208	23,432	23,667
Depreciation of own assets	23,946	24,396	24,717
Amortization of lease usage rights	1,954	1,922	1,931
Total depreciation	25,900	26,318	26,648

Depreciation and amortization rose as planned by EUR 330 thousand to a total of EUR 26,648 thousand.

The financial result improved to EUR -1,893 thousand compared to EUR -3,607 thousand in the previous year. This improvement resulted on the one hand from higher interest income from short-term time deposits, which was achieved due to the positive liquidity situation. On the other hand, interest expenses for long-term loans decreased as a result of scheduled repayments.

Tax expenses amounted to EUR 24,308 thousand (previous year: EUR 21,097 thousand). The increase is attributable to the improved earnings before taxes. At approximately 28%, the Group tax rate remained at the previous year's level.

Overall, Alzchem achieved a consolidated annual result of EUR 63,630 thousand in fiscal year 2025 (previous year: EUR 54,246 thousand), representing an increase of 17% over the previous year.

The significantly improved result is also reflected in earnings per share, which also rose significantly from EUR 5.31 to EUR 6.28. The calculation was based on a weighted average number of shares outstanding of 10,174,204 in fiscal year 2024 and 10,106,339 in fiscal year 2025 due to the share buyback program and the employee participation program.

3.2.8.1.1. DEVELOPMENT IN THE SEGMENTS

3.2.8.1.1.1. SPECIALTY CHEMICALS SEGMENT

KEY FIGURES FOR THE SEGMENT

in EUR thousand	2023	2024	2025	Change
External sales	319,802	348,089	378,776	+8.8%
EBITDA	73,243	94,017	106,794	+13.6%
EBITDA margin	22.9%	27.0%	28.2%	+1.2 percentage points
Inventories	55,998	59,074	55,364	-6.3%
Inventory intensity	17.5%	17.0%	14.6%	-2.4 percentage points

As planned, the Group's growth in terms of sales and EBITDA was achieved by the highly specialized products in the Specialty Chemicals segment. In fiscal year 2025, segment sales amounted to EUR 378,776 thousand, up EUR 30,687 thousand or 9% on the previous year. This increase was driven by a combination of positive price and predominantly volume effects. This successfully offset the negative effects of the weak US dollar compared to the previous year.

The Human Nutrition and Custom Manufacturing product areas in particular but also the Defense segment made a positive contribution to sales development compared with the same period of the previous year.

In the Human Nutrition segment, the high sales level of the previous year was further increased. Demand for creatine "Made in Germany" in particular continues to develop positively. Current trends in the global creatine market offer additional growth potential in new areas of application. An example of this is the cooperation agreement concluded with Ehrmann in fiscal year 2025, with Creavitalis® from Alzchem at the heart of the new "High Protein Creatine" product line. Against the background of positive market developments, Alzchem decided to expand its creatine production capacities in Germany. An increase in capacity was achieved with the scheduled commissioning of a new plant section in the third quarter of 2025.

In the Custom Manufacturing segment, the positive trend reversal stabilized. After demand in the previous year was negatively impacted by the weak economy in the German and European chemical industry, demand is currently continuing to rise. This development confirms Alzchem's conviction that the declines in volume in recent years were only a temporary phase and that the traditional chemical sector with highly specialized products also offers further growth opportunities with a corresponding contribution to earnings – even in Europe.

In the wake of this positive development, the segment's EBITDA also increased significantly in fiscal year 2025 to EUR 106,794 thousand compared to EUR 94,017 thousand in the previous year (+14%). This also resulted in a significant increase in the EBITDA margin to 28.2% compared to 27.0% in the previous year. This development clearly shows that focusing on highly specialized products in niche markets with largely domestic German raw material supplies can lead to profitable growth.

The segment's inventories amounted to EUR 55,364 thousand, down from EUR 59,074 thousand in the previous year. The reduction in inventories is primarily attributable to effects related to the reporting date, high demand, and the resulting reduction in finished goods inventories.

3.2.8.1.1.2. BASICS & INTERMEDIATES SEGMENT

KEY FIGURES FOR THE SEGMENT

in EUR thousand	2023	2024	2025	Change
External sales	192,183	174,003	155,091	-10.9%
EBITDA	9,531	10,825	5,617	-48.1%
EBITDA margin	5.0%	6.2%	3.6%	-2.6 percentage points
Inventories	49,139	41,912	58,235	38.9%
Inventory intensity	25.6%	24.1%	37.5%	+13.4 percentage points

In the Basics & Intermediates segment, sales in fiscal year 2025 amounted to EUR 155,091 thousand, which was EUR 18,912 thousand below the previous year's level. This development was exactly in line with expectations and assumptions.

The decline in sales is primarily attributable to volume effects. The main reason was the weak economic situation in the European and German steel industry, which led to a noticeable decline in demand in the metallurgy product area.

The drop in sales in the Basics & Intermediates segment also resulted in a reduction in segment EBITDA. This amounted to EUR 5,617 thousand, which was EUR 5,208 thousand below the previous year's level. The EBITDA margin fell accordingly by 2.6 percentage points to 3.6%. In addition to the weak economy in the metallurgy sector, the significant increase in electricity prices in particular contributed to the decline in EBITDA compared with the same period of the previous year.

At EUR 58,235 thousand, the segment's inventories were above the previous year's level of EUR 41,912 thousand. The increase in inventories was deliberate and as forecast due to the planned maintenance of a carbide furnace.

3.2.8.1.1.3. OTHER & HOLDING SEGMENT

KEY FIGURES FOR THE SEGMENT

in EUR thousand	2023	2024	2025	Change
External sales	28,664	32,140	28,247	-12.1%
EBITDA	463	1,788	667	-62.7%
EBITDA margin	1.6%	5.6%	2.4%	-3.2 percentage points
Inventories	4,377	4,487	4,923	+9.7%
Inventory intensity	15.3%	14.0%	17.4%	+3.4 percentage points

The Other & Holding segment recorded sales of EUR 28,247 thousand, a decline of EUR 3,893 thousand compared with the previous year. This decrease is mainly attributable to reduced electricity grid fees for chemical park customers, which Alzchem is permitted to pass on to customers under electricity regulations.

The segment's EBITDA followed the sales trend and, at EUR 667 thousand, was significantly below the previous year's level. Segment EBITDA was impacted by a provision in the electricity grid segment attributable to Alzchem Netz GmbH. As only a small portion of this provision relates to external customers, a significant amount was eliminated again during Group consolidation. This elimination is recorded in the segment reporting in the "Consolidation" column, as there was no other systematic and cause-related allocation to the segments.

Inventories amounted to EUR 4,923 thousand as of the reporting date. These mainly comprise auxiliary and operating materials stored on behalf of chemical park customers.

3.2.8.2. FINANCIAL POSITION

3.2.8.2.1. CAPITAL STRUCTURE

The fiscal year 2025 was characterized by strong cash flow from operating activities.

When selecting financial instruments, the focus is on matching maturities, which is achieved by managing the terms. For this reason, the short-term financing available was restructured at the end of the fiscal year 2025. The financing line of approximately EUR 35 million (previous year: EUR 40 million) previously available under a factoring agreement was replaced by an increase in the financing lines committed by banks, which were increased in line with Alzchem's growth. As of December 31, 2025, Alzchem thus had financing lines of EUR 120 million at its disposal (previous year: EUR 77.5 million) – these were not utilized on either reporting date.

As of December 31, 2025, the financing of the Alzchem Group was as follows:

in EUR thousand	2024	2025
Long-term loans (including their current portion)	48,665	41,082
Utilization of short-term financing lines	0	0
Freely available short-term financing lines	77,500	120,000

The long-term loans were repaid as planned to the level shown in the fiscal year 2025. This continues to ensure stable and reliable financing. Alzchem considers itself well positioned for further growth with this financing structure.

3.2.8.2.2. INVESTMENTS

The Alzchem Group significantly increased its investment activity in fiscal year 2025. The cash outflow amounted to EUR 96,902 thousand, which was considerably higher than the previous year's level of EUR 30,994 thousand. The main reason for this is the expansion of production capacities for nitroguanidine. Other investments related in particular to the expansion of creatine capacities, the expansion of network operations, and infrastructure measures such as the new training laboratory. This cash outflow was reduced by a non-repayable investment grant from the EU Commission of EUR 846 thousand (previous year: EUR 12,046 thousand).

Due to the integrated structure and the resulting interlinking of the infrastructure and investment structure, segment-related information on investments is not provided, as this is not meaningful and is not part of internal reporting.

3.2.8.2.3. LIQUIDITY

Within the Alzchem Group, Alzchem Trostberg GmbH performs the internal financing function and ensures the short-term liquidity of the subsidiaries through a cash pooling system.

The non-current loan liabilities currently reported result from loans taken out to finance investments in the fiscal year 2017 and 2020. In fiscal year 2023, EUR 30 million in non-current loans were received as a result of successful refinancing. These long-term, partly project-related financings for measures already implemented with a term of more than one year amounted to EUR 34,750 thousand as of the balance sheet date (previous year: EUR 41,082 thousand). The current portion of non-current loan liabilities as of December 31, 2025, amounted to EUR 6,333 thousand (previous year: EUR 7,583 thousand) and is reported under current loan liabilities to banks in the balance sheet. In total, these loans amounted to EUR 41,082 thousand as of December 31, 2025 (previous year: EUR 48,665 thousand). These obligations were serviced as planned in the reporting year and in the previous year.

In addition, short-term financing lines (money market loans, overdraft facilities, and guarantee credits) totaling EUR 120 million (previous year: EUR 77.5 million) were agreed with several banks. As in the previous year, no financing lines were utilized as of the balance sheet date. The increase in the financing lines was made in line with Alzchem's growth path as a result of a restructuring of short-term financing options. The factoring agreement for approximately EUR 40 million that was still in place on the balance sheet date of the previous year was terminated accordingly in the course of the fiscal year 2025.

Cash and cash equivalents amounted to EUR 71,720 thousand as of December 31, 2025 (December 31, 2024: EUR 61,544 thousand) and comprised immediately available balances with banks, checks, and cash on hand. The collateral pledged to the government of Upper Bavaria for the operation of the company's own landfills in the amount of EUR 6,485 thousand (December 31, 2024: EUR 5,902 thousand) is reported as other current assets due to the fixed-term deposit running over three months. These are funds that are fully restricted in their use but may be invested for a maximum period of one year in accordance with the regulations governing restrictions on use.

Taking into account cash and cash equivalents and existing loan liabilities, net debt was already completely eliminated in the previous year. As of the balance sheet date, net financial assets increased further to EUR 30,602 thousand (previous year: EUR 12,873 thousand).

The change in cash and cash equivalents is as follows:

in EUR thousand	2023	2024	2025
Cash and cash equivalents as of January 1	9,243	11,883	61,544
Cash outflow (-)/inflow (+) from operating activities	72,671	105,147	137,013
Cash outflow from investing activities	-20,548	-30,994	-96,902
Cash outflow (-)/cash inflow (+) from financing activities	-49,166	-24,656	-29,360
Change in cash and cash equivalents	2,957	49,497	10,751
Exchange rate-related changes in cash and cash equivalents	-317	164	-575
Cash and cash equivalents as of December 31	11,883	61,544	71,720

The cash flow statement is prepared using the indirect method.

The Group generated cash flows from operating activities of EUR 137,013 thousand in fiscal year 2025. This represents an increase of EUR 31,866 thousand over the previous year. This high cash inflow was influenced both by the growth in consolidated annual result and by the customer grants received in connection with the expansion of production capacities for nitroguanidine. These amounted to EUR 58,765 thousand (previous year: EUR 0 thousand). The planned increase in inventories in the run-up to the carbide furnace maintenance led to a rise in net working capital and consequently to a negative effect on cash flow from operating activities compared with the previous year.

Cash flow from investing activities totaled EUR 96,902 thousand in fiscal year 2025 (previous year: EUR 30,994 thousand). This consisted of investments of EUR 97,789 thousand (previous year: EUR 43,101 thousand), cash inflows in connection with the disposal of non-current assets of EUR 41 thousand (previous year: EUR 61 thousand) and cash inflows in connection with the EU subsidy of EUR 846 thousand (previous year: EUR 12,046 thousand). The most significant investments are described in section 3.2.8.2.2. Investments.

Alzchem's financing activities led to a cash outflow of EUR 29,360 thousand in fiscal year 2025 (previous year: EUR 24,656 thousand). Due to the strong operating cash flow, no short-term financing lines had to be utilized. Loan and lease liabilities amounting to EUR 9,498 thousand (previous year: EUR 10,761 thousand) were repaid as scheduled. In May 2025, a dividend of EUR 18,190 thousand (previous year: EUR 12,212 thousand) was distributed to shareholders. As in the previous year, EUR 171 thousand in profit claims flowed to non-controlling shareholders. Furthermore, EUR 4,520 thousand was paid out for the share buyback program in fiscal year 2025 (previous year: EUR 1,512 thousand). EUR 3,019 thousand (previous year: EUR 0 thousand) was paid in for the issue of treasury shares as part of the employee participation program.

3.2.8.3. NET ASSETS

	12/31/2023		12/31/2024		12/31/2025	
	EUR thousand	Share	EUR thousand	Share	EUR thousand	Share
Assets						
Intangible assets	3,664	1%	3,671	1%	3,529	1%
Property, plant, and equipment	177,281	42%	192,976	40%	276,980	45%
Lease usage rights	4,855	1%	4,023	1%	2,992	< 1%
Financial assets	6	< 1%	6	< 1%	6	< 1%
Other receivables and other assets	1,369	< 1%	1,234	< 1%	21,801	4%
Deferred tax assets	20,921	5%	20,121	4%	15,711	3%
Non-current assets	208,096	49%	222,031	46%	321,019	52%
Inventories	107,478	25%	101,166	21%	116,004	19%
Trade receivables	75,212	18%	78,935	16%	73,416	12%
Other receivables and other Assets	19,239	5%	20,080	4%	35,201	6%
Income tax assets	2,769	1%	70	< 1%	319	< 1%
Cash and cash equivalents	11,883	3%	61,544	13%	71,720	12%
Total current assets	216,581	51%	261,795	54%	296,660	48%
Total assets	424,677	100%	483,826	100%	617,679	100%
Capital						
Equity	163,559	39%	207,471	43%	258,231	42%
Non-current liabilities	178,487	42%	170,956	35%	240,544	39%
Current liabilities	82,631	19%	105,399	22%	118,904	19%
Balance sheet total	424,677	100%	483,826	100%	617,679	100%

Alzchem's balance sheet total amounted to EUR 617,679 thousand as of December 31, 2025. This represents an increase of EUR 133,853 thousand compared to December 31, 2024. Both current and non-current assets grew.

Non-current assets amounted to EUR 321,019 thousand, an increase of EUR 98,988 thousand compared with the previous year. This rise is primarily due to increased investment activity, in particular to expand production capacity for nitroguanidine, as well as the capitalized customer grants in this context, whose payment dates are beyond the next twelve months and are therefore classified as non-current in accordance with accounting rules.

Current assets amounted to EUR 296,660 thousand as of December 31, 2025, which was EUR 34,865 thousand higher than in the previous year. The main increases resulted from cash and cash equivalents (EUR +10,176 thousand), other receivables and other assets (EUR +15,121 thousand) and inventories (EUR +14,838 thousand). Inventories were built up in advance of the planned complete overhaul of a carbide furnace in the first half of 2026. The increase in other receivables and other assets is mainly attributable to the current portion of the customer grants mentioned in the previous paragraph in connection with the nitroguanidine investment project. The exact development of cash and cash equivalents can be found in the financial position.

Inventory intensity, defined as the ratio of inventories to sales, was 20.6% as of December 31, 2025 (December 31, 2024: 18.3%).

As of December 31, 2025, Alzchem reported a positive net cash position. After deducting bank liabilities, this amounted to EUR 30,602 thousand (December 31, 2024: EUR 12,873 thousand).

As of December 31, 2025, Group equity increased by EUR 50,760 thousand to EUR 258,231 thousand compared to the previous year. Despite this growth, the equity ratio fell from 42.9% to 41.8% as expected due to the significant increase in the balance sheet total since the last balance sheet date. While equity rose by EUR 63,630 thousand as a result of the positive consolidated annual result, it was reduced by the dividend of EUR 18,190 thousand (previous year: EUR 12,212 thousand) resolved by the Annual General Meeting on May 8, 2025, and paid out on May 13, 2025. The acquisition of treasury shares also had a reducing effect on equity. In fiscal year 2025, treasury shares were acquired for EUR 4,514 thousand. In contrast, the issue of shares as part of the employee participation program led to an increase in equity of EUR 4,324 thousand.

Changes in actuarial assumptions, particularly with regard to the risk-free interest rate used to measure pension obligations, resulted in a growth in equity of EUR 9,691 thousand as of

December 31, 2025. However, deferred taxes to be recognized in the opposite direction reduced equity by EUR 3,505 thousand. This resulted in a total increase in equity of EUR 6,186 thousand solely due to the interest rate changes. Pension obligations are significantly influenced by actuarial parameters. Although changes in these parameters do not affect consolidated annual result, they are recognized directly in equity under other comprehensive income. The risk-free market interest rate plays a key role in actuarial parameters. If this market interest rate falls, pension obligations increase, while if it rises, pension obligations decrease.

The risk-free market interest rate and other actuarial parameters have developed as follows in the past:

in %	2018	2019	2020	2021	2022	2023	2024	2025
Actuarial interest rate	1.90	0.90	0.50	1.00	3.70	3.20	3.40	4.10
Wage and salary trend	2.75	2.75	2.50	3.00	3.00	3.00	3.00	3.00
Pension trend	2.00	1.75	1.50	2.00	2.25	2.25	2.25	2.25
Trend in social security contribution assessment ceiling	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
Pension provisions as of 12/31 in EUR million	110.0	134.6	141.8	140.0	90.1	100.3	96.9	88.2

On December 15, 2025, the Management Board of Alzchem Group AG, with the approval of the Supervisory Board, resolved to buy back up to 70,000 shares of the company at a total purchase price of up to EUR 10 million (excluding incidental acquisition costs) via the stock exchange over a period of up to twelve months. The buyback is being carried out for the purpose of (i) using the acquired shares as acquisition currency, (ii) distributing them to employees of the Alzchem Group, or (iii) canceling the shares. Other legally permissible purposes are not excluded. The buyback will be carried out in accordance with the provisions of the authorization granted by the Annual General Meeting in 2024 and Delegated Regulation (EU) 2016/1052. As of December 31, 2025, the company held a total of 52,629 treasury shares (December 31, 2024: 25,578 shares).

Non-current liabilities rose from EUR 170,956 thousand to EUR 240,544 thousand during the fiscal year 2025. The increase was mainly due to non-current contract liabilities, which were

recognized for the first time in 2025 and amounted to EUR 88,099 thousand as of the reporting date – further details can be found in section 3.2.5. However, scheduled repayments of loan and lease liabilities reduced non-current liabilities by EUR 7,420 thousand as a result of their reclassification to current liabilities. Pension obligations, which are also included in non-current liabilities, decreased in the fiscal year 2025, mainly due to interest rates. The increase in the actuarial discount rate from 3.40% to 4.10% led to a reduction in pension obligations of EUR 9,691 thousand. The pension payments made by Alzchem to former employees also have a decreasing impact on the development of pension obligations. These pension payments have developed as follows over time:

in EUR thousand	2018	2019	2020	2021	2022	2023	2024	2025
Pensions paid	-725	-1,005	-1,181	-1,516	-1,685	-1,930	-2,265	-2,614

No new employees have been enrolled in the pension plan since 2007, as these are old programs from Alzchem's history. Due to the age structure, pension payments were low in the past but are now slowly rising as more eligible employees retire. The plan is designed in such a way that future pension payments are spread over a very long projected period of several decades and thus do not significantly affect Alzchem's financial performance.

Current liabilities amounted to EUR 118,904 thousand as of December 31, 2025 (December 31, 2024: EUR 105,399 thousand). A significant contribution resulted from increases related to business, investment, and the reporting date. The current portion of current contract liabilities, which were recognized for the first time in 2025 and amounted to EUR 2,433 thousand as of the reporting date, also had an upward effect. In contrast, financial liabilities and income tax liabilities in particular decreased.

3.2.8.4. FINANCIAL AND NON-FINANCIAL PERFORMANCE INDICATORS

3.2.8.4.1. FINANCIAL PERFORMANCE INDICATORS

Key figure	Unit	2023	2024	2025	Change
Group equity ratio	%	38.5	42.9	41.8	-1.1 percentage points
EBITDA	EUR thousand	81,373	105,268	116,479	+10.7%
EBITDA margin	%	15.1	19.0	20.7	+1.7 percentage points
Inventories	EUR thousand	107,478	101,166	116,004	+14.7%
Inventory intensity	%	19.9	18.3	20.6	+2.3 percentage points
Sales	EUR thousand	540,649	554,231	562,115	+1.4%

3.2.8.4.2. NON-FINANCIAL PERFORMANCE INDICATORS

The Alzchem Group's non-financial targets are both short-term and long-term in nature and serve as auxiliary indicators to support operational business management. Accordingly, quantification is not carried out, also in view of the materiality for the users of the annual financial statements and consolidated financial statements.

SUSTAINABLE CUSTOMER LOYALTY

Alzchem's business is characterized by a high repurchase rate among regular customers. Alzchem strives to maintain the high level of customer loyalty and to further expand it in individual business areas.

TRAINING

At Alzchem, personnel development begins with in-house training, among other things. A considerable proportion of the workforce requirements are met through the company's own integrated training program. This is reflected in the Alzchem Group's high training rate of around 7% (previous year: 8%) at its German sites, which is high compared to the industry

average. Every year, up to 50 trainees start their training in commercial, metalworking, electrical engineering, chemical, and logistics fields at Alzchem.

MANAGEMENT SYSTEMS

Business operations are geared towards meeting the requirements of the management systems and certificates listed below on a sustainable basis. The management systems and certificates are not non-financial performance indicators in the strict sense.

ENVIRONMENT AND ENERGY

The topics of environment and energy are reported on in detail in the Non-Financial Group Statement (see section 11).

3.2.9. OVERALL STATEMENT ON THE ECONOMIC SITUATION

The Management Board of Alzchem Group AG is very satisfied with the course of business in 2025 and the overall economic situation.

Alzchem once again achieved record sales and record EBITDA in the fiscal year 2025. Thanks to a significant shift in sales toward the Specialty Chemicals segment, the company successfully continued its consistent transformation toward higher-margin specialty chemical ingredients – despite the continuing difficult business environment for the chemical industry in Europe. Alzchem deliberately accepted the decline in volume and associated sales in the Basics & Intermediates segment when the market did not allow for profitable pricing.

In addition to Group sales, Alzchem also increased its EBITDA and achieved a record result in the past fiscal year. EBITDA rose by 11% to EUR 116,479 thousand and the EBITDA margin increased to 20.7% (+1.7 percentage points). This encouraging development highlights the success of the strategic measures taken to achieve steady profitable growth.

The consolidated annual result for the fiscal year 2025 was EUR 63,630 thousand (previous year: EUR 54,246 thousand), representing an increase of EUR 9,384 thousand. This rise also improved earnings per share, which amounted to EUR 6.28 in the reporting period. Compared to the previous year, this represents an increase of EUR 0.97 or 18%.

As a result of this encouraging earnings performance, Alzchem's financial position also improved further. Strong operating cash flow enabled a positive free cash flow of EUR 40,111 thousand (previous year: EUR 74,153 thousand) to be achieved despite a sharp increase in investment activity. In addition, loan liabilities were repaid as planned in the past fiscal year and a restructuring of short-term financing options was successfully implemented. Overall, the Group's available liquidity increased. Alzchem therefore considers itself well equipped for future investments in growth areas in order to further strengthen its market position and achieve additional profitable growth.

At the same time, key investments for the future, such as the expansion of creatine and nitroguanidine capacities, were completed, advanced or initiated as planned (see sections 3.2.2. and 3.2.3.).

The situation on the energy, raw materials, and logistics markets continued to stabilize in fiscal year 2025. Alzchem was not exposed to any serious supply bottlenecks or significant price fluctuations. While electricity prices rose significantly compared to the previous year, the price level for raw materials declined slightly overall.

For fiscal year 2025, the Management Board and Supervisory Board will propose to the Annual General Meeting that a dividend of EUR 2.10 (previous year: EUR 1.80) per dividend-bearing share be distributed from the balance sheet profit.

3.2.10. COMPARISON OF EXPECTED AND ACTUAL DEVELOPMENTS

The following table provides an overview of the values forecast in the consolidated financial statements as of December 31, 2024, for the Group's financial performance indicators for the fiscal year 2025:

Forecast	2024	Forecast 2025
Group sales	EUR 554.2 million	Growing to around EUR 580 million
Adjusted EBITDA*	EUR 105.3 million	Growing to around EUR 113 million
Adjusted EBITDA margin*	19.0%	Growing to around 19.5%
Inventories	EUR 101.2 million	Particularly strongly growing
Inventory intensity	18.3%	Slightly growing
Equity ratio	42.9%	Slightly decreasing

* No adjustments were made. The figure corresponds to the key figures from the IFRS consolidated financial statements.

A review of the forecast based on the actual key figures for fiscal year 2025 shows the following development:

	2025	Actual development in 2025
Group sales	EUR 562.1 million	Grew to EUR 562.1 million
Adjusted EBITDA*	EUR 116.5 million	Grew to EUR 116.5 million
Adjusted EBITDA margin*	20.7%	Grew to 20.7%
Inventories	EUR 116.0 million	Grew particularly strongly
Inventory intensity	20.6%	Grew slightly
Equity ratio	41.8%	Declined slightly

* No adjustments were made. The figure corresponds to the key figures from the IFRS consolidated financial statements.

A comparison of the relevant financial indicators shows that the forecast for the fiscal year 2025 for the indicators adjusted EBITDA, adjusted EBITDA margin, inventories, inventory intensity, and equity ratio was met or exceeded.

As forecast, Group sales grew compared with the previous year. However, at EUR 562.1 million, sales were at the lower end of the forecast range. This was primarily due to deliberate volume reductions in the Basics & Intermediates segment when the price level required for overall profitability could not be achieved in individual transactions.

In absolute terms, this resulted in a sales increase in the lower range of the forecast for fiscal year 2025, accompanied by a disproportionately high improvement in earnings figures and increased overall profitability for the Group.

4. POSITION OF ALZCHEM GROUP AG (INDIVIDUAL FINANCIAL STATEMENTS HGB)

Alzchem Group AG is the parent company of the Alzchem Group and is therefore significantly influenced by the economic situation and development of the entire Group. As the parent company, Alzchem Group AG assumes management and supervisory functions for its subsidiaries as well as Group-wide commercial tasks in addition to its holding function.

The results of operations of Alzchem Group AG are mainly determined by the income from the profit transfer agreement with Alzchem Trostberg GmbH and by the allocation of holding activities to the Group companies. In addition to monitoring the cost structure, the following key figures from the HGB annual financial statements are also used to manage Alzchem Group AG:

Key figure	Calculation
Revenue	Absolute value
EBIT	Earnings before interest, investment income, and income taxes
Net income	Absolute value

4.1. BUSINESS PERFORMANCE

The annual financial statements of Alzchem Group AG were prepared in accordance with the accounting provisions of the German Commercial Code and the German Stock Corporation Act.

4.1.1. RESULTS OF OPERATIONS

The annual result of Alzchem Group AG is calculated as follows:

in EUR thousand	2023	2024	2025	Change
Sales revenues	6,368	9,231	8,190	-11.3%
Other operating income	4,334	4,935	5,042	2.1%
Personnel expenses	-4,982	-7,925	-6,761	-14.7%
Other operating expenses	-5,596	-6,037	-6,550	8.5%
EBIT	125	204	-79	-138.7%
Income from investments	53,908	71,543	71,076	-0.7%
Interest and similar income	1,174	2,680	2,370	-11.5%
Interest and similar expenses	-15	-6	-20	232.8%
Taxes on income and earnings	-14,626	-18,351	-20,534	11.9%
Earnings after taxes	40,567	56,070	52,813	-5.8%
Other taxes	-200	0	0	—
Net income	40,367	56,070	52,813	-5.8%

The decline in sales compared with the previous year is primarily due to lower personnel expenses to be allocated. Personnel expenses are mainly influenced by variable remuneration components linked to the IFRS consolidated result and long-term share price performance and are passed on to the operating companies of the Alzchem Group.

The decline in personnel expenses compared to the previous year is mainly due to lower variable remuneration for the members of the Management Board.

The composition of other operating expenses is as follows:

in EUR thousand	2023	2024	2025
Insurances	4,118	4,581	4,766
Expert opinion and audit expenses	266	330	378
Consulting expenses	535	291	271
Other miscellaneous expenses	677	835	1,135
Σ Other operating expenses	5,596	6,037	6,550

Other operating expenses mainly comprised insurance premiums, legal and consulting fees, expenses for the preparation of expert opinions, the audit of the annual financial statements, and the remuneration of the Supervisory Board.

Income from investments resulted exclusively from the profit transfer (including tax allocations) of Alzchem Trostberg GmbH.

Interest and similar income consisted mainly of interest income from cash pooling with affiliated companies.

Taxes on income and earnings consisted of current income tax expense of EUR 19,844 thousand (previous year: EUR 19,063 thousand) on the company's taxable income. This includes the results of subsidiaries that are included in the income tax group. In addition, deferred tax income of EUR 117 thousand (previous year: EUR 836 thousand) was recognized. Aperiodic tax expense amounted to EUR 807 thousand (previous year: EUR 124 thousand).

4.1.2. FINANCIAL POSITION

The company is integrated into the cash pooling system of Alzchem Trostberg GmbH. Within the Alzchem Group, Alzchem Trostberg GmbH performs the internal financing function, thereby ensuring the short-term liquidity of the subsidiaries and the parent company.

The liquidity of Alzchem Group AG therefore depends directly on the liquidity of the cash pool carrier Alzchem Trostberg GmbH. In view of the expected positive business development of the Alzchem Group, the liquidity of Alzchem Group AG is secured at all times by the financing agreement with Alzchem Trostberg GmbH and its currently available financing instruments.

Due to cash pooling, Alzchem Group AG did not report any cash and cash equivalents on either reporting date.

4.1.3. FINANCIAL POSITION

	12/31/2023		12/31/2024		12/31/2025	
	EUR thousand	Share	EUR thousand	Share	EUR thousand	Share
Assets						
Financial assets	231,412	72%	231,412	62%	231,412	57%
Non-current assets	231,412	72%	231,412	62%	231,412	57%
Receivables and other assets	88,570	28%	139,914	37%	175,145	43%
Cash and cash equivalents	0	0%	0	0%	0	0%
Current assets	88,570	28%	139,914	37%	175,145	43%
Prepaid expenses	212	< 1%	198	< 1%	197	< 1%
Deferred tax assets	888	< 1%	1,724	< 1%	1,662	< 1%
Σ Assets	321,081	100%	373,248	100%	408,416	100%

Financial assets remained unchanged compared with the previous year and continued to comprise shares in Alzchem Trostberg GmbH.

Receivables and other assets mainly comprised receivables from affiliated companies and tax receivables (input tax surplus) from the tax office. The change compared to December 31, 2024, is mainly attributable to increased financial receivables from Alzchem Trostberg GmbH due to accumulated profit transfer claims and higher tax receivables.

The allocation of deferred tax assets based on the tax allocation agreements in accordance with Section 304 of the German Stock Corporation Act (AktG), Section 16 of the German Corporation Tax Act (KStG), and GAS 18 resulted in the company mainly recognizing differences from the different valuations of provisions in deferred tax assets.

	12/31/2023		12/31/2024		12/31/2025	
	EUR thousand	Share	EUR thousand	Share	EUR thousand	Share
Capital						
Equity	304,120	95%	346,472	93%	380,925	93%
Provisions	13,479	4%	21,026	6%	19,801	5%
Liabilities	2,091	1%	4,386	1%	6,531	2%
Deferred income	392	< 1%	365	< 1%	338	< 1%
Deferred tax liabilities	999	< 1%	999	< 1%	821	< 1%
Σ Capital	321,081	100%	373,248	100%	408,416	100%

The reduction in provisions is mainly attributable to lower tax provisions due to higher advance payments.

The liabilities were mainly to affiliated companies and resulted primarily from VAT liabilities of Alzchem Group AG as the parent company to the consolidated subsidiaries.

4.1.4. FINANCIAL PERFORMANCE INDICATORS

Key figure	Calculation	Unit	2023	2024	2025	Change
Sales	Absolute value	EUR thousand	6,368	9,231	8,190	-11.3%
EBIT	Earnings before interest and income taxes	EUR thousand	125	204	-79	-138.7%
Net income	Absolute value	EUR thousand	40,367	56,070	52,813	-5.8%

The business model of Alzchem Group AG does not require any non-financial performance indicators.

4.2. COMPARISON OF EXPECTED AND ACTUAL DEVELOPMENTS

At the time of preparing the annual financial statements for the fiscal year 2024, the forecast for Alzchem Group AG for the fiscal year 2025 was as follows:

	2024	Forecast for 2025
Sales	EUR 9.2 million	Significantly decreasing
EBIT	EUR 204 thousand	Stable
Net income	EUR 56.1 million	Strongly growing

A review of the forecast as of December 31, 2025, shows the following developments in fiscal year 2025:

	2025	Actual development 2025
Sales	EUR 8.2 million	Decreased particularly strongly
EBIT	EUR -79 thousand	Decreased particularly strongly
Net income	EUR 52.8 million	Decreased significantly

In line with the forecast, sales declined compared with the previous year – albeit slightly more sharply than expected at the time of the forecast. In line with the sales trend, EBIT also fell particularly sharply to EUR -79 thousand. At the same time, net income declined significantly to EUR 52.8 million.

4.3. FORECAST REPORT OF ALZCHEM GROUP AG (INDIVIDUAL COMPANY)

Based on the Group forecast and its significant impact on Alzchem Group AG (annual financial statements under commercial law), the company issues the following forecast for Alzchem Group AG for the fiscal year 2026:

	2025	Forecast for 2026
Sales	EUR 8.2 million	Significantly decreasing
EBIT	EUR -79	Significantly growing
Net income	EUR 52.8 million	Significantly growing

Alzchem Group AG's operating sales are expected to decline significantly in fiscal year 2026 due to lower personnel cost allocations.

The EBIT figure is mainly influenced by the cost-plus allocation of management, assistance, financing, personnel, and consulting services and is expected to grow significantly. In terms of net income, a strong increase in earnings from the profit transfer is expected in line with the explanations and the Group forecast.

5. RISK AND OPPORTUNITY REPORT

In order to ensure the legally required monitoring of material business risks by the Management Board and the Supervisory Board, there are

- an internal control system, among other things to ensure proper and effective accounting (Sections 289 (4) and 315 (4) HGB),
- a compliance management system based on the IDW PS 980 auditing standard
- and a risk management system that includes an early risk detection system in accordance with Section 91 (2) AktG.

Overall responsibility for the internal control system (ICS) and the risk management system lies with the Management Board of Alzchem Group AG.

Due to the profit and loss transfer agreement with Alzchem Trostberg GmbH, the risk and opportunity situation of Alzchem Group AG generally corresponds to that of the Alzchem Group. Consequently, the following risk and opportunity report refers to both the Alzchem Group and Alzchem Group AG.

5.1. RISK REPORT

STRUCTURE AND ORGANIZATION OF RISK MANAGEMENT

Structure and organization of risk management

The Management Board of Alzchem Group AG has appointed a risk manager who is available as a central contact person for the Alzchem Group and who continuously develops risk management. He reports to the Management Board at least once a year on the summarized risk and is in constant communication with the Management Board. If risks arise that could jeopardize the company's existence, reports are also made during the year. Risk management is carried out through regular meetings and reports from the respective committees, bodies, and specialist departments.

Risk management at the Alzchem Group encompasses all measures for the systematic and transparent handling of risks and, through its integration with the controlling processes, is an integral part of corporate management. A standardized risk inventory is carried out annually in accordance with the enterprise risk management approach. A catalog of relevant risk categories is used to identify all relevant risks as comprehensively as possible. In addition, standardized assessment and reporting tools are available

for recording and assessing risks. Identification is supported by IT-based queries and interviews conducted by the risk manager with the respective risk managers. The scaled risk volume is determined taking into account the probability of occurrence and the extent of damage. The aim of this measure is the early identification, assessment, and control of those risks that could significantly influence the achievement of the company's strategic, operational, financial, and regulatory compliance goals.

To assess the risks, the expected effects of the risk levels in their specific forms (very low, low, medium, and high) are weighted with their individual probability of occurrence (very low, low, medium, and high) and then converted into a point value on a three-level scale. The point value then determines the classification of the risk significance as low, medium, or high for the net assets, financial position, and results of operations. Measures already taken to limit risk reduce the classification of risk significance.

The assessment is based on the following assumptions in detail:

	Very low	Low	Medium	High
Probability of occurrence	< 10%	10% – < 30%	30% – < 50%	from 50%

The period under review is three years. Risks in the more distant future were also recorded, with the time horizon being taken into account in the damage assessment.

The extent of the risks is based on the following assumptions, which serve as indicators of the impact on the net assets, financial position, and results of operations:

	Very low	Low	Medium	High
Impact in EUR million	< 2.5	2.5 – < 12.6	12.6 – 31.4	> 31.4

The risk consolidation scope corresponds to the consolidation scope used for accounting purposes. The risks do not differ significantly between the segments and, due to the integrated structure, are not concentrated in just one segment. Rather, the risks described below exist across the entire Group and across all segments.

In addition, the significant risks identified in the business impact analysis (BIA) are also included and tracked.

As part of this risk management process, the following topics were identified that could have a significant or materially adverse effect on the future development of the company.

The risk management system described above focuses primarily on business risks but also addresses opportunities. The opportunity management process is also integrated into the internal controlling processes and is carried out in the operating segments on the basis of the corporate strategy.

The Management Board assesses the adequacy and effectiveness of the ICS and the risk management system once a year. At the relevant Management Board meeting, the company-wide risk and opportunity situation is evaluated, the results of the internal control process are explained, and an overall statement is made on the adequacy and effectiveness of the ICS and the risk management system.

5.1.1. SUMMARY OF RISKS

The risks identified for the Alzchem Group as part of the risk inventory, taking into account the measures already taken or planned, have no impact on the Alzchem Group that could jeopardize its continued existence, either individually or in combination with each other.

The categorization of risks and the structure of the risk report are consistent with previous years, enabling comparability through this continuity.

The risk areas are structured as follows:

Risk area

Sales markets

Production

Raw material markets

Human resources

Financial markets

Research and development

Logistics

Other

Each individual risk identified was assigned to a risk area as part of the risk inventory.

In summary, the following assessments were assigned to the individual risk areas with regard to the amount of damage and probability of occurrence in accordance with the assessment assumptions described above.

Based on the maximum amount of damage identified in a risk area for an individual risk in accordance with the above assessment assumptions, the following probabilities of occurrence are assigned to these individual risks:

Assessment maximum damage amount					Assessment probability of occurrence				
	very low	low	medium	high	very low	low	medium	high	
Sales markets									Sales markets
Production									Production
Raw material markets									Raw material markets
Human resources									Human resources
Financial markets									Financial markets
Research and development									Research and development
Logistics									Logistics
Other									Other

Based on the maximum probability of occurrence of an individual risk identified in a risk area in accordance with the above classification, the following corresponding amounts of damage result for these individual risks:

Assessment highest probability of occurrence					Assessment damage amount				
	very low	low	medium	high	very low	low	medium	high	
Sales markets									Sales markets
Production									Production
Raw material markets									Raw material markets
Human resources									Human resources
Financial markets									Financial markets
Research and development									Research and development
Logistics									Logistics
Other									Other

Significant individual risks arise as a result of persistently high energy prices, strong competitive pressure from China, licensing restrictions, and risks associated with plant approvals. The risk areas of logistics and research & development listed in the overview are not discussed in further detail due to their low significance in terms of risk exposure.

When conducting the risk inventory, the expected values of the individual risks are compared with the risk-bearing capacity. The expected risks are assessed in terms of their impact on the liquidity and equity of the Alzchem Group. Based on the analyses and estimated impacts, there is no indication that the risk-bearing capacity is not sufficient.

5.1.2. SALES MARKETS

5.1.2.1. COMPETITIVE RISK

Alzchem faces varying degrees of competition with its various products. In some areas, the company is the regional market leader, while in others, it faces intense competition. In some key markets, the main competitors come from regions outside Europe, particularly China, where they benefit from cost advantages and completely different conditions in the areas of personnel, energy, waste disposal, and the environment. In other markets, Alzchem competes with well-established and strong competitors from leading industrial nations, who often operate globally, have global distribution networks, and can produce locally in line with the local cost structure. In fiscal year 2025, competition remained very intense for some of Alzchem's products due to significantly higher energy costs and steadily increasing regulatory requirements in Europe.

A loss of competitiveness could significantly affect demand for Alzchem's products and therefore have a noticeable negative impact on Alzchem's sales and revenue.

Various factors can influence the price at which a competitor is willing to supply its products. These include access to cheap raw materials and government subsidies, which Alzchem may not have. In addition, state-owned or state-supported competitors could resort to measures such as capacity increases and/or price reductions to dumping levels. Similar to fiscal year 2025, increased competitive pressure from China is likely to continue in the future due to declining domestic demand, lower US exports due to tariffs, and the resulting increased export pressure in other regions.

Alzchem is responding to declining competitiveness due to increased manufacturing costs by improving production efficiency and adjusting its product pricing and product volume strategy. In addition, Alzchem is attempting to focus on products with higher margins and to improve existing products and applications through innovation. The economic opportunities offered by certain low-margin products are also being reviewed on an ongoing basis. Alzchem is the only remaining manufacturer outside China for many products and is in close dialogue with customers on this issue.

In addition to companies from India and China, there are also local, globally active competitors who leverage their economies of scale, greater purchasing power, and greater financial flexibility to offer products at lower prices than Alzchem can. This, too, can lead to crowding-out effects with declining sales and falling revenues.

5.1.2.2. MARKET DEVELOPMENT

Market developments refer to changes in customer demand behavior due to external influences. Alzchem offers a large number of different chemical products based on the NCN chain in diversified markets, some of which are cyclical, highly volatile, and sensitive to consumer spending and preferences, consumer confidence and income, unemployment rates, interest rates, and energy prices, among other factors. As a result, demand for Alzchem's products may be adversely affected by negative developments in certain sectors and industries.

In the agricultural sector, for example, demand for Alzchem's products depends on production levels, which is why the company is exposed to seasonal fluctuations and

sales risks due to meteorological and climatic conditions. In addition, demand for food produced without chemical fertilizers could increase, leading to a decline in demand for chemical fertilizers.

In the feed and agrochemical industries, changes in consumer habits and preferences (increasing trend toward organic meat) could lead to a decline in demand for Alzchem's products. A shift in consumer behavior toward "less meat" could also have a negative impact on demand for Alzchem products. Similarly, animal diseases (e.g., bird flu) usually lead to short- to medium-term adjustments in demand for feed products.

In the steel industry, Alzchem's products for pig iron desulfurization are exposed to cyclical industry fluctuations.

In general, there is always a risk that changes in economic conditions will influence customer demand behavior. If the global economy heads into a downturn, this may also affect Alzchem's customers, who will then purchase fewer Alzchem products. Similarly, high inflation can have a negative impact on customer demand behavior. In addition, the monetary and fiscal policy decisions of individual governments around the world influence regional market developments, with potentially negative consequences for Alzchem.

Alzchem is exposed to all these fluctuations and can only counteract them through broad product and market diversification. Despite the high product diversification of the Group's portfolio, there is a certain concentration on the customer side. Alzchem supplies a large number of global players in the worldwide chemical industry and is therefore exposed to industry-specific risk. This is countered by a broad product range, contract-based cooperation, and strong customer loyalty.

5.1.2.3. SUBSTITUTION RISKS

In the field of chemical products, there is a latent risk that individual compounds will be replaced by other chemical substances or compounds, or that completely new materials or alternative technologies and production processes will be established on the market that are improved, more cost-effective, or more sustainable than Alzchem's products. Such developments could have a negative impact on sales and revenue and thus on Alzchem's results of operations.

Alzchem counters these risks by developing customer-specific products, providing intensive technical support and advice to customers, and jointly developing (new) products that are specifically tailored to customer needs. Especially since Alzchem operates in many markets, it is necessary to closely monitor all of these markets and for the sales team to constantly track developments among customers.

5.1.2.4. LEGAL CHANGES / POLITICS

Alzchem's business activities are subject to comprehensive regulations, which may change and become stricter as a result of political decisions or changes. In particular, the regulatory framework for environmental protection, health, and safety issues in Europe in general, as well as for the manufacture and placing on the market of products, is subject to frequent changes, which in most cases lead to the imposition of stricter requirements.

Specifically, a restriction procedure initiated by the EU Commission in 2019 regarding the use of calcium cyanamide as a fertilizer is still pending. The member states in the REACH Regulatory Committee have not yet decided on the draft restriction presented by the EU Commission on the basis of the proposal by the European Chemicals Agency (ECHA) to ban the use of calcium cyanamide as a fertilizer after a transition period of several years, even in 2025. However, nu-

merous stakeholders in the EU member states are opposed to such a restriction and criticize the insufficient impact assessment with regard to the unintended consequences of such a ban. In 2025, the REACH Regulatory Committee revisited the issue of a possible Europe-wide ban on calcium cyanamide as a fertilizer. However, no final decision could be reached. Although the EU Commission agreed with the ECHA's assessment and spoke out in favor of a restriction in principle, a corresponding decision has not yet found sufficient support among the member states. They pointed in particular to the importance of calcium cyanamide for industrial value chains and the potential negative effects, for example on the reliability of nitroguanidine production, and have called for further analysis in this regard. Even though a ban cannot be ruled out, Alzchem continues to assume that the proposal by the EU Commission/ECHA will not be adopted in its current form. However, if a ban were to be imposed, Alzchem would have to prepare for lower demand for calcium cyanamide products and precursors. This would significantly weaken integrated production and undermine resilience. It is not certain whether the transition period envisaged for a ban on use would be sufficient to fully compensate for the impending loss of sales, for example through growth in other markets.

Furthermore, the substance cyanamide, which is manufactured and used by Alzchem, is also the subject of regulatory efforts. As already communicated in recent annual reports, after 17 years of approval efforts, discussions, and three positive approval opportunities, the EU Commission and the member states in the Biocidal Products Committee nevertheless rejected its approval as a biocidal active substance, and other applications could also be restricted in the medium term. Alzchem has now also lost its case against the non-approval of the biocide at the European Court of Justice (ECJ). Although the judges confirmed that the product could have been approved, as soon as the EU Commission sees even the slightest risk, it is entitled to suspend its own

regulations. Alzchem will therefore appeal to the Court of Justice of the European Union (CJEU).

The same applies to the substance melamine, which is found in very low concentrations in a few products, particularly basic chemicals. In this regard, however, Alzchem assumes that it will be able to comply with all limit values in the future.

Furthermore, both the German legislature and the EU Commission could in future prohibit the export of chemicals and, in particular, plant protection products that are banned in the EU itself. This could have an impact on Alzchem's products. However, given the already comprehensive regulations in this area and the outstanding benefits for users in target countries with climatic and ecological conditions that differ from those in Europe (e.g., with regard to pest infestation and plant diseases), Alzchem continues to assume that such a ban will not be implemented.

The European Commission has set itself the goal of achieving climate neutrality by 2050, thereby fulfilling its obligations under the Paris Agreement. This goal is to be achieved through political initiatives within the framework of the European Green Deal. The EU Commission sees the Green Deal as a growth strategy. Its implementation poses a major challenge for the chemical and pharmaceutical industry, as various measures could also have a negative impact on the sector. Negative effects on Alzchem may arise if unrealistic targets are set for the chemical industry or if ideological considerations are given priority over scientific findings in product approvals. In general, the Green Deal could lead to the relocation of certain production processes to regions outside the EU and thus to the loss of Alzchem customers.

At this point in time and based on the current legal situation, Alzchem does not see any further risks from a changing legal environment beyond those reported. All existing production facilities can continue to produce under the current regulatory conditions and there are no approval restrictions that affect the current sales of Alzchem products.

5.1.3. PRODUCTION

As a manufacturing company, Alzchem is exposed to the risk of business interruptions, for example as a result of power or natural gas shortages, quality problems, or unexpected technical problems (e.g., due to technical failure, sabotage, or disasters). These risks can lead to production interruptions or shutdowns, resulting in personal injury and damage to reputation, a decline in sales or margins, or the need to rebuild destroyed infrastructure. These risks are minimized through regular maintenance and renewal of existing facilities, appropriate safety precautions (which were already increased in the past year), insurance, etc. At Alzchem, a dedicated project group is working on the issue of physical security with the aim of identifying existing gaps and eliminating them immediately.

The risk of not obtaining the plant components required for maintenance or investment – particularly in the case of the expansion of nitroguanidine capacities – or of not obtaining them in time is minimized through close monitoring and a precautionary purchasing process.

Finally, as an operator of chemical plants, Alzchem is subject to the risk of stricter regulations regarding the operation of plants. Changed measurement methods, more detailed approval processes, and changed framework conditions (including the IED Directive) carry the risk of making operating permits more difficult to obtain. As a company with decades of experience in plant operation and comprehensive expertise, Alzchem is confident that it will be able to meet these requirements, although considerable costs for conversions cannot be ruled out in some cases.

5.1.4. RAW MATERIAL MARKETS

5.1.4.1. ENERGY MARKETS

Alzchem is an energy-intensive company, and electricity is one of the three basic raw materials used at the start of Alzchem's NCN integrated production process. The term "energy-intensive" therefore essentially refers to electricity consumption. As a raw material, electricity is a significant component of the manufacturing costs for Alzchem's products. However, the share of electricity in manufacturing costs decreases the further the individual products progress in NCN integrated production or if they are only at the end of NCN integrated production or even outside of it. Production in the Basics & Intermediates segment is very electricity-intensive, but less so in the Specialty Chemicals segment.

The fiscal year 2025 has once again demonstrated the impact that high energy costs can have on Alzchem's net assets, financial position, and results of operations. Energy costs rose significantly again in the reporting year and were extremely high at times. Electricity prices could rise further in the future compared to the level 2025, remain stable, or fall. Accurate forecasts are not possible. Alzchem is therefore exposed to the risk of rising or fluctuating electricity prices.

Since electricity prices are an integral part of product costing, Alzchem can only counter this risk in the first instance by raising prices but may have to reverse these increases if electricity prices fall. Alzchem therefore sets prices in close consultation with its customers for only a very short period of time. Increasingly, price escalation clauses are being

agreed with customers that take into account spot electricity prices, among other factors. Alternatively, longer-term price commitments are offered on the basis of back-to-back transactions. Alzchem also continuously monitors developments on the electricity markets to determine whether a hedging strategy makes economic sense.

In addition to price increases, Alzchem also adjusts production as necessary. The main electricity consumption results from the operation of the two carbide furnaces in Germany. Depending on developments on the electricity markets, the carbide furnaces can be operated flexibly and, in times of absolute electricity price peaks, can also be shut down at short notice or partially shut down.

The third measure consists of an increasing focus on products whose manufacture is less electricity-intensive. These products can further drive Alzchem's growth.

The risk arising from electricity price developments is that Alzchem's customers will no longer accept price increases and Alzchem will therefore have to accept losses in sales and revenue. Another risk is that the price increases cannot be passed on to customers immediately, but only after a certain delay. If, in addition, the payment terms for electricity suppliers and customers are far apart, this can have negative effects on Alzchem's liquidity position.

If the development of electricity prices generally leads to a decline in industrial production in Germany and Europe, this may have a negative impact on sales and revenue and thus on Alzchem's net assets, financial position, and results of operations.

5.1.4.2. PROCUREMENT

The most important raw materials for Alzchem's product portfolio, which is based on carbide/calcium cyanamide, are lime, coal, coke, and electrical energy. In addition, a number of chemical raw materials are required for the production process. Market prices for lime, coal, coke, energy, and other chemical raw materials are subject to considerable fluctuations.

In addition to these important basic raw materials, the Group also sources chemical raw materials from Asia. Disruptions in supply chains, unexpected production interruptions, and unreliable suppliers are latent risks that Management must always take into account. Despite the strict pursuit of a "multiple sourcing strategy", certain supplier dependencies cannot be completely ruled out, which further increases the complexity of the supply chain process.

5.1.5. PERSONNEL

Qualified and committed employees are crucial to Alzchem's future success. Due to demographic developments and increasing competition for good employees, retaining existing staff and attracting new suitable employees may become increasingly challenging in the future. However, as an attractive, successful company with strong roots in the

region, Alzchem considers itself well equipped to counteract the risks of staff turnover or an insufficient supply of new skilled workers. Through appropriate training and continuing education, the ongoing establishment of employer branding, and consideration of employee needs, Alzchem will continue to succeed in attracting qualified and committed employees in the future.

5.1.6. FINANCIAL MARKETS

5.1.6.1. LIQUIDITY RISK

Alzchem Trostberg GmbH is responsible for financing within the Alzchem Group and ensures the financing of the German companies via cash pooling. Alzchem is financed through operating cash flow and long- and short-term financing lines from banks. Overall, Alzchem assumes that the short-term financing currently available and restructured in fiscal year 2025 will ensure sufficient liquidity for the Alzchem Group's business activities at all times.

5.1.6.2. EXCHANGE RATE RISK

Alzchem generates sales revenues in foreign currencies and purchases goods in foreign currencies. The most important currencies for Alzchem in this operating activity are the US

dollar (USD), Chinese renminbi (CNY), Japanese yen (JPY), and Swedish krona (SEK). As a result, the company is exposed to exchange rate risks. In fiscal year 2025, currency hedging transactions were carried out for selected transactions. In addition, Alzchem continuously monitors whether further favorable hedging opportunities may arise for the company. The risk exposure for the major currencies is determined on a weekly basis. In particular, there is also natural hedging for the most important currency, the USD, as Alzchem has both sales and purchases of goods in USD, which reduces the risk position. The remaining open monetary amounts of receivables and liabilities in foreign currencies may result in opportunities and risks for Alzchem due to changes in actual exchange rates, and any income from currency translation may be lower than in previous periods.

In addition, there are exchange rate risks arising from the translation of foreign subsidiaries into Alzchem's reporting currency (euro). Exchange rates can also have an impact on Alzchem's global competitiveness. In addition to the risks described above, the company is also subject to possible negative influences from currency losses in so-called high-inflation countries due to its global business activities. As a rule, Alzchem counteracts these risks by invoicing in EUR or USD.

5.1.6.3. INTEREST RATE RISK

Alzchem has taken out short-term financing lines and some of its long-term loans at variable interest rates, which generally fluctuate in line with the EURIBOR. Potential changes in these capital market interest rates can lead to opportunities and risks for the interest payments incurred. Changes in market interest rates can also result in a change in the fair value of fixed-interest long-term loan liabilities. As a rule, Alzchem prefers fixed interest rates for long-term financing in order to avoid or reduce its risk exposure, but it also enters into variable interest rate agreements. In addition, the use of interest rate derivatives is reviewed on an ongoing basis.

5.1.6.4. INTEREST RATE DEVELOPMENT OF PENSION OBLIGATIONS

The Alzchem Group has obligations to current and former employees arising from pension and other pension-like benefit commitments. Changes in relevant valuation parameters, such as discount rates, mortality rates, wage and salary increase rates, and pension increase rates, can result in an increase or decrease in the present value of pension obligations. This gives rise to opportunities and risks, as a change can have a direct impact on equity and subsequently lead to changes in pension expenses. The Management Board regularly conducts scenario analyses with regard to compliance with financial covenants, thereby ensuring that changes are identified at an early stage and countermeasures can be initiated on this basis.

5.1.7. OTHER

5.1.7.1. ELECTRICITY LEGISLATION

As an energy-intensive company, Alzchem is dependent on a stable and affordable electricity supply. In this respect, Alzchem currently benefits in Germany from cost and tax reductions as well as exemption regulations for electricity costs under the Combined Heat and Power Act (KWKG), the offshore grid surcharge, the Electricity Grid Fee Ordinance (StromNEV), electricity price compensation, and certain exemption regulations with regard to electricity tax. All of these regulations enable energy-intensive industries to operate at a lower level of electricity costs in order to maintain their overall competitiveness against foreign market participants.

Taken together, these regulations lead to significant reductions in Alzchem's energy costs, without which the company would hardly be able to operate competitively for many products. In this respect, negative changes in the relevant legislation could have a detrimental effect on the Group's development. Alzchem therefore closely monitors the relevant legislation and case law and will continue to submit all necessary applications for cost and tax reductions and exemption regulations in due form.

5.1.7.2. LEGAL, LITIGATION, AND COMPLIANCE RISKS

The Alzchem Group is exposed to risks arising from legal disputes or proceedings. These include, in particular, risks in the areas of product liability, antitrust law, competition law, patent law, tax law, and environmental protection. As in previous years, however, the Group is not currently involved in any significant court or arbitration proceedings that could have a significant impact on the Group's economic situation.

Alzchem's business activities, in particular its sites, facilities, products, and operations, must comply with and are influenced by a variety of regulatory requirements in the countries in which the company operates. The regulatory framework for Alzchem's business activities is subject to ongoing legislative changes and developments that may require costly compliance measures.

There is no certainty that Alzchem will be able to renew or continue to use all of the licenses, permits, certificates, and approvals required for its business activities.

However, the Group has established a compliance management system based on IDW PS 980, which aims to ensure that employees act in a lawful, responsible, and sustainable manner. Potential violations are to be identified in advance and systematically prevented. The compliance management system thus makes a significant contribution to the integration of compliance into the operational business units and their processes. Regular training of employees in Germany, Sweden, the USA, China, and the UK strengthens their understanding and awareness of this complex topic.

5.1.7.3. IT RISKS

The global increase in threats to information security and greater professionalism in computer crime lead to risks in terms of the security of products, systems, and networks, as well as the confidentiality, availability, and reliability of data.

Cyber-attacks are becoming increasingly professional, while at the same time Alzchem's dependence on IT is growing. A threat to critical IT systems and applications can have a direct impact on Alzchem's production or supply chain operations. If data is unavailable or manipulated, this can, for example, compromise plant safety and the accuracy of financial reporting. Unauthorized access to sensitive data, such as information relevant to competition law or research results, can jeopardize Alzchem's competitive position.

To minimize such risks, information security is an integral part of Alzchem's business processes and business organization. Back in July 2017, Alzchem established an information security management system that is fully certified according to the international standards ISO 27001 and ISO 27019. The certificates are currently valid until December 27, 2027.

In addition to employees specially trained in cyber risks, Alzchem has stable and redundantly designed IT systems, backup procedures, virus and access protection, encryption systems, and integrated, Group-wide standardized IT infrastructures and applications. The information security systems in use are permanently tested, continuously updated, and expanded as needed. In addition, employees receive regular training on information security and privacy. Asset-based information security risk management follows a holistic bottom-up approach and includes intangible assets. The Alzchem Group's security policy is set out in internal manuals and communicated to employees throughout the company.

5.1.7.4. CLIMATE-RELATED RISKS

Climate-related risks are generally understood to be the physical and transitional risks that may arise as a result of climate change. Physical climate risks include, for example, damage to infrastructure as a result of climate change, such as drought, flooding, or prolonged rainfall. Transitional climate risks arise from the transition from a fossil fuel-driven economy to a low-greenhouse-gas economy.

Alzchem currently considers physical climate-related risks to be of minor importance.

For Alzchem, as an energy-intensive manufacturing company, climate-related risks arise in particular from regulatory changes, such as in the area of product approvals and energy legislation. This is reported separately in sections 5.1.2.4. and 5.1.7.1.

Alzchem has drawn up its own climate roadmap and presented it to the Annual General Meeting in May 2023. This roadmap aims to make Alzchem climate neutral much faster than the EU envisages, particularly with regard to Scope 1 emissions. The main focus is on avoiding CO₂ emissions and phasing out the use of fossil fuels. In theory, the climate roadmap could result in a change in the estimated useful lives of property, plant, and equipment. This has been reviewed and no additional risks have been identified. The measures in the climate roadmap are predominantly expansions or new investments that do not require existing plants to be decommissioned before the end of their estimated useful life or at all.

A company's emissions balance sheet can lead to negative perceptions and reduced attractiveness among external stakeholders, such as customers and investors. Alzchem counters these risks with various measures, such as the development and publication of a climate roadmap, the annual publication of an environmental statement, the voluntary preparation and economic review of a sustainability report ("CSRD report") that takes into account the new European

Sustainability Reporting Standards (ESRS), which have not yet been implemented in Germany, and providing information on the implementation of climate-friendly investments. This information is explained transparently in publicly available sources, such as quarterly and annual reports or on the Alzchem website and is also addressed in direct exchanges with external stakeholders.

5.2. OPPORTUNITY REPORT

As part of its risk management activities, Alzchem also regularly identifies and evaluates opportunities that arise in its business areas. However, these represent only a small but significant portion of the opportunities available to the company. In addition, the assessment of opportunities is subject to ongoing changes. Alzchem actively pursues the most significant opportunities listed here on an equal basis and transfers them to internal control parameters. Please refer to the above-mentioned performance indicators for more information.

The scope of opportunity consolidation corresponds to the scope of consolidation used for accounting purposes. The opportunities do not differ significantly between the segments and are not concentrated in just one segment. Rather, the opportunities described below are Group-wide and cross-segment.

5.2.1. DIVERSIFICATION AND GLOBAL PRESENCE

The Alzchem Group operates a stable NCN family tree with the main products calcium carbide, Perlka® fertilizer, cyanamide, dicyandiamide, nitroguanidine, and other high-quality derivatives such as DYHARD®, Creapure®, and Creamino®. The company strives to consistently exploit growth opportunities through a combination of diversification, market penetration, and market development.

Changes in market conditions and regulatory changes are continuously monitored and, where possible and appropriate, immediately exploited. In addition to traditional products, the company also invests continuously in the development of new products and seeks new applications for existing products.

Alzchem supplies a wide range of end markets with a broad product portfolio. This high level of diversification supports sustained, balanced sales and earnings growth with a foothold in many different market segments and industries. To date, the Group has always been able to offset or even overcompensate for economic or regional sales fluctuations in one industry with growth in another segment or country.

As part of its global presence in more than 70 countries, comprehensive market potential is identified and consistently processed using in-house project tools and implemented in the short, medium, and long term.

Finally, not least due to the agreement concluded with the US Department of Defense (see section 3.2.2.), Alzchem has the opportunity to further advance its internationalization with its own production site in the US and to supply customers outside Europe regionally in the future. Alzchem will make the best possible use of this opportunity if the search for a site is successful.

5.2.2. NCN CHAIN AND BACKWARD INTEGRATION

Thanks to a backward-integrated production chain, Alzchem enjoys a high degree of independence, which significantly reduces the risks associated with supply chain turbulence. This security feature is becoming increasingly important to customers – many of whom are willing to pay a premium for a reliable European partner. Alzchem is the only remain-

ing manufacturer outside China for numerous products and maintains close contact with its customers in this regard.

5.2.3. GROWTH POTENTIAL IN LINE WITH GLOBAL DEVELOPMENTS

Alzchem sells its products in diversified markets that follow global developments, have the potential for stable growth, and are therefore likely to benefit Alzchem's business development. In fiscal year 2025, more than 80% of the Specialty Chemicals segment's sales revenues were attributable to global developments in population growth, healthy aging, energy efficiency, and defense.

POPULATION GROWTH

The world's population is still growing steadily and needs to be fed. At the same time, the amount of land available for agricultural use is limited worldwide. Against this background, efficient processes are necessary to ensure that the growing population continues to be supplied with food in the best possible way in the future. The Alzchem Group's products meet these requirements and can be used in agricultural production that is increasingly focused on optimizing yields. Alzchem is well positioned to benefit from this global development. Creamino®, for example, a patented feed additive from Alzchem's Specialty Chemicals segment, is used worldwide primarily in poultry feed and leads to a better supply of the important biomolecule creatine. In addition to its use for poultry, Creamino® could be used increasingly in Europe and worldwide in the nutrition of other animal species. Alzchem is examining these opportunities. The growth regulator Dormex® ensures that farmers' yields remain stable, and buds sprout harmoniously in regions with few cold days. The product is currently sold mainly in the southern hemisphere. If global warming continues, more

and more farmers could become dependent on the use of Dormex®, which would create opportunities for Alzchem.

HEALTHY AGING

Alzchem believes that the food industry is being influenced by consumers' increasing health awareness and innovations in health technologies. The products Creapure®, Creavitalis® and LIVADUR® as dietary supplements, as well as the Bioselect® product portfolio, which consists of high-purity guanidine salts and is used in biotechnology, diagnostics and the pharmaceutical industry, are benefiting from these megatrends.

CLIMATE PROTECTION

Alzchem supports global efforts to reduce greenhouse gases and save or avoid CO₂ with a variety of solutions.

The Specialty Chemicals segment includes the DYHARD® product group, which is used as an epoxy resin hardener in lightweight constructions such as wind turbines, in the automotive and aerospace industries to reduce the weight of cars and aircraft, for example, thereby improving their energy efficiency. If more and more manufacturers turn to lightweight construction, this could represent an opportunity for Alzchem.

The Eminex® product launched by Alzchem is also particularly noteworthy. It reduces methane emissions during the storage of farm manure (slurry storage in agriculture) and can significantly reduce the impact of greenhouse gases from agriculture on the atmosphere. If farmers were to be subject to similar requirements to avoid greenhouse gases as those already in place for industry, this could represent a significant opportunity for Alzchem with its Eminex® product. In addition, privately organized certification systems could increase the opportunity to use the product as awareness of the need to avoid greenhouse gases continues to grow.

Finally, Alzchem has drawn up its own climate roadmap, which was approved by the Annual General Meeting in May 2023. The aim is for the company to become climate neutral much faster than the EU envisages – while at the same time improving profitability. The main focus is on avoiding CO₂ emissions and moving away from the use of fossil fuels. The measures set out in the climate roadmap will also result in process improvements and a reduction in the use of raw materials. In addition, ongoing communication about the measures and their implementation can also lead to a positive image among (potential) customers. Initial inquiries from new and existing customers regarding the climate-neutral manufacture of certain products have already been received. Alzchem therefore also sees the work on the climate roadmap and informing the public about it as an opportunity for cost savings and sales growth.

DEFENSE

Increasing geopolitical tensions have brought the defense sector back into the focus of national governments. In the world's democratically governed countries, Russia's invasion of Ukraine has led to a significant increase in national defense budgets and a renewed acceptance among the population. Alzchem supplies the product nitroguanidine as a propellant to the defense sector and is facing significantly growing demand, which is why an extensive investment program has been launched with the aim of significantly

increasing production capacity for nitroguanidine from the second half of fiscal year 2026.

5.2.4. STRONG BRANDS

Reliability, many years of high-quality work, and consistent brand development form the basis for Alzchem's strong market position. Creapure®, the leading brand for creatine monohydrate, exemplifies this strength. Creavitalis® has also been successfully established as a new brand product. With 970 registered trademarks worldwide and 43 ongoing trademark applications, Alzchem has a broad and established brand portfolio that opens up additional growth and competitive advantages for the company.

5.2.5. MARKET ENTRY BARRIERS

Alzchem benefits from entry barriers in the markets in which it operates. For potential new competitors, it can be time-consuming and costly to establish an integrated production network similar to that of Alzchem, obtain certifications, registrations, and approvals for plants and products in a highly regulated market environment, and achieve Alzchem's level of expertise and industrial property rights.

INTEGRATED PRODUCTION NETWORK

Alzchem is a vertically integrated manufacturer of specialty chemicals in the NCN network. Competitors focus on differ-

ent sectors of the NCN network, while Alzchem's integrated production network enables it to cover the entire NCN chain. The integrated production network gives the company particular flexibility to better respond to changes in demand for individual products. Furthermore, Alzchem is not as dependent on the raw material markets for the precursors that are manufactured within the NCN network itself. Despite the high degree of specialization of the products in the Specialty Chemicals segment, Alzchem can use its production facilities for a wide range of products, which, in its view, gives the company a competitive advantage in terms of resource efficiency as a result of vertical integration.

ELECTRICITY AS A SOURCE OF RAW MATERIALS

Another advantage of the production network is electricity as a source of raw materials. The entire chemical industry will have to switch from fossil fuels to electricity-based processes. This will require high transfer investments, but Alzchem will not have to make these investments because its business model is already based on electricity and can be operated flexibly with renewable energies within certain limits. Alzchem therefore neither has to bear transfer investments to an electricity business model nor suffer efficiency losses that competitors will experience when they have to switch their business model away from fossil fuels to electricity and hydrogen.

REGULATORY ENTRY BARRIERS IN THE MARKETS

Some of the sectors in which Alzchem operates are highly regulated. This applies in particular to the market for chemical products in general, the market for biocidal products and crop protection products, the market for food supplements and animal feed additives, and the pharmaceutical and cosmetics sector. Alzchem has the necessary approvals, registrations, and certifications to manufacture and distribute its products in these highly regulated markets. The company also holds certain certifications, registrations, and approvals that may be difficult, costly, or time-consuming for potential competitors to obtain.

Alzchem could even benefit from increasing regulation in this area, including a possible ban on SVHC substances. For example, melamine was classified as an SVHC substance by the European Chemicals Agency (ECHA) in early 2023. Investigations are currently underway to replace melamine with dicyandiamide (DCD) in selected applications. Alzchem is the only producer of DCD in Europe.

KNOW-HOW, TRADEMARKS, AND INDUSTRIAL PROPERTY RIGHTS

High product quality, delivery reliability, process expertise, and industrial property rights are the result of Alzchem's research and development activities, making it difficult for competitors to enter markets where Alzchem brands dominate. In the Specialty Chemicals segment in particular, innovation, expertise, and adequate protection are of fundamental importance.

Accordingly, several Alzchem products or processes are protected by patents or trademarks that prevent competitors from imitating Alzchem products. As of the current re-

porting date, the company holds 356 granted patents and a further 107 patent applications. In addition, Alzchem has 970 registered trademarks and 43 trademark applications.

5.2.6. LOCAL DISTRIBUTION

Alzchem continued to gradually expand its direct marketing channels for various products in the past fiscal year 2025. This will remain the case in the coming years, enabling Alzchem to offer more attractive prices and services based on greater customer proximity. The gradual expansion of its own brands and the intensification of its own distribution channels create a multitude of opportunities and possibilities. Alzchem has the opportunity to further expand integration, which is already deeply rooted in the company's DNA in terms of integrated production. By becoming even closer to its customers, Alzchem can respond even more specifically to user requirements and wishes, thereby continuously adapting its solutions to customer and market needs.

5.2.7. DIGITIZATION AND ARTIFICIAL INTELLIGENCE

Alzchem has firmly anchored consistent digitization and the use of artificial intelligence in its corporate strategy. The aim is to use modern technologies to achieve a sustainable increase in efficiency in key processes and areas of the company, thereby strengthening its long-term competitiveness.

A cross-functional team (AI team) for digitization and AI was established to ensure successful implementation. This team brings together expertise from different areas, evaluates

and prioritizes digital initiatives, and manages the implementation of new projects. This ensures that technological potential is identified at an early stage and exploited in a targeted manner.

Alzchem can already point to a number of successful digital and AI projects. These include, among others:

- an AI agent that automatically generates suggested responses to customer inquiries, which only need to be confirmed by an employee,
- a fully digitized and AI-supported contract management process,
- the automated creation of videos and digital employee training courses,
- specialist agents that already support our processes in a multi-agent system,
- our own AI models that are integrated directly into our production processes.

These examples highlight the potential of modern technologies to simplify and accelerate internal processes and improve internal and external communication.

In addition, a large number of other AI projects are in the planning stage. These projects are evaluated, prioritized, and implemented in a structured manner by the AI team according to clearly defined criteria. In this way, Alzchem is laying the foundation for systematically exploiting future opportunities offered by digitization and continuously generating added value for the company. What makes this special is that Alzchem has the necessary knowledge in-house and can therefore develop the majority of all innovations completely independently – a real added value.

6. FORECAST REPORT

The Alzchem Group's forecasts for the fiscal year 2026 are based on the following assumptions:

- No global recession; general global economic situation develops at the currently forecast level
- Costs for raw materials and logistics remain stable at the level of 2025
- Electricity prices remain at the increased level of 2025; no changes to the regulatory framework
- Existing approvals remain in place, pending approvals are granted
- Raw materials and logistics are generally available
- The war in Ukraine does not lead to any further disruptions
- No additional market barriers or restrictions on global trade (e.g., due to further US tariffs)
- The USD/EUR exchange rate remains at the level at the end of 2025
- First quantities from the new investment for nitroguanidine from Germany are delivered

The following table provides an overview of the Group's projected financial performance indicators for the fiscal year 2026:

	2025	Forecast for 2026
Group sales	EUR 562.1 million	Growing to around EUR 600 million
Adjusted EBITDA*	EUR 116.5 million	Growing to around EUR 126 million
Adjusted EBITDA margin*	20.7%	Slightly growing to around 21.0%
Inventories	EUR 116.0 million	Significantly decreasing
Inventory intensity	20.6%	Slightly decreasing
Equity ratio	41.8%	Slightly decreasing

* No adjustments were made.

The planned sales growth is to continue to be achieved organically; acquisitions are not included in the forecast. The main growth drivers are volume effects, supplemented by price effects resulting from developments in the raw materials and energy markets. Segment sales are once again developing differently. While Alzchem expects most of the growth to come from the Specialty Chemicals segment, sales in the Basics & Intermediates segment are expected to remain at roughly the same level as last year.

Within the Specialty Chemicals segment, further growth is expected to come primarily from the Human Nutrition and Defense product areas. This will require additional production capacity. Accordingly, both capacity expansions and optimizations to existing plants are part of the forecast. Due to the capacity expansion for creatine, which went into operation in the fourth quarter of 2025, we expect volume and sales growth in the Human Nutrition segment as early as fiscal year 2026. The new creatine production facility is scheduled to go into operation in 2027 and is therefore not yet included in the forecast 2026.

The new production facilities from the investment project to expand capacity for guanidine nitrate and nitroguanidine (for further details, see section 3.2.3.) are scheduled to go into operation in the second half of 2026. This means that Alzchem is likely to be slightly ahead of its customers' parallel expansion projects in the defense sector and will already be able to deliver as soon as these customers have built up additional production and purchasing capacities. We anticipate these expansions to lead to volume and sales growth in the second half of 2026, but do not yet anticipate full utilization of the new facilities. For 2026, we expect only minor sales effects from the accounting reversal of contract liabilities resulting from customer payments.

The financial effects of the capacity expansion in the US will still play a minor role in the forecast 2026, as the expenses for site search and site preparation will be largely covered by cost reimbursements.

For the Basics & Intermediates segment, Alzchem expects overall sales to remain at the previous year's level. However, the strategic guideline of deliberately foregoing volume if price quality is insufficient may lead to further declines in volume and sales in individual business areas. A possible economic recovery in the European steel industry is not taken into account in the forecast but could open up additional opportunities.

In the Other & Holding segment, we also anticipate sales to remain at the previous year's level.

We expect prices for the most important raw materials, energy, and logistics to remain stable at the level of 2025.

The Alzchem Group anticipates an increase in personnel expenses due to collectively agreed wage increases. In addition, the number of employees is expected to rise in line with the Group's organic growth.

The EBITDA margin in the Specialty Chemicals segment is traditionally higher than in the Basics & Intermediates segment. We expect this to remain the case in 2026. Sales growth in the Specialty Chemicals segment will further increase its share of Group sales. As a result, both the EBITDA contribution of this segment and the Group's EBITDA margin will rise. In the Basics & Intermediates segment, EBITDA in 2026 will be negatively impacted on a one-time basis by the six-month renovation of a carbide furnace. This measure will also lead to lower energy regulatory cost reimbursements.

A significant decline in inventories is forecast. The expected reduction in inventories results from the scheduled maintenance of a carbide furnace at the Hart site in the first half of 2026. After inventories were temporarily increased for this purpose in 2025, they are to be deliberately reduced again during the furnace shutdown. Inventory intensity will also decline as a result of this development.

Following the increase in EBITDA, Alzchem expects equity to rise. Although equity will be reduced by the planned dividend distribution, the positive earnings effect should outweigh this. A slight decline in the equity ratio is expected. On the one hand, the balance sheet effects of the investment project to expand guanidine nitrate and nitroguanidine capacities will have an impact (for details on the accounting treatment of customer grants, see 3.2.5.). On the other hand, we are considering taking out long-term financing for our growth projects. Overall, these factors will lead to a significant extension of the balance sheet, which may result in a slight decrease in the equity ratio despite the growth in equity. For the planning of pension provisions, an interest rate of 4.1% is expected, which is in line with the current level. A reduction in this interest rate would have a

negative impact on the equity ratio on a one-to-one basis, while a higher discount rate would have a correspondingly positive effect.

For fiscal year 2026, we expect sales and EBITDA to increase further by 7% and 8%, respectively, in addition to targeted investments in the future. At the same time, these investments in the future are laying the foundation for our next phase of growth. Once the currently planned investments are completed, we see significant potential for additional growth in the low double-digit percentage range in 2027.

With regard to the non-financial performance indicators (see [3.2.8.4.2.](#)),

- sustainable customer loyalty,
- training,
- management systems, and
- environment and energy,

Alzchem is optimistic that it will continue to improve.

The company strives to maintain customer loyalty at the level of previous years and to further expand it in selected business areas. Especially in view of the crises of recent years and the associated volatile markets, close cooperation with customers has proven to be a key success factor. This high level of customer proximity enables Alzchem to respond quickly, flexibly, and in a solution-oriented manner to inquiries and challenges.

In the area of training, Alzchem plans to keep the number of trainees constant. However, due to the planned increase in the total workforce, the corresponding percentage figure may decrease slightly.

All management systems and essential certificates will continue to be maintained. In the area of environment and energy, Alzchem pursues continuous optimization for five key

reasons, which is usually associated with a reduction in the relevant key figures:

- Reducing the impact on the environment,
- Reducing disposal costs,
- Conservation of resources,
- Alignment of production facilities with future-proof and sustainable processes,
- Compliance with national and international regulations.

Numerous measures are already being implemented in this context. Alzchem therefore continues to expect to achieve the targets it has set.

Furthermore, Alzchem assumes that the availability on the logistics and raw materials markets, which has now stabilized again, will continue. Possible effects of a further escalation of global political tensions are not included in this forecast.

Overall, it is clear that the Alzchem Group is well prepared for challenging conditions thanks to its broad positioning and solid financial base. Alzchem will continue to place great emphasis on this in the future.

The actual performance of the Alzchem Group and its segments may differ from the forecasts provided, either positively or negatively, due to the opportunities and risks described or changes in the underlying assumptions.

The forecasts are based on unchanged regulatory assumptions, for example with regard to Section 19 (2) of the German Electricity Network Access Regulation (StromNEV), electricity price compensation, the provisions of the German Energy Financing Act (EnFG) or existing product approvals. In addition, this forecast contains forward-looking statements based on current management estimates and currently available information. Such statements are subject to risks and uncertainties that are beyond Alzchem's

control. These include, among other things, developments in the market environment and economic conditions, the behavior of other market participants, the successful integration of potential new acquisitions and the realization of the expected synergy effects, as well as measures taken by government agencies. Should any of these uncertainties or other unforeseen circumstances arise, or should the underlying assumptions prove to be incorrect, actual results may differ materially from the expectations explicitly stated or implicitly contained herein.

In this forecast, Alzchem uses forward-looking statements regarding the expected business development. Terms such as "may", "will", "assume", "expect", "anticipate", "see", "presume", "consider", and "plan" characterize these statements. Such forward-looking statements represent the current estimates, assessments, expectations, and assumptions of the Management Board, some of which are beyond Alzchem's control. They are based on the best information available at the time this forecast was prepared. These statements are subject to existing risks and uncertainties. If these estimates, assessments, expectations, and assumptions of the Management Board do not materialize or differ from the original assessment, Alzchem's actual figures may differ from the forecast.

7. INTERNAL CONTROL SYSTEM RELATED TO THE ACCOUNTING PROCESS

The Management of Alzchem Group AG and its consolidated subsidiaries is responsible for establishing, applying, and further developing an appropriate internal control system (ICS) with regard to the accounting process. This system is the responsibility of the CEO and is designed to ensure that the consolidated financial statements are prepared in accordance with IFRS accounting standards and the annual financial statements of Alzchem Group AG in accordance with the German Commercial Code and the German Stock Corporation Act. This ensures reliable external financial reporting.

In addition, the combined management report must provide an accurate picture of the situation of the company and the Group, comply with German legal requirements, and correctly present the opportunities and risks of future development. Measures must be taken to enable the combined management report to be prepared in accordance with the applicable German regulations and to provide sufficient evidence for the statements in the combined management report.

The objective of the accounting-related ICS is to ensure uniform and legally compliant accounting that complies with generally accepted accounting principles and internal guidelines. The accounting process comprises the operational processes that provide the value flows for financial

reporting, as well as the preparation of the annual and consolidated financial statements and the sources of information from which the key disclosures for the consolidated financial statements are derived.

To ensure proper and uniform accounting, the basic principles of separation of duties, dual control, and IT access restrictions apply to prevent unauthorized data access. Reporting to the central finance department is carried out using a uniform reporting tool implemented throughout the Group. Additional control measures that cover risks in key processes and ensure reliable accounting and reporting are implemented decentrally in the specialist departments.

The accounting systems of all production companies included in the consolidated financial statements are located in a uniform SAP environment and are subject to uniform charts of accounts, account assignment specifications, processes, and process controls. The sales companies use ERP solutions that are adapted to the size of the companies. Above a certain size, a globally harmonized SAP environment is also used here.

The (Group) accounting process is managed within the Controlling/Accounting department of Alzchem Trostberg GmbH. A key element of the ICS with regard to the (Group) accounting process is a Group-wide accounting procedure, which is continuously checked for plausibility by employees of the Financial Controlling and General Ledger Accounting department as part of their monthly reporting. Group reporting is based on a monthly Excel consolidation tool with extensive testing and validation routines. External experts are consulted for special areas of accounting, such as pen-

sion reports (IAS 19), valuation of financial instruments (IFRS 9, IFRS 7, IFRS 13, IFRS 15, IFRS 16), and share-based payment (IFRS 2).

German companies have binding procedural instructions that have a specific impact on accounting, such as procedures for purchasing, disposal of non-current assets, and processing of advance payments. The dual control principle is ensured by a standardized SAP workflow (XFlow) and a system-embedded signature policy. Accounting and controlling data are only accessible to a limited group of people.

Information relevant to accounting is continuously exchanged with the Chief Financial Officer, Head of Controlling, Accounting, and Head of Compliance, and communicated to the Chief Executive Officer in regular meetings. In addition to the annual and consolidated financial statements, the Chairman of the Supervisory Board regularly discusses the Group's financial figures with the members of the Management Board. For foreign companies, monthly reports are submitted to the responsible Management and regular Board meetings are held.

8. ADDITIONAL DISCLOSURES FOR LISTED STOCK CORPORATIONS

Unless otherwise stated, the following information applies to the entire fiscal year 2025 and, in particular, to the balance sheet date.

8.1. COMPOSITION OF THE SUBSCRIBED CAPITAL

The subscribed capital represents the nominal capital of the parent company. The capital reserve includes all amounts of equity contributed to the company from outside sources that are not subscribed capital. Shares of other shareholders in the company's equity are reported as non-controlling interests. The subscribed capital of Alzchem Group AG, amounting to EUR 101,763,350, consists of 10,176,335 no-par value bearer shares as of the balance sheet date. The notional interest in the share capital per share is EUR 10.00. There are no different classes of shares. The company has not issued any shares with special rights; rather, all shares carry the same rights and obligations.

As of the balance sheet date, Alzchem held 52,629 treasury shares (December 31, 2024: 25,578 shares) out of the above-mentioned total number of shares issued.

Company	Subscribed capital 12/31/2025
Alzchem Group AG, Trostberg, Germany	EUR 101,763 thousand
Alzchem Trostberg GmbH, Trostberg, Germany	EUR 11,000 thousand
Alzchem International GmbH, Trostberg, Germany	EUR 1,000 thousand
Alzchem Stahltechnik GmbH, Trostberg, Germany	EUR 25 thousand
Suppliva GmbH (formerly Alzchem Nutrition GmbH), Trostberg, Germany	EUR 25 thousand
Alzchem Netz GmbH, Trostberg, Germany	EUR 300 thousand
Actegon Energy GmbH, Trostberg, Germany	EUR 25 thousand
Alzchem LLC, Atlanta, USA	USD 0 thousand
Alzchem Shanghai Co. Ltd., Shanghai, China	CNY 3,670 thousand
Nordic Carbide AB, Sundsvall, Sweden	SEK 50 thousand
Edelife Distributing LLC, Atlanta, USA	USD 4,112 thousand
Alzchem UK Ltd., Coventry, United Kingdom	GBP 1 thousand

8.2. RESTRICTIONS ON VOTING RIGHTS OR THE TRANSFER OF SHARES

- Each Alzchem share generally grants one vote at the Annual General Meeting.
- Restrictions on the voting rights attached to shares in individual cases may arise in particular from the provisions of the German Stock Corporation Act (AktG). Under certain circumstances, such as those specified in Section 136 AktG, shareholders may be prohibited from voting. Violations of the disclosure requirements under Sections 33 and 44 of the German Securities Trading Act (WpHG) may also result in the suspension of rights attached to shares, including voting rights, at least temporarily.
- There are no legal transfer restrictions relevant to Alzchem shares.
- The Articles of Association of Alzchem Group AG do not contain any restrictions on voting rights or the transfer of shares.

Contractual restrictions affecting voting rights attached to Alzchem shares or their transfer would generally have to be agreed between the shareholders and are not known to the Management Board. Exceptions to this are

- the Alzchem shares that must be acquired by the members of the Management Board in accordance with the agreements in their employment contracts ("mandatory shares"). The members of the Management Board may not dispose of these shares without penalty until the end of their respective terms of office;
- shares acquired by Alzchem employees as part of the employee participation program 2025. These are subject to a one-year lock-up period specified in the conditions of participation; employees may therefore only dispose of the shares by legal transaction after September 30, 2026.

8.3. DIRECT OR INDIRECT SHAREHOLDINGS EXCEEDING 10% OF THE VOTING RIGHTS

The following direct and indirect shareholdings in the capital of Alzchem Group AG exceeding 10% of the voting rights have been notified to the company by the shareholders in accordance with Sections 33 and 34 of the German Securities Trading Act (WpHG):

Mr. Markus Zöllner, Munich, notified the company on May 23, 2025, that four two na GmbH's share in Alzchem Group AG fell below the threshold of 15% of voting rights on May 22, 2025, and now amounts to 1,281,809 voting rights (= 12.60% of the company's total 10,176,335 voting rights), held directly or indirectly.

Prof. Dr. Dr. Peter Löw, Starnberg, notified the company on August 4, 2025, that Löw SE's share in Alzchem Group AG fell below the threshold of 10% of voting rights on August 1, 2025, and now amounts to 1,007,239 voting rights (= 9.90%

of the company's total 10,176,335 voting rights), held directly or indirectly.

The company has no other shareholders with a stake of more than 10% of the voting rights, either currently or in the recent past.

8.4. HOLDERS OF SHARES WITH SPECIAL RIGHTS

There are no shares in the company that grant their holders special rights, in particular control powers over the company, compared to the other shareholders.

8.5. TYPE OF VOTING RIGHTS CONTROL IN THE CASE OF EMPLOYEE SHAREHOLDINGS

With the exception of the treasury shares issued to employees as part of (i) the share-based remuneration in March 2023 and (ii) the employee participation program in September 2025, the Management Board is not aware of any employee shareholdings. It should also be noted that the shares issued to employees as share-based remuneration in March 2023 – which at that time accounted for just under 0.4% of the share capital of Alzchem Group AG – were not subject to any restrictions on disposal and could be sold by employees at any time. In contrast, the shares issued as part of the employee participation program 2025, which represent just under 0.3% of the share capital of Alzchem Group AG, are subject to a one-year lock-up period; employees may therefore only dispose of these shares by legal transaction after September 30, 2026.

Employees who have acquired Alzchem shares without the knowledge or involvement of the company exercise their control rights like all other shareholders in accordance with the statutory provisions and the Articles of Association.

8.6. LEGAL PROVISIONS AND REGULATIONS OF THE ARTICLES OF ASSOCIATION ON THE APPOINTMENT AND DISMISSAL OF MEMBERS OF THE MANAGEMENT BOARD AND ON AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The requirements for the appointment and dismissal of members of the Management Board and for amendments to the Articles of Association are governed by the provisions of the Articles of Association and the German Stock Corporation Act (AktG). Pursuant to Section 6.1 of the Articles of Association of Alzchem Group AG, the Management Board consists of one or more persons. The Supervisory Board appoints the members of the Management Board and determines their number. Pursuant to Section 84 (1) AktG, the members of the Management Board are appointed for a maximum term of five years. Reappointments are permitted. The Supervisory Board appoints the members of the Management Board by resolution with a simple majority of the votes cast. Pursuant to Section 6.1 of the Articles of Association and Section 84 AktG, the Supervisory Board may appoint a Chairman of the Management Board and a Deputy Chairman of the Management Board. If a required member of the Management Board is missing, the court must appoint the member in urgent cases at the request of a party involved pursuant to Section 85 AktG.

Pursuant to Section 84 (3) AktG, the Supervisory Board may revoke the appointment of a member of the Management Board and the appointment of the Chairman of the Management Board if there is good cause. Revocation shall be effected by a resolution of the Supervisory Board passed by a simple majority of the votes cast.

Amendments to the Articles of Association require a resolution by the Annual General Meeting. Unless the Articles of Association provide for a different majority, resolutions of the Annual General Meeting on amendments to the Articles of Association require a majority of at least three-quarters of the share capital represented at the time of the resolution in accordance with Section 179 (2) AktG. However, § 21 (1) of the company's Articles of Association stipulates that resolutions are generally passed by a simple majority of the votes cast and, if a capital majority is required, by a simple majority of the share capital represented at the time of the resolution. This provision also applies to any amendments to the Articles of Association.

Pursuant to Section 16 of the Articles of Association of Alzchem Group AG, the Supervisory Board is authorized to resolve amendments to the Articles of Association that only affect their wording.

Pursuant to Section 11 (4) of the Articles of Association, resolutions of the Supervisory Board are passed by a majority of the votes cast, unless otherwise required by law. In the event of a tie, the Chairman of the Supervisory Board (but not his deputy) is entitled to a second vote in a repeat vote, which may be ordered by the Chairman of the Supervisory Board.

8.7. AUTHORIZATIONS OF THE MANAGEMENT BOARD TO ISSUE AND BUY BACK SHARES

8.7.1. AUTHORIZED CAPITAL

Pursuant to Section 5 (5) of the company's Articles of Association, the Management Board is authorized, with the approval of the Supervisory Board, to increase the share

capital of Alzchem Group AG on one or more occasions by a total of up to EUR 10,176,330.00 (in words: ten million one hundred seventy-six thousand three hundred thirty euros) by issuing up to 1,017,633 new no-par value bearer shares in exchange for cash and/or non-cash contributions. In principle, shareholders shall be granted subscription rights. The statutory subscription right may also be granted in such a way that the new shares are taken over by a credit institution or a consortium of credit institutions designated by the Management Board with the obligation to offer them to the shareholders of the company for subscription.

The Management Board is authorized, with the approval of the Supervisory Board, to exclude the statutory subscription rights of shareholders in the following cases:

- in the event of a capital increase against contributions in kind, in particular for the acquisition of companies, parts of companies, or interests in companies;
- in the case of capital increases against cash contributions, if the issue price of the new shares issued with the exclusion of subscription rights pursuant to Section 186 (3) sentence 4 AktG is not significantly lower than the stock market price of the already listed shares of the same class and with the same features, and the total proportionate amount of the share capital attributable to the new shares issued with the exclusion of subscription rights pursuant to Section 186 (3) sentence 4 AktG does not exceed 10% of the share capital existing at the time this authorization takes effect and at the time this authorization is exercised. Shares issued or sold during the term of this authorization until the date of its exercise in direct or corresponding application of Section 186 (3) sentence 4 AktG shall be counted toward this limit of 10% of the share capital;
- to avoid fractional amounts; and/or

- to issue shares to employees of the company or an affiliated company in return for cash and/or non-cash contributions as part of share ownership or other share-based programs, whereby the employment relationship with the company or an affiliated company must exist at the time the share issue is committed.

The Management Board is authorized, with the approval of the Supervisory Board, to determine further details of the capital increase and its implementation, in particular the content of the share rights and the conditions of the share issue, including profit sharing deviating from Section 60 (2) AktG. If shares are issued to employees of the company or an affiliated company, the shares may also be issued in such a way that the contributions to be made on them are covered by the portion of the net income that the Management Board and Supervisory Board could allocate to other retained earnings in accordance with Section 58 (2) AktG. The Supervisory Board is authorized to amend the company's Articles of Association accordingly after the authorized capital has been fully or partially utilized or has expired, in particular with regard to the amount of share capital and the number of existing no-par value shares.

8.7.2. CONDITIONAL CAPITAL

The Annual General Meeting did not grant the Management Board any rights by way of a conditional capital increase. The company also does not maintain any stock option programs or similar securities-based incentive systems that would require such conditional capital.

8.7.3. AUTHORIZATION TO ACQUIRE AND USE TREASURY SHARES

In order to enable Alzchem Group AG to acquire and re-sell any treasury shares, the Annual General Meeting 2024 authorized Alzchem Group AG in accordance with Section 71 (1) No. 8 AktG, to acquire treasury shares in a volume of up to 10% of the share capital existing at the time of the resolution or, if this amount is lower, of the share capital existing at the time the authorization is exercised, until May 6, 2029. The shares acquired on the basis of this authorization, together with other shares of the company owned by Alzchem Group AG at the time of acquisition or attributable to it in accordance with Sections 71d or 71e AktG, may not at any time exceed 10% of the share capital. The authorization may not be used by Alzchem Group AG for the purpose of trading in treasury shares.

The authorization may be exercised in whole or in part, once or several times, by Alzchem Group AG or by companies dependent on or majority-owned by Alzchem Group AG or by third parties acting on behalf of Alzchem Group AG or companies dependent on or majority-owned by Alzchem Group AG. At the discretion of the Management Board, the acquisition may be made via the stock exchange or by means of a public purchase offer addressed to all shareholders or a public invitation to submit offers for sale, or via a credit institution or another company that meets the requirements of Section 186 (5) sentence 1 AktG and is commissioned to make the acquisition as part of a buyback program. In the case of acquisition via the stock exchange, the acquisition price (excluding incidental acquisition costs) may not exceed the price of the share determined on the trading day by the opening auction in Xetra trading (or in a comparable successor system) by more than 10% and may not fall below it by more than 20%.

In the case of acquisition via a public purchase offer, a specific purchase price or purchase price range may be set. The purchase price per share paid by the company (excluding incidental costs) may not exceed the arithmetic mean of the closing prices of the share in Xetra trading on the Frankfurt Stock Exchange (or a comparable successor system) on the last three trading days prior to the date of the Management Board's final decision on the publication of the public purchase offer ("reference date") by no more than 10% and may not fall below it by more than 20%. If there is a significant price deviation after the reference date, the purchase price may be adjusted in accordance with the above calculation; in this case, the reference period is the three trading days prior to the publication of the adjustment. The volume of the purchase may be limited. If the total subscription to the public purchase offer exceeds this volume, acceptance by the company will be based on quotas. Preferential acceptance of small quantities (up to 100 shares tendered per shareholder) may be provided for. The public purchase offer may provide for further conditions.

If the acquisition is made by means of a public invitation to submit offers to sell, the purchase price per share paid by the company (excluding incidental costs) may not exceed the arithmetic mean of the closing prices of the share in Xetra trading on the Frankfurt Stock Exchange (or a comparable successor system) on the last three trading days prior to the date of acceptance of the offers to sell by more than 10% and may not fall below it by more than 20%. The volume of the purchase may be limited. If the total number of shares tendered exceeds this volume, acceptance by the company will be based on quotas. Preferential acceptance of small numbers of shares (up to 100 shares tendered per shareholder) may be provided for. The public invitation to submit offers to sell may stipulate further conditions.

As part of a buyback program, a credit institution may be commissioned to acquire either an agreed number of shares or shares for a predetermined total purchase price on a predetermined minimum number of trading days in Xetra trading on the Frankfurt Stock Exchange (or a comparable successor system) on a predetermined number of trading days and, at the latest, by the end of a predetermined period, either an agreed number of shares or shares for a predetermined total purchase price and transfer them to the company. In doing so (i) the credit institution must acquire the shares via the stock exchange, (ii) the purchase price per share paid by the credit institution (excluding incidental costs) may not exceed the price determined on the trading day by the opening auction in Xetra trading on the Frankfurt Stock Exchange (or a comparable successor system) by more than 10% and may not fall below it by more than 20%, and (iii) the purchase price per share to be paid by the company must be at a discount to the arithmetic mean of the volume-weighted average prices (VWAP) of the Alzchem share in Xetra trading on the Frankfurt Stock Exchange (or a comparable successor system) during the actual buyback period. Apart from this, the credit institution is free to implement the buyback program, subject to any further requirements imposed by the company in individual cases.

The Management Board is authorized, with the approval of the Supervisory Board, to use treasury shares that have been or will be acquired on the basis of this or a previously granted authorization for all legally permissible purposes, in particular for the following purposes, except for sale via the stock exchange or via a sale offer to all shareholders. In doing so, the company may also make use of dependent companies or companies in which it holds a majority stake, or third parties acting on behalf of the company or the aforementioned companies:

1. The shares may be redeemed without the redemption or its implementation requiring a further resolution by the Annual General Meeting. The redemption shall result in a reduction of the share capital by the amount attributable to the redeemed shares. Notwithstanding this, the Management Board may determine that the share capital shall remain unchanged upon redemption and that the proportionate amount of the non-redeemed shares in the share capital shall be increased accordingly; in this case, the Management Board is authorized to amend the number of shares specified in the Articles of Association.
2. The shares may be offered for purchase or promised as part of remuneration to members of the company's Management Board, members of the Management Boards of affiliated companies, and employees of the company and affiliated companies; the offered or promised shares may also be transferred to the beneficiaries after termination of their employment or membership of a governing body. The shares may also be transferred to a credit institution that accepts the shares with the obligation to use them exclusively for the purposes specified in sentence 1. Insofar as treasury shares are to be offered or promised to members of the company's Management Board or transferred to the Supervisory Board, this authorization applies exclusively to the company's Supervisory Board.
3. The shares may be offered to and transferred to third parties in the context of business combinations and the (direct or indirect) acquisition of companies, parts of companies or company interests, as well as other assets eligible for contribution in connection with such acquisition projects.

4. The shares may also be sold to third parties for cash other than through the stock exchange or by way of an offer to all shareholders if the price at which the shares are sold is not significantly lower than the share price determined on the day of sale by the opening auction in Xetra trading on the Frankfurt Stock Exchange (or a comparable successor system) (excluding incidental costs). In addition, in such cases, the total number of shares sold may not exceed 10% of the share capital, either at the time this authorization takes effect or at the time it is exercised. The proportionate amount of the share capital attributable to shares issued or used during the term of this authorization with the exclusion of subscription rights in direct or corresponding application of Section 186 (3) sentence 4 AktG shall be taken into account.

Shareholders' subscription rights to acquired treasury shares are excluded to the extent that these shares are used in accordance with the above authorizations (2) to (4). In addition, in the event of the sale of the shares via a sale offer to all shareholders, shareholders' subscription rights for fractional amounts may be excluded.

The above authorizations may be exercised once or several times, in whole or in part, individually or jointly, within the limits specified.

In November 2024, the Management Board, in agreement with the Supervisory Board, exercised the buyback authorization to launch a share buyback program with a volume of up to EUR 6 million or 100,000 Alzchem shares. The buyback program was completed in November 2025. The Management Board, in agreement with the Supervisory Board, announced a further share buyback program on December

15, 2025. According to this program, up to 70,000 shares of the company are to be bought back via the stock exchange over a period of up to twelve months at a total purchase price of up to EUR 10 million (excluding incidental acquisition costs). This program had not yet commenced by the time the annual financial statements were approved in February 2026.

8.8. SIGNIFICANT AGREEMENTS SUBJECT TO A CHANGE OF CONTROL

Some of the loan agreements entered into by the company contain standard market provisions linking legal consequences, such as the right of extraordinary termination by one party to the agreement (usually the counterparty), to a majority takeover or control of the company. Comparable change-of-control clauses are also found in certain other agreements; these clauses are also consistent with market practice.

8.9. COMPENSATION AGREEMENTS IN THE EVENT OF A TAKEOVER BID

No arrangements have been made with members of the Management Board or employees specifically for the event of a takeover bid, i.e., for a situation in which a third party acquires control of the company within the meaning of Section 29 (2) of the German Securities Acquisition and Takeover Act (WpÜG).

9. (GROUP) DECLARATION ON CORPORATE GOVERNANCE

9.1. CORPORATE GOVERNANCE AND DECLARATION OF CONFORMITY PURSUANT TO SECTION 161 AKTG

9.1.1. CORPORATE GOVERNANCE AND THE GERMAN CORPORATE GOVERNANCE CODE (GCGC)

"Corporate governance" refers to the principles governing the management and supervision of a company. In this sense, corporate governance is an essential part of the Alzchem Group's philosophy as an expression of good and responsible corporate management.

The principles of corporate governance primarily concern cooperation within the Management Board and the Supervisory Board (including its committees) and between the two bodies, as well as the relationship with shareholders both inside and outside the Annual General Meeting. Finally, the principles of corporate governance concern Alzchem's relationship with the persons and institutions that have an economic relationship with it.

In addition to compliance with the relevant legal standards, the German Corporate Governance Code (GCGC) forms the basis for ensuring responsible management and supervision of the company aimed at sustainable value enhancement. There are no legal provisions that take precedence over the GCGC and, as such, the company is not required to comply with them (recommendation F.4 GCGC).

9.1.2. GOVERNANCE TOPICS RECOMMENDED FOR DISCLOSURE BY THE GCGC

In accordance with the recommendations of the GCGC, the following governance issues must be reported separately in the Declaration on Corporate Governance (DoCG):

- At its meeting on August 4, 2020, the Supervisory Board adopted the principles for long-term succession planning for the Management Board (recommendation B.2 GCGC). In this context, the Management Board presented to the Supervisory Board, among other things, the Alzchem employees suitable for a future Management Board position and the time horizons envisaged in this regard. The Supervisory Board reviewed and updated the succession planning following the annual update of the list of eligible persons and the development measures planned for its

members. The most recent review and update took place at the Supervisory Board meeting on October 29, 2025.

- Also at its meeting on August 4, 2020, the Supervisory Board set the age limit for Management Board members as their respective (where applicable, notional) standard retirement age under the statutory pension insurance scheme, which remains valid. According to this, the Supervisory Board should only appoint members of the Management Board for a period ending no later than the end of the month in which they reach their individual standard retirement age (recommendation B.5 GCGC).

Recommendations C.1 sentence 1 et seq. GCGC (list of objectives and skills and expertise profile for the Supervisory Board; diversity; sustainability expertise), C.1 sentence 5 GCGC (qualification matrix), C.1 sentence 6 GCGC (appropriate number of independent Supervisory Board members), C.2 GCGC (age limit for Supervisory Board members), C.3 GCGC (term of office on the Supervisory Board), C.6 GCGC (independence of Supervisory Board members), D.2 sentence 2 GCGC (existence and composition of Supervisory Board committees), D.3 sentence 4 GCGC (financial expertise of the members of the Audit Committee) and D.12 GCGC (efficiency review of the Supervisory Board), see the information in section 10.3. ("Relevant disclosures on corporate governance practices").

9.1.3. DECLARATION OF CONFORMITY 2025

DECLARATION OF CONFORMITY PURSUANT TO SECTION 161 AKTG

The Management Board and Supervisory Board of Alzchem Group AG ("company") declare pursuant to Section 161 AktG:

The last Declaration of Conformity was made in December 2024. Since then, the company has complied with all recommendations of the German Corporate Governance Code in the version dated April 28, 2022 ("GCGC 2022") and intends to continue to comply with them in the future, with the following exception:

Recommendation G.6 GCGC 2022 recommends that "the variable remuneration ... from the achievement of long-term targets ... exceeds the share from short-term targets": In contrast, several of the company's Management Board service contracts provide for temporary variable "transitional payments". Although these are structured in line with the Long-Term Incentive (LTI), they may give rise to a payment claim (which in turn depends on the increase in the price of Alzchem shares) after a holding period of (initially one, currently still) two to three years. These "transitional payments" may result in the short-term variable (target) remuneration exceeding the long-term variable remuneration for the Management Board members concerned. The company considers the agreed transitional payments to be necessary in the cases mentioned in order to avoid abrupt salary reductions for Management Board members solely due to the introduction of or transition to a new remuneration system.

Trostberg, December 2025

Alzchem Group AG

For the Supervisory Board

Markus Zöllner
(Chairman of the Supervisory Board)

The Management Board

Andreas Niedermaier

Klaus Englmaier

Andreas Lösler

Dr. Georg Weichselbaumer

Martina Spitzer



The above Declaration of Conformity and previous Declarations of Conformity are available on the company's website at www.alzchem.com/en/investor-relations/corporate-governance/.

9.2. PUBLIC DISCLOSURE OF REMUNERATION-RELATED DOCUMENTS

The remuneration report for the fiscal year 2025 and the auditor's report on this in accordance with Section 162 AktG, the applicable remuneration system for the Management Board and the resolution on this in accordance with Section 87a (1) 1 and 2 sentence 1 AktG, as well as the applicable remuneration of the Supervisory Board and the resolution of the Annual General Meeting on this matter pursuant to Section 113 (3) AktG, are or will be made publicly available on the company's website at www.alzchem.com/en/investor-relations/corporate-governance/.

9.3. RELEVANT DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES

The company complies with all applicable legal provisions and all recommendations of the German Corporate Governance Code (the latter with the exception of the justified deviation from recommendation G.6 GCGC disclosed in the Declaration of Conformity, see section 9.1.3.).

In addition, other documents that are particularly relevant to corporate governance include

- the Articles of Association of Alzchem Group AG,
- the Rules of Procedure for the Management Board and the Supervisory Board, and
- the internal corporate guidelines for the business activities of the company and its employees,

all of which are available on the company's website at www.alzchem.com.

9.3.1. WORKING METHODS OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD

9.3.1.1. MANAGEMENT BOARD

The members of the Management Board conduct the company's business on their own responsibility in the interests of the company in accordance with the law, the Articles of Association, the Rules of Procedure for the Management Board, and the associated schedule of responsibilities. As a matter of principle, the Management Board complies with the recommendations of the German Corporate Governance Code; any deviations are reported and justified in the Declaration of Conformity, usually in conjunction with the Supervisory Board (as is currently the case with recommendation G.6 GCGC). The Management Board is responsible for setting the company's business objectives, its fundamental strategic direction, its business policy, and the organization of the Group. G.6 GCGC). The Management Board is responsible for defining the company's corporate goals, fundamental strategic orientation, business policy, and Group organization, coordinating these with the Supervisory Board, and ensuring their implementation. It must ensure compliance with legal provisions and internal company guidelines and work to ensure that these are observed by the Group companies and their employees (compliance). It is also responsible for ensuring appropriate risk management and control within the company.

In fiscal year 2025, the Management Board consisted of five members: Mr. Niedermaier (CEO), Mr. Englmaier (COO), Dr. Weichselbaumer (CSO), Mr. Lösler (CFO), and Ms. Spitzer (CSO since January 1, 2025). Mr. Niedermaier, a member of the Management Board, was appointed its Chairman.

Mr. Englmaier and Dr. Weichselbaumer stepped down from their positions on the Management Board at the end of the reporting year when their respective terms of office expired. Dr. Jürgen Sans has been appointed by the Supervisory Board as a further member of the Management Board (COO) of the company with effect from January 1, 2026, as the successor to Mr. Englmaier. Following his departure from the Management Board, Dr. Weichselbaumer will remain available to the company for a transitional period and will continue to be responsible for finding a site for the expansion of nitroguanidine production in the USA.

The Management Board works on the basis of the Rules of Procedure for the Management Board, most recently revised by the Supervisory Board in its resolution of December 15, 2025. The current version of the Rules of Procedure (including the business distribution plan) is published on the company's website at www.alzchem.com/en/investor-relations/corporate-governance/.

The Chairman of the Management Board coordinates cooperation within the Management Board and the provision of information to the Supervisory Board and maintains regular contact with the Chairman of the Supervisory Board. He shall ensure that the management of the Management Board departments is uniformly aligned with the objectives set by the resolutions of the Management Board. The Chief Executive Officer may at any time request information from the members of the Management Board on individual matters relating to their departments and may stipulate that he be informed in advance of certain types of transactions. The Chief Executive Officer represents the Management Board and the company in public, particularly in matters affecting the entire company. He may delegate these tasks to another member of the Management Board for certain types of matters or in individual cases.

The responsibilities of the individual Management Board members are set out in the most recent version of the business distribution plan, which was revised in December 2025. This plan is proposed by the Management Board members and requires the approval of the Supervisory Board, even in the event of future changes. The current business distribution plan provides for the following distribution of responsibilities among the four members of the Management Board, which has been in place since January 1, 2026:

Andreas Niedermaier (Chairman of the Management Board – CEO)	Andreas Lösler (Member of the Management Board – CFO)	Dr. Jürgen Sans (Member of the Management Board – COO)	Martina Spitzer (Member of the Management Board – CSO)
Strategy	Controlling, finance, tax	Production	Sales & Marketing
Supply chain	Insurance	Technology	Sustainability/ESG
Legal	Human resources	Environment, safety, health, quality	New business development
Risk management	Information technology	Product safety/ approval	
Audit	Data protection	Technical planning & infrastructure	
Compliance	Investor relations, communications		
Research and development / innovation management			

Within their respective areas of responsibility, each member of the Management Board makes decisions independently, while always taking into account the overall responsibility and collegiality of the Management Board as a whole. If a matter affects the areas of responsibility of several members of the Management Board, they decide jointly. If no agreement can be reached, each member of the Management Board involved is obliged to bring about a decision by the entire Management Board. In this case, the measure must be suspended until the Management Board has made a decision, unless immediate implementation is necessary, in accordance with the duty of care, to avoid imminent serious disadvantages for the company. The Management Board must then be informed of such a procedure by the Management Board member concerned without delay.

The Management Board fulfills its reporting obligations to the Supervisory Board as stipulated in Section 90 AktG and other statutory provisions, the Articles of Association, and the Rules of Procedure, whereby the Management Board generally reports to the entire Supervisory Board but may also report only to the Chairman of the Supervisory Board if necessary. Reports from the Management Board to the Supervisory Board shall generally be made in writing, unless the law stipulates otherwise. If necessary in individual cases due to particular urgency, the Management Board shall report to the Supervisory Board verbally.

As part of its reporting, the Management Board shall inform the Supervisory Board regularly, promptly, and comprehensively, particularly during its meetings, especially on fundamental issues of corporate planning, the net assets, financial position, and results of operations, as well as profitability. In doing so, the Management Board shall also address any deviations from the approved plans and targets and the reasons for such deviations. The Management Board's reporting shall also cover the risk situation, risk management, and compliance.

At Supervisory Board meetings, the Management Board also reports regularly to the Supervisory Board on the current course of the company's business (including its subsidiaries), in particular on sales, earnings, and cash flow, the company's situation, and all issues relevant to the company's business policy and profitability. All issues relating to "sustainability" and "ESG" are also reported on a regular basis, such as progress in implementing new legislation or the climate roadmap, and the company's preparedness for cyber risks.

Unless otherwise determined by the Supervisory Board, the Management Board reports to the Supervisory Board at the last Supervisory Board meeting of a fiscal year on the intended business policy and other fundamental issues of corporate planning and submits the budget, in particular for the following fiscal year and the two subsequent fiscal years (including financial, investment, and personnel planning), to the Supervisory Board for approval.

Unless otherwise determined by the Supervisory Board, the Management Board informs and advises the Supervisory Board at the Supervisory Board meeting at which the annual financial statements are discussed about the profitability of the company, in particular the return on equity.

In addition, the Chairman of the Management Board shall report to the Chairman of the Supervisory Board in good time on transactions that may be of significant importance for the profitability or liquidity of the company. Notwithstanding existing reservations of approval by the Supervisory Board in the case of significant transactions and the reporting obligations specified in particular in Section 90 AktG, the Management Board shall inform the Chairman of the Supervisory Board promptly and comprehensively about all business matters that are of particular importance due to their financial impact and/or their significance for general corporate policy, especially about the risk situation and risk management.

9.3.1.2. SUPERVISORY BOARD

TASKS

The Supervisory Board advises the Management Board on the management of the company and monitors its management activities (for more information on the activities of the Supervisory Board in 2025 in particular, please refer to the Supervisory Board report in this Annual Report). As a prerequisite for this, the Supervisory Board ensures that the Management Board fulfills its reporting obligations to the Supervisory Board and its Chairman.

The Supervisory Board performs its duties in accordance with the statutory provisions, the Articles of Association, and the Rules of Procedure, which were last updated in July 2022. The recommendations of the German Corporate Governance Code relating to the Supervisory Board are generally observed, unless the Declaration of Conformity to be published pursuant to Section 161 AktG provides otherwise (which is not currently the case). The members of the Supervisory Board have equal rights and obligations and are not bound by any instructions. In performing its duties, the Supervisory Board works closely and trustingly with the Management Board for the benefit of the company.

The Supervisory Board regularly reviews the efficiency of its activities, usually every two years. The last efficiency review for the Supervisory Board took place in 2024. To carry out this review, the members of the Supervisory Board each completed a comprehensive written questionnaire, the (anonymous) results of which were evaluated by the Chairman of the Supervisory Board, presented to the members of the Supervisory Board, and discussed with them. The next regular efficiency review is expected to take place in 2026; the Supervisory Board will determine the format of the review autonomously in good time beforehand (recommendation D.12 GCGC).

COMPOSITION / OBJECTIVES / SKILLS AND EXPERTISE PROFILE

The Supervisory Board of Alzchem Group AG (as the parent company of the Alzchem Group) consists of four members elected by the Annual General Meeting in May 2020 (until the Annual General Meeting in 2025) in accordance with Section 95 AktG and Section 8 (1) of the Articles of Association. The Supervisory Board shall be composed in such a way that its members collectively possess the knowledge, skills, and professional experience necessary to perform their duties properly.

The Supervisory Board sets "specific objectives" for its composition, taking into account the recommendations of the German Corporate Governance Code (recommendation C.1 sentence 1 GCGC). For the company's Supervisory Board, these objectives, which were last updated by the Supervisory Board in October 2025, essentially consist of ensuring the full range of technical, company-specific, and sustainability-related expertise across the entire Board, to ensure the internationality and a sufficient degree of independence of the Supervisory Board members, and to ensure gender diversity and a balanced age structure on the Supervisory Board.

Furthermore, C.1 sentence 1 GCGC recommends that the Supervisory Board establish a "skills and expertise profile". According to the "skills and expertise profile", which was also last revised in October 2025, the members of the Supervisory Board as a whole should have the professional skills necessary to perform their duties in the best possible manner (professional diversity). In particular, they must be familiar with the chemical industry from a commercial perspective. According to the skills and expertise profile, it is also desirable that chemical-technological expertise based on education, professional activity, or special personal interest be adequately represented on the Supervisory Board.

Finally, the Supervisory Board should have expertise in the areas of

- Manufacturing and production, marketing and sales
- Corporate planning
- (Internal and external) corporate finance and capital markets
- Accounting and auditing
- Digitization and artificial intelligence
- Strategy development and implementation; M&A
- Corporate governance; corporate compliance
- Supervisory and committee work

In accordance with recommendation C.1 sentence 2 GCGC, the Supervisory Board recently added the topic of "sustainability" to its skills and expertise profile. According to this, "expertise in all sustainability issues relevant to the company is indispensable for the work of the Supervisory Board. This includes sustainability reporting and its review."

The Supervisory Board is convinced that the existing committee fully meets the specified skills and expertise profile despite its small size. It also meets the targets it has set itself, including those relating to age, independence, and diversity (the exact status of the implementation of the skills and expertise profile can be seen in the following section "Qualification Matrix").

Proposals by the Supervisory Board to the Annual General Meeting for the election of new Supervisory Board members will always be geared toward fulfilling the skills and expertise profile, in addition to taking into account the self-imposed goals (recommendation C.1 sentence 4 GCGC).

REQUIREMENTS FOR INDIVIDUAL SUPERVISORY BOARD MEMBERS

In accordance with the established "Competence Profile and List of Objectives", each member of the Supervisory Board ensures that they have sufficient time to carry out their mandate. At the time of their election or re-election, Supervisory Board members should not be older than 65 and should not serve on the Supervisory Board for longer than thirteen years, starting with the company's listing on the stock exchange in 2017.

The Supervisory Board should also have a sufficient number of independent members in its opinion; in the opinion of the Supervisory Board, this should be at least 75% of the Supervisory Board members (see recommendation C.6 GCGC). A Supervisory Board member is considered independent if they are independent of the company, its Management Board, and its shareholders. Furthermore, the "skills and expertise profile" for determining the (in)dependence of Supervisory Board members declares the standards of the GCGC (with the exception of the length of membership on the Supervisory Board specified therein, see above) to be authoritative. Notwithstanding this, the ownership structure of the company must also be taken into account with regard to the composition of the Supervisory Board. Based on these standards, the Supervisory Board considers all of its members to be independent.

Since the fiscal year 2022, at least two members of the Supervisory Board must, by law, have expertise in the areas of accounting and auditing, i.e., at least one member for each area of expertise (Section 100 (5) half-sentence 1 AktG). On the company's Supervisory Board, the role of these so-called financial experts is held by Prof. Dr. Heigl-Murauer (who is also Chair of the Audit Committee) and Mr. Zöllner; Beyond the legal requirements, both experts have expertise in both areas (for more information on the additional "special" professional qualifications of the two aforementioned

individuals, see also the section "Composition and working methods of the Audit Committee").

In addition, the members of the Supervisory Board as a whole must be familiar with the "sector", i.e., the business area in which the company operates (Section 100 (5) half-sentence 2 AktG). This requirement is ensured by compliance with the skills and expertise profile that the Supervisory Board has set for itself.

In accordance with recommendation C.11 GCGC, no more than two former members of the Management Board should belong to the Supervisory Board. Furthermore, pursuant to Section 100 (2) No. 4 AktG, members of the Management Board may not become members of the Supervisory Board until two years after the end of their term of office, unless their election is proposed by shareholders holding more than 25% of the voting rights in the company. No such former members of the company's Management Board are currently represented on the Supervisory Board.

Finally, certain requirements for individual Supervisory Board members arise from the recommendations of the GCGC, which the company has undertaken to comply with in its Declaration of Conformity. For example, members of the Supervisory Board should not perform any executive or advisory functions for significant competitors of the company and should not have any personal relationship with a significant competitor (recommendation C.12 GCGC).

According to recommendation C.5 GCGC, members of the Supervisory Board who are also members of the Management Board of a listed company should not hold more than two other Supervisory Board mandates (none of which may be as Chair) in listed companies outside the Group or in companies with comparable requirements in addition to their Supervisory Board mandate for the company. For a member of the Supervisory Board who is not a member of the Management Board of a listed company, this number increases to five in accordance with recommendation C.4 GCGC, with a Supervisory Board chairmanship counting twice. The composition of the company's Supervisory Board currently complies with all of these recommendations.

According to the "Competence Profile and List of Objectives" adopted by the Supervisory Board, the above requirements must be taken into account when proposing candidates for election to the Supervisory Board by the Annual General Meeting.

QUALIFICATION MATRIX

According to recommendation C.1 sentence 5 GCGC, "the status of implementation [of the skills and expertise profile defined by the Supervisory Board and the resulting objectives] should be disclosed in the form of a qualification matrix." With regard to the company's Supervisory Board, this matrix provides the following picture:

		Zöllner	Heigl-Murauer	Röper	v. Schnurbein
Function(s)		Chairman of the Supervisory Board	Chairwoman of the Audit Committee		Deputy Chairman of the Supervisory Board
Member of the Supervisory Board since	[in accordance with GCGC recommendation + skills and expertise profile max. 12 years]	2017	2017	2017	2017
AktG requirements	Other Supervisory Board mandates	2 (2 chairs) ¹	1 ¹	2 ¹	2 ¹
	Former member of the ACG Management Board	(–)	(–)	(–)	(–)
	Financial expertise, Section 100 V AktG				
	– Accounting	(+)	(+)	(+)	(+)
	– Auditing	(+)	(+)	(+)	(+)
	Sector familiarity		(+)		
	Target quota of women (25%)		(+)		
GCGC recommendations	Compliance with age limit (65)	(+)	(+)	(+)	(+)
	Time availability	(+)	(+)	(+)	(+)
	Independence	(+)	(+)	(+)	(+)
	"Special" financial expertise, recommendation D.3 GCGC				
	– Accounting	(+)	(+)		
	– Auditing	(+)	(+)		
Diversity	Age	57	58	49	52
	Gender	Male	Female	Male	Male
	Education	Industrial engineer, MBA	Business administration	Lawyer	Lawyer
	Profession	Entrepreneur	University lecturer	Attorney	Attorney
	Nationality	German	German	German	German
	International experience	(+)	(+)	(+)	(+)

		Zöllner	Heigl-Murauer	Röper	v. Schnurbein
Function(s)		Chairman of the Supervisory Board	Chairwoman of the Audit Committee		Deputy Chairman of the Supervisory Board
Skills and expertise profile	Familiarity with the chemical industry	(+)	(+)	(+)	(+)
	Chemical technology expertise	(+)			
	Manufacturing & production; marketing & sales	(+)		(+)	
	Corporate planning	(+)	(+)		
	IT/AI + Digitization + Cybersecurity	(+)		(+)	
	Corporate finance/capital markets	(+)	(+)		
	M&A; strategy development/strategy implementation	(+)		(+)	(+)
	Corporate governance; compliance	(+)		(+)	(+)
	Supervisory/committee work	(+)	(+)	(+)	(+)
	Sustainability expertise:				
	– Basic understanding	(+)	(+)	(+)	(+)
	– In-depth understanding		(+)	(+)	
	– Review of the CSRD report		(+)	(+)	

1. No listed companies; one intra-group mandate (Alzchem Trostberg GmbH)

(+) means that the relevant requirement is met on the basis of a self-assessment – either by the members of the Supervisory Board or by the Supervisory Board as a whole.

CHAIRMAN AND DEPUTY CHAIRMAN OF THE SUPERVISORY BOARD

At the beginning of its term of office, the Supervisory Board elects a Chairman and a Deputy Chairman from among its members at a meeting that does not require a special convocation. If necessary, additional Deputy Chairmen may be elected. The election of the Chairman and his/her Deputy(ies) by the Supervisory Board shall be for the term of office of the elected Supervisory Board member, unless a shorter term of office is specified in the election. If the Chairman or a Deputy Chairman leaves the Supervisory Board during his/her term of office, a new election for the departing member must be held immediately. The election shall be conducted by the oldest member of the Supervisory Board present.

The Chairman of the Supervisory Board coordinates the work of the Supervisory Board. He informs the other members of the Supervisory Board on a regular basis, in particular with regard to measures taken in connection with urgent transactions requiring approval. Declarations of intent by the Supervisory Board are made on behalf of the Supervisory Board by the Chairman – or, if he is unable to do so, by his Deputy.

The Chairman – or, if he is unable to attend, his Deputy – is also authorized to accept declarations on behalf of the Supervisory Board. The Deputy Chairperson shall only have the rights and obligations of the Chairperson if a mandatory statutory provision or the Articles of Association expressly assign these rights and obligations to him or her. The Deputy Chairperson shall not be entitled to the Chairperson's second vote in accordance with Section 11 (4) of the Articles of Association.

RULES OF PROCEDURE OF THE SUPERVISORY BOARD

The Supervisory Board has adopted Rules of Procedure, most recently revised in July 2022, which form the basis for its activities, in particular for cooperation within the board. The current Rules of Procedure of the Supervisory Board, as well as the Rules of Procedure of the Management Board, are published on the company's website at www.alzchem.com/en/investor-relations/corporate-governance/.

COMPOSITION OF THE SUPERVISORY BOARD

During the reporting period, the Supervisory Board of the company was composed as follows:

Member	Since	Last elected
Markus Zöllner	08/04/2017	05/08/2025
Prof. Dr. Martina Heigl-Murauer	08/04/2017	05/08/2025
Dr. Caspar Freiherr von Schnurbein	08/04/2017	05/08/2025
Steve Röper	10/02/2017	05/08/2025

In accordance with recommendation C.6 sentence 1 GCGC, the ownership structure of the company is taken into account in the composition of the Supervisory Board. In the opinion of the Supervisory Board, all members of the Supervisory Board are to be regarded as independent, including in relation to the company's major shareholders. This is all the more true given that the shareholdings of the (formerly three) largest shareholders have decreased significantly over the past few years and the company no longer has a single or multiple shareholders who, in some cases, jointly "control" the company. In any case, the Supervisory Board considers that the Supervisory Board has an "appropriate"

number of independent members within the meaning of recommendation C.1 sentence 6 and C.6 GCGC.

Mr. Markus Zöllner is the Chairman of the Supervisory Board; Dr. Caspar Freiherr von Schnurbein acts as his Deputy.

COMMITTEES OF THE SUPERVISORY BOARD

As a "company of public interest" within the meaning of Section 107 (4) sentence 1 AktG, Alzchem Group AG has had an Audit Committee since January 1, 2022, as required by law. The company has not established any other committees.

COMPOSITION AND WORKING METHODS OF THE AUDIT COMMITTEE

The Supervisory Board's Audit Committee in the reporting year was last composed as follows:

Member	Last elected	Start of term
Prof. Dr. Martina Heigl-Murauer	05/08/2025	05/08/2025
Markus Zöllner	05/08/2025	05/08/2025
Dr. Caspar Freiherr von Schnurbein	05/08/2025	05/08/2025
Steve Röper	05/08/2025	05/08/2025

Prof. Dr. Heigl-Murauer chairs the Audit Committee. She also acts as a "financial expert" within the meaning of Section 107 (4) sentence 3 AktG. Mr. Zöllner is another "financial expert" on the Audit Committee. Both of the above-mentioned individuals also have the "special knowledge and experience" in their respective fields, including sustainability reporting and its auditing, which recommendation D.3 sentence 1 et seq. GCGC recommends for financial experts and, in particular, for the Chair of the Audit Committee:

- Prof. Dr. Heigl-Murauer's expertise stems primarily from her many years of professional experience as a tax advisor, including in an international environment, and as a university lecturer at the Faculty of Applied Economics (School of Management) at Deggendorf Institute of Technology, where she focuses on national (HGB) and international (IFRS) accounting.
- Mr. Zöllner's expertise stems primarily from his many years of executive experience in various affiliated companies in different industries, including as a former member of the Management Board of an MDAX company, as well as from his extensive work on various Supervisory Boards.

Both financial experts' in-depth knowledge of the (accounting and auditing) circumstances at Alzchem in particular stems from their many years of experience as Chairpersons of the company's Supervisory Board and Audit Committee.

With regard to the working methods of (among others) the Audit Committee, the current Rules of Procedure of the Supervisory Board (publicly available on the company's website at www.alzchem.com/en/investor-relations/corporate-governance/) also declare its essential procedural rules to be applicable to the committees.

Pursuant to Section 107 (4) sentence 4 AktG, each member of the Audit Committee may obtain information directly from the heads of the central divisions relevant to the work of the committee via the committee chair. The committee chair must then communicate this information to all members of the Audit Committee. In the fiscal year 2025, Mr. Röper, among others, made use of this option with regard to the non-financial statement he had pre-audited.

FREQUENCY OF MEETINGS; INDIVIDUAL ATTENDANCE AT MEETINGS

The Supervisory Board met nine times during the reporting period. In addition, one resolution was passed by written procedure. With one excused exception, all members of the Supervisory Board participated in all meetings and resolutions of the Supervisory Board.

To avoid repetition, reference is made to the Supervisory Board report for details of the activities of the Supervisory Board of Alzchem Group AG and its committees.

SUPERVISORY BOARD OF ALZCHEM TROSTBERG GMBH

The Supervisory Board of Alzchem Trostberg GmbH, a wholly owned subsidiary of Alzchem Group AG and also the most important operating company within the Alzchem Group, consists of six members, four of whom are to be elected by the shareholders and two by the employees in accordance with the provisions of the German One-Third Participation Act (Drittelbeteiligungsgesetz). Following the most recent elections in 2021, it originally consisted of

- the four members of the Supervisory Board of Alzchem Group AG (Prof. Dr. Heigl-Murauer, Mr. Röper, Dr. Freiherr von Schnurbein, and Mr. Zöllner) representing the shareholders, as well as
- the workers' representatives Karl Held and Otto Wolf.

On April 1, 2022, Mr. Christian Ortbauer joined the Supervisory Board as a substitute member for Mr. Otto Wolf, who retired from the company (and thus from its Supervisory Board) at that time due to reaching retirement age. Karl Held, who retired from his employment (and thus from the Supervisory Board) at the end of July 2023, was succeeded by his substitute member, Mr. Christian Rieder.

Markus Zöllner is Chairman of the Supervisory Board and Christian Ortbauer is his Deputy.

The Supervisory Board of Alzchem Trostberg GmbH has not established any committees. Instead, all tasks are performed by the full Supervisory Board.

MANDATES OF THE SUPERVISORY BOARD MEMBERS

In addition to the above-described activities as members of the Supervisory Board of Alzchem Trostberg GmbH, the members of the Supervisory Board of Alzchem Group AG also hold the following mandates:

Member	Mandates
Markus Zöllner	Chairman of the Board of Directors of Anttila Oy, Helsinki/Finland
Prof. Dr. Martina Heigl-Murauer	[None]
Steve Röper	Member of the Board of Directors of Anttila Oy, Helsinki, Finland
Dr. Caspar Freiherr von Schnurbein	Member of the Supervisory Board of Berenice Holding AG, Munich

9.3.1.3. AVOIDANCE OF CONFLICTS OF INTEREST

The members of the Management Board and Supervisory Board disclose any conflicts of interest to the Supervisory Board without delay. However, no such conflicts of interest arose among the members of the Management Board and Supervisory Board during the reporting period.

9.4. DIVERSITY CONCEPT

The Management Board of Alzchem Group AG shall be composed in a balanced manner appropriate to the company, so that its members collectively possess the knowledge, skills, and experience required to manage an internationally active chemical Group. The fundamental criteria for suitability for a position on the Management Board include, in particular, personality, integrity, convincing leadership qualities, professional qualifications for the department to be taken over, previous achievements, and the ability to adapt business models and processes in a changing world. Alzchem Group AG is committed to diversity, equal opportunities, and inclusion. The company is convinced that a diverse management team strengthens innovative power and contributes significantly to business success.

The composition of the Management Board is determined by the interests of the company and the profiles of the Management Board members, which should complement each other as much as possible. In particular, the following diversity aspects are taken into account:

- Management Board members should have many years of management experience.
- Management Board members should have diverse professional experience and comprehensive skills and knowledge.
- The Management Board as a whole should have many years of experience in the chemical industry.
- There should be a sufficient mix of ages on the Management Board; an age limit set by the Supervisory Board (recommendation B.5 GCGC) should not be exceeded (see section 9.1.2. "Governance topics recommended for disclosure by the GCGC").
- Subject to any disclosed deviation in the Declaration of Conformity, the members of the Management Board should comply with the GCGC's recommendations on diversity (rec-

ommendation B.1 GCGC) as they relate to the Management Board.

The Supervisory Board shall decide who, if anyone, should fill a specific position on the Management Board, taking into account all circumstances of the individual case.

Alzchem pursues a balanced diversity principle not only on the Management Board, but also among its managers and employees. The management bodies should cover a wide range of professional backgrounds and educational experiences. This promotes a holistic perspective and innovative approaches to corporate management. The cultural and personal diversity of its employees makes Alzchem stronger and more innovative. That is why it is important to the company to prevent discrimination against minorities, recognize and promote valuable potential, and improve equal opportunities within the company.

For information on the Supervisory Board's diversity concept, see section 9.3.1.2. (thereinafter "Composition / objectives / skills and expertise profile").

9.5. INFORMATION ON STATUTORY MINIMUM QUOTAS IN MANAGEMENT POSITIONS

Alzchem Group AG, as a listed parent company, and its wholly owned subsidiary Alzchem Trostberg GmbH, which is subject to the German One-Third Participation Act (Dritteltbeteiligungsgesetz), have set targets for the quota of women on their respective Supervisory and Management Boards and for the two management levels below the Management Board in accordance with Section 76 (4) and Section 111 (5) of the German Stock Corporation Act (AktG) and Sections 36 and 52 (2) of the German Limited Liability Companies Act (GmbHG). The two companies concerned have complied with this as follows:

ALZCHEM GROUP AG

- On February 26, 2025, the Supervisory Board of Alzchem Group AG determined that the target for the quota of women on the Supervisory Board to be achieved by the beginning of 2030 is 25%; this corresponds to one member of the four-person Supervisory Board. As of December 31, 2025, the quota of women on the Supervisory Board was exactly the target 25%; this is not expected to change in the fiscal year 2026.
- On April 26, 2024, the Supervisory Board of Alzchem Group AG decided to raise the target figure for the company's Management Board to 20% by the beginning of 2026. This meant one female member both in the composition of the Board with five members in 2025 and in the composition with four members since January 1, 2026. The target quota of 20% was met with the appointment of Ms. Spitzer to the Management Board on January 1, 2025.
- In accordance with the declared intention of the legislator, the Management Board has not set any target values for the quota of women in the first and second management levels below the Management Board. This is because Alzchem Group AG functions purely as a management holding company within the Alzchem Group and, as such, employs only a negligible number of employees. There are no "management levels" below the Management Board in the given organization. Specifying target quotas would therefore appear arbitrary and misleading, and their achievement would depend solely on chance.

ALZCHEM TROSTBERG GMBH

- The shareholders' meeting of Alzchem Trostberg GmbH set the target figures for the quota of women to be achieved on the company's Supervisory Board and Management Board in July 2022 and April 2024 as follows: For the Supervisory Board, a target quota of 16.66% women is to be achieved by the end of its term of office in spring 2026 (which corre-

sponds to one person in the existing six-member Supervisory Board), and for the Management Board, a target quota of 20% women is to be achieved by the beginning of the fiscal year 2026. The target quota for the Supervisory Board has been achieved beyond the fiscal year 2025 and remains in place today. This is also the case for the Management Board with the appointment of Ms. Spitzer as Managing Director since January 1, 2025.

- In addition, the Management of Alzchem Trostberg GmbH resolved on July 13, 2022, to set the target figures to be achieved by June 30, 2027, for the quota of women in the first management level below the Management Board at 15% and in the second management level below the Management Board at 17%. As of December 31, 2025, the quota of women in the first management level below the Management Board will be 16.7% and in the second management level below the Management Board 21%.
- Due to the specific circumstances in the chemical industry (e.g., protection of unborn life and resulting employment bans; underrepresentation of female professionals in STEM fields), the company currently considers targets that correspond to the legal model of 30% to be unachievable.

9.6. DESIGN OF THE INTERNAL CONTROL SYSTEM

The Alzchem Group's internal control system (ICS) comprises all principles, procedures, and measures introduced in the company that promote the positive development of business activities and prevent threats and damage by its own personnel or external third parties. The ICS makes it possible to identify weaknesses at an early stage and take proactive measures to minimize risks and optimize company performance. This also includes sustainability-related goals.

The ICS is not limited to accounting but extends to all essential business processes in all areas of the company. At Alzchem, the ICS includes in particular:

(i) Compliance and corporate guidelines

Alzchem's compliance management system (CMS) ensures compliance with legal obligations, detects and stops legal violations, and prevents or limits damage. It is tailored to the specific risk situation of the company. The corporate guidelines contain the most important principles and standards with which all employees must be familiar. They provide guidance on legal and ethical obligations and ensure appropriate professional conduct both internally and externally.

(ii) Systematically designed technical and organizational rules

At the core of the ICS are the implemented or generally applicable security and control measures in all essential processes. These include structural and software-based

access controls, written security instructions, measures to protect assets and prevent illegal activities, such as the dual control principle, detailed job descriptions, separation of duties, and binding signature regulations to prevent abuse of authority, embezzlement, and corruption.

(iii) Monitoring

Monitoring the ICS is crucial to its effectiveness. This includes regular audits by internal and external bodies, such as staff departments, external auditors, or as part of ISO certifications. Internal audits, which all departments undergo regularly, are also part of the monitoring process. A digital whistleblower system ("whistleblower hotline") enables employees and third parties to report legal violations anonymously. The adequacy and effectiveness of the ICS are reviewed annually by the Supervisory Board.

The risk management system (RMS), which is closely linked to the ICS, is presented in the opportunity and risk report in the management report.

The Management Board assesses the adequacy and effectiveness of the ICS and the RMS annually. At the relevant Management Board meeting, the risk and opportunity situation is evaluated, the results of the internal control process are explained and an overall statement is made on the adequacy and effectiveness of the ICS and the RMS.

Neither the Management Board nor the Supervisory Board has any indications that the ICS or the RMS is inadequate or ineffective in any material respect.

10. SUPPLEMENTARY REPORT

In light of Alzchem's planned US activities, Alzchem Trostberg GmbH founded Alzchem US Corp. on January 20, 2026, with its registered office in Wilmington, Delaware, and capital of USD 1,000. On the same day, Alzchem US Corp. founded Alzchem Manufacturing LLC, with its registered office in Wilmington, Delaware.

Furthermore, no events with a material impact on the net assets, financial position, and results of operations occurred after the end of the fiscal year 2025 and up to the date of preparation of the consolidated financial statements.

NON-FINANCIAL GROUP STATEMENT

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11. NON-FINANCIAL GROUP STATEMENT

With this non-financial Group statement (NFS), which is part of the combined management report of Alzchem Group AG, we comply with our reporting obligation pursuant to Sections 315b and 315c HGB in conjunction with Sections 289c-e HGB, including the information contained in this NFS on compliance with the requirements of Article 8 of Regulation (EU) 2020/852 for the fiscal year from January 1, 2024 to December 31, 2025. The NFS was prepared in compliance with the European Sustainability Reporting Standards (ESRS) (Section 289d HGB) framework and audited by RSM Ebner Stolz GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft with limited assurance in accordance with ISAE 3000. The audit opinion will be published on our homepage.

Unless indicated otherwise, all information applies to the scope of consolidation of Alzchem Group AG. In order to avoid duplication within the NFS and the combined management report, we refer in some places to further information in other chapters of the combined management report.

The description and information on the business model of Alzchem can be found in the Combined Management Report in chapter "2.1. Business model" and in the NFS in chapter "ESRS 2 SBM-1 Strategy, business model and value chain". In the sub-chapter "IRO-1 – Description of the process for identifying and assessing significant impacts, risks and opportunities" of ESRS 2, information on the determination of materiality and on non-financial risks is located in accordance with Section 315c HGB in conjunction with Section 289c HGB.

11.1. GENERAL INFORMATION

11.1.1. ESRS 2 – GENERAL DISCLOSURES

BP-1 – GENERAL BASIS FOR PREPARATION OF THE SUSTAINABILITY STATEMENT

APPLICATION OF THE CSRD AND THE ESRS

This comprehensive sustainability report of Alzchem Group AG (hereinafter referred to as Alzchem) on a consolidated basis has been prepared in partial compliance with the European Sustainability Reporting Standards (ESRS). With this report, we are fulfilling our reporting obligations under the Non-financial Reporting Directive and explaining how we balance ecology, economy, and social responsibility.

Our goal is to provide our customers, business partners, suppliers, shareholders, analysts, authorities, neighbors, and employees with a transparent and objective presentation of our sustainability performance and to provide comprehensive and direct information about our sustainability activities.

SCOPE AND LIMITS OF REPORTING

The scope of consolidation for the sustainability statement corresponds to that of the consolidated financial statements.

The focus of the report and the reporting limits are determined by the material topics along the value chain. The principle of double materiality is applied to identify, prioritize, and validate relevant sustainability topics. Both financial materiality and the materiality of the impacts are taken into account. The content of the following chapters refers to the topics, sub-topics, and sub-sub-topics defined as material in accordance with the ESRS through the double

materiality assessment. Further information on the materiality assessment can be found in chapter [SBM-3](#).

All relevant sites that were included in the scope of consolidation of the Alzchem Group AG consolidated financial statements in the fiscal year 2025 are included in the data collection. In 2025, this included a total of seven domestic and five foreign companies. HR systems are used to collect relevant data on personnel and social indicators. The data is taken from the individual country systems and merged manually.

The environmental indicators in this sustainability report include emissions and consumption volumes from a total of five production sites in two countries (Germany and Sweden).

When preparing the sustainability report, both the upstream and downstream value chain are taken into account. The social, environmental and economic impacts of our company (inside-out perspective) do not only occur at our own sites but also affect the upstream and downstream segments of the value chain. The associated risks and opportunities also have a financial impact on the company (outside-in).

Alzchem's sustainability management, including the materiality assessment and the identification of ESG risks and opportunities, as well as the sustainability strategy cover these areas and take into account relationships with suppliers, customers, and other stakeholder groups.

No information relating to intellectual property, know-how, or the results of innovation has been omitted from the sustainability statement.

BP-2 – DISCLOSURES IN RELATION TO SPECIFIC CIRCUMSTANCES

TIME HORIZONS

The time horizons mentioned in the sustainability reporting are based on the ESRS definition and generally do not deviate from the time horizons specified in ESRS 1, 77 (short-term time horizon: reporting period for the consolidated financial statements, medium-term time horizon: from the end of the short-term reporting period up to five years, long-term time horizon: more than five years).

ESTIMATES AND EARNINGS UNCERTAINTY

Within the framework of certain topic-related standards, assessments and estimates of individual datapoints are used in reporting, including in ESRS E1. In particular, estimates, models, statistics, and emission factors were used to calculate Scope 3 emissions for emissions generated within the value chain, and indirect sources of information were used.

Further information can be found in the [ESRS E1 Climate Change](#) chapter, section E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions. The use of these estimates and experience-based assessments is reviewed regularly. Individual sustainability parameters based on indirect sources (e.g., sector average data or other approximations used to calculate the Alzchem carbon footprint) are explained in the relevant ESRS chapters. This applies to both changes in parameters compared to previous reporting periods and parameters with measurement uncertainties. Due to rounding, certain values may not add up exactly to the totals stated, or percentages may not correspond exactly to the values shown.

We use the global HR information system as far as possible to collect relevant data on personnel and social indicators. Additional information is collected globally through a structured, qualitative survey. Only the number of training hours at the sites in the UK and the US was estimated.

Uncertainties arise primarily in connection with annually collected data, projections, and estimates of parameters. No monetary amounts subject to significant measurement uncertainty were reported for the reporting year 2025. Forward-looking statements are always associated with a certain degree of uncertainty regarding their actual occurrence.

Alzchem began calculating its product carbon footprint (PCF) along the entire value chain in the reporting year 2024. This is based on the "Product Carbon Footprint Guideline for the Chemical Industry" issued by the "Together for Sustainability" (TfS) initiative, which aims to make PCF calculations in the chemical industry more comparable through standardized allocation methods.

In fiscal year 2025, the calculations were successfully completed at all plants. Certification by TÜV Rheinland confirms that both the calculation methodology used and the reporting comply with the requirements of Together for Sustainability (TfS).

INFORMATION INCLUDED BY REFERENCE

Disclosure requirement	Datapoint	Position of the reference
ESRS 2 GOV-1	5b	Combined management report

GOVERNANCE

GOV-1 – THE ROLE OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

COMPOSITION OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD

As of December 31, 2025, the Management Board of Alzchem Group AG consists of five independent, managing members. As part of succession planning, Ms. Martina Spitzer was newly appointed to the Management Board as Chief Sales Officer (CSO) on January 1, 2025.

The allocation of responsibilities and the associated duties within the Management Board are as follows:

- Andreas Niedermaier (CEO): responsible for Strategy, Legal, Supply Chain Management, Patents & Brands, Risk Management and Audit.
- Martina Spitzer (CSO): responsible for Marketing, Sales, and Sustainability (ESG).
- Klaus Englmaier (COO): responsible for Production & Technology, Engineering, Process Development and Optimization, Environment, Safety, Health and Quality.
- Andreas Lösler (CFO): responsible for Controlling, Accounting and Finance, Investor Relations & Communications, Human Resources, Information Technology and Insurance.
- Dr. Georg Weichselbaumer (CSO): responsible for Marketing, Sales, Innovation Management, Process Development, R&D and Product Safety/Approval.

The Management Board manages the company independently in the interests of the company, taking into account the concerns of shareholders, employees, and other stakeholders. At its meetings, the Management Board regularly addresses sustainability issues, particularly with regard to environmental aspects, safety, and the transformation of the portfolio. When selecting new members of the Management Board, the Supervisory Board considers not only professional qualifications but also criteria such as an appropriate age structure, specific skills, and the achievement of targets regarding the proportion of women on the Management Board.

Various committees ensure cross-functional cooperation and decision-making, including product-related topics such as production, supply chain, sales, and marketing, including innovation management, strategy, compliance, and risk management. To this end, strategic meetings are held at the Management Board level every two weeks, as well as regular meetings of the second management level (management team), including the Management Board.

The members of this management team combine diverse backgrounds and expertise with in-depth knowledge of our company.

At Alzchem, the Management Board bears overall responsibility for sustainability and all climate-related issues. The Management Board is also responsible for the risk management system with regard to material impacts, risks, and opportunities, as well as for the internal control system (ICS).

The member of the Management Board responsible for ESG issues deals with sustainability issues on an ongoing basis and reports regularly to the Management Board and the Supervisory Board.

As of December 31, 2025, the Supervisory Board consists of the following independent non-executive members:

- Markus Zöllner (Chairman), industrial engineer, MBA, entrepreneur
- Dr. Caspar Freiherr von Schnurbein (Vice Chairman), lawyer, attorney
- Prof. Dr. Martina Heigl-Murauer (Chairwoman of the Audit Committee), business administration, university lecturer
- Steve Röper, lawyer, attorney

All (100%) members of both the Management Board of Alzchem Group AG and the Supervisory Board are independent.

The Supervisory Board is composed in such a way that its members collectively possess the knowledge, skills, and professional experience necessary to perform their duties properly. The Supervisory Board's skills and expertise profile is not only characterized by professional diversity but also represents chemical and technological expertise in our business areas and products, based on education, professional activity, or special personal interest. The expertise of the members also covers various sustainability topics. The Supervisory Board has in-depth knowledge in the following areas:

- Manufacturing and production
- Marketing and sales
- Corporate planning
- (Internal and external) corporate finance and capital markets
- Accounting and auditing
- Strategy development and implementation, M&A
- Corporate governance, corporate compliance
- Supervisory and committee work
- Sustainability

The Supervisory Board aims to optimally fulfill its supervisory function through the diversity of its members. The Supervisory Board's tasks also include monitoring sustainability reporting, sustainability targets, and the achievement of these targets. The Supervisory Board is informed about the sustainability statement once a year.

The members of the Management Board of Alzchem Group AG have the necessary knowledge, skills, and experience to manage an internationally operating chemical group in the specialty chemicals sector. In addition to their specific expertise, they have extensive experience in the sectors and products relevant to the company, as well as the necessary international expertise that is crucial for the geographical sites (see also the table "Responsibilities and tasks as well as skills and knowledge of the Management Board and Supervisory Board with regard to sustainability aspects").

RESPONSIBILITIES AND TASKS AS WELL AS SKILLS AND KNOWLEDGE OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD WITH REGARD TO SUSTAINABILITY ASPECTS

Management Board	Sectors	Geographical areas	General management and sustainability expertise	Sustainability strategy / risk management	Climate change / water resources / circular economy	Governance / compliance / sustainable supply chain	Social expertise / health & safety / employee development
Andreas Niedermaier (CEO)	Strategy, Supply Chain, Legal, Risk Management, Audit, ESG/ Sustainability	Germany, Sweden, China, UK, USA	(+)	(+)	(+)	(+)	(+)
Klaus Englmaier (COO)	Production, Technology, ESHQ	Germany, Sweden	(+)	(+)	(+)		(+)
Andreas Lösler (CFO)	Controlling, Finance & Accounting, Taxes, Insurance, Human Resources, IT, IR, Communications	Germany, Sweden, China, UK, USA	(+)	(+)		(+)	(+)
Martina Spitzer (CSO)	Marketing, Sales, Sustainability (ESG)	Germany, Sweden, China, UK, USA	(+)	(+)	(+)	(+)	(+)
Dr. Georg Weichsel- baumer (CSO)	Marketing, Sales, Innovation Management, Product Approval	Germany, Sweden, China, UK, USA	(+)	(+)	(+)		(+)

Supervisory Board	Sectors	Geographical areas	General management and sustainability expertise	Sustainability strategy / risk management	Climate change / water resources / circular economy	Governance / compliance / sustainable supply chain	Social expertise / health & safety / employee development
Markus Zöllner	No special allocation	Germany, Sweden, China, UK, USA	(+)	(+)	(+)	(+)	(+)
Dr. Caspar Freiherr von Schnurbein	No special allocation	Germany, Sweden, China, UK, USA	(+)	(+)	(+)	(+)	(+)
Prof. Dr. Martina Heigl-Murauer	No special allocation	Germany, Sweden, China, UK, USA	(+)	(+)	(+)	(+)	(+)
Steve Röper	No special allocation	Germany, Sweden, China, UK, USA	(+)	(+)	(+)	(+)	(+)

(+) means that the relevant requirement is fulfilled on the basis of a self-assessment – either by the Supervisory Board members or by the Supervisory Board as a whole.

COMPOSITION OF THE WORKS COUNCIL AND SPEAKERS' COMMITTEE

The works council at Alzchem in Germany, which represents the company's tariff and non-tariff employees, consists of 17 members, four of whom are released from their contractual work obligations for their works council activities. With three female members, the proportion of women is approximately 17%.

The speakers' committee, which represents senior executives, consists of three male members. Further information on employee representation is described under social matters in the section "Collective bargaining coverage and social dialogue", [ESRS S1-8](#).

In the reporting year 2025, the proportion of female members on the Supervisory Board reached the quota of 25% set by the Board itself. This quota applied until the end of the Supervisory Board's term of office in spring 2025. Mr. Markus Zöllner and Mr. Steve Röper were re-elected as members of the Supervisory Board for a term of three years at the Annual General Meeting 2025, while Prof. Dr. Martina Heigl-Murauer and Dr. Caspar Freiherr von Schnurbein were re-elected for a term of four years. The proportion of female members on the Supervisory Board remains at 25% and has not changed during the reporting period.

The proportion of women on the Management Board was increased to 20% with the appointment of Ms. Martina Spitzer.

SUSTAINABILITY MANAGEMENT AT ALZCHEM

We are continuously working to further strengthen our contribution to key sustainability topics and to manage the impact of our business activities in a responsible manner. Our

sustainability activities integrate economic, environmental, and social aspects into corporate management. The Management Board is responsible for our sustainability strategy across the Group.

The "Sustainability Core Team", which has been in place for several years, is an interdisciplinary group comprising specialists from various divisions of Alzchem and a member of the Management Board. The team meets monthly and is led by the Sustainability Manager.

The Sustainability Core Team is responsible for identifying the relevant aspects of sustainability in Alzchem's business processes and continuously developing the sustainability strategy. Its main tasks also include managing and monitoring all sustainability-related activities, projects, and targets, such as developing policies for achieving climate neutrality in accordance with Scope 1 or analyzing the impact of key sustainability aspects on our product portfolio. This is based on the identification and assessment of potential impacts, risks, and opportunities (IRO analysis) with regard to sustainability aspects in the various ESG areas. The measures and targets derived from the IRO analysis (impact, risks, and opportunities, double materiality assessment) and their materiality assessment require annual approval by the Management Board. Progress is monitored regularly in meetings. The ESG risk analysis is updated annually together with the relevant team members.

The team leader reports to the Management Board at least once a year on the progress, results, and achievement of targets of the sustainability projects. In addition, the Management Board receives regular reports on the progress of the sustainability projects carried out in the various departments. The team members are in contact with internal and

external stakeholders to ensure that their priorities are appropriately integrated into the targets of the sustainability strategy. In addition, the management function is responsible for the annual training of the Management Board and Supervisory Board on important sustainability topics.

The Management Board addresses the impacts, risks, and opportunities identified in the IRO analysis and takes the findings and recommendations into account in its decisions, for example, as recently occurred, in adjustments to water management or investment decisions. It makes strategically important decisions for the entire company and monitors the implementation and achievement of targets. Sustainability targets are anchored in the Management Board's targets via the remuneration system.

The systematic consideration of sustainability criteria is an integral part of our investment and research decisions. We evaluate not only economic factors, but also potential negative and positive impacts and currently untapped opportunities in the areas of the environment, social aspects, and the local community.

The relevant committees for environmental, health, safety, and product safety issues meet at least once a year under the leadership of the responsible department or division manager. Within this framework, strategic aspects, responsibilities, targets, and their implementation are discussed. The human resources strategy is continuously defined in consultation with divisional management. Employee health is discussed quarterly in the "Health" committee, chaired by the company doctor. The impacts, risks, and opportunities identified in the risk assessments help to define appropriate targets.

EXPERTISE AND SKILLS OF THE MANAGEMENT BOARD, SUPERVISORY BOARD, AND EXTENDED MANAGEMENT WITH REGARD TO SUSTAINABILITY ASPECTS

With regard to the Management Board, the Supervisory Board has developed a specific requirements profile that also addresses sustainability issues. For example, the members of the Management Board should be able to substantively represent the sustainability-related issues that are essential to the company. Furthermore, the Management Board is committed to the sustainability-related recommendations of the German Corporate Governance Code (GCGC).

The Supervisory Board of Alzchem Group AG has also adopted a detailed competency profile for itself and its members, which is implemented through regular training courses, among other things. Accordingly, expertise in all sustainability issues relevant to the company is essential for the work of the Supervisory Board. This includes sustainability reporting and its review. The declared goal of the Supervisory Board is for all members to have a basic understanding and for at least one of its members to have an in-depth understanding of the sustainability issues relevant to the company. Appropriate training periods must be taken into account for newly elected members of the Supervisory Board.

The Sustainability Manager, together with the Sustainability Core Team, is responsible for providing regular training to the Management Board and Supervisory Board and provides information on all key sustainability aspects. In addition, an e-learning platform covering relevant sustainability topics is available to all employees at the German sites. Sustainability-related expertise is also acquired through the involvement of external experts and participation in vari-

ous training courses. Responsibility for implementing legal and internal sustainability requirements lies directly with the specialist departments.

The Management Board and divisional management have conducted a thorough assessment of the impacts, risks, and opportunities associated with sustainability issues, drawing on a variety of sources. In doing so, they ensured that all material environmental, economic, and social factors were taken into account when approving the materiality assessment. The process encompasses internally available expert knowledge, company data and reports, as well as external reports and studies by environmental organizations, NGOs, and scientific institutions on global and local sustainability trends. In addition, legal and regulatory requirements and their potential impact on the company are taken into account. Stakeholder feedback, including feedback from customers, investors, employees, suppliers, and society in general, also plays an important role. Furthermore, sustainability and industry standards, such as industry standards and certifications such as ISO 14001 for environmental management, serve as guidelines.

Our company's own sustainability strategy, the associated targets, and the integration of sustainability aspects into the overall corporate strategy and planning also formed a key framework for decision-making. These measures will have a significant impact on the long-term development of the company. Last but not least, knowledge of technological developments and innovations that promote sustainable practices, such as the introduction of energy-efficient processes or the development of new, sustainable products, was also important for decisions.

DISCLOSURE REQUIREMENTS RELATED TO ESRs G1 GOV-1

Corporate governance encompasses the essential principles derived from a legal framework for the management and supervision of a company. These principles are a core component of Alzchem Group AG's philosophy and are considered an expression of good and responsible corporate governance. These principles particularly concern cooperation within the Management Board and the Supervisory Board (including its committees) as well as the interaction between these bodies and the shareholders. In addition, the principles of corporate governance also influence Alzchem's relationship with all economically affiliated persons and institutions. Compliance with relevant legal regulations and adherence to the German Corporate Governance Code (GCGC) form the basis for responsible corporate management and control at Alzchem, which is geared towards sustainable value creation.

GOV-2 – INFORMATION PROVIDED TO AND SUSTAINABILITY MATTERS ADDRESSED BY THE COMPANY'S ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES

CORPORATE GOVERNANCE

Good corporate governance is essential for the success and responsible management and supervision of our company. Alzchem Group AG therefore attaches great importance to the relevant regulations. With one exception, the company complies with all recommendations of the German Corporate Governance Code in the version dated April 28, 2022

(see the Declaration of Conformity pursuant to Section 161 of the German Stock Corporation Act (AktG) in the combined management report for 2025).

The Management Board and Supervisory Board continuously address sustainability matters from various perspectives. The company's legal representatives are also responsible for the internal controls and processes necessary to ensure proper sustainability reporting. The Supervisory Board is responsible for monitoring these processes.

In order to fulfill its duty of care, the Management Board of Alzchem Group AG has appointed a risk manager who submits a summary risk report at least once a year, which in future will also include the results of the IRO analysis. Risk management is ensured through regular meetings and reports from the individual committees, bodies, and specialist departments. This includes ongoing discussions, reporting, and corresponding coordination processes. The Management Board continuously monitors the implementation and effectiveness of the strategies, measures, and targets that have been decided upon.

Risk management is an integral part of Alzchem's corporate management and strategy and aims to identify the impacts, risks, and opportunities identified in this way at an early stage and to take appropriate measures to limit or minimize the impacts or to exploit the opportunities that arise.

In fiscal year 2023, we conducted a double materiality assessment for the first time in accordance with the European Sustainability Reporting Standards (ESRS). The materiality assessment determines the relevant sustainability issues for our company, derived from identified material potential and actual impacts, risks, and opportunities (IRO anal-

ysis) in the areas of environment, social, and governance. In accordance with the principle of double materiality, both the impacts of our business activities on the environment (inside-out perspective) and sustainability issues that affect the financial position of our company (outside-in perspective) were assessed.

In order to be able to respond flexibly to changes, the IRO analysis is to be updated annually. A corresponding update of this analysis was carried out in fiscal year 2025.

In cooperation with the relevant specialist departments and with the involvement of the risk manager, all significant risks are identified and assessed, and existing assessments are reviewed. In addition to the potential risks, opportunities are also identified and appropriate measures are derived from them.

The results of the materiality assessment serve as the basis for uniform and comprehensible reporting. In addition, the insights gained are used to further develop or adapt strategies, targets, and measures.

For further information, please refer to the risk and opportunity report in the combined management report of Alzchem Group AG as of December 31, 2025.

The following table lists the material ESG risks identified in 2025 that could have a potentially negative impact on the business activities and future development of Alzchem Group AG. These were discussed by the responsible committees and reviewed by the Management Board and Supervisory Board. The overview also contains measures to mitigate these risks and information on how to exploit potential opportunities.

MAIN RISKS	OPPORTUNITIES	MEASURES	AFFECTED AREA
Failure to consider environmental and social criteria, such as climate-related impacts or local sourcing, when selecting (critical) raw materials (transition risk)	• Environmental awareness • Competitive advantage • Expansion of the product range • Development of new markets • Support for sustainable suppliers	• Clear sustainability standards for the procurement of raw materials • Regular training for employees and suppliers • Sustainable alternatives to critical raw materials (R&D) • Compliance with international standards	Raw material markets
Increase in physical risks such as water scarcity and extreme weather events (e.g., flooding), which require technical and structural adjustments at production sites (physical risk)	• Environmental and climate protection • Cost savings	• Technical and structural adjustments at production sites • Water conservation measures	Production
Potential impact of events such as pandemics and geopolitical events on ESG-related issues, particularly with regard to energy supply and prices, which pose an operational and financial risk (transition risk)	• Security of energy supply • Image enhancement • Cost advantage • Stable and long-term supplier relationships	• Diversification of energy sources (e.g., electricity) • Implementation of energy efficiency programs to save energy • R&D into new technologies that reduce energy dependence • Increased use of renewable energies	Production
Lack of appeal to well-educated skilled workers due to a lack of activities (internal and external), e.g., no ESG strategy to be perceived as a socially committed and sustainable company (transition risk)	• Attractive employer • Employee retention • Increased attractiveness for skilled workers • Competence development • Talent promotion	• Development and implementation of an ESG strategy • Promotion of a positive corporate culture (respect, social responsibility) • Open and transparent communication about ESG targets and achievements • Creation of a sustainable and healthy working environment	Human resources
Changes to the regulatory framework for environmental protection, health, and safety issues in general, as well as for the manufacture and marketing of products (transition risk)	• More environmentally friendly production methods and products • A safer working environment can increase employee satisfaction and productivity and reduce the risk of accidents at work and associated costs	• Continuous monitoring of changes in relevant laws and regulations at national and international level • Sustainable product design • Open dialogue with regulatory authorities	Sales markets

MAIN RISKS	OPPORTUNITIES	MEASURES	AFFECTED AREA
Risks, particularly from regulatory changes, such as in the area of product approvals and energy legislation (transition risk)	• Securing competitive advantages through early compliance with new requirements • Investment in sustainable technologies and energy-efficient processes • Promotion of innovation	• Monitoring and analysis of the regulatory landscape • Innovative R&D • Collaboration with industry associations	Sales markets
Changes in customer demand and preferences toward more sustainable production and a "green" product portfolio (transition risk)	• Lower environmental impact (reduced CO₂ emissions) • Competitive advantage • Expansion of the product range • Development of new markets • Cost savings through circular economy	• Awareness raising • Sustainable R&D • Closer cooperation with customers and suppliers • Expansion of the product portfolio • Calculation of the carbon footprint of products	Sales markets
(Financial) sanctions due to non-compliance with laws (transition risk)	• Image boost • Competitive advantage	• Comprehensive compliance program • Regular internal and external audits • Whistleblower systems • Continuous training	Governance

GOV-3 – INTEGRATION OF SUSTAINABILITY-RELATED PERFORMANCE IN INCENTIVE SCHEMES

DISCLOSURE REQUIREMENTS RELATED TO ESR5 E1 GOV-3

INTEGRATION OF SUSTAINABILITY-RELATED PERFORMANCE IN THE REMUNERATION OF THE MANAGEMENT BOARD

In fiscal year 2025, sustainability-related performance was once again included in the remuneration system for the Management Board. As part of the short-term variable remuneration (Short-Term Incentive, STI), 90% of the STI is determined by the business success achieved and 10% by the achievement of the company's sustainability targets. The selection and weighting of these targets, which should be as quantifiable as possible – such as reducing occupational accidents, using resources more efficiently, reducing energy consumption, reducing waste, or reducing CO₂ emissions – is carried out annually by the Supervisory Board. The members of the Management Board are informed in writing of the targets set, their weighting, and the respective target, minimum, and maximum values. In the case of non-quantifiable targets, the Supervisory Board also determines the measurement method and target definition. At the end of the fiscal year, the actual values achieved are compared with the previously set target values. For non-quantifiable targets, the Supervisory Board assesses the achievement of targets at its reasonable discretion using the specified criteria and methods.

A common, non-financial corporate goal in the area of sustainability has been set for all members of the Management Board for 2025: The group-wide introduction of SAP Sustainability Footprint Management (SFM) is to be completed by the end of 2025 at the latest. By then, the carbon foot-

print of all Alzchem products with a volume of more than 1,000 tons per year must be reliably determined and the underlying methodology must be externally audited and certified. The corporate goal was successfully implemented in the reporting year 2025, including certification of the calculation method used by TÜV Rheinland.

While the members of the Supervisory Board of Alzchem Group AG receive only fixed remuneration, the remuneration of the Management Board also includes variable components in accordance with the remuneration system approved by the Annual General Meeting. Climate-related considerations are taken into account in the STI, which accounts for approximately 30% of total remuneration. The achievement of targets is based on the respective criteria of the Supervisory Board and may deviate from the general GHG reduction targets. No specific climate-related targets have been set for 2025.

For further information, please refer to the disclosures in the Alzchem Group AG remuneration report as of December 31, 2025.

GOV-4 – STATEMENT ON DUE DILIGENCE

APPROPRIATE DUE DILIGENCE AT ALL LEVELS AND DUE DILIGENCE PROCESSES

Alzchem takes its responsibility for respecting human rights seriously and also observes the relevant due diligence obligations in this area.

This obligation, which extends beyond our own company, is increasingly the focus of social and political debate, which is also becoming increasingly apparent in legislation. Our actions are based on applicable laws and regulations and, in some cases, go beyond these in voluntary commitments. The requirements for due diligence and risk management, which

are in line with our sustainable corporate strategy, are firmly anchored in our business processes. In doing so, we take into account internationally recognized principles such as:

- the United Nations (UN) Universal Declaration of Human Rights,
- the Ten Principles of the UN Global Compact,
- the core labor standards of the International Labor Organization (ILO),
- the UN Guiding Principles on Business and Human Rights,
- the OECD Due Diligence Guidance for Responsible Business Conduct,
- the due diligence obligations under the German Supply Chain Due Diligence Act (LkSG),
- the Code of Conduct for Suppliers
- the Responsible Care® Global Charter of the International Council of Chemical Associations, and
- the German Corporate Governance Code.

Alzchem has summarized the relevant obligations, processes, responsibilities, and measures in an internal manual created specifically for this purpose. The effectiveness of measures to address negative impacts is monitored through internal and external audits (e.g., TfS audit, EcoVadis assessment).

A responsible purchasing process is an integral part of our procurement activities. We also expect our business partners to comply with applicable laws, regulations, and internationally recognized principles. We have set out our expectations in a binding code of conduct for suppliers. Our purchasing process begins even before the start of a business relationship and is based on a continuous process of review, analysis, and ongoing improvement with our existing suppliers.

The identification and assessment of actual or potential impacts, risks, and opportunities arising from our business activities are part of the annual ESG risk process and traditional risk management.

The link between business and human rights is an essential part of Alzchem's corporate responsibility and also reflects stakeholder expectations. In addition, the OECD Due Diligence Guidance for Responsible Business Conduct serves as a reference for our approach.

The following table compares the core elements of Alzchem's due diligence for the impacts on people and the environment with the information provided in this NFS:

Core elements of due diligence	Paragraphs in the sustainability statement	Further information
a) Integration of due diligence into governance, strategy, and business model	ESRS 2 GOV-2; ESRS 2 GOV-3; ESRS 2 GOV-SBM-3	
b) Integration of affected stakeholders in all important steps of due diligence	ESRS 2 GOV-2; ESRS 2 SBM-2; ESRS 2 IRO-1; ESRS 2 MDR-P; topic-related ESRS	
c) Identification and assessment of negative impacts on people and the environment	ESRS 2 IRO-1; ESRS 2 SBM-3	
d) Measures against these negative impacts on humans and the environment	ESRS 2 MDR-A; topic-related ESRS (measures and transition plans)	
e) Monitoring the effectiveness of these efforts and communication	ESRS 2 MDR-M; ESRS 2 MDR-T; topic-related ESRS (parameters and targets)	

GOV-5 – RISK MANAGEMENT AND INTERNAL CONTROLS OVER SUSTAINABILITY REPORTING

RISK AND OPPORTUNITY MANAGEMENT AND INTERNAL CONTROLS FOR SUSTAINABILITY REPORTING

As part of Alzchem's internal control system (ICS), in addition to the effectiveness, efficiency, and economy of business activities, the reliability of the process for preparing sustainability reporting is also implemented through specific controls for the accuracy and completeness of sustainability reporting in accordance with ESRS, including the dual control principle. This is done in compliance with relevant legal requirements. During the preparation process, qualitative information and quantitative data for sustainability reporting were systematically collected and documented. In addition to data validations as part of the annual financial statements, our environmental data is subject to internal performance analyses, internal and external audits, and regulatory monitoring throughout the year.

The process of preparing the sustainability report was monitored and controlled by the responsible departments, the Sustainability Core Team, the Management Board, and the Supervisory Board.

Further information on the design of the ICS can be found in the financial report section in the chapter ["Design of the internal control system"](#).

EVALUATION OF RISKS AND OPPORTUNITIES

There is currently no formalized process for assessing risks and opportunities, including the method for prioritizing risks.

Proper sustainability reporting requires that risks associated with the reporting process also be taken into account. In the context of ESRS requirements, such risks can arise in particular from the incorrect, incomplete, or delayed provision and preparation of the necessary information. Another potential risk arises from staff shortages that may occur due to employee absences during the reporting period. Further risks relate to the possibility of insufficient or delayed availability of data on the upstream and downstream stages of the value chain.

To minimize these risks, efforts are made to start reporting early in order to avoid bottlenecks during the finalization phase, and IT-supported data collection is used as comprehensively as possible to identify potential deviations at an early stage.

The design and implementation of controls to mitigate risks is the responsibility of the respective departments that collect the data or process it in the reporting process. The Sustainability Core Team is directly involved in reporting on sustainability issues as a central

committee. In addition, controls are in place in the form of critical discussions of the draft sustainability report at the Management Board level.

LEGAL CHANGES

Alzchem's business activities are subject to extensive regulatory requirements, which are subject to ongoing change and potential tightening as a result of political decisions or legal adjustments. In particular, the regulatory framework in the area of environmental, health, and safety requirements, as well as for the manufacture and marketing of products, is characterized by frequent changes, which generally lead to a tightening of requirements.

For further information, please refer to the disclosures in the Alzchem Group AG annual report as of December 31, 2025.

STRATEGY

SBM-1 – STRATEGY, BUSINESS MODEL AND VALUE CHAIN

SUSTAINABLE CORPORATE GOVERNANCE (SUSTAINABILITY STRATEGY)

Alzchem offers sustainable, value-adding solutions for its customers and consistently aligns its business model with long-term success. For us, sustainable corporate governance and profitable growth go hand in hand.

Sustainable business practices, technological innovation, and financial stability are essential to our competitiveness. In an increasingly complex world, environmental and social issues are becoming more important alongside economic aspects, bringing with them new risks and opportunities.

Responsible conduct has been deeply rooted in our corporate culture since 1908. We take the interests of our employees, customers, suppliers, investors, and society into account in our considerations. Safety aspects and ethical standards are just as important to us as economic success. We apply strict sustainability criteria to our procurement. In the production process, we strive to minimize environmental impact through optimized processes. Safe, sustainable manufacturing in accordance with high environmental protection and quality standards is a matter of course for us and makes economic sense. Through sustainable products, we support our customers in achieving their own sustainability targets.

The increasing challenges in society and the environment require the definition of clear targets for the coming years. Sustainability aspects are an integral part of our corporate strategy and are anchored in the strategic management process and in our operational business activities. Taking into account the ISO standards for quality, environment,

energy, safety, and health, we create the conditions for implementing key sustainability issues within the company.

Our sustainability strategy is based on the following key components:

- Expansion of high-growth business areas with a focus on sustainable development
- Establishing sustainable resource management through ambitious environmental targets, including a systematic analysis of the impact of our business activities along the entire value chain (anchored in the climate roadmap)
- Early detection and effective reduction of sustainability risks within our portfolio
- Climate-neutral growth and achievement of climate neutrality in accordance with Scope 1 by 2033 at the latest; to this end, investments of over EUR 30 million are planned by 2030 in measures outlined in our climate roadmap, which means an annual CO₂ reduction of around 90,000 tons compared to the base year 2022 – this corresponds to more than 75% of our emissions
- Supporting and further developing the circular economy
- Implementation of our vision: zero accidents at work
- Integration of sustainability aspects into all HR processes – from recruitment and training to the development of incentive systems
- Continuous and transparent optimization of our sustainability reporting

RESEARCH & DEVELOPMENT (R&D)

For Alzchem, innovation is a key factor for sustainable and profitable growth as well as for long-term corporate success. Through comprehensive research and development activities, we are consolidating our technological leadership

and continuously opening up new areas of growth. We see significant opportunities in particular in the development of new products and applications along the NCN chain, our core area of expertise.

The project management tool for R&D activities is used to manage product- and process-related research and development projects based on criteria such as sales potential, profitability, and customer benefits. Chemical solutions are developed for specific customer requirements. The focus is on products and applications for areas such as healthy aging, population growth, and sustainable solutions related to climate change. More and more inquiries are coming in from the customer portfolio of exclusive synthesis regarding technological support in returning side streams or waste to the production process. In addition, production processes are being further developed with a view to saving energy, reducing water consumption, and closing material cycles in order to operate more sustainably. The main research and development activities relate to the Specialty Chemicals segment at the Trostberg and Waldkraiburg sites and also support the Basics & Intermediates segment at the Trostberg, Schalchen, Hart, and Sundsvall (Sweden) sites.

It is our aspiration and our obligation to provide products that are safe for both people and the environment. Through comprehensive risk analyses and testing procedures, we ensure compliance with all external requirements and our own high standards.

As of December 31, 2025, 102 employees worked in innovation management at the Alzchem Group.

IMPORTANT PRODUCT GROUPS, SERVICES, AND BUSINESS PROCESSES

The Alzchem Group develops, produces, and distributes chemical products and offers services, for example as a chemical park operator. Its networked production structure (integrated system) enables an efficient value chain for basic products such as

- methane reduction additives for manure and biogas fermentation residues (Eminex®),
- fertilizers (Perlka®),
- synthesis building blocks for active pharmaceutical ingredients, for example for the production of metformin – a drug for the treatment of type 2 diabetes (dicyandiamide, DCD),
- raw materials for pharmaceutical products, high-performance pigments, agrochemicals, and biocides (NITRALZ®), including specialty products based on these for various market segments, such as
- feed additives (Creamino®),
- dietary supplements based on high-purity creatine (Creapure®, Creavitalis®),
- applications in agriculture, as propellants for gas generators (automotive industry) and in the defense sector (guanidine salts/nitroguanidine),
- growth regulators for use in agriculture (Dormex®)
- guanidine salts for the pharmaceutical and diagnostics market (Bioselect®),
- custom synthesis as contract manufacturing in our multi-purpose facilities,
- hardeners and accelerators in powder, paste, and liquid form (DYHARD®) for epoxy resin systems.

Alzchem produces at four sites in the southeastern Bavarian chemical triangle (Trostberg, Schalchen, Hart, and Waldkraiburg) as well as in Sweden (Sundsvall) and is represented by its own sales company in the strategically important markets in the USA (Atlanta) and China (Shanghai). Alzchem Group AG has the following number of employees at its various sites, broken down by geographical region:

Geographical area	Number of employees ¹
Europe	1,772
Asia	6
United States	16

¹ Status: 12/31/2025 (number of employees)

Our customer portfolio mainly comprises large international companies and medium-sized businesses. A few products are also marketed directly to end consumers. However, our main focus is on the business-to-business segment, where we act as a reliable partner for a wide range of processing industries worldwide. Alzchem's operating business can be divided into three business segments along the entire value chain and according to the internal reporting structure: Specialty Chemicals, Basics & Intermediates, and Other & Holding.

The Specialty Chemicals segment comprises the production and distribution of high-quality specialty chemical products such as Creamino®, Creapure®, Bioselect®, DYHARD®, Dormex® and nitroguanidine.

The Basics & Intermediates segment comprises basic and intermediate products that are either required as raw materials for the manufacture of specialty chemicals or marketed as standalone products. The latter serve a wide range of applications, for example in agriculture, steel production, and the pharmaceutical and automotive industries.

The Other & Holding segment comprises all activities that cannot be directly assigned to the other business areas. The focus here is particularly on services related to the Trostberg and Hart chemical parks, which Alzchem provides primarily for its own purposes, but also for external customers. Various administrative services are also assigned to this segment.

For further information on the Alzchem Group's business model, please refer to the information in the [combined management report 2025](#).

As a specialty chemicals company, Alzchem Group AG faces the task of aligning sustainability targets with customer requirements, different geographic markets, and stakeholder relationships. Sustainability is part of the corporate strategy and includes the development of new solutions and next-generation technologies that will help address global challenges.

The United Nations Sustainable Development Goals (SDGs) provide us with a framework for evaluating and improving our products and services, particularly in terms of environmental, economic, and social aspects, and for aligning them with specific strategies and measures. The SDGs help us to set priorities and identify the most relevant targets for Alzchem Group AG. We have identified the five most important SDGs for Alzchem Group AG, on which we are focusing our particular attention (SDG 3, SDG 6, SDG 8, SDG 12, SDG 13). For our various product groups, this means that Alzchem must develop innovative solutions that minimize environmental impact while meeting customer requirements. This will be achieved by introducing sustainable resource management across all products and product groups, as well as by setting

environmental targets to reduce Scope 1 emissions. These targets are anchored in our climate roadmap and include a systematic analysis of the impact of our business activities across the entire value chain.

In terms of customer categories, it is important to understand the needs of different customer segments and offer products that promote sustainable practices. Alzchem works closely with its customers, most of whom are industrial companies that further process the products. The solutions and technologies offered are used in various end markets and serve to meet specific customer requirements. To support changes towards sustainability in supply chains and end markets, we have collaborated with various industry partners. The company aims to be as fully integrated as possible into its customers' value chains. This allows processes in research and development, production, marketing, and sales to be specifically tailored to customer requirements.

Geographically, we must take into account the different environmental laws and regulations as well as market dynamics in different regions. This requires a flexible and tailored approach to achieve local and global sustainability targets.

Relationships with our stakeholders are also crucial, as close cooperation with suppliers, customers, communities, and governments is necessary to create and maintain sustainable value. As a company in the chemical industry, we must communicate transparently and disclose our progress toward sustainability targets in order to build trust and credibility.

Overall, achieving sustainability targets in specialty chemicals requires strategic planning and the commitment of all

stakeholders to develop innovative solutions that are both economically viable and environmentally friendly.

Alzchem Group AG specializes in products and processes related to the NCN chemical chain (nitrogen-carbon-nitrogen). The most important product groups include dietary supplements, precursors for DNA diagnostics, pharmaceutical raw materials, and specialty chemicals for fine chemicals.

These products and product groups are evaluated with regard to our sustainability targets, among other things. Alzchem Group AG has set itself the goal of becoming climate neutral according to Scope 1 by 2033 and has developed a climate roadmap that includes various packages of measures to reduce CO₂ emissions and use resources efficiently. A particular focus is on reducing energy consumption, for example by optimizing production processes and closing cycles. This has the greatest impact on products at the beginning of the NCN value chain. In addition, we have launched projects to reduce our water footprint, which aim to minimize cooling water consumption across all product groups.

Alzchem Group AG operates in various market segments, including health and nutrition, agriculture, and pharmaceuticals. With its products, the company contributes to increasing life expectancy and promoting healthy aging (Creapure®, Creavitalis®). In addition, it offers specialized solutions for animal nutrition with Creamino®. Alzchem is also proactively involved in the fight against climate change by offering products for the renewable energy sector and developing sustainable solutions in this area (e.g., DYHARD®).

Alzchem continuously reviews its products and product groups in terms of its defined sustainability targets. Where necessary, targeted measures are taken to optimize environmental performance and make a valuable contribution to society.

The rating agency EcoVadis awarded Alzchem platinum status in 2024. With 84 out of a possible 100 points, we are among the top 1% of companies rated worldwide, both in the chemical sector and across all industries. Alzchem plans to undergo another assessment by EcoVadis in 2026.

This rating increases transparency and underscores Alzchem's commitment to a sustainable future.

Alzchem Group AG is committed to sustainability and environmental protection as an integral part of its corporate strategy. The strategy covers various areas relevant to sustainability.

- **EMISSIONS REDUCTION:** Alzchem has set itself the goal of achieving climate neutrality in accordance with Scope 1 by 2033. This goal is to be achieved in particular through the consistent reduction of emissions, especially CO₂.
- **ENERGY MANAGEMENT:** Alzchem is continuously reducing its energy consumption through more efficient production processes and is increasingly relying on electricity from renewable sources to reduce its carbon footprint.
- **WATER MANAGEMENT:** As part of a project to reduce the water footprint, water consumption is systematically analyzed and targeted measures to reduce it are defined. This includes, in particular, the multiple use of cooling water. Since the start of the project, these initiatives have led to a measurable reduction in the absolute amount of water used.

- **WASTE MANAGEMENT:** Alzchem consistently pursues the goal of avoiding waste as much as possible or recycling it. In doing so, it specifically promotes the circular economy in order to reduce its environmental impact in the long term.

- **PRODUCT PORTFOLIO:** The company offers sustainable products that respond to social developments such as demographic change, healthy aging, and securing global food supplies.

The future challenges lie in particular in further minimizing environmental impact while ensuring product quality and economic efficiency. Alzchem Group AG intends to meet these requirements through continuous innovation, optimized energy efficiency, and the development of sustainable products.

BUSINESS MODEL AND MANAGEMENT APPROACH

The procurement, development, and securing of essential inputs form a fundamental part of Alzchem Group AG's business model and value chain. Key resources include capital, raw materials, information, and qualified employees, which are essential for continuous business operations.

A structured approach to managing these resources helps to support the efficiency and sustainability of operational processes. This includes identifying suitable sources of supply, developing processes to increase the quality, sustainability, and efficiency of the respective inputs, and implementing security measures, for example in the area of data security, to ensure availability and integrity. In addition, risk management, employee training, and investment in research and development are used to expand corporate knowledge and enable innovation. Transparent communication with all stakeholders, including suppliers, customers, and employees, supports trusting cooperation.

Furthermore, it is important that we understand our value chains and know how our inputs flow through various business processes to generate outputs and results that maximize current and expected benefits for customers, investors, and other stakeholders. Analyzing upstream and downstream value chains and the position of Alzchem Group AG within these chains is also crucial to understanding and optimizing relationships with key economic players such as suppliers, distribution channels, and end-users.

Important suppliers for the Alzchem Group are those from whom we source our main raw materials for our product portfolio, which is based on calcium carbide/calcium cyanamide. These are essentially lime, coke, and electrical energy. In addition, a large number of chemical raw materials are required for the further production process. To secure physical inputs such as raw materials, Alzchem's supply chain process stipulates that, for example, contracts with as many suppliers as possible are concluded for each raw material in order to minimize the risk of supply bottlenecks and avoid single sourcing as far as possible.

In production, our plants are regularly maintained to ensure the efficiency and quality of the outputs, i.e., our products. This is carried out by internal staff or by specialized service providers.

Securing the energy supply, especially electricity, plays a crucial role for Alzchem Group AG as an energy-intensive company. This is achieved by purchasing electricity through contracts with energy providers. Further measures include, for example, the construction of an in-house photovoltaic system in 2024, which will contribute to an emission-free energy supply at the Trostberg site.

Overall, the careful handling of inputs and a well-thought-out approach to their collection, development, and safeguarding are key elements for the success and long-term viability of a company.

The defined business model with a clearly presented value chain describes how Alzchem Group AG generates and communicates value. It contains various potential outputs and results that are relevant for customers, investors, and other stakeholders.

For our customers, this usually means an appropriate presentation of optimized, efficient manufacturing processes, including the raw materials used, also in terms of their sustainability. High standards in quality assurance lead to higher product quality and better service.

The Alzchem Group AG business model, combined with an efficient value chain, ensures a stable cost structure and sustainable margins, leading to constant or increasing returns. This strengthens the company's position and increases its attractiveness to existing and potential investors.

Other stakeholders, including suppliers and our employees, benefit from an integrated value chain with optimized processes. For the latter, this ensures a safe working environment, competitive compensation, and structured development opportunities supported by the efficiency of the value chain.

Our high-quality chemical products offer end consumers safety and quality. We take responsibility for safe manufacturing, storage, and transport, and ensure responsible handling at all stages of the value chain. Our teams support customers with training and advice on the safe and environmentally friendly use of products and provide information on potential risks.

VALUE CHAIN

As a manufacturer of specialty chemicals, Alzchem plays a central role at the beginning of the value chain. We supply highly specialized chemicals as essential raw materials or precursors that our customers in various industries process further. Analyzing and optimizing our market position is crucial for us to secure competitive advantages and achieve long-term success. This means we have a significant influence on the quality and performance of the end products and are therefore particularly important to our customers. By working closely with them, we can develop tailor-made solutions that are precisely tailored to their specific requirements. This strengthens our position and makes us an indispensable link in the value chain.

Alzchem Group AG relies on reliable suppliers of lime, coke, and electrical energy, as these are among the most important raw materials for the manufacture of calcium carbide and calcium cyanamide-based products. These raw materials are crucial for the quality and efficiency of production processes. In addition, various basic chemicals are required to manufacture Alzchem's wide range of products. For this reason, careful selection and effective management of the supply chain are essential factors for the sustainable success of the company.

Alzchem Group AG attaches the utmost importance to safety and responsible handling throughout the entire manufacturing, storage, and transportation chain for its products. Comprehensive training and consulting measures ensure that both employees and customers are informed about correct handling and potential risks. This extends to all stages of the value chain – from production to end use. Careful handling of our products not only ensures a high level of safety but also makes an important contribution to environmental protection.

Further information can be found in chapters [ESRS S2](#), [ESRS S4](#), and [ESRS G1 \(management of relationships with suppliers\)](#).

SBM-2 – INTERESTS AND VIEWS OF STAKEHOLDERS

OUR STAKEHOLDERS – INTERESTS AND VIEWS OF STAKEHOLDERS

The acceptance and support of our stakeholders is an essential factor for sustainable business success. We define stakeholders as all internal and external individuals and groups of individuals who are directly or indirectly affected by our company's economic activities, business decisions, and targets, or who have a specific interest in these activities. Building and maintaining trusting relationships with all interest groups and taking their expectations and requirements into account are central components of Alzchem's sustainability strategy.

As part of the materiality assessment process, we have identified the following key stakeholders:

- Shareholders
- Banks
- Authorities
- Local authorities
- Trade unions
- Customers, users, and consumers of our products
- Suppliers
- Employees
- Politicians
- Associations

As a globally active company, the Alzchem Group shares responsibility for solving the environmental and social challenges arising from its business activities.

In order to find innovative and sustainable methods and measures, close and continuous exchange with our stakeholders inside and outside the company is of great importance in order to identify opportunities and risks for Alzchem's business activities as early as possible and thus enable proactive action.

Transparency and open dialogue with the various interest groups regarding new information, answering questions, or discussing specific topics are very important to us. This exchange takes place in various ways, such as at product presentations, trade fair appearances, through participation in trade associations, at works meetings, and at roadshows for investors. In fiscal year 2025, our sales department once again conducted customer surveys that explicitly addressed sustainability aspects. This helps us to better understand the needs of our customers and the aspects and expectations that are important to them in relation to this topic. Regular communication with municipal committees and local institutions, as well as open dialogue with neighbors in the surrounding communities, are also very important to us. We are in regular contact with various interest groups and political representatives at the federal, state, district, and local levels.

Our employees are an extremely important stakeholder group. In order to measure employee satisfaction and better understand their needs and ideas, we conduct regular

employee surveys at our German sites. Based on the results, concrete measures for continuous improvement are derived. Progress at all levels demonstrates that we have carefully considered the concerns of our employees and implemented appropriate measures.

In view of the growing shortage of skilled workers, the importance of employee satisfaction will continue to increase in the future. Further information can be found in section [ESRS S1](#).

The corporate strategy and business model of Alzchem Group AG are geared toward analyzing and responding to the interests and views of its key stakeholders, particularly in the context of the due diligence process and materiality assessment.

In line with the requirements of the European Sustainability Reporting Standards (ESRS), Alzchem conducts a stakeholder analysis to understand the concerns and views of various interest groups and integrate them into its corporate strategy and business model. This analysis is a crucial step in assessing the company's impact on the environment and society and taking appropriate action.

Our EcoVadis CSR rating of Platinum confirms that we successfully integrate stakeholder interests into our business practices and assess risks in a targeted manner. This commitment to stakeholder interests is also reflected in our sustainable corporate governance and ongoing efforts to ensure transparency and accountability.

Stakeholder interests are taken into account in day-to-day business as well as in long-term strategic planning. Our structured materiality assessment, including IROs, takes the views of relevant stakeholders into account in the assessment process. In addition to the materiality assessment, various communication channels are available through which stakeholders can express their opinions and participate – either directly or via generally accessible online and offline media. We intend to identify the sustainability issues that are important to our customers and the users of our products by conducting more surveys, thereby further deepening our dialogue.

The Management Board and Supervisory Board of Alzchem Group AG play a central role in taking into account the interests and views of stakeholders, particularly with regard to the company's sustainability-related impact. The following measures have been implemented to ensure that these bodies are effectively informed:

- Internal information sessions with the Supervisory Board (Supervisory Board meetings and monthly meetings with the Chairman of the Supervisory Board).
- Regular meetings and consultations with stakeholders, such as neighbors, politicians, and associations, which help to communicate views directly.
- The inclusion of sustainability risks in company-wide risk management to ensure that the bodies are informed about potential impacts on stakeholders.

- Regular reporting by the Sustainability Core Team, which deals exclusively with sustainability issues.

These measures provide the Management Board and Supervisory Board of Alzchem Group AG with comprehensive information about stakeholders' views and concerns regarding sustainability issues. This enables them to make informed decisions that promote long-term corporate success, environmental protection, and social well-being in equal measure.

DISCLOSURE REQUIREMENTS RELATED TO ESRS S1

Alzchem relies on its workforce as a key success factor and, in addition to an attractive remuneration system, offers job security, collegial behavior, and the opportunity to help shape one's own professional development. Behavioral principles such as reliability, fairness, trust, responsibility, and quality are the benchmark for cooperation within the company, but also in contact with customers and suppliers.

The people in the company – and, due to their very high proportion, especially the employees within the meaning of Standard S1 – are the cornerstone of Alzchem. Non-employees within the meaning of this standard are also taken into account but only represent a small proportion.

Over many decades, despite some significant changes in the company structure and the associated changes in ownership, Alzchem and its predecessor organizations have succeeded in winning over their employees. The Alzchem Group is regarded as a family-like, employee-oriented, and

appreciative employer, with many families having worked there for generations and decades. To ensure that this long-standing trend is not permanently damaged by external influences or developments in society as a whole, Alzchem focuses strongly on the needs of its employees, as reflected in the materiality assessment conducted in 2023 and revised in 2025 (see [ESRS 2](#)).

Measures and policies are not implemented unilaterally by management but are developed jointly in a close coordination process between management and workers' representatives. The interests, views, and rights of our workforce are taken up and supported by the workers' representatives on the one hand, and reflected by management in its own interests on the other, and translated into operational practice through policies. This employee-oriented attitude is an important part of our social business model.

Above all else are people with their needs, obligations, and rights – especially their human rights, which Alzchem takes seriously and respects, nurtures, and sustainably upholds in its daily operations. Human rights play an important role in our actions, as evidenced by our policy statement on human rights developed in 2024. They have been firmly established in our corporate culture for many years and are therefore part of our corporate strategy and business model.

DISCLOSURE REQUIREMENTS RELATED TO ESRS S2

Our materiality assessment has shown that the responsibility we bear for workers in the upstream value chain is a key

issue for us, as this stakeholder group is essential for the manufacture of our products.

Our goal is to reduce negative impacts on workers in the value chain and to fulfill our duty of care toward the interests of affected individuals. Together with our partners, we pursue compliance with ethical and social principles, including respect for human rights, and the promotion of fair and safe working conditions through direct dialogue. This is ensured, among other things, by conducting human rights risk assessments and implementing risk-based control measures at suppliers, with a particular focus on high-risk countries.

We want to understand the interests of employees in our value chain, especially in the upstream sector. Direct communication with suppliers and other partners enables us to incorporate their views into our business strategy.

DISCLOSURE REQUIREMENTS RELATED TO ESRS S4

As a manufacturer of specialty chemicals, Alzchem is primarily active in the B2B segment and generally has no direct contact with end consumers. Alzchem obtains information about the interests of consumers and end-users mainly through its business partners. The following interests are particularly relevant in connection with ESRS S4:

- Quality and reliability are the focus of our partners: They ensure that all products meet the highest standards and are consistently reliable, so that end customer satisfaction is guaranteed.

- Business partners concentrate on developing innovative products and services that meet the changing requirements and expectations of end-users.
- Our business partners are increasingly focusing on sustainable practices and social responsibility in order to meet consumer demands for environmentally friendly and ethically produced products.
- Our business partners in the B2B sector aim to build long-term customer relationships by focusing on the requirements and expectations of their customers.
- Compliance and risk management: Compliance with all legal and regulatory requirements must be ensured in order to minimize legal risks and strengthen the trust of consumers and end-users in the long term.

Our central goal is to secure the aforementioned interests in the long term. Protection is provided on three different levels, which are reflected in the central topics of ESRS S4.

- Privacy,
- health and safety, and
- responsible marketing practices.

The protection of human rights within our downstream value chain is a central component of our protection policy. Alzchem provides relevant information and promotes constructive dialogue with consumers and end-users in order

to understand their views and concerns and incorporate them into the corporate strategy. Furthermore, Alzchem does not make misleading statements, withhold relevant information, or use information that could mislead business partners. Below, we explain how we respond to the material topics we have identified and their significant impacts, risks, and opportunities through appropriate policies, measures, and objectives, and how we fulfill our responsibilities.

SBM-3 – MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

MATERIAL IMPACTS, RISKS, AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

Alzchem Group AG pursues a risk-averse and precautionary approach in its sustainability management, corporate strategy, and financial planning, while at the same time taking existing opportunities and potential into account. Risk and opportunity management forms the basis for strategic orientation and financial planning.

Alzchem Group AG faces various impacts, risks, and opportunities arising from its business activities. These factors are mainly concentrated in the business model and in the upstream and downstream value chain.

We identified the impacts, risks, and opportunities for the first time in 2023 in accordance with ESRS guidelines. In 2024, we further refined our process and methodology for materiality assessment, taking into account double materiality and involving stakeholders, based on the new EFRAG guidelines, and updated it in the reporting year 2025. Risks and opportunities are assessed using an established risk management system. The ESRS topics, sub-topics, and sub-sub-topics listed in ESRS 1, AR 16 served as the basis for this.

Alzchem's business activities affect the environmental, social, and corporate governance areas and influence them both positively and negatively. The following table lists the sustainability-related impacts, risks, and opportunities that we identified and classified as material as part of our double materiality assessment process after evaluating the impacts, risks, and opportunities. All sites and assets, inputs, outputs, and distribution channels relevant to Alzchem were taken into account in the identification and assessment of the IROs. This also included the incorporation of expertise regarding climatic developments, findings, and forecasts, as well as the monitoring and assessment of the impacts on the Alzchem Group.

For further information on the materiality process, see [ESRS 2 IRO-1](#).

IMPACTS, RISKS, AND OPPORTUNITIES RELATED TO SUSTAINABILITY ASPECTS

		Sub-sub-topic	Description of the impact, risk, and opportunity	Positive/negative impact or risk/opportunity	Actual/potential	Value chain
ESRS E1	Climate change	Adaptation to climate change	Sustainable products and solutions help to counteract climate change, for example by reducing CO ₂ emissions (e.g., Eminex®).	Positive impact	Actual	Own activities, downstream
			Transition risks such as regulatory risks, market risks, and technological risks can lead to a decline in sales.	Risk	Potential	Own activities
			Regulatory requirements to limit cooling water discharges into rivers could be tightened in the future, which could result in production losses and lead to a decline in sales.	Risk	Potential	Own activities
			A strong commitment to sustainability with sustainable products (e.g., Eminex®, Creamino®) can improve the company's image, strengthen customer confidence, and lead to increased sales.	Opportunity	Potential	Own activities
		Climate change mitigation	Emissions released from production processes could cause climate change to progress further.	Negative impact	Actual	Upstream, own activities, downstream
			The implementation of sustainable technologies and processes can incur high initial costs and reduce overall profits.	Risk	Potential	Own activities
			High financial burdens for CO ₂ emissions can weigh on the overall result.	Risk	Potential	Own activities
			Development of new market segments and increased demand for products and services due to the greenhouse gas-reducing portfolio.	Opportunity	Potential	Own activities
			The implementation of sustainable technologies and processes can lead to an improvement in financial results through efficiency gains.	Opportunity	Potential	Own activities
			A strong commitment to climate protection (e.g., climate roadmap) can improve the company's image.	Opportunity	Potential	Own activities

		Sub-topic	Sub-sub-topic	Description of the impact, risk, and opportunity	Positive/negative impact or risk/opportunity	Actual/potential	Value chain
ESRS E1	Climate change	Energy		High energy consumption, especially from non-renewable resources, contributes to global warming.	Negative impact	Actual	Own activities
				Geopolitical risks (availability of and dependence on fossil fuels); upward fluctuations in energy prices jeopardize competitiveness.	Risk	Actual	Own activities
				Increasingly stringent regulation and/or taxation of fossil fuel use; higher energy costs make products more expensive and lead to a decline in sales.	Risk	Actual	Own activities
				Cost savings through more efficient processes lead to an improved market position.	Opportunity	Potential	Own activities
				Greater independence from the fossil fuel market through higher energy efficiency and increased use of renewable energies; improved corporate image.	Opportunity	Actual	Own activities
ESRS E2	Pollution	Pollution of air		Damage to living organisms and/or plants caused by air pollutants from production facilities.	Negative impact	Potential	Own activities
				Penalties for non-compliance and increasingly stringent limits, which lead to additional costs.	Risk	Potential	Own activities
				Low-emission production can lead to competitive advantages (similar to the CO ₂ topic).	Opportunity	Potential	Own activities
		Pollution of water		Damage to (aquatic) organisms and/or plants caused by water pollutants.	Negative impact	Potential	Own activities
				Penalties for non-compliance and increasingly stringent limits, which lead to additional costs.	Risk	Potential	Own activities
				Production with low water emissions can lead to competitive advantages (similar to the CO ₂ topic).	Opportunity	Potential	Own activities
		Pollution of soil		Damage to living organisms, plants, or water bodies caused by pollution of soil.	Negative impact	Potential	Own activities
				Soil contamination of an unassessed extent can lead to unquantifiable remediation requirements.	Risk	Potential	Own activities

		Sub-topic	Sub-sub-topic	Description of the impact, risk, and opportunity	Positive/negative impact or risk/opportunity	Actual/potential	Value chain
ESRS E2	Pollution	Substances of concern / Substances of very high concern		The use or production of substances of concern / substances of very high concern could lead to environmental hazards and have a negative impact on health.	Negative impact	Actual	Own activities
				New legal regulations could extend the licensing requirement, which would entail additional administrative and financial burdens. Prohibitions could necessitate the adaptation of existing products or the development of alternatives. If no substitute can be found, this could lead to a loss of revenue.	Risk	Potential	Own activities
				By avoiding these substances and developing safe and sustainable alternatives, competitive advantages can be achieved that can contribute to increased sales through the development of new markets.	Opportunity	Potential	Own activities
		Microplastics		Rubber and waste pollution along the value chain caused during raw material production, transport, and product use leads to the emission of microplastics and rubber particles into the environment.	Negative impact	Potential	Upstream, own activities, downstream
ESRS E3	Water & marine resources	Water	Water withdrawals	High groundwater extraction volumes can lead to water shortages.	Negative impact	Potential	Own activities
				A legal limitation on the permissible withdrawal quantities could lead to a reduction in production capacity and a loss of sales. The imposition of water withdrawal fees would also have a negative financial impact on Alzchem.	Risk	Potential	Own activities
			Water discharges	The discharge of large quantities of water can cause damage to aquatic organisms and plants in the event of unwanted contamination or excessive thermal stress.	Negative impact	Potential	Own activities
				Damage to aquatic organisms and/or plants due to excessive thermal stress or contamination could lead to authorities implementing complex and costly remediation measures.	Risk	Potential	Own activities
				Reduced dependence on limited natural resources and cost savings due to no extraction fees.	Opportunity	Potential	Own activities

		Sub-topic	Sub-sub-topic	Description of the impact, risk, and opportunity	Positive/negative impact or risk/opportunity	Actual/potential	Value chain
ESRS E5	Circular economy	Resource inflows, including resource utilization		High consumption and inefficient use of resources place a strain on the environment.	Negative impact	Actual	Own activities
				Inefficient use and/or high consumption of resources leads to increased manufacturing costs and potentially a loss of competitiveness.	Risk	Potential	Own activities
				Cost advantages through less resource-intensive production.	Opportunity	Actual	Own activities
		Resource outflows in connection with products and services		Products that are not designed for recycling become waste at the end of their service life and thus pollute the environment.	Negative impact	Actual	Own activities, downstream
				Manufactured intermediate products that are further processed by customers into non-recyclable products may only be sold to a limited extent in the future.	Risk	Potential	Own activities, downstream
				In the case of recyclable products, only part of the resources (such as energy and labor) is used up and must be replaced during new production. This allows products to be manufactured very efficiently and cost-effectively, and they do not need to be disposed of at the end of their service life.	Opportunity	Actual	Own activities, downstream
		Waste		The disposal/elimination of waste has an impact on the environment (e.g., the incineration of residual materials produces CO ₂ emissions).	Negative impact	Actual	Own activities, downstream
				Improper handling of waste can pollute the environment, resulting in regulatory sanctions and reputational damage.	Risk	Potential	Own activities, downstream
				Residual materials can be recyclable materials that can be put to use (by-products). This saves resources and reduces manufacturing costs.	Opportunity	Actual	Own activities, downstream

Sub-topic			Sub-sub-topic	Description of the impact, risk, and opportunity	Positive/negative impact or risk/ opportunity	Actual/ potential	Value chain
ESRS S1	Own workforce	Working conditions	Secure employment	Fixed-term employment contracts cause uncertainty among the employees concerned.	Negative impact	Actual	Own activities
				Permanent employment contracts provide security for employees.	Positive impact	Actual	Own activities
				Uncertain working conditions would lead to dissatisfaction among employees and a higher turnover rate.	Risk	Potential	Own activities
				Secure employment relationships lead to employee satisfaction and thus to long-term loyalty to the company.	Opportunity	Actual	Own activities
			Working time	Flexible working hours, including trust-based working hours with personal discretion for employees, increase employee satisfaction.	Positive impact	Actual	Own activities
				Enabling part-time employment at the request of employees increases employee satisfaction.	Positive impact	Actual	Own activities
				Flexible working time models promote employee satisfaction and contribute to employee retention.	Opportunity	Actual	Own activities
			Adequate wages	Ensuring an adequate standard of living is achieved not only through living wages, but also through attractive remuneration based on collective agreements in the chemical industry.	Positive impact	Actual	Own activities
				A competitive remuneration policy creates a high level of satisfaction and long-term loyalty to the company; a good remuneration policy helps to maintain and enhance the company's reputation and attractiveness.	Opportunity	Actual	Own activities
			Social dialogue	Employee interests are incorporated into corporate decisions.	Positive impact	Actual	Own activities
				Taking into account the wishes, needs, and interests of employees in order to maintain employee satisfaction, develop working conditions in line with the times, and retain employees in the long term.	Opportunity	Actual	Own activities
			Freedom of association	Without the implementation of information, consultation, and co-determination, management would be less aware of the views, wishes, and needs of employees.	Negative impact	Actual	Own activities
				Cooperative and appreciative collaboration with workers' representatives	Positive impact	Actual	Own activities

Sub-topic		Sub-sub-topic	Description of the impact, risk, and opportunity	Positive/negative impact or risk/opportunity	Actual/potential	Value chain
ESRS S1	Own workforce	Freedom of association	Support for freedom of association and the formation of works councils.	Positive impact	Actual	Own activities
			Ongoing, goal-oriented cooperation with the works council to develop company regulations that take into account social values and economic challenges in areas subject to co-determination and those not subject to co-determination, in order to further strengthen employee loyalty.	Opportunity	Potential	Own activities
			Competitive and modern working conditions ensure employee satisfaction and competitiveness in the labor market.	Opportunity	Actual	Own activities
		Collective bargaining	Organization in employers' associations, collective bargaining, and a high proportion of employees covered by collective agreements.	Positive impact	Actual	Own activities
			Competitive and modern working conditions ensure employee satisfaction and competitiveness in the labor market.	Opportunity	Actual	Own activities
		Work-life balance	Granting employees more than the minimum number of vacation days required by national law.	Positive impact	Actual	Own activities
			Granting of leave for family reasons for all employees.	Positive impact	Actual	Own activities
			Generous vacation policies create opportunities for a good work-life balance, thereby laying the foundation for long-term employee loyalty to the company and increasing the company's attractiveness (also in terms of external recruit-ing activities).	Opportunity	Potential	Own activities
		Health and safety	The risk of injury is always present in chemical production plants and associated internal service areas and is higher than in administrative tasks.	Negative impact	Actual	Own activities
			Management systems at production sites contribute to safety and health.	Positive impact	Actual	Own activities
			Occupational safety and health incidents can lead to increased staff turnover due to employee dissatisfaction and rising costs for the company in terms of continued salary payments.	Risk	Actual	Own activities
			The safety and health of our workforce are our most valuable assets. Promoting employee satisfaction and reducing the risk of staff turnover.	Opportunity	Actual	Own activities

Sub-topic		Sub-sub-topic	Description of the impact, risk, and opportunity	Positive/negative impact or risk/opportunity	Actual/potential	Value chain
ESRS S1	Own workforce	Gender equality and equal pay for work of equal value	Unequal treatment of the sexes in terms of remuneration and unequal treatment of employees in cross-company comparisons would have a negative impact on employee satisfaction.	Negative impact	Potential	Own activities
			Unequal treatment would lead to dissatisfaction among the workforce and jeopardize industrial peace, resulting in increased staff turnover and reduced productivity.	Risk	Potential	Own activities
		Training and skills development	Regular performance and career assessments contribute to transparency for employees and create opportunities for development.	Positive impact	Actual	Own activities
			Teaching skills enable employees to perform their work tasks competently.	Positive impact	Actual	Own activities
			Dissatisfaction due to a lack of development prospects, with the risk of declining motivation and employees seeking new career opportunities.	Risk	Potential	Own activities
			Impairment of the company's competitiveness due to skills shortages, reduction in the agility of a medium-sized company.	Risk	Potential	Own activities
			Ensuring qualifications for performing work tasks with policies for preventing skills shortages.	Opportunity	Actual	Own activities
		Employment and inclusion of persons with disabilities	A lack of employment opportunities for people with disabilities would weaken the chances of this group finding jobs and earning an income.	Negative impact	Potential	Own activities
		Measures against violence and harassment in the workplace	Without policies against violence and harassment in the workplace, a gradual trend reversal would occur and the working environment for employees would become less favorable.	Negative impact	Potential	Own activities

Sub-topic				Sub-sub-topic	Description of the impact, risk, and opportunity	Positive/negative impact or risk/ opportunity	Actual/ potential	Value chain
ESRS S1	Workers in the value chain	Equal treatment and equal opportunities for all	Diversity	A lower or declining proportion of women would suggest that women have fewer opportunities for development.	Negative impact	Potential	Own activities	
				Enrichment of traditionally male-dominated management structures through diverse influences, in particular through female leadership and management skills.	Positive impact	Potential	Own activities	
				Long-term balanced age distribution including all age groups, taking into account wishes and needs, ensuring the involvement of all employees of all ages.	Positive impact	Potential	Own activities	
				Damage to the company's reputation and difficulties in recruitment if there are insufficient conditions for diversity.	Risk	Potential	Own activities	
				Threat to corporate stability due to the loss of large age groups and their experience and knowledge, as well as a lack of compensation from younger generations.	Risk	Potential	Own activities	
		Other work-related rights	Privacy	Violations of privacy obligations would destroy employees' trust in the company and management.	Negative impact	Potential	Own activities	
ESRS S2	Workers in the value chain	Working conditions	Social dialogue	Due to a lack of social dialogue in the value chain, significant grievances or poor working conditions often remain undetected; this could lead to health problems and lower job satisfaction, which in turn affects productivity and the quality of work.	Negative impact	Potential	Upstream	
				Violations of labor law regulations and legal consequences can lead to a loss of reputation and trust, resulting in the termination of business relationships and a decline in sales; sales losses can also be caused by production downtime due to a lack of raw materials.	Risk	Potential	Upstream	
				Open communication promotes trust and transparency and leads to stable, long-term business relationships; potential conflicts can be identified and resolved at an early stage; legal and reputational risks are minimized; continuous improvement of working conditions increases employee satisfaction and productivity.	Opportunity	Actual	Upstream	
		Health and safety		Low safety and health awareness increases the risk of injuries, creates an unsafe working environment, and reduces productivity and workforce satisfaction, particularly among suppliers of chemical raw materials in certain countries.	Negative impact	Potential	Upstream	
				Delivery failures due to accidents can lead to lost sales, and health risks pose both legal and reputational risks.	Risk	Potential	Upstream	

		Sub-topic	Sub-sub-topic	Description of the impact, risk, and opportunity	Positive/negative impact or risk/opportunity	Actual/potential	Value chain
ESRS S2	Workers in the value chain	Equal treatment and equal opportunities for all	Training and skills development	A lack of training and qualification opportunities leads to demotivation among employees and can have a negative impact on product quality, which could result in lost sales and a loss of competitiveness.	Risk	Potential	Upstream
			Child labor	Exploitation and poor, dangerous working environments lead to physical and mental health problems; child labor prevents access to education and impairs opportunities for a better future.	Negative impact	Potential	Upstream
		Other work-related rights	Child labor / forced labor	Forced labor / child labor exacerbates social inequalities, as it often affects the poorest and most disadvantaged communities.	Negative impact	Potential	Upstream
				Incidents involving child labor / forced labor within the value chain pose a significant legal and reputational risk that can lead to a loss of revenue.	Risk	Potential	Upstream
				Involvement in child labor / forced labor has significant ethical implications, calls into question the moral integrity of the entire supply chain, and can undermine consumer confidence, which in turn leads to lost sales.	Risk	Potential	Upstream
				A strong commitment to combating child labor / forced labor and promoting fair working conditions can significantly improve reputation and strengthen customer loyalty; reduction of the risk of scandals, protection against potential financial and legal consequences; competitive advantage: by adhering to high ethical standards, companies can set themselves apart from their competitors, which can lead to an increase in sales.	Opportunity	Potential	Upstream

		Sub-topic	Sub-sub-topic	Description of the impact, risk, and opportunity	Positive/negative impact or risk/opportunity	Actual/potential	Value chain
ESRS S4	Consumers & end-users	Information-related impacts for consumers and/or end-users	Privacy	Lack of protection for customer and end-user data leads to a loss of trust.	Negative impact	Actual	Downstream
				Fines, significant loss of sales, and reputational risks in connection with privacy violations or the handling of customer and business partner data.	Risk	Potential	Own activities
		Personal safety of consumers and/or end-users	Health and safety	Customers / end-users cannot obtain information about the product; a lack of comprehensive product knowledge may pose potential health risks to consumers and end-users.	Negative impact	Indeed	Downstream
				Comprehensive information about the product, including hazard warnings (safety data sheets, technical data sheets, application instructions, protective equipment), increases the health and safety of customers / end-users.	Positive impact	Actual	Downstream
				Incorrect use of the product despite safety instructions can lead to financial burdens for the company.	Risk	Potential	Own activities, downstream
				Customers / end-users are more willing to buy products because they have comprehensive knowledge about the product; developing more sustainable products (safer to use, less hazardous to health) and building trust with business partners can lead to increased sales.	Opportunity	Potential	Own activities, downstream
		Social inclusion of consumers and/or end-users	Responsible marketing practices	Unethical or misleading marketing strategies could lead to misinformation and deception of customers and business partners.	Negative impact	Potential	Downstream
				Reputational damage and the implementation and maintenance of ethical marketing practices can require significant financial and human resources; competitive disadvantages, especially if competitors use less stringent practices and thereby save costs in the short term.	Risk	Potential	Own activities
				Opportunities to enhance reputation through transparent behavior and consideration of own business interests in regulation; enforcement of appropriate interests.	Opportunity	Potential	Own activities

		Sub-topic	Sub-sub-topic	Description of the impact, risk, and opportunity	Positive/negative impact or risk/opportunity	Actual/potential	Value chain
ESRS G1	Business conduct	Corporate culture		Promoting a corporate culture focused on ethics and compliance (global code of conduct) has a positive impact on the company's workforce and our value chains.	Positive impact	Actual	Upstream, own activities, downstream
				Opportunities to enhance reputation and increase employee productivity through a robust corporate culture.	Opportunity	Potential	Own activities
		Protection of whistleblowers		Important information about misconduct within the company and in the value chain can be disclosed anonymously.	Positive impact	Actual	Upstream, own activities, downstream
				Reputational damage, legal consequences with financial damage, and long-term threat to the sustainability of Alzchem.	Risk	Potential	Own activities
				Early detection of irregularities within Alzchem and in the value chain, thereby limiting damage.	Opportunity	Actual	Upstream, own activities, downstream
		Political engagement and lobbying activities		Promotion of transparent and ethical political influence.	Positive impact	Actual	Own activities
				Damage to reputation, legal consequences with financial damage, and long-term jeopardy to Alzchem's business activities.	Risk	Potential	Own activities
				Opportunities to enhance reputation through transparent behavior and consideration of own business interests in regulation; enforcement of appropriate interests.	Opportunity	Potential	Own activities
		Management of relationships with suppliers including payment practices		The existence of a code of conduct for suppliers defines clear expectations for ethical, social, and environmental behavior in the supply chain. Compliance with standards (e.g., labor rights, environmental protection) reduces legal and reputational risks. This gives Alzchem better insight into its supply chains, allowing problems to be identified at an early stage. Good payment practices strengthen supplier relationships.	Opportunity	Actual	Upstream
				Increased sales through long-term supplier relationships and good payment practices (e.g., through more favorable purchase prices).	Opportunity	Potential	Own activities

		Sub-topic	Sub-sub-topic	Description of the impact, risk, and opportunity	Positive/negative impact or risk/opportunity	Actual/potential	Value chain
ESRS G1	Business conduct	Corruption and bribery	Prevention and detection, including training	Inadequate anti-corruption measures leading to market distortions, weakened democratic institutions, and circumvention of legal provisions.	Negative impact	Potential	Own activities
				Legal and reputational risks, as well as the risk of suboptimal business decisions due to corruption within the company.	Risk	Potential	Own activities
				Promoting the fight against corruption and bribery, including through training measures, involvement of law enforcement agencies, public awareness campaigns, and communication ("tone from the top"), strengthens corporate culture and ethics, enhances reputation and trust among stakeholders, minimizes risk, and provides legal protection.	Opportunity	Actual	Own activities
			Incidents	Existence of a whistleblower hotline or other communication channels for reporting illegal behavior.	Positive impact	Potential	Own activities
				Early detection of irregularities within Alzchem.	Opportunity	Potential	Own activities

Further detailed information on how we deal with impacts, risks, and opportunities can be found in the thematic sections under ["Environmental Information"](#), ["Social Information"](#), and ["Business Conduct"](#).

CONCENTRATION IN THE BUSINESS MODEL AND VALUE CHAIN

The main impacts, risks, and opportunities are embedded in the core processes of Alzchem Group AG's business model, such as production, sales, and product development.

The IROs related to Alzchem's operational activities primarily concern operational processes. These include the procurement of raw materials, production, and the distribution of our products.

In the upstream value chain, the IROs are in direct contact with suppliers and evaluate their sustainability practices. In the downstream value chain, on the other hand, the focus is on the application, use, and disposal of products by customers.

Through its strategic orientation and continuous adaptation to changing market conditions, Alzchem Group AG manages significant impacts and identified risks and opportunities in a targeted manner and uses them for corporate growth. Looking ahead, the sustainability strategy, including the climate roadmap and ESG initiatives, will play a central role. The sustainability strategy is designed to meet changing organizational and regulatory requirements and to optimally prepare the company for future challenges.

Alzchem has taken measures to improve sustainability throughout the value chain. These include initiatives such as our climate roadmap to reduce our carbon footprint, improve energy efficiency, and promote recycling and the circular economy.

Alzchem's sustainability strategy and ESG initiatives have a direct impact on the company's strategic direction and decision-making processes. The Management Board, supported by the Sustainability Core Team, ensures the implementation and monitoring of sustainability targets.

Alzchem intends to invest approximately EUR 30 million by 2030 to achieve the sustainability targets set out in its climate roadmap. In addition, the company has invested in other sustainable projects, such as a company-owned photovoltaic park with electric charging stations for employees at the Trostberg site. Alzchem has also taken measures to improve transparency and reporting on sustainability issues in order to meet stakeholder requirements.

Sustainability aspects and the associated opportunities and risks are an integral part of strategic decision-making within the company. The product portfolio, which is geared toward various markets, and the consistent implementation of ESG initiatives, such as the climate roadmap, play a central role in this. These measures are designed to ensure the company's long-term competitiveness while making a sustainable contribution.

The fundamental impact of Alzchem Group AG's activities and business relationships on people and the environment can be summarized as follows: Through careful monitoring and management of CO₂ emissions, Alzchem contributes to reducing the greenhouse effect. Optimized production processes and the use of renewable energies conserve natural resources and reduce energy consumption. Efficient use and reuse of water resources protect the environment and secure the long-term water supply. The internal use of waste or by-products as raw materials and recycling measures minimize environmental impact.

Despite all efforts to avoid them, production processes can still have potentially negative effects on people and the environment, such as pollution of air and water. Alzchem strives to minimize these effects through measures that at least comply with legal requirements.

In the social sphere, Alzchem contributes to social stability by providing secure, high-quality jobs.

Promoting diversity and health protection improves the working environment and the satisfaction of our employees. Training and further education opportunities promote professional development and increase Alzchem's attractiveness as an employer. Compliance with fair working conditions and human rights strengthens employee trust and loyalty to our company.

A positive corporate culture enhances the well-being and motivation of our employees. Alzchem promotes stakeholder trust and improves its corporate image through transparent communication and ethical business practices. Effective whistleblower protection encourages the disclosure of misconduct and improves corporate integrity. Ensuring compliance with the Code of Conduct by suppliers improves the quality and reliability of the supply chain. These impacts are of great importance to Alzchem and are directly related to the company's strategy and business model.

Environmental risks and opportunities include operational, regulatory, and financial elements covering issues such as climate change, environmental protection, the impact of energy and water use policies, and social and governance-specific aspects. Risks that lie further in the future are also taken into account, with the time horizon being considered in the damage assessment.

Alzchem is refraining from disclosing the assessment of the expected financial effects during the transition period. In fiscal year 2025, no significant financial effects were identified in connection with the relevant risks and opportunities on the financial position, earnings, financial performance, or cash flow. There is also currently no significant risk of an adjustment to the assets and liabilities reported in the balance sheet as a result of existing risks or opportunities.

As a manufacturing company, we focus on issues such as climate change, particularly through energy consumption, as well as other environmental aspects such as air emissions, pollution, and water, but also on the workforce in the value

chain. The risks identified may have financial implications, for example through legal disputes or potential damage to reputation. The opportunities identified offer the possibility of increasing sales.

In the course of developing business strategies, the resilience of business models is examined, taking into account economic, environmental, and social factors as well as their impacts, risks, and opportunities. As part of opportunity and risk management, strategic risks associated with economic, environmental, and social aspects are assessed. The strategies of the divisions are reviewed and adjusted by the relevant experts. Where appropriate, resilience analyses, regulatory conditions, and stakeholder expectations are taken into account in order to assess possible future market developments. The upstream and downstream stages of the value chains can also be considered. In addition, we review the resilience of our product portfolio with regard to environmental and social aspects.

For further information, please refer to sections [E1 "Climate Change"](#), [E2 "Pollution"](#), [E3 "Water and Marine Resources"](#), [E5 "Resource Use and Circular Economy"](#), and [G1 "Business Conduct"](#).

The additional disclosure requirements related to ESRS 2 SBM-3 – "Material impacts, risks, and opportunities and their interaction with the strategy and business model" – are listed in the corresponding thematic standards [ESRS E1](#), [ESRS S1](#), [ESRS S2](#), and [ESRS S4](#).

MANAGEMENT OF IMPACTS, RISKS, AND OPPORTUNITIES

IRO-1 – DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS MATERIAL IMPACTS, RISKS, AND OPPORTUNITIES

MATERIALITY ASSESSMENT – PRIORITIZATION OF SUSTAINABILITY TOPICS

Back in 2023, we conducted a comprehensive materiality assessment to identify the sustainability topics that are particularly relevant to the Alzchem Group and its stakeholders. This analysis took into account our business strategy, sustainability targets, key performance indicators, and the views of our stakeholders. In addition, questions from various sustainability reporting frameworks were part of the analyses, including the CSRD standards, standards of the Sustainability Accounting Standards Board (SASB), and recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

In addition to the existing strategic action areas, other potential sustainability topics and trends as well as the entire value chain were also examined. The sub-topics and sub-sub-topics from ESRS 1 AR 16 served as the basis for identifying potential material topics (long list). This process involved subject matter experts from various functions and divisions, including Purchasing, Human Resources, Sustainability Management, Production, Legal and Compliance, Finance, Sales, and Environment, Safety, Health, and Quality (ESHQ).

In the reporting year 2025, Alzchem revised its materiality assessment to respond to changes in the company and its environment. This adjustment takes into account market developments, environmental, social, and regulatory factors, as well as changes in the portfolio.

The materiality assessment was conducted from two different perspectives.

- **INSIDE-OUT PERSPECTIVE:** Impact materiality – Analysis and assessment of the positive and negative impacts of Alzchem's business activities and its value chain on sustainability factors such as the environment, social issues, and governance (impact materiality).
- **OUTSIDE-IN PERSPECTIVE:** Financial materiality – Analysis and assessment of the risks and opportunities arising from environmental, social, and governance sustainability factors and their potential impact on the company, particularly with regard to business performance, business results, and financial position (financial materiality).

We conducted the materiality assessment to determine the sustainability topics relevant for CSRD reporting in the form of various workshops in several phases. The views and concerns of the relevant stakeholders were taken into account by the respective topic managers.

The table below provides an overview of the individual phases of the materiality process.

MATERIALITY PROCESS



The impact is assessed on the basis of a standardized assessment framework, taking into account its extent, scope, and probability of occurrence. In addition, in the case of negative impacts, an additional assessment is made as to whether an impact is irreversible. For potential impacts, an estimate of the probability of occurrence is also made.

The impacts, risks, and opportunities were then assessed according to defined criteria using a five-point scale. If the assessment results exceed a defined threshold, they are classified as material.

Financial impact	Value
None	EUR 0
Very low	< EUR 1.8 million
Low	EUR 1.8 million – < EUR 9 million
Medium	EUR 9 million – < EUR 22.5 million
High	from EUR 22.5 million
Probability of occurrence	Value
Very low	< 10
Low	10% – < 30%
Medium	30% – < 50%
High	from 50%
Actual impact	100%

Impacts with a high rating require particularly swift action. In the case of potential negative impacts on human rights, the severity of the impact takes precedence over its probability of occurrence.

The assessment of positive impacts is also based on their magnitude, scope, and probability of occurrence. This means that we examine the extent of Alzchem's positive influence on environmental, social, and governance sustainability aspects, how many people or geographical areas benefit from it, and how likely these positive impacts are to occur. Positive impacts are prioritized according to their relative strength, scope, and probability of occurrence.

The risks and opportunities in the various subject areas were assessed in terms of their financial magnitude and probability of occurrence. Many of the risks and opportunities identified in this materiality assessment are directly related to the negative and positive impacts and our dependencies on certain environmental assets.

The result was a list of sustainability aspects that are material to Alzchem (short list).

All material topics and sub-topics, including their relevant IROs and their significance for Alzchem's business activities (outside-in, financial materiality) as well as their impact on environmental, social, and governance aspects (inside-out, impact materiality), are presented in the IRO table in chapter [SBM-3](#).

The results of the materiality assessment form an essential basis for the further development of our strategic fields of action in the area of sustainability. At the same time, these results confirm that the strategic fields of action that were already defined prior to the materiality assessment required by the CSRD continue to be relevant. The overall results of the materiality assessment, including topics, impacts, risks,

and opportunities, were confirmed by Alzchem's senior management as well as by workers' representatives, the works council, and the speakers' committee. Finally, the results were approved by the Management Board of Alzchem Group AG.

In addition, a subsequent analysis of possible reportable risks in connection with non-financial aspects pursuant to Section 315c HGB in conjunction with Section 289c (2) HGB revealed that, after applying the net method and taking risk mitigation measures into account, no significant risks within the meaning of Section 289c (3) sentence 1 nos. 3 and 4 HGB were identified in connection with our business activities, business relationships, products, and services that are or will very likely have a serious negative impact on the aforementioned aspects.

In order to fulfill its duty of care, Alzchem Group AG annually assesses its business activities and relationships to identify potentially negative impacts. This is done, among other things, by conducting a detailed analysis of the impacts and by obtaining feedback from relevant stakeholders along the entire value chain in order to understand their views and concerns. Methods such as surveys, interviews, or public forums may be used for this purpose.

An integral part of this approach covers the areas of environment, social issues, and corporate governance (ESG). Alzchem's economic activities have both positive and negative impacts on these areas. Geographical characteristics are also taken into account. In particular, Alzchem's analysis focuses on regions with increased risk, such as areas with political instability, weak labor rights, or inadequate environmental protection laws. This mainly affects non-OECD countries in Asia.

The complexity of our supply chains, with numerous suppliers, poses a challenge in terms of monitoring and control. The type and origin of the raw materials used also play an important role. The use of substances of very high concern in production can pose both environmental and health risks. The manufacturing processes for our products can also have ecological and social impacts. Alzchem pursues processes that are designed to increase efficiency and minimize the impact on the environment and society. In addition, working conditions are of great importance both in our own operations and at our suppliers, as inadequate working conditions entail social risks.

Compliance with both local and international laws and regulations is of utmost importance to Alzchem. Stricter regulations can help minimize potential negative impacts. In addition, consistent adherence to industry standards and certifications helps to identify and reduce negative impacts at an early stage.

Additional criteria include strategic relevance, such as the extent to which an aspect is consistent with Alzchem's long-term targets and vision, or how it can give us a competitive advantage. Financial implications and long-term sustainability targets are also taken into account, such as the costs associated with implementation or the financial savings that can be achieved through sustainable practices. Qualitative thresholds are often based on expert knowledge, stakeholder feedback, or regulatory requirements. Quantitative thresholds, on the other hand, are based on measurable data such as emission reductions or energy savings. These prioritization processes enable us to use our resources efficiently and focus on the essential aspects of sustainability.

Alzchem Group AG has established internal structures to identify impacts, risks, and opportunities and assess their

materiality. Clear governance structures define responsibilities and accountabilities with regard to sustainability issues. Based on the assessments and prioritizations in the risk management process, the Management Board, together with management, makes decisions on material sustainability issues and the implementation of appropriate measures to minimize damage risks. The process is regularly reviewed and adjusted to respond to new developments and insights.

Regular monitoring and reporting on progress and challenges in implementing sustainability targets are essential for Alzchem and part of its duty of care. This also includes internal reviews.

Alzchem's general risk management system records and evaluates all business-related risks and their effects. This system is part of our corporate governance and is managed by a risk manager who focuses in particular on the following aspects:

- Identification and analysis of potential operational risks for the company
- Reducing the probability of occurrence by initiating appropriate measures
- Identifying opportunities for the company

Sustainability aspects such as environmental hazards (heavy rainfall events, flooding, water shortages) and their direct impact on our sites are not yet fully included in the general risk management process. This also applies to certain social and governance aspects. In addition, potential opportunities for Alzchem are also assessed. The systematic analysis of these impacts, risks, and opportunities is to be fully integrated into the risk management system in the future.

The risk management system is part of the integrated management system of Alzchem Group AG. In the future, the management processes will also be reviewed with regard to the analysis and assessment of impacts, risks, and opportunities, as well as the achievement of the defined sustainability targets, and adjusted or optimized as necessary.

Further information on risk management and internal controls for sustainability reporting can be found in disclosure requirement [GOV-5](#).

DISCLOSURE REQUIREMENTS RELATED TO ESRS E1 IRO-1

CLIMATE CHANGE

As part of our double materiality assessment, we examined the impacts, risks, and opportunities arising from climate change. The focus was primarily on specific sustainability aspects such as adaptation to climate change, climate protection, and energy.

For several years, we have been recording our greenhouse gas emissions (Scope 1 and 2) in accordance with the GHG Protocol and deriving measures for reduction from this. We have incorporated this experience into the double materiality assessment.

Alzchem has conducted risk assessments that include an analysis of the vulnerability of the company's activities to climate-related hazards. These assessments take into account both physical risks, such as extreme weather events, and transition risks, such as changes in the market due to regulatory adjustments. As part of our materiality assess-

ment, these considerations were taken into account in defining climate-related risks and opportunities.

However, a comprehensive climate risk and vulnerability analysis that takes into account various climate scenarios and analyzes both physical and transition risks has not yet been carried out. The aim of such an analysis would be to identify potential impacts and to assess and further develop the resilience of our strategy and business model to climate change in a qualified manner.

At present, the considerations described above do not reveal any significant physical risks (e.g., extreme weather events or reduced water availability) that could have a material impact on the company. Alzchem currently considers physical climate-related risks to be of minor financial significance.

Transitional climate risks (transition risks) could potentially lead to declines in sales. These risks arise in the course of the transition from a fossil fuel-based economy to a low-greenhouse-gas economy and are largely attributable to regulatory changes, such as the development of energy prices, higher financial burdens for CO₂ emissions, or legal requirements related to product approvals. Regulatory requirements to limit the discharge of cooling water into rivers can lead to production interruptions and thus cause a decline in sales.

New environmental regulations or CO₂ pricing may lead to higher operating costs and the need for adjustments. In the downstream supply chain, changes in demand for more environmentally friendly products may displace existing products and require investment in new technologies.

By identifying and assessing the significant climate-related impacts, risks, and opportunities as part of a systematic risk management process, the potential impact on the company can be minimized and the resilience of the value chain strengthened.

DISCLOSURE REQUIREMENTS RELATED TO ESRS E2 IRO-1

POLLUTION

As part of the process of determining the material impacts, risks, and opportunities (IROs), all Alzchem Group AG sites and business activities were taken into account, as well as the upstream and downstream value chain. This was done as part of a brainstorming session to identify the IROs, without the use of special tools or fixed assumptions. No consultations were held with affected communities in particular in the area of pollution.

The topic of pollution is of significant importance, particularly at our production sites in Germany (Troostberg, Schalchen, Hart, and Waldkraiburg) and Sweden (Sundsvall). In Alzchem's upstream and downstream value chain, this primarily affects sites in non-OSCE countries.

Our business activities, which may have significant impacts, risks, and opportunities in the area of pollution, include in particular the areas of agriculture and fine chemicals. The improper use of fertilizers, for example, can lead to pollution of soil and water. Furthermore, this improper use can impair biodiversity and contribute to the eutrophication of water bodies.

The production of specialty and fine chemicals along the NCN chain can cause emissions of pollutants into the air and water. Stricter environmental regulations and possible sanctions for non-compliance can lead to a loss of revenue. Investments in environmentally friendly technologies and processes can reduce environmental impact and increase efficiency.

DISCLOSURE REQUIREMENTS RELATED TO ESRS E3 IRO-1

WATER AND MARINE RESOURCES

All Alzchem Group AG sites and the upstream and downstream value chain were included in the process of determining material impacts, risks, and opportunities. Water resources were identified as material, whereas marine resources were not considered relevant. This was done through brainstorming to identify the IROs, without using any specific tools or predefined assumptions. There were no consultations with affected communities on the topic of water and marine resources, nor was there a review of assets.

The issue of water resources is of central importance to us, as we use water primarily for cooling production processes at our sites in Germany (Trostberg, Schalchen, Hart, and Waldkraiburg) and Sweden (Sundsvall). Efficient water management in terms of the use and reuse of water in production processes is therefore crucial for us. In contrast, marine resources are not particularly relevant for Alzchem.

In the upstream and downstream value chain, we use audits, for example, to ensure that our business partners use sustainable practices to conserve water resources and prevent pollution. Our products can also have an impact on water resources, e.g., through unintentional release into the environment during use or disposal.

DISCLOSURE REQUIREMENTS RELATED TO ESRS E4 IRO-1

BIODIVERSITY AND ECOSYSTEMS

As a specialty chemicals group, the Alzchem Group's activities could have a significant impact on biodiversity and ecosystems. Every year, we process a significant amount of non-renewable, predominantly petroleum-based raw materials, the production of which, if not carried out carefully, can contribute to biodiversity loss, climate change, and pollution. These materials must be used efficiently and, ideally, replaced with renewable and environmentally friendly alternatives. All companies in the chemical industry face this challenge.

The production of specialty chemicals can generate waste and emissions that pollute the air, water and soil. High water consumption can impact local water resources and stress ecosystems. The use of fossil fuels for energy production contributes to global warming. Increased use of renewable energies can reduce environmental impact.

The transport of raw materials and products causes greenhouse gas emissions and pollution of air. Leaks or accidents during transport can lead to chemical releases with toxic effects on flora and fauna.

In the downstream value chain, the improper use or disposal of our products can have toxic effects on people and the environment. Efficient recycling can reduce environmental impact and conserve resources.

One method of reducing the impact on biodiversity and ecosystems is sustainable procurement. Alzchem sources most of its raw materials from suppliers who adhere to high environmental and social standards (for further information, see [ESRS S2](#)). In addition, the company implements environmental management systems to monitor and reduce environmentally harmful impacts and invests in environmentally friendly technologies and processes. It also promotes transparency in reporting by disclosing environmental indicators and measures to improve environmental performance. These strategies help to minimize negative impacts on biodiversity and ecosystems while increasing opportunities for sustainable development.

Various criteria can be applied to assess the impact on biodiversity and ecosystems in the Alzchem area. Here are some important assessment criteria: Environmental impact assessments (EIA) on soil and water quality, air quality, or noise pollution by measuring contamination and pollution, monitoring pollutant emissions, assessing noise emissions and their impact on the environment, recording biodiversity and changes in population.

Key sustainability indicators used for assessment include our company's carbon footprint, water and energy consumption, and waste management. This includes measuring greenhouse gas emissions, determining water consumption and its impact on local water resources, analyzing energy consumption, and assessing waste volumes and recycling rates. An analysis of the toxicity and persistence of the chemicals used is also of crucial importance to Alzchem. These criteria help to carry out a comprehensive assessment of environmental impacts and develop measures to mitigate negative effects.

Currently, no significant dependencies of Alzchem on biodiversity and ecosystems can be identified, either at its own sites or within the upstream and downstream value chain.

Transition risks and physical risks and opportunities related to biodiversity and ecosystems play only a minor role and were therefore neither identified nor assessed in the IRO analysis. Similarly, no systemic risks that could cause the entire system to fail were considered, as these were deemed insignificant based on Alzchem's business activities.

No consultations were held with affected communities to prepare sustainability assessments of shared biological resources and ecosystems.

Alzchem Group AG has no sites in or near areas with sensitive biodiversity and therefore does not need to implement measures to protect biodiversity.

DISCLOSURE REQUIREMENTS RELATED TO E5 IRO-1

RESOURCE USE AND CIRCULAR ECONOMY

Alzchem Group AG sites and the upstream and downstream value chain were taken into account to determine the ma-

terial impacts, risks, and opportunities. The efficient use of resources and the implementation and optimization of a circular economy were identified as material factors for Alzchem. No consultations were conducted in the area of resource use and circular economy, in particular with affected communities.

The key IROs in the area of resource use and circular economy are not directly related to Alzchem's assets, but rather to the company's operational activities. For this reason, we have focused on these activities in our materiality assessment.

The following sections provide a detailed description of the activities in question and the associated processes.

Most of Alzchem Group AG's products are integrated and based on raw materials from the calcium carbide and calcium cyanamide chain (NCN chain), which originate from the raw materials lime and coke as well as electrical energy. Thanks to the intelligent integration of our production facilities and technologies, including energy and material flows, we have been able to significantly reduce the carbon footprint of our products. This has been achieved, for example, through the energetic use of CO gas produced during the manufacture of calcium carbide, which serves as a substitute for oil and gas, and through the material use of the CO produced.

Through targeted process optimizations along the entire NCN chain, including the use of artificial intelligence (AI), we have succeeded in significantly increasing productivity. This not only leads to economic advantages, but also significantly reduces the amount of waste, which has a positive impact on the environment.

The main resources used by Alzchem include not only the basic raw materials lime, coke, and electrical energy, but

also a variety of chemical raw materials for the manufacture of our product portfolio.

The prevention and reduction of waste is a key environmental goal, as it helps to minimize the impact on the environment – for example, through CO₂ emissions from the incineration of residual materials. We are continuously optimizing our production processes to prevent or reduce waste. Residual materials and by-products can often be used as recyclable materials, which saves resources and reduces production costs. Only when this option is not available does energy recovery become the priority, followed by safe disposal. Improper waste disposal can lead to pollution. Violations can result in regulatory action and significant damage to reputation.

As part of our systematic waste management, we leverage the advantages of our reintegrated NCN network system and the geographical proximity of our production sites. Through intelligent network integration of our production facilities and technologies, including energy and material flows, even by-products (e.g. CO₂) can be used as raw materials with the goal of zero waste. By-products generated during the production process are used in a wide variety of fields (e.g., black lime for agriculture and the cement industry). By continuously improving our production processes, e.g., through the use of special catalyst systems, side reactions can be minimized.

Remaining in a "business-as-usual" scenario without taking measures to implement the circular economy would have various significant impacts and risks. Stricter environmental regulations and circular economy laws could lead to higher costs and penalties. There are also competitive and reputational risks if sustainable circular economy practices are not implemented, which could negatively impact customer relationships and investor confidence. This could lead to a loss of market share. In the long term, higher operating costs

and potential penalties could jeopardize the company's financial stability. Without circular economy strategies, waste and emissions volumes could not be reduced sustainably, leading to negative environmental impacts.

Alzchem recognizes significant opportunities in the circular economy through cost advantages resulting from less resource-intensive production. This enables products to be manufactured in an extremely efficient and economical manner, avoiding disposal. Residual materials can be considered valuable resources and put to further use, for example, CO gas as a by-product.

There are several stages within the value chain where resource use, risks, and negative impacts related to the circular economy are concentrated. On the one hand, this concerns raw material procurement. Here, there is a risk of dependence on non-renewable resources and the associated price volatility and possible disruptions in supply chains. On the other hand, production is affected, where high energy and water consumption as well as the generation of waste and emissions can occur. A further stage involves the conversion of our raw materials into intermediate and end products by our business partners. Here, too, significant amounts of waste and emissions can be generated if efficient recycling and reuse processes are not implemented. In addition, the use of unsustainable packaging materials and inefficient logistics processes can lead to increased resource consumption and waste volumes.

DISCLOSURE REQUIREMENTS RELATED TO ESRG G1 IRO-1

ANALYSIS OF BUSINESS CONDUCT

Alzchem's corporate policy requires a detailed analysis of various decision-relevant criteria in order to identify significant impacts, opportunities, and risks. The most important aspects include the location, activity, sector, and structure of the transaction.

The production sites of Alzchem Group AG, mainly located in the chemical triangle in southeastern Bavaria, are decisive for determining its corporate policy and are therefore of central importance. Important factors include regulatory requirements, infrastructure, labor market conditions, and various environmental aspects. Regulatory requirements, such as environmental and safety regulations and the REACH Regulation, which must be complied with, can also have a significant impact on the company's production processes and cost structure. The availability of transport routes, such as access to a well-developed road and rail network, and a reliable energy supply are crucial for making production processes efficient through low operating costs and short delivery times. Access to a skilled workforce also plays an important role.

Our economic activities also influence Alzchem's corporate policy. The most important factors here include our production processes and technologies, safety standards, and the sustainability of our company. The manufacture of specialty chemicals requires complex and highly specialized production processes that must be continuously optimized in order

to improve the cost structure and achieve competitive advantages.

The use of modern sustainable technologies and innovations is crucial to the success of our company. Investments in research and development enable us to develop new products and processes that give us a competitive advantage. For example, digitization and the implementation of automation technologies increase the efficiency of production processes and reduce the error rate.

Measures to reduce emissions and waste are important for Alzchem's long-term competitiveness and for improving its environmental performance. Examples include closing raw material cycles and increasing the use of renewable energies.

This contributes to a positive corporate image that benefits our stakeholders, including customers and investors.

Ensuring the safety and health of our employees is our top priority. For this reason, we ensure that all employees participate in mandatory training at least once a year and that working conditions are safe. This is an essential part of our safety management system.

The specialty chemicals sector in which Alzchem operates also has a significant impact on our corporate policy. Market conditions, the availability of raw materials, the various customer segments, and regulatory developments are decisive factors in this regard.

Our corporate policy is strongly influenced by the demand for chemical products and the competitive situation. We therefore continuously adapt our market strategy in or-

der to be able to respond flexibly to changing demand and competitive conditions. Access to essential raw materials and fluctuations in their prices are crucial for our production processes. For this reason, Alzchem Group AG has developed strategies to secure the supply of raw materials and minimize price fluctuations.

Expanding our customer base is crucial to our corporate strategy. A diverse customer structure helps us to cushion sales fluctuations and consolidate Alzchem's market position.

In addition, it is crucial to take future legislative changes and their consequences into account in the corporate strategy. Stricter environmental regulations, for example, could increase production costs. We therefore anticipate regulatory changes and optimize our processes accordingly to ensure compliance and avoid potential sanctions.

Both the availability and cost of capital play a central role in Alzchem's growth strategy. It is essential that we have ac-

cess to cost-effective financing options in order to successfully implement our investment projects.

Sound corporate governance and effective internal controls are of paramount importance for the long-term success of our company. We have therefore introduced transparent decision-making processes and effective control mechanisms to minimize risks and ensure compliance with legal requirements. A robust governance structure strengthens the confidence of our investors and other stakeholders in our company.

This comprehensive analysis of Alzchem's corporate policy shows how various decision-making criteria can influence the long-term impact on the company. By taking these factors into account, informed decisions can be made and the company's competitiveness strengthened.

IRO-2 – DISCLOSURE REQUIREMENTS IN ESRS COVERED BY THE COMPANY'S SUSTAINABILITY STATEMENT

The appendix contains a list of disclosure requirements as an index that contain the relevant information in the sustainability statement (see [ESRS index](#)). This information was included in the sustainability statement in accordance with ESRS 1, Chapter 3, taking into account the results of the materiality assessment. In order to transfer the material sustainability topics and the associated IROs from the materiality assessment to the reporting requirements, an assignment was made based on the Datapoint List published in the EFRAG implementation guidance. A detailed description of the materiality assessment can be found in section [IRO-1](#).

The following table provides an overview of the datapoints that are included in both general and topic-specific standards and are derived from various EU legislation.

STANDARD	EU LEGISLATION				COMPANY-SPECIFIC DISCLOSURES
Disclosure requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Reporting obligation
ESRS 2 GOV-1 Board’s gender diversity Paragraph 21 (d)	Indicator number 13 Table #1 of Annex 1	—	Commission Delegated Regulation (EU) 2020/1816, Annex II	—	Yes
ESRS 2 GOV-1 Percentage of Board members who are independent Paragraph 21 (e)	—	—	Delegated Regulation (EU) 2020/1816, Annex II	—	Yes
ESRS 2 GOV-4 Statement on due diligence Paragraph 30	Indicator number 10 Table #3 of Annex 1	—	—	—	Yes
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities Paragraph 40 (d) i	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453 Table 1: Qualitative information on environmental risk and Table 2: Qualitative information on social risk	Delegated Regulation (EU) 2020/1816, Annex II	—	Yes
ESRS 2 SBM-1 Involvement in activities related to chemical production Paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1	—	Delegated Regulation (EU) 2020/1816, Annex II	—	Yes
ESRS 2 SBM-1 Involvement in activities related to controversial weapons Paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1	—	Delegated Regulation (EU) 2020/1818, Article 12 (1) Delegated Regulation (EU) 2020/1816, Annex II	—	No
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco Paragraph 40 (d) iv	—	—	Delegated Regulation (EU) 2020/1818, Article 12 (1) Delegated Regulation (EU) 2020/1816, Annex II	—	No

STANDARD	EU LEGISLATION	COMPANY-SPECIFIC DISCLOSURES
Disclosure requirement and related datapoint	SFDR reference	Reporting obligation
ESRS 2 E1-1 Transition plan to reach climate neutrality by 2050 Paragraph 14	—	Regulation (EU) 2021/1119, Article 2 (1) Yes
ESRS 2 E1-1 Undertakings excluded from Paris-aligned benchmarks Paragraph 16 (g)	—	Article 449a Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking book – Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity Delegated Regulation (EU) 2020/1818, Article 12.1 (d) to (g), and Article 12.2 — N/A
E1-4 GHG emission reduction targets Paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking book – Climate change transition risk: alignment metrics Delegated Regulation (EU) 2020/1818, Article 6 — Yes
E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) Paragraph 38	Indicator number 5 Table #1 and Indicator number 5 Table #2 of Annex 1	— — Yes
E1-5 Energy consumption and mix Paragraph 37	Indicator number 5 Table #1 of Annex 1	— — Yes
E1-5 Energy intensity associated with activities in high climate impact sectors Paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1	— — Yes

STANDARD	EU LEGISLATION	COMPANY-SPECIFIC DISCLOSURES
Disclosure requirement and related datapoint	SFDR reference	Reporting obligation
E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions Paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity — — Yes
E1-6 Gross GHG emissions Intensity Paragraphs 53 to 55	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking book – Climate change transition risk: alignment metrics Delegated Regulation (EU) 2020/1818, Article 8 (1) — Yes
E1-7 GHG removals and carbon credits Paragraph 56	—	— — Regulation (EU) 2021/1119, Article 2 (1) No
E1-9 Exposure of the benchmark portfolio to climate-related physical risks Paragraph 66	—	Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II — No
E1-9 Disaggregation of monetary amounts by acute and chronic physical risk Paragraph 66 (a)	—	Article 449a Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book – Climate change physical risk: Exposures subject to physical risk. — — No
E1-9 Location of significant assets at material physical risk Paragraph 66 (c)		Article 449a Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book – Climate change physical risk: Exposures subject to physical risk. — — No

STANDARD		EU LEGISLATION			COMPANY-SPECIFIC DISCLOSURES
Disclosure requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Reporting obligation
E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes Paragraph 67 (c)		Article 449a Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2: Banking book – Climate change transition risk: Loans collateralized by immovable property – Energy efficiency of the collateral		—	No
E1-9 Degree of exposure of the portfolio to climate-related opportunities Paragraph 69	—	—	Delegated Regulation (EU) 2020/1818, Annex II		No
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil Paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1	—	—	—	Yes
ESRS E3-1 Water and marine resources Paragraph 9	Indicator number 7 Table #2 of Annex 1			—	Yes
ESRS E3-1 Dedicated policy Paragraph 13	Indicator number 8 Table #2 of Annex 1	—	—	—	No
ESRS E3-1 Sustainable oceans and seas Paragraph 14	Indicator number 12 Table #2 of Annex 1	—	—	—	No
ESRS E3-4 Total water recycled and reused Paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex 1	—	—	—	No

STANDARD	EU LEGISLATION	COMPANY-SPECIFIC DISCLOSURES
Disclosure requirement and related datapoint	SFDR reference	Reporting obligation
ESRS E3-4 Total water consumption in m ³ per net revenue on own operations Paragraph 29	Indicator number 6.1 Table #2 of Annex 1	—
ESRS 2 – SBM-3 – E4 Paragraph 16 (a) i	Indicator number 7 Table #1 of Annex 1	—
ESRS 2 – SBM-3 – E4 Paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1	—
ESRS 2 – SBM-3 – E4 Paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1	—
ESRS E4-2 Sustainable land / agriculture practices or policies Paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1	—
ESRS E4-2 Sustainable oceans / seas practices or policies Paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1	—
ESRS E4-2 Policies to address deforestation Paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1	—
ESRS E5-5 Non-recycled waste Paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1	—
ESRS E5-5 Hazardous waste and radioactive waste Paragraph 39	Indicator number 9 Table #1 of Annex 1	—
ESRS 2 SBM3 – S1 Risk of incidents of forced labour Paragraph 14 (f)	Indicator number 13 Table #3 of Annex 1	—

STANDARD	EU LEGISLATION				COMPANY-SPECIFIC DISCLOSURES
Disclosure requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Reporting obligation
ESRS 2 SBM3 – S1 Risk of incidents of child labour Paragraph 14 (g)	Indicator number 12 Table #3 of Annex 1	—	—	—	Yes
ESRS S1-1 Human rights policy commitments Paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I	—	—	—	Yes
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organization Conventions 1 to 8 Paragraph 21	—	—	Delegated Regulation (EU) 2020/1816, Annex II	—	Yes
ESRS S1-1 Processes and measures for preventing trafficking in human beings Paragraph 22	Indicator number 11 Table #3 of Annex I	—	—	—	Yes
ESRS S1-1 Workplace accident prevention policy or management system Paragraph 23	Indicator number 1 Table #3 of Annex I	—	—	—	Yes
ESRS S1-3 Grievance/complaints handling mechanisms Paragraph 32 (c)	Indicator number 5 Table #3 of Annex I	—	—	—	Yes
ESRS S1-14 Number of fatalities and number and rate of work-related accidents Paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I	—	Delegated Regulation (EU) 2020/1816, Annex II	—	Yes
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness Paragraph 88 (e)	Indicator number 3 Table #3 of Annex I	—	—	—	Yes

STANDARD	EU LEGISLATION	COMPANY-SPECIFIC DISCLOSURES
Disclosure requirement and related datapoint	SFDR reference Pillar 3 reference	Reporting obligation
ESRS S1-16 Unadjusted gender pay gap Paragraph 97 (a)	Indicator number 12 Table #1 of Annex I —	Delegated Regulation (EU) 2020/1816, Annex II — Yes
ESRS S1-16 Excessive CEO pay ratio Paragraph 97 (b)	Indicator number 8 Table #3 of Annex I —	— — Yes
ESRS S1-17 Incidents of discrimination Paragraph 103 (a)	Indicator number 7 Table #3 of Annex I —	— — Yes
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD Paragraph 104 (a)	Indicator number 10 Table #1 and Indicator number 14 Table #3 of Annex I —	Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Article 12 (1) — Yes
ESRS 2 SBM3 – S2 Significant risk of child labour or forced labour in the value chain Paragraph 11 (b)	Indicators number 12 and number 13 Table #3 of Annex I —	— — Yes
ESRS S2-1 Human rights policy commitments Paragraph 17	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1 —	— — Yes
ESRS S2-1 Policies related to value chain workers Paragraph 18	Indicator number 11 and number 4 Table #3 of Annex 1 —	— — Yes

STANDARD	EU LEGISLATION				COMPANY-SPECIFIC DISCLOSURES
Disclosure requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Reporting obligation
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines Paragraph 19	Indicator number 10 Table #1 of Annex 1	—	Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Article 12 (1)	—	Yes
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organization Conventions 1 to 8 Paragraph 19	—	—	Delegated Regulation (EU) 2020/1816, Annex II	—	Yes
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain Paragraph 36	Indicator number 14 Table #3 of Annex 1	—	—	—	Yes
ESRS S3-1 Human rights policy commitments Paragraph 16	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1	—	—	—	No
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines Paragraph 17	Indicator number 10 Table #1 of Annex 1	—	Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Article 12 (1)	—	No
ESRS S3-4 Human rights issues and incidents Paragraph 36	Indicator number 14 Table #3 of Annex 1	—	—	—	No

STANDARD	EU LEGISLATION				COMPANY-SPECIFIC DISCLOSURES
Disclosure requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Reporting obligation
ESRS S4-1 Policies related to consumers and end-users Paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1	—	—	—	Yes
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines Paragraph 17	Indicator number 10 Table #1 of Annex 1	—	Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Article 12 (1)	—	Yes
ESRS S4-4 Human rights issues and incidents Paragraph 35	Indicator number 14 Table #3 of Annex 1	—	—	—	Yes
ESRS G1-1 United Nations Convention against Corruption Paragraph 10 (b)	Indicator number 15 Table #3 of Annex 1	—	—	—	No
ESRS G1-1 Protection of whistleblowers Paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1	—	—	—	Yes
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws Paragraph 24 (a)	Indicator number 17 Table #3 of Annex 1	—	Delegated Regulation (EU) 2020/1816, Annex II	—	Yes
ESRS G1-4 Standards of anti-corruption and anti-bribery Paragraph 24 (b)	Indicator number 16 Table #3 of Annex 1	—	—	—	No

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GOV-2 Information provided to and sustainability matters addressed by the company's administrative, management and supervisory bodies

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4. GOVERNANCE (G)

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11.2. DISCLOSURE PURSUANT TO DELEGATED REGULATION (EU) 2020/852 (TAXONOMY REGULATION)

11.2.1. EU TAXONOMY

The publication of the European Green Deal in 2019 represents a significant step toward the sustainable transformation of the European economic area. A key objective of this policy is to make Europe the first climate-neutral continent by 2050 and to completely eliminate net greenhouse gas emissions. To finance the transformation, it is necessary to direct capital flows specifically toward sustainable activities. This will support the economic shift toward greater sustainability while ensuring greater market transparency. To this end, the EU taxonomy was introduced as a standardized and transparent classification system for environmentally sustainable economic activities. Companies covered by the EU Taxonomy Regulation are required to disclose the proportion of their revenues, capital expenditure (CapEx), and operational expenditure (OpEx) that are related to environmentally sustainable activities and are therefore considered taxonomy eligible.

When classifying economic activities, a distinction must be made between taxonomy eligible and taxonomy aligned. According to the EU Taxonomy Regulation, economic activities are considered taxonomy eligible if they comply with the activity descriptions in the delegated acts of the EU Taxonomy Regulation and can potentially contribute to one of the six environmental objectives set out in Article 9:

1. Climate change mitigation (CCM);
2. Climate change adaptation (CCA);
3. Sustainable use and protection of water and marine resources (WTR);
4. Transition to a circular economy (CE);
5. Pollution prevention and control (PPC);
6. Protection and restoration of biodiversity and ecosystems (BIO).

According to Article 3 of the EU Taxonomy Regulation, business activities are considered taxonomy aligned and thus "environmentally sustainable" if they are eligible for taxonomy and

1. make a substantial contribution to at least one of the six climate objectives, which can be demonstrated by compliance with certain technical screening criteria
2. do not significantly harm any of the other environmental objectives ("Do No Significant Harm" – DNSH), as specified in the subordinate delegated acts; and
3. ensure minimum safeguards for the protection of human rights, including labor and consumer rights, as well as in the areas of bribery and corruption prevention, taxation, and fair competition for each activity.

The EU Commission has issued delegated acts with technical assessment criteria for various economic activities for each of the six environmental objectives. For the fiscal year 2024,

reporting on compliance was to be carried out for all six environmental objectives for the first time.

The report provides comprehensive information on the proportion of Alzchem Group AG's economic activities that fall under the EU taxonomy. The necessary qualitative explanations are also provided. All six environmental objectives of the EU taxonomy were included in the collection of metrics (sales revenue, CapEx, and OpEx) in the context of the company's activities.

PROCEDURE FOR COLLECTING THE METRICS

The Alzchem Group is required to report in accordance with the EU Taxonomy Regulation. To ensure compliance with this reporting obligation, Alzchem has formed an interdisciplinary team that analyzes all economic activities and products in consultation with representatives from various departments. The aim is to determine which economic activities are classified as eligible or compliant with the EU Taxonomy Regulation in relation to the six environmental objectives. The sales revenues, operating and investment expenditures of the corresponding activities could be directly assigned to a specific economic activity. The data collection process was carried out centrally on the basis of consolidated data. Each product is assigned a unique category from the EU's statistical classification of economic activities (NACE). This structured approach avoids double counting.

The metrics for sales revenue, capital expenditure (CapEx), and operating expenditure (OpEx) were mainly derived from the ERP (enterprise resource planning) system and the existing financial reporting systems. There were no changes in the calculation of the metrics compared to the previous year.

REVIEWING ECONOMIC ACTIVITIES FOR TAXONOMY ALIGNMENT

For the fiscal year 2025, Alzchem has reviewed the activities classified as taxonomy eligible for taxonomy alignment. This was based on the assessment criteria described in the current legal acts.

For an economic activity to be considered taxonomy aligned, it must meet three essential overarching criteria:

1. Significant contribution to at least one of the environmental targets

In the first step, the relevant regulations on the technical assessment criteria for a significant contribution to the respective environmental objective were analyzed with regard to taxonomy compliance.

2. No significant harm to the other environmental targets (DNSH)

The second step of the conformity assessment relates to the so-called DNSH criteria ("Do No Significant Harm"). This involves checking whether Alzchem's taxonomy eligible economic activities do not cause any significant harm to other environmental objectives.

3. Minimum safeguards

The third overarching criterion for taxonomy compliance under Article 8 of the EU Taxonomy Regulation stipulates that minimum social requirements must be met for economic activities to be considered environmentally sustainable. Compliance with minimum standards in the areas of labor and human rights, occupational safety, fair competition, anti-corruption, and tax discipline is ensured across the Group for all companies and sites through appropriate guidelines and processes as well as a comprehensive training program.

Information on the group-wide guidelines, due diligence processes in the area of human rights, and the measures taken and results achieved can be found in Chapter [ESRS 2](#). Alzchem is committed to complying with minimum social standards and has taken the following frameworks into account:

- OECD Guidelines for Multinational Enterprises
- UN Guiding Principles on Business and Human Rights
- ILO Core Labor Standards and ILO Declaration on Fundamental Principles and Rights at Work
- International Bill of Human Rights

DISCLOSABLE PERFORMANCE INDICATORS

SALES REVENUES

The revenue indicator is calculated as the ratio of revenue from goods or services – including intangible goods – attributable to taxonomy eligible economic activities to net revenue in accordance with Article 2(5) of Directive 2013/34/EU (total revenue of Alzchem Group AG). In fiscal year 2025, taxonomy eligible revenues are mainly attributable to activities in the areas of electricity transmission and distribution.

A detailed presentation of revenue can be found in [chapter 3.2.8](#) of the combined management report and in [chapter V. No. 1](#) of the notes to the consolidated financial statements of Alzchem Group AG.

CAPITAL EXPENDITURE (CAPEX)

The CapEx share of taxonomy eligible activities is determined by using all additions to property, plant, and equipment and intangible assets in fiscal year 2025 before depreciation,

amortization, and revaluations as the denominator. Changes in fair value are not taken into account. The calculation takes into account additions from business combinations, excluding goodwill, as well as certain IFRS standards referenced in the above-mentioned Delegated Regulation. The numerator comprises the portion of capital expenditure included in the denominator that relates to assets or processes associated with taxonomy eligible economic activities.

A comprehensive presentation of the development of investments in non-current assets can be found in [chapter 3.2.8.2.2](#) of the combined management report and in [chapter VI, number 11-14](#) of the notes to the consolidated financial statements of Alzchem Group AG.

OPERATIONAL EXPENDITURE (OPEX)

The proportion of operational expenditure attributable to assets or processes and allocated to economic activities classified as taxonomy eligible is calculated as follows: The proportion of total expenses that are considered taxonomy eligible in accordance with the EU Taxonomy Regulation is divided by total operating expenditure. For the purposes of reporting under the EU Taxonomy Regulation, relevant operating expenditure includes all direct, non-capitalized costs for research and development, short-term leases, building renovations, maintenance and repairs, and all other internal and external direct expenses related to the ongoing maintenance of property, plant and equipment. These expenses are necessary to ensure the ongoing and efficient functioning of these assets.

A detailed list of other operating expenses can be found in the notes to the consolidated financial statements of Alzchem Group AG under [chapter V, number 5](#).

The following tables show the percentage share of revenue, CapEx, and OpEx of taxonomy eligible or taxonomy aligned economic activities, broken down by environmental objectives:

Share of revenue/total revenue

	Taxonomy aligned per target	Taxonomy eligible per target
CCM	0.00%	1.7%
CCA	0.00%	0.00%
WTR	0.00%	0.00%
CE	0.00%	0.00%
PPC	0.00%	0.00%
BIO	0.00%	0.00%

CapEx share/total CapEx

	Taxonomy aligned per target	Taxonomy eligible per target
CCM	0.00%	4.8%
CCA	0.00%	0.00%
WTR	0.00%	0.00%
CE	0.00%	0.00%
PPC	0.00%	0.00%
BIO	0.00%	0.00%

OpEx share/total OpEx

	Taxonomy aligned per target	Taxonomy eligible per target
CCM	0.00%	24.9%
CCA	0.00%	0.00%
WTR	0.00%	0.00%
CE	0.00%	0.00%
PPC	0.00%	0.00%
BIO	0.00%	0.00%

Some of our activities can be classified under the environmental objective "climate change mitigation" (CCM) and are therefore considered taxonomy eligible. Currently, only the environmental objective "climate change mitigation" is taken into account when calculating Alzchem's KPIs.

The table below lists the taxonomy eligible economic activities with the corresponding codes and a description of the respective activities within the company.

Taxonomy eligible activities	Activity in the company	Code
Electricity generation using solar photovoltaic technology	Electricity generation with the help of photovoltaic systems for emission-free energy supply at the Trostberg site	CCM 4.1.
Transmission and distribution networks for renewable and low-carbon gases	Construction and operation of new transmission and distribution networks for hydrogen generated in the production process at the Trostberg site	CCM 4.14.
Production of heat/cool using waste heat	Production of heat from waste heat from production processes at the Trostberg, Schalchen and Hart sites	CCM 4.25.
Transmission and distribution of electricity	Operation of a distribution network for electricity by Alzchem Netz GmbH	CCM 4.9.
Construction, extension and operation of water collection, treatment and supply systems	Production of industrial and drinking water from our own wells at the Trostberg and Hart sites. Operation of own wells and distribution networks for cooling water at the Trostberg, Schalchen, Hart and Waldkraiburg sites.	CCM 5.1.
Renewal of water collection, treatment and supply systems	Maintenance, conversion and renewal of existing water extraction and supply systems, e.g. by replacing well pumps or renovating water pipes.	CCM 5.2.
Construction, expansion and operation of waste water collection and treatment	Alzchem maintains sewer networks at the Trostberg, Schalchen, Hart and Waldkraiburg sites in which waste water is collected and operates a large number of waste water treatment plants at these sites. The largest plant here is an industrial waste water treatment plant at the Trostberg site (Central Waste Water Treatment Plant).	CCM 5.3.
Renewal of waste water collection and treatment	Waste water collection and treatment systems maintained by Alzchem (see CCM 5.3.) such as sewer networks and waste water treatment plants are regularly renewed in parts.	CCM 5.4.
Freight rail transport	Freight transport on local freight networks	CCM 6.2.
Operation of personal mobility devices, cycle logistics	Leasing e-bikes	CCM 6.4.
Transport by motorbikes, passenger cars and light commercial vehicles (operation of a vehicle fleet)	Operation of a vehicle fleet	CCM 6.5.
Infrastructure for rail transport	Operation and maintenance of track systems	CCM 6.14.
Acquisition and ownership of buildings	Exercise of ownership of real estate, rentals	CCM 7.7.
Data processing, hosting and related activities	Operation of a data center and third-party acquisition of computing power (cloud computing services)	CCM 8.1.
Close to market research, development and innovation	Research, development or innovation of technologies and products	CCM 9.1.

The proportions of taxonomy eligible revenues, CapEx, and OpEx for the fiscal years 2025 and 2024 can be found in the corresponding reporting form. The changes in the proportions of taxonomy eligible revenues, CapEx, and OpEx compared to the previous year are shown in detail below.

The proportions of taxonomy eligible revenues, capital expenditure (CapEx), and operating expenditure (OpEx) for the fiscal years 2025 and 2024 can be found in the corresponding reporting forms. The significant changes in the proportions of taxonomy eligible revenues, CapEx, and OpEx compared to the previous year are explained in detail below.

Alzchem's main business activities do not fall under the economic activities defined in the delegated act. In the reporting year 2025, taxonomy eligible revenues amounted to only 1.7% of total revenues, representing a decline compared to the previous year. These revenues mainly result from the transmission and distribution of electricity ([CCM 4.9](#)), the acquisition and ownership of buildings ([CCM 7.7](#)), and services provided in the context of operating a chemical park ([CCM 5.1](#), [5.3](#), [6.14](#), [8.1](#)).

Compared to the previous year, taxonomy eligible sales revenues fell from 2.1% to 1.7% of total sales. The main reason for this is lower revenues from the transmission and distribution of electricity.

The proportion of taxonomy eligible capital expenditure (CapEx) relates to property, plant, and equipment and in 2025 primarily comprises the transmission and distribution of electricity ([CCM 4.9](#)) and the acquisition and ownership of buildings ([CCM 7.7](#)). The reduction in the proportion of taxonomy eligible investments from 10.7% in the previous year to 4.8% of total revenue in the reporting year 2025 is mainly attributable to lower expenditure on electricity generation using photovoltaic technology ([CCM 4.1](#)) despite increased investment expenditure due to the acquisition and ownership of buildings ([CCM 7.7](#)) and for the transmission and distribution of electricity ([CCM 4.9](#)).

In fiscal year 2025, taxonomy eligible operating expenditure (OpEx) amounted to 24.9% of total revenue, down 1.2 percentage points compared to the previous year. The main areas of focus were rail freight transport ([CCM 6.2](#)), the construction, expansion, and operation of waste water collection and treatment facilities ([CCM 5.3](#)), the acquisition and ownership of buildings ([CCM 7.7](#)), and rail infrastructure ([CCM 6.14](#)). Operating expenditure relevant to the taxonomy includes expenses for data processing, hosting, and related activities (see [CCM 8.1](#)), as well as market-oriented research, development, and innovation (see [CCM 9.1](#)).

All direct, non-capitalized expenses for research and development, short-term leases, building renovation measures, and maintenance and repair measures are recorded as taxonomy eligible operating expenditure. In addition, this includes all other direct internal and external costs incurred in the course of ongoing maintenance of property, plant, and equipment.

As a specialty chemicals group, Alzchem does not focus on the manufacture of products (or economic activities) that correspond to the economic activities specified in the EU Taxonomy Regulation. As a result, only a small portion of our sales revenues, capital expenditure, and operating expenditure are taxonomy eligible.

In connection with the manufacture and sale of organic raw materials and specialty chemicals, which form the core of our business activities, no Alzchem products are currently covered by the scope of the EU Taxonomy Regulation for the six environmental objectives. The majority of these are basic chemicals. Our precursors and intermediates are not yet included, even though these activities are in line with the European Union's environmental objectives. They can continue to make a sustainable contribution and lead to a reduction in CO₂ emissions.

The EU taxonomy also ignores the positive effects associated with the use of our products, such as Eminex®. Eminex® has a positive impact on climate protection: this additive for

manure and biogas fermentation residues can significantly reduce methane, CO₂, and nitrous oxide emissions during storage on a permanent basis.

With regard to the four environmental objectives ("sustainable use and protection of water and marine resources", "transition to a circular economy", "prevention and reduction of pollution", and "protection and restoration of biodiversity and ecosystems"), the EU Taxonomy Regulation covers activities that only affect the chemical industry to a limited extent. Alzchem does not report any taxonomy eligible activities under these environmental objectives.

To be taxonomy aligned, taxonomy eligible economic activities must make a significant contribution to achieving one or more environmental objectives without significantly compromising other environmental objectives (DNSH). In addition, compliance with the minimum protection requirements set out in Article 18 of the EU Taxonomy Regulation must be ensured. To determine compliance, it must be verified whether the technical assessment criteria for each economic activity are met. Among other things, a climate risk and vulnerability analysis is required to identify appropriate mitigation measures and assess their effectiveness. This analysis has not yet been carried out for any site. Alzchem Group AG currently has no activities that meet the compliance requirements of the EU taxonomy.

In accordance with the Supplementary Delegated Regulation (EU) 2022/1214, Alzchem has no activities in the fossil gas and nuclear energy sectors.

We have not applied the new Delegated Act on Taxonomy (Regulation (EU) 2020/852), which was published in the EU Official Journal on January 8, 2026, for the fiscal year 2025. We have exercised the existing option under Article 4 of Regulation (EU) 2026/73 and will apply the changes one year later.

Row Nuclear energy related activities

1.	The company carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The company carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The company carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO

Row Fossil gas related activities

4.	The company carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The company carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The company carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

TEMPLATE FOR THE KPIS OF NON-FINANCIAL UNDERTAKINGS

Proportion of turnover from products or services associated with taxonomy aligned economic activities – disclosure covering year 2025

Economic Activities (1)	Code(s) (2)	Turnover (3)	Proportion of turnover 2024 (4)	Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')						Minimum safeguards (17)	Proportion of taxonomy aligned (A.1.) or eligible (A.2.) turnover 2024 (18)	Category enabling activity (19)	Category transitional activity (20)
				Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)				
		EUR thousand	%	J; N; N/EL (b) (c)	J; N; N/EL (b) (c)	J; N; N/EL (b) (c)	J; N; N/EL (b) (c)	J; N; N/EL (b) (c)	J; N; N/EL (b) (c)	J/N	J/N	J/N	J/N	J/N	J/N	J/N	%	E	T
A. TAXONOMY ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (taxonomy aligned)																			
– No activity (d)	–	0	0.0%	N	N/EL	N/EL	N/EL	N/EL	N/EL	N	N	N	N	N	N	N	0.0%	–	–
Turnover of environmentally sustainable activities (taxonomy aligned) (A.1)		0	0.0%	N	N/EL	N/EL	N/EL	N/EL	N/EL	N	N	N	N	N	N	N	0.0%	–	–
Of which enabling		0	0.0%	N	N/EL	N/EL	N/EL	N/EL	N/EL	N	N	N	N	N	N	N	0.0%	–	
Of which transitional		0	0.0%	N	N/EL	N/EL	N/EL	N/EL	N/EL	N	N	N	N	N	N	N	0.0%	–	–
A.2 Taxonomy eligible but not environmentally sustainable activities (not taxonomy aligned activities) (g)																			
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
Transmission and distribution of electricity (e)	CCM 4.9.	6,124	1.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.5%		
Construction, extension and operation of water collection, treatment and supply systems	CCM 5.1.	1,042	0.2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.2%		
Construction, expansion and operation of waste water collection and treatment	CCM 5.3.	255	0.05%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.04%		

Economic Activities (1)	Code(s) (2)	Turnover (3)	Proportion of turnover 2024 (4)	Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')						Minimum safeguards (17)	Proportion of taxonomy aligned (A.1.) or eligible (A.2.) turnover 2024 (18)	Category enabling activity (19)	Category transitional activity (20)
				Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)				
		EUR thousand	%	J; N; N/EL (b) (c)	J; N; N/EL (b) (c)	J; N; N/EL (b) (c)	J; N; N/EL (b) (c)	J; N; N/EL (b) (c)	J; N; N/EL (b) (c)	J/N	J/N	J/N	J/N	J/N	J/N	J/N	%	E	T
Operation of personal mobility devices, cycle logistics	CCM 6.4.	7	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Infrastructure for rail transport	CCM 6.14.	247	0.04%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.05%		
Acquisition and ownership of buildings	CCM 7.7.	1,675	0.3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.3%		
Data processing, hosting and related activities	CCM 8.1.	451	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.1%		
Turnover of taxonomy eligible but not environmentally sustainable activities (not taxonomy aligned activities) (A.2)		9,800	1.7%	1.7%	0.0%	0.0%	0.0%	0.0%	0.0%								2.1%		
Turnover of taxonomy eligible activities (A.1+A.2)		9,800	1.7%	1.7%	0.0%	0.0%	0.0%	0.0%	0.0%								2.1%		

B. TAXONOMY-NON-ELIGIBLE ACTIVITIES

Turnover of taxonomy-non-eligible activities	552,315	98.3%
Total (A + B)	562,115	100.0%

a) The Code constitutes the abbreviation of the relevant objective to which the economic activity is eligible to make a substantial contribution, as well as the Section number of the activity in the relevant Annex covering the objective, i.e.:

- Climate Change Mitigation (CCM)
- Climate Change Adaptation: CCA
- Water and Marine Resources (WTR)
- Circular Economy (CE)
- Pollution Prevention and Control (PPC)
- Biodiversity and ecosystems (BIO)

For example, the activity "Afforestation" would have the Code: CCM 1.1

Where activities are eligible to make a substantial contribution to more than one objective, the codes for all objectives should be indicated. For example, if the operator reports that the activity "Construction of new buildings" makes a substantial contribution to climate change mitigation and circular economy, the code would be: CCM 7.1. / CE 3.1.

The same codes should be used in Sections A.1 and A.2 of this template.

b) Y – Yes, taxonomy eligible and taxonomy aligned activity with the relevant environmental objective

N – No, Taxonomy eligible but not taxonomy aligned activity with the relevant environmental objective

N/EL – Not eligible, taxonomy-non-eligible activity for the relevant environmental objective

c) Where an economic activity contributes substantially to multiple environmental objectives, non-financial companies shall indicate, in bold, the most relevant environmental objective for the purpose of computing the KPIs of financial companies while avoiding double counting. In their respective KPIs, where the use of proceeds from the financing is not known, financial companies shall compute the financing of economic activities contributing to multiple environmental objectives under the most relevant environmental objective that is reported in bold in this template by non-financial companies. An environmental objective may only be reported in bold once in one row to avoid double counting of economic activities in the KPIs of financial companies. This shall not apply to the computation of taxonomy alignment of economic activities for financial products defined in point (12) of Article 2 of Regulation (EU) 2019/2088. Non-financial companies shall also report the extent of eligibility and alignment per environmental objective, that includes alignment with each of environmental objectives for activities contributing substantially to several objectives.

d) The same activity may align with only one or more environmental objectives for which it is eligible.

e) The same activity may be eligible and not aligned with the relevant environmental objectives.

f) EL – Taxonomy eligible activity for the relevant objective.
N/EL – Taxonomy-non-eligible activity for the relevant objective.

g) Activities shall be reported in Section A.2 of this template only if they are not aligning to any environmental objective for which they are eligible. Activities that align to at least one environmental objective shall be reported in Section A.1 of this template.

h) For an activity to be reported in Section A.1 all DNSH criteria and minimum safeguards shall be met. For activities listed under A2, columns (5) to (17) may be filled in on a voluntary basis by non-financial companies. Non-financial companies may indicate the substantial contribution and DNSH criteria that they meet or do not meet in Section A.2 by using:

- a) for substantial contribution: Y/N and N/EL codes instead of EL and N/EL and
- b) for DNSH: Y/N codes.

TEMPLATE FOR THE KPIS OF NON-FINANCIAL UNDERTAKINGS

Proportion of CapEx from products or services associated with taxonomy aligned economic activities – disclosure covering year 2025

Economic Activities (1)	Code(s) (2)	CapEx (3)	Proportion of CapEx 2024 (4)	Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")						Minimum safeguards (17)	Proportion of taxonomy aligned (A.1.) or eligible (A.2.) CapEx 2024 (18)	Category enabling activity (19)	Category transitional activity (20)
				Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)				
		EUR thousand	%	J; N; N/EL (b) (c)	J; N; N/EL (b) (c)	J; N; N/EL (b) (c)	J; N; N/EL (b) (c)	J; N; N/EL (b) (c)	J; N; N/EL (b) (c)	J/N	J/N	J/N	J/N	J/N	J/N	J/N	%	E	T
A. TAXONOMY ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (taxonomy aligned)																			
– No activity (d)	–	0	0.0%	N	N/EL	N/EL	N/EL	N/EL	N/EL	N	N	N	N	N	N	N	0.0%	–	–
CapEx of environmentally sustainable activities (taxonomy aligned) (A.1)		0	0.0%	N	N/EL	N/EL	N/EL	N/EL	N/EL	N	N	N	N	N	N	N	0.0%	–	–
Of which enabling		0	0.0%	N	N/EL	N/EL	N/EL	N/EL	N/EL	N	N	N	N	N	N	N	0.0%	–	–
Of which transitional		0	0.0%	N	N/EL	N/EL	N/EL	N/EL	N/EL	N	N	N	N	N	N	N	0.0%	–	–
A.2 Taxonomy eligible but not environmentally sustainable activities (not taxonomy aligned activities) (g)																			
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
Electricity generation using solar photovoltaic technology	CCM 4.1.	84	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								5.4%		
Transmission and distribution networks for renewable and low-carbon gases	CCM 4.14.	0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								2.3%		
Production of heat/cool using waste heat	CCM 4.25.	0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.3%		
Transmission and distribution of electricity (e)	CCM 4.9.	4,163	3.8%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.1%		

Economic Activities (1)	Code(s) (2)	CapEx (3)	Proportion of CapEx 2024 (4)	Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')						Minimum safeguards (17)	Proportion of taxonomy aligned (A.1.) or eligible (A.2.) CapEx 2024 (18)	Category enabling activity (19)	Category transitional activity (20)
				Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)				
		EUR thousand	%	J; N; N/EL (b) (c)	J; N; N/EL (b) (c)	J; N; N/EL (b) (c)	J; N; N/EL (b) (c)	J; N; N/EL (b) (c)	J; N; N/EL (b) (c)	J/N	J/N	J/N	J/N	J/N	J/N	J/N	%	E	T
Construction, expansion and operation of waste water collection and treatment	CCM 5.3.	289	0.3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.0%		
Freight rail transport	CCM 6.2.	83	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.2%		
Operation of personal mobility devices, cycle logistics	CCM 6.4.	0	0.00%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.06%		
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5.	115	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.3%		
Acquisition and ownership of buildings	CCM 7.7.	546	0.50%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.05%		
CapEx of taxonomy eligible but not environmentally sustainable activities (not taxonomy aligned activities) (A.2)		5,280	4.8%	4.8%	0.0%	0.0%	0.0%	0.0%	0.0%								10.7%		
CapEx of taxonomy eligible activities (A.1+A.2)		5,280	4.8%	4.8%	0.0%	0.0%	0.0%	0.0%	0.0%								10.7%		

B. TAXONOMY-NON-ELIGIBLE ACTIVITIES

CapEx of taxonomy-non-eligible activities	104,409	95.2%
Total (A + B)	109,689	100.0%

TEMPLATE FOR THE KPIS OF NON-FINANCIAL UNDERTAKINGS

Proportion of OpEx from products or services associated with taxonomy aligned economic activities – disclosure covering year 2025

Economic Activities (1)	Code(s) (2)	OpEx (3)	Proportion of OpEx 2024 (4)	Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")						Minimum safeguards (17)	Proportion of taxonomy aligned (A.1.) or eligible (A.2.) OpEx 2024 (18)	Category enabling activity (19)	Category transitional activity (20)
				Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)				
		EUR thousand	%	J; N; N/EL (b) (c)	J; N; N/EL (b) (c)	J; N; N/EL (b) (c)	J; N; N/EL (b) (c)	J; N; N/EL (b) (c)	J; N; N/EL (b) (c)	J/N	J/N	J/N	J/N	J/N	J/N	J/N	%	E	T
A. TAXONOMY ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (taxonomy aligned)																			
– No activity (d)	–	0	0.0%	N	N/EL	N/EL	N/EL	N/EL	N/EL	N	N	N	N	N	N	N	0.0%	–	–
OpEx of environmentally sustainable activities (taxonomy aligned) (A.1)		0	0.0%	N	N/EL	N/EL	N/EL	N/EL	N/EL	N	N	N	N	N	N	N	0.0%	–	–
Of which enabling		0	0.0%	N	N/EL	N/EL	N/EL	N/EL	N/EL	N	N	N	N	N	N	N	0.0%	–	–
Of which transitional		0	0.0%	N	N/EL	N/EL	N/EL	N/EL	N/EL	N	N	N	N	N	N	N	0.0%	–	–
A.2 Taxonomy eligible but not environmentally sustainable activities (not taxonomy aligned activities) (g)																			
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
Transmission and distribution of electricity (e)	CCM 4.9.	536	1.6%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.7%		
Production of heat/cool using waste heat	CCM 4.25.	46	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Construction, extension and operation of water collection, treatment and supply systems	CCM 5.1.	182	0.5%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.7%		
Construction, expansion and operation of waste water collection and treatment	CCM 5.3.	1,016	3.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								4.3%		

11.3. ENVIRONMENT (E)

11.3.1. ESRS E1 – CLIMATE CHANGE

ADDITIONAL DISCLOSURES FROM ESRS 2 GOV-3

This disclosure requirement is described in detail in [ESRS 2](#).

STRATEGY

E1-1 – TRANSITION PLAN FOR CLIMATE CHANGE MITIGATION

Alzchem does not currently have a complete transition plan for climate change mitigation that meets the requirements of E1-1. The company does not plan to adopt a comprehensive transition plan that meets the relevant requirements in the future.

ADDITIONAL DISCLOSURES FROM ESRS E1 SBM-3

CLIMATE CHANGE

Climate-related transition risks refer to the risks arising from the transition to a low-carbon and climate-resilient economy. These typically include political, legal, technological, market-related, and reputational risks.

Climate-related physical risks are risks associated with climate change, which can include both event-driven (acute) and longer-term (chronic) shifts in climate patterns. Acute physical risks result from specific hazardous events such as storms, floods, fires, or heat waves. Chronic physical risks

arise from long-term climate changes, such as temperature changes, and their effects on sea level rise, reduced water availability, loss of biodiversity, and changes in the productivity of land and soil.

Alzchem Group AG has identified the following significant climate-related risks:

CLIMATE-RELATED TRANSITION RISKS

Various regulatory risks, such as stricter environmental protection requirements to limit the discharge of cooling water into rivers or stricter emissions control regulations, can result in significant costs. These could lead to production losses and a decline in sales. Similarly, high financial burdens due to CO₂ emissions or increased energy costs, which lead to higher product prices, can have a negative impact on overall results. This also applies to increasingly stringent regulations and/or taxation on the use of fossil fuels. Geopolitical risks that can lead to price fluctuations and availability bottlenecks for raw materials have the potential to significantly impact production costs and thus jeopardize Alzchem's competitiveness.

There are also technological risks. The implementation of sustainable technologies and processes can require high initial investments and can also have a negative impact on overall results.

Alzchem has not yet conducted a detailed climate risk and vulnerability analysis taking into account various climate scenarios in order to accurately assess and improve the resilience of our strategy and business model to climate change.

As part of our materiality assessment, we systematically examined the most significant climate-related risks, both physical and transition risks. This was followed by an as-

essment of the vulnerability of our business activities to climate-related hazards (see [ESRS 2 IRO-1](#)).

Currently, there are no significant physical risks that could have a material impact on the company. Alzchem currently assesses physical climate-related risks as having low financial relevance. Transition risks arising from the shift from a fossil fuel-based economy to a low-greenhouse gas economy mainly result for Alzchem from regulatory conditions, such as the development of energy prices.

MANAGEMENT OF IMPACTS, RISKS, AND OPPORTUNITIES

ADDITIONAL DISCLOSURES FROM ESRS 2 IRO-1

This disclosure requirement is described in detail in ESRS 2.

E1-2 – POLICIES RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION

As part of our comprehensive materiality assessment, the topics of climate change adaptation, climate protection, and energy efficiency were identified as material for Alzchem. To this end, we have defined various policies that address the impacts, opportunities, and risks. In addition, a climate roadmap was created and published, which already describes several policies that are intended to contribute to the achievement of our targets, which are described in [chapter E1-4](#). These policies were summarized in the roadmap in four packages of measures. These packages of measures for achieving the targets are described in detail in [chapter E1-3](#).

In 2020, an overarching core team was set up to manage and monitor all aspects of sustainability at Alzchem. The CSO is responsible for sustainability on the Management Board and is in constant communication with the core team. The COO is responsible for implementing the policies and measures. In addition, these topics are discussed in the relevant committees of the respective business units. If individual policies are to be implemented by other responsible parties, this is noted accordingly in the description of the respective policies. Unless otherwise stated, our policies apply to all activities and sites of Alzchem.

POLICIES RELATED TO CLIMATE CHANGE MITIGATION

As part of our detailed materiality assessment, the following impacts, risks, and opportunities were identified with regard to climate protection, which is a key issue for Alzchem:

IMPACTS:

Emissions from production processes further drive climate change and thus have a negative impact on the environment and society. Our policy envisages avoiding waste and emissions by closing production cycles, thereby reducing raw material consumption. For example, CO₂ that has been emitted to date is to be returned to the cycle as a raw material. This not only reduces emissions, but also the consumption of fossil fuels for CO₂ production. This policy has always been firmly anchored in Alzchem's business model through our production network. However, this network is to be further optimized in order to reduce upstream emissions (Scope 3) in the production and transport of raw materials. The same applies to the treatment and transport of waste materials.

Optimizing Scope 3 emissions in the upstream and downstream supply chains is one of our priorities. Although these emissions are outside our direct sphere of influence, we strive to positively influence them through targeted measures. To this end, we analyze key areas and evaluate environmental and climate aspects as part of comprehensive supplier audits. Among other things, we record the Scope 3 CO₂ emissions of our raw material suppliers.

With regard to downstream supply chains, we support our customers in reducing their carbon footprint through the use of our products, as explained in more detail below.

RISKS:

The implementation of sustainable technologies and processes can initially incur high costs and weigh on Alzchem's overall results. Our approach is to carefully plan the measures we intend to take. Government subsidies can usually be applied for to help reduce the investment costs of these projects. The measures are generally designed to achieve efficiency gains, which can save operating costs.

High financial burdens due to CO₂ emissions could have a negative impact on overall results in the future. High carbon prices fundamentally affect the entire value chain and impact both the energy we use and the raw materials. As an energy-intensive company, the CO₂ costs of energy are partially offset. For electricity, our most important energy source, we receive what is known as electricity price compensation. For fuels, we benefit from a discount in accordance with the Carbon Leakage Regulation. We apply for these compensations annually. Furthermore, through our measures in the climate roadmap, we are pursuing the goal of defossilization so that, in the future, we will no longer need to procure fuels if possible.

OPPORTUNITIES:

The development of new market segments and increased demand for products and services due to our greenhouse gas-reducing portfolio are decisive factors for our company. Our policy envisages that we will continuously research further products of this kind. In addition, the aspect of sustainability is emphasized in our communication with users. We strive to increase the use of our products in order to make the most of their positive impact on climate change and society. The implementation of this policy is the responsibility of our Chief Sales Officers (CSOs).

A strong commitment to climate protection can significantly improve our company's image. Among other things, our policy involves regularly reporting on our successes and measures both internally and externally. Responsibility for this policy lies with our communications department.

POLICIES RELATED TO ADAPTATION TO CLIMATE CHANGE

As part of our comprehensive materiality assessment, the following impacts, risks, and opportunities were identified with regard to the issue of adaptation to climate change, which is material to Alzchem.

IMPACTS:

Some of the company's products actively contribute to combating climate change, for example by reducing climate-relevant emissions (e.g., Eminex®). This has a positive impact on both the environment and society.

The policy has already been explained in detail in the previous section on the opportunities of climate protection.

RISKS:

Transition risks such as regulatory, technological, and market risks can lead to revenue losses for our company. Although there is currently no uniform and explicit policy in place, these risks are taken into account in the planning process in all areas of Alzchem's organization.

Regulatory requirements to limit cooling water discharges into rivers have been tightened, which could potentially lead to temporary reductions in production and, consequently, to losses in sales. Our policy includes the development of an action plan that will enable us to minimize potential production restrictions in the relevant seasons. This is to be achieved through organizational or technical measures.

To counteract possible water shortages, Alzchem has initiated a program to reduce water consumption. We intend to continue this program and continuously optimize our processes.

OPPORTUNITIES:

A strong commitment to sustainability, such as through a climate roadmap, can significantly improve the company's image and strengthen customer confidence, thereby leading to increased sales. The underlying policy has already been explained in detail above under the opportunities for climate protection.

POLICIES RELATED TO ENERGY EFFICIENCY

Our materiality assessment has identified the significant impacts, risks, and opportunities in the area of energy efficiency for Alzchem.

IMPACTS:

High energy consumption, especially from non-renewable resources, contributes to global warming and has negative impacts on the environment and society. Our strategies to combat these impacts include increasing energy efficiency and transitioning to an electricity-based business model in conjunction with defossilization. Contrary to the industry standard, our production network (NCN chain) has always been based on the electricity-based production of our key base product, calcium carbide. The carbide we produce is further processed along the NCN chain and forms the basis for a large part of our product portfolio. That is why we continuously invest in chemistry where electricity is a key "raw material". This gives Alzchem a strategic advantage: we already have tomorrow's technology today.

Scope 3 emissions, as described in chapter [E1-6](#), currently account for the largest share of our emissions. Reducing these emissions depends largely on the indirect emissions of raw material suppliers (Scope 3.1) and the waste generated by our operations (Scope 3.5).

These policies are explained in more detail below.

RISKS:

Geopolitical risks such as the availability of and dependence on fossil fuels and upward fluctuations in energy prices threaten competitiveness. In addition, increasingly strict regulation and/or taxation of fossil fuel use is to be expected. Rising energy costs make products more expensive and lead to potential losses in sales.

We have developed two policies to counter these financial risks. First, we have a comprehensive energy purchasing strategy that enables us to hedge energy prices over the

long term while still responding flexibly to current market situations. This responsibility lies with both purchasing and energy controlling. Second, we implement additional energy-saving measures every year to further minimize financial risk. Further details can be found in the following section on the opportunities offered by energy efficiency.

OPPORTUNITIES:

We are striving for greater independence from the fossil fuel market through increased energy efficiency and the increased use of renewable energies. We also expect cost savings through optimized processes, which will lead to an improved market position.

Our policy envisages continuing to implement further measures to reduce energy consumption at all levels and thus reduce external energy procurement. This will reduce both Scope 1 and Scope 2 emissions as well as the consumption of fossil fuels.

One example of a sub-policy is the use of waste heat. Alzchem has been using waste heat from various production processes for many years. The aim is to further increase the existing waste heat potential in order to reduce the use of primary energy and thus reduce Scope 1 emissions.

USE OF RENEWABLE ENERGIES

Alzchem currently has no policy for large-scale in-house generation of renewable energies or for the use of power purchase agreements (PPA). However, photovoltaic systems are being installed on roof surfaces in accordance with current legal requirements. We are also currently procuring green electricity certificates in order to increase the share of renewable electricity in the electricity mix and to secure energy cost discounts.

E1-3 – ACTIONS AND RESOURCES IN RELATION TO CLIMATE CHANGE POLICIES

Although Alzchem does not currently have a complete transition plan for climate protection in accordance with the requirements of E1-1, the company has summarized measures for climate protection, adaptation to climate change, and reduction of energy consumption in a climate roadmap. This roadmap envisages achieving climate neutrality according to Scope 1 by 2033 and is divided into four different packages.

PACKAGE 1: CO₂ LIQUEFACTION AND USE AS A RAW MATERIAL

This package of measures addresses several of our policies at the same time. It reduces direct CO₂ emissions, improves recycling and resource efficiency, and reduces the use of non-renewable fuels.

The largest sources of emissions at the Trostberg and Schalchen sites are currently the steam boilers fired with fossil fuels and CO gas. In Trostberg, a new steam generator is to be purchased that will be operated using the advanced "oxyfuel process". This process enables the recovery of highly concentrated CO₂ from the exhaust gas. The recovered CO₂ can be reused as a gas or in liquefied form as a raw material at the production sites in Trostberg and Schalchen. This makes it possible to replace heating oil or natural gas, which were previously used, among other things, to produce the raw material CO₂. If there is a surplus of liquid CO₂, the plan is to market it as a product.

A detailed project study was prepared for this project in 2022. The necessary investment costs (CapEx) amount to

approximately EUR 14 million. The plan is to complete this measure by 2029. Based on the base year 2022, annual savings of around 21,000 tons of CO₂ are forecast.

Due to the investments currently being made at the Schalchen site, which will result in higher production capacities, there will be an increased fuel requirement for steam generation there, leading to higher CO₂ emissions than the amount used as raw material. A new process using an oxy-fuel method for steam generation has therefore been developed in Schalchen, which will enable the CO₂ required as a raw material in the previous process to be completely recovered from the exhaust gases and additional waste heat to be recovered.

A possible reduction in CO₂ emissions of around 10,000 tons per year has been calculated for this measure, which is to be implemented subsequently. A final cost estimate for this measure for CO₂ and heat recovery at the site is not yet available.

Furthermore, a new dimensioning for the CO₂ liquefaction previously planned in Trostberg is required. This can probably be smaller than originally planned.

This measure cannot yet be assigned to any economic activity in the EU Taxonomy Regulation.

PACKAGE 2: SUSTAINABLE RAW MATERIALS MANAGEMENT

Alzchem is committed to the path of defossilization and plans to produce without fossil fuels in the long term. Various measures have been defined for implementation.

ENERGY RECOVERY FROM HYDROGEN

This initiative will enable us to reduce natural gas consumption, increase resource efficiency, and reduce CO₂ emissions in Scope 1. Following a change in process, hydrogen is now produced evenly and continuously as part of a specific production process. This hydrogen can therefore be used for energy purposes to replace natural gas.

This measure was implemented in the last quarter of the previous year. After a full year of operation, an annual CO₂ reduction of approximately 1,000 tons has now been determined.

In another section of this process, hydrogen is produced in highly fluctuating quantities. We are currently looking for policies to make efficient use of this previously unused hydrogen.

We expect further increases in production in the future, which will also increase the amount of hydrogen produced. This will enable us to achieve further savings in natural gas or other uses of hydrogen.

PHASING OUT COAL AS AN ENERGY SOURCE

As part of our climate roadmap, we will further reduce direct CO₂ emissions in Scope 1 in the future through a new policy. At our site in Sweden, we are planning to build a new lime kiln that will be powered by our own CO gas, which has previously been flared. This will completely eliminate the use of coke as fuel for lime burning.

The new lime kiln is designed to be carbon capture ready and, in oxyfuel operation, enables the capture and utilization of the CO₂ that is inevitably produced when burning

lime. This represents a new and innovative technology for lime burning. The technical implementation of this CO₂ capture is planned for a future project phase, the realization of which depends on further developments and framework conditions.

Completion of the new lime kiln is scheduled for the end of 2027. We expect this measure to reduce CO₂ emissions by approximately 13,000 to 15,000 tons per year, resulting in savings in operations through fuel savings.

This measure cannot yet be assigned to any economic activity in the EU Taxonomy Regulation.

PACKAGE 3: HEAT RECOVERY

These measures implement policies for increasing energy efficiency, reducing CO₂ emissions, recycling, and defossilization. The aim is to use waste heat and feed it back into the production processes to replace fossil fuels.

Several measures from this package have already been implemented in the reporting year 2025:

EXPANSION OF HEAT RECOVERY AT THE TROSTBERG SITE

At the beginning of the reporting year 2024, heat recovery from calcium cyanamide production was expanded for building heating at the Trostberg site. This has resulted in an average saving of approximately 40% in additional steam over the last two years.

HEAT RECOVERY AT THE HART SITE

The first phase of the project to use waste heat from the carbide furnaces for plant heating, which was completed in 2024, has led to savings of around 81% of the previous energy requirement for building heating. The CO₂ savings

amount to approximately 700 tons per year. The actual savings will continue to be monitored and evaluated to confirm that the targets have been achieved.

As the temperature of the available waste heat is currently insufficient to cover the entire heating requirement, further optimizations are planned. The aim is to achieve completely CO₂-free heating of the plant through additional measures, thereby making a further contribution to climate neutrality.

This measure can be classified under economic activity 4.25. "Production of heat/cooling from waste heat" in the EU Taxonomy Regulation.

HEATING OF PRODUCTION BUILDINGS AT THE TROSTBERG SITE

In the reporting year 2025, the heating system for another production building was converted from steam to waste heat as planned. This measure will reduce CO₂ emissions by around 180 tons per year.

This measure cannot yet be assigned to any economic activity in the EU Taxonomy Regulation.

HEAT RECOVERY AT THE SCHALCHEN SITE

The Schalchen site has been producing surplus steam that could not be fully utilized until now. With the commissioning of new production facilities at the site, this surplus steam will be used efficiently in production processes in the future. However, due to the increased demand for process steam, the existing surplus is not sufficient to cover the total demand. A new, larger steam boiler with integrated heat recovery will therefore be installed to replace an existing, older boiler. This measure will make it possible to meet the additional steam demand while increasing energy efficiency at the site. Implementation will take place as part of the capacity expansion at the site.

As already described in the "CO₂ liquefaction and use as a raw material" package of measures (see section Package 1), a further CO₂ recovery project has been planned at the Schalchen site. This will also recover waste heat from exhaust gas combustion and integrate it into the production process. A final cost estimate and assessment of CO₂ savings are not yet available.

With these measures, the Schalchen site is making an important contribution to increasing energy efficiency and achieving the company's climate targets.

These measures can be classified under economic activity 4.25. "Production of heat/cooling from waste heat" in the EU Taxonomy Regulation.

WASTE HEAT REGISTER

In the previous year, 2024, a waste heat register was created in which the relevant waste heat flows were systematically recorded. On this basis, initial analyses were carried out in the current year, 2025, and basic options were identified for where and how further waste heat potential could be used sensibly. The most promising approaches are to be further developed in the coming years and examined for their feasibility.

PACKAGE 4: EFFICIENCY IMPROVEMENTS

CO COMPRESSOR

This measure serves to implement the policy for increasing energy efficiency. At the Hart site, carbide gas is processed for further use, compressed, and transported to other sites via a pipeline. The existing compressors are being replaced by modern, speed-controlled compressors in order to significantly increase efficiency.

Implementation of this measure began in 2024 and is scheduled for completion in early 2026. The calculated savings in CO₂ emissions in Scope 1 and 2 are expected to be around 3,300 tons per year.

This measure cannot yet be assigned to any economic activity in the EU Taxonomy Regulation.

PV PARK

The photovoltaic park at the Trostberg site, which went into operation in 2024, has achieved an electricity yield of approximately 1,400 MWh after twelve months of operation, slightly exceeding the original planning. The measure contributes to a reduction in Scope 2 emissions of approximately 350 tons with the current electricity mix and supports the company's climate strategy.

LED LIGHTING

This measure serves to implement the policy for increasing energy efficiency. The conversion of outdoor and indoor lighting to LED lamps is continuing on an ongoing basis. This is being done either through targeted projects to convert entire halls or as part of lighting maintenance. Due to the large number of individual measures, no specific information on costs and energy savings can be provided. The conversions began some time ago, continued in the reporting year 2025, and will be continued in the future.

This measure cannot yet be assigned to any economic activity in the EU Taxonomy Regulation.

ELECTROMOBILITY

This measure serves to implement the policy of increasing energy efficiency and defossilization. To ensure the transition from fossil fuels, electromobility will be further expanded. This applies to both the entire vehicle fleet and the charging infrastructure. Employees are offered the opportunity to lease a vehicle through Alzchem. However, these vehicles may only be electric vehicles or plug-in hybrids. Only field staff are still allowed to choose combustion engine vehicles. All employees with electric cars can charge their vehicles free of charge on company premises, even if they are purely private vehicles.

REDUCING THE AMOUNT OF WASTE

This measure aims to implement the policy of increasing resource efficiency by closing material cycles and reducing CO₂ emissions in Scope 3. A current process generates significant amounts of liquid aqueous waste, which is currently disposed of externally by incineration.

In recent years, a new process has been developed that enables extensive recycling of this waste stream and reuses this waste as a raw material. When implemented in the existing process, significant savings in CO₂ emissions in Scope 3 are expected from waste incineration and from the reduced purchase of raw materials. This process will also be used in the current expansion of creatine capacities.

This measure cannot yet be assigned to any economic activity in the EU Taxonomy Regulation.

REDUCTION OF GROUNDWATER EXTRACTION

This measure serves to implement the policy of increasing energy efficiency and preventing the effects of climate change. It also reduces the risk of cooling water discharge being restricted due to increased temperatures in the Alz river.

An initiative to reduce the use of cooling water has been underway since 2023. This initiative was also continued in the reporting year. Reducing groundwater extraction not only saves electricity for the well pumps but also reduces the thermal load on the Alz ecosystem.

The savings have been achieved in recent years through many different measures at the Hart, Schalchen, and Trostberg sites. In Hart, for example, the installation of new tapping machines has made it possible to dispense with cooling water for cooling the protective screens. During the current overhaul of a carbide furnace, this will also be retrofitted with tapping machines. As a result, no more water will be consumed there either.

Due to the large number of measures, it is not possible to specify concrete investment amounts. It is also difficult to determine the actual water savings achieved, as these are influenced by fluctuations in production volumes and changes in the product mix.

Overall, the greatest savings potential will have been realized once these measures have been completed. When planning new plants, greater attention is being paid to the economical use of water.

In 2025, 7.58 million m³ less groundwater was used for our own purposes compared to the base year 2022. This corresponds to a reduction of 22%.

This measure cannot yet be assigned to any economic activity in the EU Taxonomy Regulation.

SUMMARY OF FINANCIAL RESOURCES AND CO₂ SAVINGS

The measures completed in the reporting year 2025 reduced CO₂ emissions by approximately 180 tons per year. The financial resources expended for this purpose amounted to EUR 264 thousand.

Further measures are planned for the future, some of which are already being implemented. These measures are expected to result in annual savings of approximately 65,000 tons of CO₂ emissions. For those measures for which cost estimates are currently available, investments of approximately EUR 74 million have been calculated.

E1-4 – TARGETS RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION

In 2023, the Supervisory Board and Management Board of Alzchem adopted a climate roadmap. This was presented to shareholders at the Annual General Meeting (Say on Climate).

As part of its climate roadmap, Alzchem has set GHG reduction targets based on the base year 2022. The base year falls within the range of fluctuations in emissions and energy consumption in previous years. There were no anomalies. The base year is therefore suitable for assessing progress in these data. In the base year, Scope 1 emissions totaled 105,000 tons of CO₂e and across all relevant scopes (site-based) totaled 697,000 tons of CO₂e. In Scope 3, only the categories that are material to us were taken into account, with one additional category included in the accounting. For detailed information on the GHG emissions emitted by

Alzchem in Scopes 1 to 3, please refer to section E1-6. Data from ENTSO-E has now been used for the site-based electricity mix factor in Sweden. These two changes result in different values in the calculation of emissions compared to the previous year's report. The data for the base year and the previous year have been adjusted to the new calculation scheme.

The reduction targets apply to the entire Group, including international activities, and are presented throughout the chapter.

Our climate roadmap has not been reviewed by an independent external organization such as the Science Based Targets Initiative (SBTI). Therefore, we do not currently have an independently verified transition plan. There is currently no legally binding, sector-specific decarbonization pathway for the chemical industry in Germany or the EU. For this reason, we have defined our targets in line with the Paris Agreement and the targets of the European Union, Germany, and Bavaria.

Alzchem's climate roadmap has been integrated and aligned with the overall business strategy and financial planning. The measures required to implement the strategies have been included in the medium-term financial planning, with available government subsidies also being used for financing where possible. The expected decarbonization levers and their contribution to the targets can be found in the various measures in chapter E1-3.

In 2020, a central core team was set up to manage and monitor all aspects of sustainability at Alzchem. In addition, these issues are addressed in the core teams that exist for each business area.

TARGETS

- The goal is to reduce gross GHG emissions in Scope 1 across the entire Group by 75% by 2030 compared to the base year 2022.
- No gross target has been defined for Scope 2 to date. However, it is expected that the German electricity mix will consist of 80% renewable energies by 2030 in line with national targets. Alzchem is likely to benefit from this development due to its electricity-intensive business model.
- No target has yet been set for Scope 3.

Despite a temporary increase in emissions due to significant investments in new production facilities, the target set in the climate roadmap of reducing Scope 1 emissions by 75% compared to the base year 2022 by 2030 remains unchanged.

E1-5 – ENERGY CONSUMPTION AND MIX

Quality assurance of measurements

Consumption measurements are generally used to calculate energy consumption. Externally sourced energy quantities are generally recorded by meters that have been calibrated by the calibration office in accordance with the German Measurement and Calibration Act. This applies in particular to natural gas, heating oil, diesel, and steam. The measurement of internally produced fuels (carbide gas, hydrogen) and waste heat is not subject to the Calibration Act and is therefore not externally verified.

TOTAL ENERGY CONSUMPTION OF THE COMPANY

PROCEDURE FOR COMPILING INFORMATION ON ENERGY CONSUMPTION

This report covers the energy consumption of Alzchem at a total of five sites: Hart, Schalchen, Trostberg, and Waldkraiburg in Germany, and Sundsvall in Sweden. Other sites with employees in the UK, China, the US, etc. were not included in the energy consumption data because they employ only a small number of people and perform purely administrative tasks without any production. They therefore account for a negligible share of total energy consumption.

Alzchem does not engage in any activities in the coal, oil, or gas sectors. Fuels are used in part as raw materials at Alzchem. Coke is an essential raw material for the production of calcium carbide. A by-product of this process is carbide gas, which contains a high proportion of carbon monoxide and hydrogen and is used both thermally and materially in the plant network. In this report, coke is therefore not classified as energy consumption, but the carbide gas produced from it, which is used for energy and material purposes, is.

Heating oil is primarily used to generate carbon dioxide and heating steam in steam boilers. The CO₂ produced during the combustion of carbide gas and heating oil is partly used as a raw material for the production of cyanamide or dicyandiamide, which is used for lime precipitation. These complex processes are taken into account accordingly in the CO₂ balance.

The amounts of energy used by the various fuels are converted into megawatt hours (MWh) using the following standard values:

Carbide furnace gas:	3.2 kWh/m ³ (= calorific value)
Heating oil EL (extra light):	9.8 kWh/L
Diesel:	9.925 kWh/L
Super:	8.5 kWh/L
Natural gas:	Billing in MWh
Propane:	6.57 kWh/L
Hydrogen	2.91 kWh/m ³ (= calorific value)

The quantitative information on energy consumption refers to what is known as final energy, i.e., the energy actually consumed for the purposes of the company.

To avoid double counting in the production of secondary energy sources (such as steam or compressed air), only primary energy sources are included in the energy balance. Since the reporting year 2024, the company's own electricity generation from photovoltaic systems has also been taken into account.

The Trostberg and Hart sites are chemical parks where other companies also operate. Alzchem supplies some of these companies with energy sources such as heating steam, compressed air, and cooling water. The proportion of primary energy used by external companies (e.g., natural gas for steam generation) has been deducted accordingly.

The energy generated within Alzchem is not included in the energy balance. This applies in particular to the unavoidable waste heat from processes, which is used for heating purposes within Alzchem.

Certain processes produce a by-product, such as carbide gas or hydrogen, which can be used as an energy source.

However, the thermal energy used in the combustion of these by-products is included in the energy balance, even if this energy was not generated outside the company but within the balance sheet boundary.

No energy is purchased from third parties that is generated there as waste energy.

Alzchem does not currently use renewable hydrogen as an energy source. However, carbide gas contains hydrogen, which is used for energy when burned. Furthermore, hydrogen is produced as a by-product during the production of a certain product, which is largely used to substitute natural gas as a fuel.

The breakdown of externally sourced energy consumption into "renewable", "non-renewable", and "nuclear" is based on the electricity labeling of the electricity supplied at the respective site. In the reporting year 2025, green electricity certificates were purchased for electricity procurement. No other market instruments such as power purchase agreements (PPAs) or green electricity tariffs were used beyond these. All other externally sourced energy sources (natural gas, heating oil, diesel, carbide gas from coke) are non-renewable. Currently, no renewable fuels such as biogas or wood are used. The proportion of renewable energy sources in fuels (diesel, premium gasoline) corresponds to the proportions required by local law and is not reported separately here.

CLIMATE-INTENSIVE SECTORS

All production sites of Alzchem Group AG belong to the chemical industry and are therefore classified as climate-intensive sectors. The energy consumption data covers all activities of the Alzchem Group at these sites.

SHARE OF FOSSIL FUELS IN TOTAL ENERGY CONSUMPTION

ENERGY CONSUMPTION

The year 2022 was chosen as the base year for reporting.

The tables below provide a detailed overview of the energy consumption of the individual energy sources for the reporting year 2025 and the base year, broken down by the various production sites.

Retrospective		Previous year	Reporting year	% [report/base]
	Base year			
Reporting obligation	2022	2024	2025	
(1) Fuel consumption from coal and coal products [MWh]	160,669	146,705	159,729	-0.6%
(1.1) CO gas [MWh]	160,669	146,705	159,729	-0.6%
a) Germany	156,170	142,206	155,230	-0.6%
b) Sweden	4,499	4,499	4,499	0.0%

Carbide gas, which consists mainly of carbon monoxide and hydrogen, is produced as a by-product in the manufacture of calcium carbide from lime and coke. Since the carbon monoxide comes from coke, among other sources, it is classified as a "coal product".

Retrospective		Previous year	Reporting year	% [report/base]
	Base year			
Reporting obligation	2022	2024	2025	
(2) Fuel consumption from crude oil and petroleum products [MWh]	12,937	15,807	11,236	-13.1%
(2.1) Heating oil [MWh]	10,682	13,783	9,347	-12.5%
a) Germany	10,428	13,664	9,221	-11.6%
b) Sweden	255	119	126	-50.6%
(2.2) Diesel [MWh]	1,868	1,506	1,438	-23.0%
a) Germany	1,679	1,351	1,274	-24.1%
b) Sweden	190	155	164	-13.4%
(2.3) Gasoline/diesel passenger cars [MWh]	386	518	451	16.7%
a) Germany	386	518	451	16.7%
b) Sweden	0	0	0	0.0%

Diesel is used as fuel for internal logistics purposes and for Alzchem's own vehicles and is therefore reported separately. Heating oil is used to generate heating steam, to produce CO₂ as a raw material, and to heat buildings.

Retrospective			
	Base year	Previous year	Reporting year % [report/base]
Reporting obligation	2022	2024	2025
(3) Fuel consumption from natural gas [MWh]	29,687	40,454	28,254 -4.8%
a) Germany	29,687	40,454	28,254 -4.8%
b) Sweden	0	0	0 0.0%

Natural gas is used to generate heating steam and in various plants for the combustion of exhaust gases.

Retrospective			
	Base year	Previous year	Reporting year % [report/base]
Reporting obligation	2022	2024	2025
(4) Fuel consumption from other fossil sources [MWh]	643	1,539	5,989 832.0%
(4.1) Propane [MWh]	643	617	693 7.9%
a) Germany	643	617	693 7.9%
b) Sweden	0	0	0 0.0%
(4.2) Hydrogen [MWh]	0	922	5,295 100%
a) Germany	0	922	5,295 100%
b) Sweden	0	0	0 0.0%

Propane gas is used exclusively at the Hart site for exhaust gas combustion. In Trostberg, hydrogen is produced as a by-product of a production process and has also been used there as a fuel since 2024 to reduce natural gas consumption. Hydrogen was not yet used in the base year, as the corresponding project was not implemented until 2024.

Retrospective			
	Base year	Previous year	Reporting year % [report/base]
Reporting obligation	2022	2024	2025
(5) Consumption from purchased or received electricity, heat, steam, and cooling from fossil sources [MWh]	552,251	194,853	199,255 -63.9%
(5.1) Total electricity consumption [MWh]	726,419	604,872	615,271 -15.3%
a) Germany	601,428	485,959	502,835 -16.4%
b) Sweden	124,991	118,913	112,436 -10.0%
(5.1) Share of renewable electricity [%]			
a) Germany	3.0%	67.4%	67.4%
b) Sundsvall	49.0%	49.0%	49.0%
(5.1) Share of nuclear power [%]			
a) Germany	9.9%	0.0%	0.0%
b) Sweden	51.0%	51.0%	51.0%
(5.1) Fossil electricity [MWh]	523,766	158,423	163,924 -68.7%
a) Germany	523,766	158,423	163,924 -68.7%
b) Sweden	0	0	0 0.0%
(5.2) Steam/heat [MWh]	28,484	36,430	35,331 24.0%
a) Germany	28,484	36,430	35,331 24.0%
b) Sweden	0	0	0 0.0%

(5.3) Cooling [MWh]	0	0	0	0.0%
a) Germany	0	0	0	0.0%
b) Sweden	0	0	0	0.0%
(6) Total consumption from fossil energy [MWh] – (sum of 1-5)	756,186	399,359	404,463	-46.5%
Share of fossil sources in total consumption	77.5%	46.2%	46.0%	

The proportions of nuclear, fossil fuel, and renewable electricity are generally calculated based on the electricity labeling of the electricity used at the respective site.

In 2023, there was a change in the legal regulations in the German Renewable Energy Sources Act (EEG). As an energy-intensive company, we no longer receive exclusively privileged electricity with a specific carbon footprint but are involved in the respective national electricity mix like all other companies. This has significantly improved the carbon footprint of our electricity procurement.

For the German sites, electricity is purchased on the exchange and already contains a share of green electricity. In addition, since 2024, green electricity certificates have been purchased for around 30% of electricity consumption in Germany, which are included in the electricity labeling.

The renewable electricity (PV electricity) generated within the Group is also produced and used exclusively in Germany and is therefore also included in the electricity labeling of the German sites.

Green electricity certificates are not shown separately in the table, as they are already included in the electricity labeling and taken into account accordingly. The amount of renewable electricity generated from PV systems since 2024 is shown separately in the table in accordance with ESRS requirements.

The electricity labeling for the reporting year 2025 will only be communicated to us at the end of the year after the report has been prepared. Therefore, the report uses the actual electricity labeling for the previous year, which is now known. For the reporting year 2025, a conservative approach assumes the same electricity labeling as in the previous year.

The figures for the previous year therefore differ slightly from those in the previous report, as only an assumption was made for the reporting year 2024.

At the Waldkraiburg site, heating steam is purchased from a neighboring company. There, the steam is generated in a natural gas-fired steam boiler.

Cooling energy is not sourced externally but generated internally as required.

Retrospective		Previous year	Reporting year	%
	Base year			[report/base]
Reporting obligation	2022	2024	2025	
(7) Consumption from nuclear sources [MWh]	123,071	60,646	57,342	-53.4%
a) Germany	59,326	0	0	-100%
b) Sweden	63,745	60,646	57,342	-10.0%
Share of consumption from nuclear sources in total energy consumption	12.6%	7.0%	6.6%	

Retrospective		Previous year	Reporting year	%
	Base year			[report/base]
Reporting obligation	2022	2024	2025	
(8) Fuel consumption from renewable sources [MWh]	0	0	0	0.0%
a) Germany	0	0	0	0.0%
b) Sweden	0	0	0	0.0%

No fuels from renewable sources are used.

Retrospective				
	Base year	Previous year	Reporting year	% [report/base]
Reporting obligation	2022	2024	2025	
(9) Consumption of purchased or received electricity, heat, steam, and cooling from renewable sources [MWh]	79,581	385,473	392,591	393.3%
(9.1) Electricity [MWh]	79,581	385,473	392,591	393.3%
a) Germany	18,336	327,206	337,498	1740.6%
b) Sweden	61,246	58,267	55,094	-10.0%

The electricity purchased from renewable sources comes from the share of the electricity mix purchased on the exchange and the green electricity certificates.

INFORMATION ON OWN GENERATION FROM RENEWABLE ENERGY

Retrospective				
	Base year	Previous year	Reporting year	% [report/base]
Reporting obligation	2022	2024	2025	
(10) Consumption of self-generated renewable energy other than fuels [MWh]	17,329	19,864	22,514	29.9%
(10.1) Waste heat [MWh]	17,329	19,533	21,101	21.8%
a) Germany	17,329	19,533	21,101	21.8%
b) Sweden	0	0	0	0.0%
(10.2) Electricity [MWh]	0	331	1,413	100.0%
a) Germany	0	331	1,413	100.0%
b) Sweden	0	0	0	0.0%

According to the Energy Efficiency Act, unavoidable waste heat is recognized as renewable energy. The production of calcium cyanamide at the Trostberg site and the manufacture of carbide at the Hart site generate a considerable amount of waste heat. A large part of this waste heat is used to heat the buildings at both sites and as process heat.

At the Trostberg site, electricity is generated in a PV system and used on site. No electricity is generated from non-renewable energy sources.

Retrospective				
	Base year	Previous year	Reporting year	% [report/base]
Reporting obligation	2022	2024	2025	
(11) Total consumption of renewable energy [MWh]	96,910	405,337	415,105	328.3%
Share of renewable sources in total energy consumption	9.9%	46.8%	47.4%	
Total energy consumption including renew-able and nuclear [MWh]	976,167	865,342	876,910	-10.2%

ENERGY INTENSITY BASED ON NET SALES REVENUE

	Base year	Previous year	Reporting year	% [report/base]
Reporting obligation	2022	2024	2025	
Group sales [EUR thousand]	488,067	554,200	562,115	15.2%
Total energy consumption [MWh]	976,167	865,342	876,910	-10.2%
Energy intensity [MWh/EUR thousand]	2.00	1.56	1.56	-22.1%

Alzchem as a whole belongs to the climate-intensive sectors. Therefore, both the sales revenue and the energy consumption of the entire Group are used to calculate the metric. For further information on net sales revenue, please refer to [chapter V., number 1](#) in the annual report.

In the reporting year 2025, production volumes, prices, and the product mix changed compared to the base year, and with them energy consumption. As a result, energy intensity improved significantly across Alzchem as a whole.

Group sales are defined in IFRS 15 as "revenue from contracts with customers".

E1-6 – GROSS SCOPES 1, 2, 3 AND TOTAL GHG EMISSIONS

The Alzchem Group's GHG emissions are calculated in accordance with the GHG Protocol guidelines using the GHG calculation tool. The accounting covers all five Alzchem production sites in Germany and Sweden.

Quality assurance of measurements

Various parameters and measurements are used to calculate CO₂ emissions. On the one hand, fuels are used. Quality assurance has already been discussed in [chapter E1-5](#).

Furthermore, scales are used to record material flows of raw materials. Purchased raw materials are weighed on calibrated scales at the supplier's premises. Internally used scales (e.g., for special lime) are not externally tested.

Exhaust gas measurement in exhaust gas combustion records both the CO₂ content and the volume flow. This measurement is regularly checked by an external testing institute, as these emissions are subject to national emissions trading under the BEHG. In Sundsvall, Sweden, lime is burned to produce quicklime, which is used as a raw material for carbide production. The emissions generated in this process are monitored by an external auditor, as they are subject to the EU ETS I.

In the following presentations of Scope 1-3 emissions, no milestones can be specified as there are no ESRS-compliant targets.

Scope 1 emissions were calculated by fully accounting for input and output streams over the entire calendar year for all production processes at our sites that generate emissions.

The by-product carbide gas generated during the production process of carbide is used as an energy source in further production processes in Germany and Sweden and, in Germany, also as a raw material. The combustion of carbide gas produces, among other things, heating steam. Part of the gas is burned to produce highly concentrated CO₂, which is used as a raw material in the production of cyanamide or dicyandiamide and ultimately precipitates as lime powder (calcium carbonate), so that it is not emitted into the environment. The emission factors for carbide gas and lime powder are calculated from their chemical compositions. For all other fuels and propellants, the factor was taken from corresponding databases.

Furthermore, all climate-relevant gases were considered. The gases relevant to us are CO₂, nitrous oxide, SF₆, and refrigerants (F-gases) and are included in the listed Scope 1 emissions. No other greenhouse gases are emitted.

Alzchem did not purchase or sell any voluntary carbon credits in the reporting year 2025 to offset Scope 1 emissions.

Within the five production sites, only the production of quicklime at the Sundsvall plant in Sweden is subject to regulated EU emissions trading (EU ETS I). The share of EU ETS I emissions was therefore reported for the Sundsvall site and for the Group as a whole.

The wastewater treatment plant in Trostberg has an anaerobic stage. This produces a very small amount of biogas, which is thermally utilized, generating biogenic CO₂ emissions of approximately 100-150 tons per year. These are included in the reported Scope 1 emissions. Otherwise, there are no biogenic carbon emissions.

In the last report, individual emissions for vehicles were not taken into account. The calculations for previous years had to be corrected slightly.

Retrospective		Previous year	Reporting year	% [report/base]
Disclosure requirement E1-6 GHG emissions	Base year			
Reporting obligation	2022	2024	2025	
Scope 1 greenhouse gas emissions [t CO ₂ e]	105,540	103,103	109,977	4.2%
a) Germany	54,718	51,208	59,821	9.3%
b) Sweden	50,882	51,895	50,155	-1.3%
Share of Scope 1 greenhouse gas emissions from regular emissions trading systems in %				
EU ETS-I – Sundsvall [t CO ₂]	32,552	34,296	32,576	0.1%
EU ETS-I share Sundsvall	64%	66%	65%	
EU ETS-I share Alzchem	31%	33%	30%	

Scope 2 emissions mainly comprise emissions attributable to the electricity used for carbide production. As Alzchem has high electricity requirements, the company purchases the electrical energy it needs via the electricity exchange. Until now, this electricity has been procured without guarantees of origin or renewable energy certificates. The electricity labeling of the electricity actually supplied to our company is only communicated by our electricity supplier at the end of the following year. Therefore, as a precautionary measure, the electricity labeling of the previous year is assumed for the respective reporting year. Due to the increasing share of renewable energies in the German electricity mix, it can be assumed that the actual Scope 2 emissions are lower than the reported values. In fiscal year 2025, green electricity certificates were again procured for approximately 30% of the electricity purchased in Germany.

The electricity labeling reported individually for each site is used to calculate market-related Scope 2 emissions, taking into account purchased green electricity certificates and self-generated electricity.

To calculate site-related Scope 2 emissions, the average electricity generation mix for Germany or Sweden is used for the German sites. ENTSO-E is now used as the data source for Sweden, as this is an official value, which results in a slightly lower footprint in the base year compared to the previous report. For the German sites, the values from the electricity labeling for the German electricity generation mix continue to be used.

Now that the official electricity labeling figures for the previous year are known, the Scope 2 emissions in this report have been recalculated and differ slightly from the previous report. Compared to the estimated value for the German sites for the previous year 2024, the actual market-related value has decreased by approximately 14%.

No factors have yet been published for the reporting year 2025. Therefore, as before, the value from the previous year is used.

This indicator is used to enable comparison at an international level.

At the Waldkraiburg site, heating steam is purchased externally from a neighboring company in addition to electricity.

We have no information from the electricity supplier about the share of biogenic CO₂ emissions included in Scope 2. The share in the steam purchased at the Waldkraiburg site is 0%, as it is generated exclusively with natural gas as fuel.

Disclosure requirement E1-6 GHG emissions	Base year	Previous year	Reporting year	% [report/base]
Reporting obligation	2022	2024	2025	
Scope 2 greenhouse gas emissions [t CO ₂ e]				
Site-related Scope 2 GHG gross emissions [t CO ₂ e]	236,995	155,598	160,249	-32.4%
a) Germany (electricity + steam)	233,153	153,457	158,225	-32.2%
b) Sweden (electricity)	3,500	2,140	2,024	-42.2%
Market-related Scope 2 GHG gross emissions [t CO ₂ e]	463,464	131,589	135,589	70.7%
a) Germany (electricity + steam)	463,464	131,589	135,589	70.7%
b) Sundsvall (electricity)	0	0	0	0.0%

We use values from the Ecoinvent database to calculate the Scope 3 emissions of our raw materials. We do not currently use any bio-based raw materials, so biogenic emissions in Scope 3 are not relevant for us.

All 15 categories within Scope 3 were reviewed for significance. Categories 3.5 and 3.11 were now assessed as significant and included in the reporting. Data from previous years has been adjusted accordingly.

3.1 PURCHASED GOODS AND SERVICES

This category is the most important due to the large quantities of raw materials handled. However, the data was not collected in full. The services purchased and other goods are classified as insignificant within this category, accounting for approximately 10% of the raw material quantities.

3.2 CAPITAL GOODS

An initial assessment showed that, over a period of several years, this category plays only a minor role in relation to category 3.1 and is therefore not significant for us.

3.3 ACTIVITIES RELATED TO FUELS

Alzchem has no activities related to fuels.

3.4 UPSTREAM TRANSPORTATION AND SALES

A considerable amount of raw materials is delivered by rail. However, an assessment showed that this category plays a minor role compared to category 3.1 and is therefore not significant for us.

3.5 WASTE GENERATION IN COMPANIES

The significance of this category could not be assessed in the last report. However, the relevant data for an assessment is now available. Due to increased production volumes, waste volumes have also risen in recent years. It has become apparent that emissions in this category are now relevant, which is why they have been included in the report.

This category currently only reports production waste that is treated or incinerated externally. Internal treatment or incineration is included in the data for the other scopes.

We aim to significantly reduce the amount of waste in the coming years through a new innovative recycling process. See also the policies and measures in this report.

3.6 BUSINESS TRAVEL

The amount of business travel is not significant for us compared to category 3.1.

3.7 COMMUTING EMPLOYEES

The majority of employees live in close proximity to their workplaces. Compared to category 3.1, this group is currently not of significant relevance to us.

3.8 UPSTREAM LEASED ASSETS

No major assets are leased. This category is not of significant importance to us compared to category 3.1.

3.9 DOWNSTREAM TRANSPORTATION

Our products are sold worldwide to a large number of different customers. It is virtually impossible to accurately account for emissions in this category. However, this category is likely to be of minor importance in relation to category 3.1. In the chemical industry, therefore, only a cradle-to-gate approach is accounted for in accordance with the Tfs Guideline.

3.10 PROCESSING OF SOLD PRODUCTS

Our products are used in a wide range of applications. We do not have any information about the emissions generated during their processing by customers. It is therefore not possible to make a reliable estimate. For this reason, this category is not reported on.

3.11 USE OF SOLD PRODUCTS

Our products are used in a wide range of applications. We currently have no information about the emissions generated during use, which is why we do not report on this category.

However, this can be estimated for our Eminex® product. Adding Eminex® to manure significantly reduces methane emissions during storage. The reduction in greenhouse gases per ton of Eminex® was determined in a detailed study by the Leibnitz Institute for Agricultural Engineering and Bioeconomy (ATB). However, in accordance with the accounting requirements of the GHG Protocol, negative emissions may not be credited, which is why they are reported separately here. This effect will increase further in the future as sales volumes of Eminex® rise.

3.12 TREATMENT OF PRODUCTS AT THE END OF THEIR SERVICE LIFE

Many of our products serve as raw materials for the manufacture of other products. Due to this fact, emissions at the end of their useful life cannot generally be derived. We therefore consider this category to be insignificant.

3.13 DOWNSTREAM LEASED ASSETS

No downstream assets are leased.

3.14 FRANCHISES

Alzchem does not operate a franchise.

3.15 INVESTMENTS

We are not aware of any significant investments in this category that would affect our emissions balance. We therefore classify this category as insignificant for us.

ACCURACY AND METHODOLOGICAL UNCERTAINTIES

Scope 3 emissions are calculated on the basis of complete and accurately recorded quantities. For the reported categories, methodological uncertainties arise in particular from the use of representative average values and from the partial coverage of the categories.

CATEGORY 3.1 – PURCHASED GOODS AND SERVICES:

The calculation is based on accurately recorded quantities of raw materials, consumables, and energy sources used. Since other elements of this category specified by ESRS – such as other goods and services – are not included, additional uncertainty arises from the incomplete coverage. We use data from the Ecoinvent database for the emission factors; if data records are missing, suitable substitute values are used. The accuracy of the results is therefore determined by the representativeness of these average or substitute values. Updates are made when new data becomes available.

CATEGORY 3.5 – WASTE:

All waste disposed of via external incineration or chemical-physical treatment (CPT) is taken into account. These methods account for the majority of treatment-related emissions. The waste quantities are recorded in full; the uncertainty arises on the one hand from the representativeness of the factors used (external average values or, for CPT, values determined using Ecoinvent) and on the other hand from the partial coverage of the category, as other types of waste with lower-emission treatment methods are not reported.

CATEGORY 3.11 – USE OF SOLD PRODUCTS:

The negative emissions from the Eminex® product result from the precisely known sales volume and a scientifically based savings factor for avoided methane emissions. The uncertainty arises solely from the transferability of this factor; the volume basis is complete and accurate.

SIGNIFICANT SCOPE 3 GREENHOUSE GAS EMISSIONS [t CO₂e]

Retrospective				
Disclosure requirement E1-6 GHG emissions Scope 3	Base year	Previous year	Reporting year	% [report/base]
Reporting requirement	2022	2024	2025	
Significant indirect Scope 3 greenhouse gas emissions [t CO ₂ e]	355,803	345,308	352,392	-1.0%
3.1) Purchased goods and services (raw materials only) [t CO ₂ e]	339,727	315,720	319,417	-6.0%
3.5) Waste generated in companies [t CO ₂ e]	16,076	29,588	32,975	105.1%

TOTAL EMISSIONS SCOPE 1-3

Retrospective				
Disclosure requirements E1-6 GHG emissions Scope 1-3	Base year	Previous year	Reporting year	% [report/base]
Reporting obligation	2022	2024	2025	
Scope 1 greenhouse gas emissions [t CO ₂ e]	105,540	103,103	109,977	4.2%
Scope 2 greenhouse gas emissions (site-related) [t CO ₂ e]	236,995	155,598	160,249	-32.4%
Scope 2 greenhouse gas emissions (market-related) [t CO ₂ e]	463,464	131,589	135,598	-70.7%
Significant Scope 3 greenhouse gas emissions [t CO ₂ e]	355,803	345,308	352,392	-1.0%
Total GHG emissions (site-related) [t CO ₂ e]	698,337	604,009	622,618	-10.8%
Total GHG emissions (market-related) [t CO ₂ e]	924,807	580,000	597,966	-35.3%

GREENHOUSE GAS INTENSITY BASED ON NET SALES REVENUES

For net sales revenues, please refer to [chapter V., number 1](#) in the annual report.

	Base year	Previous year	Reporting year	% [report/base]
Greenhouse gas intensity	2022	2024	2025	
Group sales [EUR thousand]	488,067	554,200	562,115	15.2%

Site-related				
Total emissions [t CO ₂ e]	698,337	604,009	622,618	-10.8%
GHG intensity [t CO ₂ e/EUR thousand]	1.43	1.09	1.11	-22.6%
Market-related				
Total emissions [t CO ₂ e]	924,807	580,000	597,996	-35.3%
GHG intensity [t CO ₂ e/EUR thousand]	1.89	1.05	1.06	-43.9%

Consolidated revenue is calculated in accordance with IFRS 15 as "revenue from contracts with customers".

E1-7 – GHG REMOVALS AND GHG MITIGATION PROJECTS FINANCED THROUGH CARBON CREDITS

Alzchem is currently not involved in any projects outside the value chain that aim to remove CO₂ from the atmosphere. No voluntary carbon credits are purchased or deleted for compensation purposes. Furthermore, the company does not operate any of its own projects for the removal and storage of CO₂ from the atmosphere.

E1-8 – INTERNAL CARBON PRICING

Alzchem does not use an internal carbon price for its business calculations.

E1-9 – ANTICIPATED FINANCIAL EFFECTS FROM MATERIAL PHYSICAL AND TRANSITION RISKS AND POTENTIAL CLIMATE-RELATED OPPORTUNITIES

This report does not yet provide information on the anticipated financial effects, material physical risks, transition risks, and potential climate-related opportunities. We are making use of the reporting relief granted during the transition phase.

11.3.2. ESRS E2 – POLLUTION

Below, we discuss our key topics in the area of pollution in detail, as well as our policies, measures, and targets relating to our key impacts, risks, and opportunities.

MANAGEMENT OF IMPACTS, RISKS, AND OPPORTUNITIES

DISCLOSURE REQUIREMENTS RELATED TO ESRS 2 IRO-1

We describe the process to identify material impacts, risks and opportunities in detail in the [ESRS 2 IRO-1](#) section. The process took into account all Alzchem Group AG sites as well as the upstream and downstream value chain.

E2-1 – POLICIES RELATED TO POLLUTION

The following points were identified as material pollution-related impacts, risks and opportunities:

POLLUTION OF AIR

IMPACT:

Pollution of air caused by emissions from Alzchem's production facilities can potentially harm living organisms and plants, which has negative effects. To prevent this, legal limits for the emission and immission of air pollutants have been defined and must be complied with.

RISK:

The penalties for non-compliance and the continuously tightened limits cause additional expense.

OPPORTUNITY:

Low-emission production can develop into a significant competitive advantage, similar to the issue of CO₂ reduction.

POLICIES:

In connection with the effects, risks, and opportunities described above, Alzchem pursues the policy of continuous improvement of its environmental performance in the area of pollution of air by applying an environmental management system in accordance with ISO 14001. In addition, Alzchem has implemented a comprehensive program for self-monitoring of air pollutants emitted and proactively tracks developments in environmental law. Self-monitoring and continuous improvement of environmental performance reduce the negative effects of air pollutant emissions. The policy is applied at all production sites. The Production Management Board is responsible for its implementation.

In addition, Alzchem is committed to the principles of the Responsible Care Initiative of the German Chemical Industry Association (VCI) and is a member of the Bavarian Environmental and Climate Pact.

POLLUTION OF WATER

IMPACT:

Pollution of water caused by aqueous emissions from Alzchem's manufacturing processes can harm aquatic life

and/or plants (negative impact). To prevent this, legal limits for the discharge of pollutants into water bodies have been defined and must be complied with.

RISK:

The penalties for non-compliance and the continuously tightened limits cause additional expense.

OPPORTUNITY:

Production with low water emissions can offer a competitive advantage, similar to the issue of CO₂ emissions.

POLICIES:

In connection with the described effects, risks, and opportunities, Alzchem also pursues the policy of continuous improvement of its environmental performance in relation to pollution of water by applying an environmental management system in accordance with ISO 14001. In addition, Alzchem has implemented a comprehensive program for self-monitoring of emitted water pollutants and proactively tracks developments in environmental law. Self-monitoring and continuous improvement of environmental performance reduce the negative effects of water pollutant emissions.

The policy is applied at all production sites. The Production Board is responsible for its implementation.

In addition, Alzchem is committed to the principles of the Responsible Care Initiative of the German Chemical Industry Association (VCI) and is a member of the Bavarian Environmental and Climate Pact.

POLLUTION OF SOIL

IMPACT:

Soil contamination can damage living organisms, plants, and water bodies (negative impact). Alzchem owns land with old deposits or former landfills that are contaminated, the actual impact of which has not yet been clarified.

RISK:

Soil contamination of an unknown extent may lead to unquantifiable remediation requirements.

POLICIES:

In order to investigate potential or actual hazards to living organisms, plants, and water bodies, Alzchem's potentially contaminated sites are being examined. This will either rule out or confirm the suspicion of a potential hazard. If confirmed, appropriate measures can be taken to eliminate the hazard.

The policy is applied at the German production sites. The Production Management Board is responsible for its implementation.

The policy reduces the negative effects associated with potential soil contamination.

SUBSTANCES OF CONCERN AND SUBSTANCES OF VERY HIGH CONCERN

IMPACT:

The use or manufacture of substances of concern or substances of very high concern can lead to significant environmental hazards and have a negative impact on health.

Long-term exposure to these substances can pose significant health risks to humans and cause both chronic diseases and acute poisoning. Contamination of soil, water, and air by these substances can damage ecosystems and affect biodiversity. Restricting the use of substances of concern or substances of very high concern would therefore have a positive impact on human health and environmental protection.

RISK:

Changes in legislation, such as stricter regulations on the use of these classes of substances, may lead to higher costs. New legal regulations could extend the authorization requirement for certain substances, resulting in additional administrative and financial burdens. Bans could necessitate the adaptation of existing products or the development of alternatives. If no substitute is found, this could lead to a loss of revenue.

OPPORTUNITY:

Avoiding these substances and developing safe and sustainable alternatives can create competitive advantages that could ultimately contribute to increased sales by opening up new markets.

POLICIES:

Product responsibility is an important element of sustainability and, for Alzchem, means not only fulfilling legal obligations but also assessing health, safety, and environmental risks associated with the handling and use of our products and providing transparent information about them. This applies to the entire life cycle – from research and development to production, marketing, and application by the

customer to disposal. For us, product responsibility therefore also means that we fulfill our human rights due diligence obligations and clearly assign tasks and responsibilities for the raw materials and products we handle.

Alzchem complies with all applicable EU chemical regulations and national regulations, so that products are manufactured and tested in accordance with the provisions of the EU Chemicals Regulation on the registration, evaluation, authorization, and restriction of chemicals (REACH). Alzchem also ensures that all other requirements for marketing and manufacturing are met. This is ensured by REACH registration (full registration/intermediate product) and by providing the Chemical Safety Report (CSR) and exposure scenarios for all applications of the substance within the EU along the entire supply chain. In doing so, we always ensure compliance with the applicable chemical regulations in the respective import country of our products.

For jurisdictions outside the EU, registrations or listings for the relevant substances and applications are carried out in consultation with the product manager in accordance with the relevant local regulations. Safety data sheets and labeling are also provided. To ensure this, Alzchem has implemented various processes and procedural instructions with regard to export, purchasing, and sanctions list checks, such as the ECHA PIC tool in accordance with Regulation (EU) 649/2012, which regulates the export and import of defined hazardous chemicals (PIC stands for Prior Informed Consent). Automated checks also ensure that products cannot be shipped without authorization.

Our comprehensive risk management policy includes technical, organizational, and personnel protective measures to

minimize exposure to substances of concern and substances of very high concern.

For products containing hazardous ingredients, we fulfill our obligations under chemical legislation by sending the relevant safety data sheet, including the associated marking and labeling for hazardous substances. Changes are automatically updated and communicated to all customers who have purchased the affected products from us in the last 12 months. Additional safety information beyond the safety data sheet is provided as needed. Significant planned changes in hazardous substance management or substance assessment are communicated to customers in consultation with the relevant authorities by means of information letters. In addition, exposure scenarios for hazardous substances exceeding 10 tons per year are provided to ensure safe use for the customer. The annual environmental statement published by the Environment, Safety, Health, and Quality (ESHQ) department up to and including 2024 provided comprehensive information and relevant metrics for local residents.

Hazardous substance management, i.e. the handling of hazardous substances and mixtures, is coordinated at Alzchem Trostberg by the "Product Safety/Approval" department. This department prepares the safety data sheets, hazardous substance labels, and operating instructions for our products as well as for the raw materials and auxiliary materials. The safety data sheets for the chemical raw materials and auxiliary materials we purchase are also available there. This information is made available to all employees in the company via the safety data sheet database ("AlzSDB") and the "substance database" (list of substances per process and plant). In addition to providing the information inter-

nally to product managers, laboratories, and plants, all internally affected employees are actively informed by email and external customers are informed by sending them the updated safety data sheets in the event of changes, such as new information or a change in classification. The safety data sheets are created in the necessary languages for all legal areas of marketing and are automatically distributed when updated. In addition, the necessary notifications for our products, e.g., PCN notifications for mixtures in Europe, are carried out and the necessary approvals for the marketing of products in other regulated areas such as food, feed, or plant protection products and fertilizers are applied for and managed.

A REACH registration strategy is agreed with the respective product managers for each substance imported or manufactured in the EU. Depending on requirements, tonnage bands are adjusted and the necessary investigations are commissioned and submitted to the ECHA via the REACH dossier. The respective product manager is also responsible for monitoring quantities in the respective year.

In addition, the Product Safety department supports the production plants in the preparation and documentation of risk assessments for the various manufacturing processes and coordinates the necessary discussions on toxicology and occupational safety (so-called Tox-Asi discussions). In the Tox-Asi discussion, protective and monitoring measures for each work step are defined and documented together with the respective production plant, occupational safety, and the company doctor (e.g., extraction, PPE, organizational measures, measurements, workplace measurements and biomonitoring, documentation in the CM register according to TRGS410). Furthermore, the substance database

provides the current classification of the chemical substances used (raw materials, auxiliary materials, and products), which, together with the quantities maintained by the companies in accordance with GefStoffV and Major Accidents Ordinance, forms the basis for the hazardous substances register for each production plant.

As part of regular inspections, the authorities in the EU check compliance with chemical law obligations. In order to meet these requirements, we require our suppliers to confirm REACH compliance for all substances supplied to us. In addition to the general registration requirement, REACH provides for an authorization procedure that can lead to the replacement or prohibition of the use of particularly hazardous substances (Substances of Very High Concern, SVHC). Substances that have already been registered are also regularly evaluated by the authorities. This can result in additional testing requirements, new risk management measures, or even the inclusion of our products in the REACH authorization procedure.

If a substance used is included in the candidate list of "substances of very high concern" (SVHC) compiled by the European Chemicals Agency (ECHA), the relevant product managers and companies are informed immediately, the necessary disclosure in the safety data sheet is coordinated, and measures and changes in the handling of the respective substance are determined together with the company. Monitoring of updates to the ECHA's SVHC candidate list is carried out automatically via REACH-IT for the substances used by Alzchem, as well as via the ECHA's newsletters and distribution lists and via the chemical industry associations (VCI and CEFIC), which communicate updates in a timely manner. When the SVHC list is updated, we always check

whether these newly named substances are being handled correctly within the company. In addition to updating and communicating via the safety data sheet, we coordinate further action regarding handling or substitution with the responsible parties. We are continuously committed to reducing the use of harmful substances in our production processes and products wherever possible, using suitable alternatives, or avoiding their use altogether.

The policies described are applied at all production sites. The Management Board is responsible for implementing the policies.

As part of the implementation of these policies, Alzchem is committed to the principles of the Responsible Care Initiative of the German Chemical Industry Association (VCI) and is a member of the Bavarian Environmental and Climate Pact.

MICROPLASTICS

IMPACT:

Microplastics that can be generated along the value chain (raw material production, transport, product manufacturing, product use, waste recycling, and disposal) could be emitted into the environment. Microplastics can potentially harm living organisms and plants, which has negative effects. To prevent this, legal regulations have been defined that must be complied with.

POLICIES:

Product responsibility is an important element of sustainability and, for Alzchem, means not only fulfilling legal obligations but also assessing health, safety, and environmental risks associated with the handling and use of our products and providing transparent information about them. This

applies to the entire life cycle – from research and development to production, marketing, and customer use to disposal. Within this framework, the development of legal requirements regarding microplastics is monitored.

The European Union's REACH Regulation (EU) 2023/2055 also regulates the handling of synthetic polymer particles. Since October 2023, these microparticles may no longer be placed on the market and are not registered under REACH.

As part of product registration under the REACH Regulation, Alzchem checks that the legal requirements regarding microplastics are also complied with. The requirements of the REACH Regulation are regulated in a separate procedural instruction issued by Alzchem.

Alzchem checks all products for compliance with the REACH Regulation, thereby ensuring that legal requirements are met.

The policy applies to all Alzchem products, is permanent-ly active, and is limited to the company's own activities. However, the upstream and downstream value chain is also bound by the requirements and prohibitions of the REACH Regulation.

The Chief Sales Officer is responsible for implementation.

E2-2 – ACTIONS AND RESOURCES RELATED TO POLLUTION

REDUCTION OF RESIDUES IN PRODUCTION

At the Schalchen site, the product is separated from the residue during product washing in a plant. The separated residue, which still contains product residues, is sent for external recycling. External recycling is carried out by inciner-

ation. In order to minimize product discharge, the capacity of the NH₃ stripping process was increased, thereby improving washing efficiency. This increased the product yield and reduced the discharge into the residue from 1.0% to 0.5%. This corresponds to a reduction in product discharge of more than 1 ton per day, for which no emissions are generated during recycling. Capital expenditure of approximately EUR 370 thousand was incurred for the measure.

The measure serves to support the opportunity for competitive advantages through lower-emission production.

The measure relates to the company itself and the downstream value chain in the recycling of residues.

Emissions reduction at waste incineration plant

Alzchem operates a waste incineration plant (WIP) at its Trostberg site. In order to reduce air emissions from the WIP, an additional cleaning stage for the exhaust air from incineration in the form of a basic scrubber will be installed in 2026. This is intended to reduce emissions from the WIP. Investment expenditure of EUR 1.925 million is planned for the measure.

The measure serves to reduce the risk of sanctions for non-compliance with the increasingly stringent limits for air emissions.

POLLUTION OF WATER

In the reporting year 2025, no further measures were defined within the framework of the policy with regard to pollution of water beyond the continued self-monitoring of water pollutants in Alzchem's discharges.

INVESTIGATION OF SUSPECTED CONTAMINATED SITE

The Schalchen site contains a former Alzchem landfill site that is designated as a suspected contaminated site. In order to determine the actual hazard potential of the old landfill site, multi-year investigation programs have been carried out since 2020 in cooperation and co-ordination with the licensing authorities and with the participation of an expert licensed in accordance with Section 18 of the Federal Soil Protection Act. These programs were completed in 2025. The suspicion of the occurrence and presence of harmful groundwater contamination could be ruled out.

The measure supports the policy of reducing the negative effects associated with possible soil contamination.

MONITORING MICROPLASTICS

In implementation of the REACH Regulation and the ban on the use of synthetic polymer particles, Alzchem has ensured compliance with the legal regulations on microplastics. The process is described in [chapter E2-1](#). No additional measures were necessary in the reporting year 2025.

SUBSTANCES OF CONCERN AND SUBSTANCES OF VERY HIGH CONCERN

The manufacture of specialty chemical products often requires the use of critical substances. All measures are designed to guarantee product safety and comply with all legal requirements.

Alzchem has implemented certain measures to optimize the handling of substances of very high concern (SVHC) and to comply with legal requirements. A key component of risk reduction is the continuous training of employees in the safe handling of this class of substances. In addition, safety data sheets are regularly reviewed and updated, and emergency plans are systematically introduced to ensure maximum safety. The emergency plans are mandatory for every production facility with plants requiring approval under the Federal Immission Control Act (BImSchG), and the respective scope of application is specified in the operating manual for the plant in question.

In order to minimize the potential impact of critical substances when used properly, we analyze health and environmental risks throughout the entire product life cycle – from research and development to production, application, and disposal. The properties of our products, especially with regard to potentially hazardous ingredients, are continuously evaluated. Risk assessments are carried out separately for each production facility as part of activity- and operation-related assessments. The corresponding training courses are also held annually, as are the instructions on substance-related operating instructions, which are applied across

all departments. By providing information in the safety data sheet and on the product labels, we ensure that our customers are always fully informed about safe handling. In addition, we continuously pursue the goal of reducing the proportion of critical substances in our products.

The timing of the respective measures is determined on an individual basis. Major changes are reported and tracked as part of the "Management of Change" (MOC) process. Substitutions and technical measures usually take more than a year to implement, especially if regulatory approval is required. Requirements regarding personal protective equipment (PPE) or control mechanisms must be implemented before commissioning if they are newly introduced. These specifications are documented in various lists maintained by the technical department or operations or are recorded as binding requirements in risk assessments.

METRICS AND TARGETS

E2-3 – TARGETS RELATED TO POLLUTION

Taking into account the significant negative impacts, risks, and opportunities, we have defined the following targets in relation to pollution:

Target	Category	Target value	Deadline	Origin
Reduction of NO _x emissions, waste incineration	Pollution of air	NO _x < 100 mg/m ³ as an annual average	12/31/2025	WI-BREF mandatory
Reduction of NH ₃ emissions, DCD plant	Pollution of air	< 100 g/h	12/31/2026	Alzchem voluntary

The reduction of NO_x emissions from waste incineration at the Trostberg site will be achieved by installing a denitrification plant. There are therefore no interim targets. The target value of 100 mg/m³ as an annual average is expected to be consistently met in 2025 after the installation of the denitrification plant. An annual average for NO_x is a new limit value that was not previously regulated. There is therefore no corresponding reference value.

The target value was derived taking into account the legal requirements of the EU's WI BREF (Waste Incineration Best Available Techniques Reference) and thus represents the state of the art in flue gas denitrification. When creating BREF documents, legislators involve the stakeholders they consider to be affected. The target value is to be achieved in a full-load scenario with otherwise unchanged waste incineration operations. The target supports the

European Green Deal by reducing the release of air pollutants. NO_x emissions from waste incineration are continuously measured and evaluated using an approved measuring device and published annually in accordance with Section 23 of the 17th BImSchV. This ensures continuous monitoring of target achievement. According to WI-BREF, a corresponding freight value is not required.

There have been no changes to the underlying data and targets compared to 2024.

In 2025, an annual average of 37 mg/m³ was achieved. The target was thus exceeded by 63 mg/m³.

The new target for 2025 was achieved by reducing NH₃ emissions from the DCD plant at the Schalchen site through an increase in NH₃ stripping capacity. The reference value to be used here before the capacity increase is 174 g/h as the maximum measured emissions in 2024. Based on the existing plant, a target value of less than 100 g/h of NH₃ emissions was derived. The target is to be reviewed with at least one measurement by approved measuring stations in 2025 and 2026. The target supports the European Green Deal by reducing the release of NH₃ exhaust gases.

The target value was set internally without the involvement of external bodies.

Emissions are measured by a measuring station approved in accordance with the Federal Immission Control Act.

During the measurement in 2025, a maximum emission value of 46 g/h was achieved, which is well below the target value of 100 g/h. This value is to be reviewed again in 2026 using the measurement method described above.

An annual load was not determined because no continuous measurement is available.

Both targets were derived from the policy of applying an environmental management system in accordance with ISO 14001 for the continuous improvement of Alzchem's environmental performance and are intended to reduce the negative impact of air pollutants on living organisms and/or plants.

No stakeholders were consulted when setting the targets.

No targets have yet been defined for the impacts, risks, and opportunities associated with pollution of soil, pollution of water, and the reduction or avoidance of substances of concern and substances of very high concern, as well as microplastics. The effectiveness of the policies and measures relating to these issues has not yet been systematically monitored.

E2-4 – POLLUTION OF AIR, WATER AND SOIL

Release into the air according to E-PRTR

Pollutant	Annual freight 2023 (kg/a)	Annual freight 2024 (kg/a)	Annual freight 2025 (kg/a)	Determination
Ammonia (NH ₃) Trostberg site	4,921	4,997	4,889	Measurement according to VDI 3878 (09/2017)

The annual load is determined using the analytically determined exhaust air concentrations and exhaust air volume flows, multiplied by the annual operating hours of the emission sources. The measurements to determine the pollutant concentrations were carried out by internal analytics or by approved measuring stations. These are accredited for these types of measurements by the German Accreditation Body (DAkkS).

All other air, water and soil pollutants do not exceed the threshold values according to E-PRTR.

Alzchem does not use or produce microplastics.

E2-5 – SUBSTANCES OF CONCERN AND SUBSTANCES OF VERY HIGH CONCERN

Certain chemical raw materials and products may contain substances that are classified as substances of concern (SoC) or substances of very high concern (SVHC) and are either integral components in the production process or are unintentionally produced as impurities during manufacture. Some of our products, which serve as important base products for various industrial or professional applications, contain such substances whose manufacture or use may pose environmental or health risks. The safe handling and responsible use of these chemical raw materials and products are central aspects of our product safety policy. Alzchem considers product safety to be an essential part of all business processes and a central element of overall risk management. We are committed to ensuring that the guidelines for handling our products – including those containing substances of concern or substances of very high concern – are so specific that, when used properly and responsibly, they pose no risk to humans or the environment.

The relevant metrics for SVHC and SoC are collected annually by querying the SAP production controlling report for substances of concern (SoC) in accordance with the criteria of the ESPR, the European Ecodesign Directive (EU) 2024/1781.

For Substances of Very High Concern (SVHC), the reporting distinguishes between purchased, produced, and sold quantities. The quantities of purchased SVHC raw materials are queried via the Purchasing department. Produced and sold SVHC quantities are analyzed based on the compositions from SAP-EHS.

Due to the confidentiality of the data, especially for customer-exclusive products, no external validation of the data has been carried out.

As a specialty chemicals company, Alzchem offers a comprehensive range of products that are primarily processed by other companies in the chemical industry. In our production, we focus on the responsible use of these substances and ensure that our products can be used safely when applied properly. Direct sales to consumers or end-users are limited to a small number of products.

The following tables provide information on the quantities of substances of concern and substances of very high concern, as well as their relevant hazard classes, that Alzchem introduced into or processed in global value chains in fiscal year 2025.

Substances of concern (SoC)	Main hazard classes	Quantity in tons
Year		2025
Total quantity generated, used or procured during production	Repr 1A and 2, STOT RE 1 and 2; Skin Sens. 1, Aquatic Chron 2 and Aquatic Acut 3; Aquatic Acute 1 (82.7% of SoC)	122,480
Total quantity leaving the facilities as emissions, as products, or as part of products or services	STOT RE 2; Skin Sens 1, Aquatic Chron 3	46,787
Quantity leaving the facilities as emissions	Not applicable	Below threshold

Almost half of the total SoC is generated by the CO gas produced during the manufacture of calcium carbide, which is, however, used as a raw material and energy source in later production steps within the company.

Substances of Very High Concern (SVHC)	Main hazard classes	Quantity in tons
Year		2025
Total quantity generated, used or procured during production	Equivalent level of concern acc. to Art 57 f, Toxic for reproduction (Art. 57 c), Carc (Art. 57 d)	125.9
Total quantity leaving the facilities as emissions, as products, or as part of products or services	Equivalent level of concern acc. to Art. 57 f, Toxic for reproduction (Art. 57 c)	80.6
Quantity leaving the facilities as emissions	Not applicable	Below threshold

The reduction in SVHC substance quantities compared to the previous year 2024 is due to lower quantities of melamine-containing products such as Perlka®. The substances D4 and D5 are no longer contained due to an adjustment in the product quality of the raw material used (< 0.1% in the raw material and end product). Therefore, the PBT/vPvB properties in the main hazard classes no longer apply.

In an annual risk assessment, Alzchem's substances and products whose properties may result in further regulatory changes are evaluated by the Product Safety department and, where possible, risk mitigation measures are defined. Alzchem has minimized exposure to SVHCs and SoCs and the associated health risks by implementing technical measures. This has been achieved, for example, through the use of closed systems, ventilation and extraction systems with downstream exhaust gas purification, and the provision of personal protective equipment. Training employees in the safe handling of all hazardous substances, regularly reviewing and updating safety data sheets, and implementing emergency plans are further essential risk mitigation measures.

A project was initiated in fiscal year 2024 with the aim of identifying new business opportunities and offering customers substitutes for SVHCs. In addition, work is being done to reduce critical substances or components in existing products.

E2-6 – ANTICIPATED FINANCIAL EFFECTS FROM POLLUTION-RELATED IMPACTS, RISKS AND OPPORTUNITIES

We currently do not anticipate any significant financial effects in relation to pollution. The retrofitting/upgrading of facilities that is continuously required due to changes in environmental law will be incorporated into the ongoing budgeting process in a timely manner.

11.3.3. ESRS E3 – WATER AND MARINE RESOURCES

In the following, we discuss our material topics in the area of water and marine resources in detail, focusing on our policies, measures, and targets in relation to our material impacts, risks, and opportunities.

MANAGEMENT OF IMPACTS, RISKS, AND OPPORTUNITIES

DISCLOSURE REQUIREMENTS RELATED TO ESRS 2 IRO-1

We describe the procedure for determining material impacts, risks, and opportunities in detail in the [ESRS 2 IRO-1 chapter](#). The procedure took into account all Alzchem Group AG sites as well as the upstream and downstream value chain. Water resources were identified as material for Alzchem, but marine resources were not.

E3-1– POLICIES RELATED TO WATER AND MARINE RESOURCES

Water, a resource that is essential for human life, is becoming increasingly scarce due to rising global water consumption and climate change. On the other hand, the sufficient availability of water as cooling and process water plays an important role for Alzchem in many production processes.

The following were identified as significant impacts, risks, and opportunities in relation to water and marine resources:

WATER WITHDRAWAL

IMPACT:

High water withdrawal volumes can lead to water shortages at regional and/or supraregional level (negative impact). Alzchem withdraws groundwater at its German sites.

RISK:

A legal limit on the permissible withdrawal quantities could lead to a reduction in production capacity and a loss of revenue. The imposition of water withdrawal fees would also have a negative financial impact on Alzchem.

OPPORTUNITY:

With low withdrawal volumes, we see an opportunity to reduce dependence on limited natural resources.

POLICY:

In connection with the described impacts, risks, and opportunities, Alzchem pursues the policy of continuous improvement of its environmental performance in the area of water withdrawal by applying an environmental management system in accordance with ISO 14001. This is intended to reduce water withdrawal volumes. This reduces the risk of regulatory limitations or financial impacts if withdrawal fees are introduced.

The policy is applied at all production sites. The Production Management Board is responsible for its implementation.

WATER DISCHARGE

IMPACT:

The discharge of large quantities of water could cause damage to aquatic life and plants in the event of unintentional contamination or excessive thermal stress (negative impact).

RISK:

In addition, there is a risk that excessive thermal stress or contamination could result in the authorities requiring costly and time-consuming remediation measures.

POLICY:

In connection with the effects and risks described, Alzchem is proceeding as follows: A water ecology report was prepared for the discharge of cooling water at the German sites. Among other things, this serves as a basis for determining and specifying the permissible thermal load so that no damage to aquatic life and plants occurs.

The discharged water is also monitored analytically so that any unwanted contamination of the discharged water can be detected. To this end, Alzchem has implemented a program for analytical self-monitoring of the discharges and monitors the discharge temperatures. Self-monitoring reduces the negative effects of water discharge.

None of Alzchem's sites are located in a water risk area or in an area with high water stress.

The policy is applied at all German production sites. The Production Management Board is responsible for its implementation.

E3-2 – ACTIONS AND RESOURCES RELATED TO WATER AND MARINE RESOURCES

A series of concrete measures has been defined at all German sites to reduce the amount of cooling water withdrawn and thus also discharged.

Scope of the main measures:

- Construction of cooling towers for a new plant at the Schalchen site (commissioning in 2026)
- Optimization of operating parameters for water consumers
- Multiple use of cooling water

The measures taken are preventive in nature, as no actual damage is to be expected or has occurred due to the high availability of water at the Alzchem sites.

The defined measures are intended to support the target defined under E3-3 of a total cooling water withdrawal of less than 30 million m³ at the German sites, despite capacity expansions in 2025 and 2026.

The measures are intended to counteract the risk of withdrawal quantities being limited by the authorities and/or withdrawal fees being levied.

The measures did not involve any significant operating expenditure (OpEx). Capital expenditure (CapEx) of approximately EUR 565 thousand is planned for the cooling towers at the Schalchen site.

The measures relate to the company's own activities and have no direct connection to the upstream or downstream value chain.

METRICS AND TARGETS

E3-3 – TARGETS RELATED TO WATER AND MARINE RESOURCES

Taking into account the significant negative impacts, risks, and opportunities, we have defined the following targets in relation to water and marine resources:

Target	Category	Target value	Deadline	Origin
Reduction of water consumption at German sites	Water withdrawal	Annual withdrawal < 30 million m ³	12/31/2025	Alzchem Voluntary
Cooling water discharge temperature Trostberg	Water discharge	< 24 °C	12/31/2025	Alzchem Voluntary

Water withdrawal at German sites should be reduced from the base year 2022 (33.9 million m³) to less than 30 million m³ per year by the end of 2024. This target was defined without reference to the specific water consumption per ton of product manufactured and should therefore be achieved in 2025 regardless of production volumes. This target is not formally defined, no stakeholders were involved, and no ecological thresholds were taken into account.

At 26.5 million m³, the target value of less than 30 million m³ for 2025 was exceeded. This means that the savings target was exceeded by 90%.

The total water withdrawals at German sites are monitored by online volume flow measurements and aggregated and compared with historical data. This enables ongoing analysis of trends and significant changes, as well as continuous comparison of progress with the original plans.

The measurement of the withdrawal volume parameter is not validated externally.

The target was derived from the policy for reducing water withdrawal volumes and is intended to prevent the potentially negative effects of water withdrawal.

The thermal load from water discharged at the Trostberg site for cooling purposes should be limited. The discharge temperature should not exceed 24 °C throughout the year. Alzchem does not have a formal definition of the target. However, the target was developed in accordance with the aquatic ecology report on the discharge of cooling water. The water ecology report was prepared taking into account both the requirements of the EU Water Framework Directive and its implementation in national law (Surface Water Ordinance). A reference value and a reference year cannot therefore be specified.

No stakeholders were involved in setting the target.

The discharge temperature is measured and recorded online. With a maximum discharge temperature of 22.9 °C, the target value of 24 °C was met.

The measurement of the discharge temperature parameter will be externally validated for the first time in the annual water management report for 2025 by the responsible authorities (Traunstein District Office and Traunstein Water Management Office) in the course of 2026.

This objective supports the policy of reducing the risks associated with water drainage.

The topic of marine resources is not material for Alzchem and is not reported here.

No targets relating to water resources have been defined for the Sundsvall site.

None of Alzchem's sites are located in a water risk area or in an area with high water stress.

E3-5 – ANTICIPATED FINANCIAL EFFECTS FROM WATER AND MARINE RESOURCES-RELATED IMPACTS, RISKS AND OPPORTUNITIES

We are making use of the transition period for disclosure and are not currently reporting on the anticipated financial effects from water and marine resources-related impacts, risks and opportunities.

11.3.4. ESRs E5 – RESOURCE USE AND CIRCULAR ECONOMY

In the following, we discuss our material topics in the area of resource use and circular economy in detail, referring to our policies, measures, and targets related to our material impacts, risks, and opportunities.

MANAGEMENT OF IMPACTS, RISKS, AND OPPORTUNITIES

DISCLOSURE REQUIREMENTS RELATED TO ESRs 2 IRO-1

We describe the procedure for determining material impacts, risks, and opportunities in detail in the ESRs 2 IRO-1 chapter. The procedure took into account all Alzchem Group AG sites as well as the upstream and downstream value chain.

E5-1 – POLICIES RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

All policies aim to avoid waste within the framework of the waste hierarchy. In addition to the policies described here in chapter E5-1, parts of Alzchem's climate roadmap also focus on resource use and circular economy. See chapter E1 for more information.

The Production Management Board is responsible for implementing and monitoring the policies.

The following have been identified as significant impacts, risks, and opportunities in connection with resource use and circular economy:

RESOURCE INFLOWS, INCLUDING RESOURCE USE

IMPACT:

High consumption and/or ineffective use of resources can lead to increased costs and limited availability of resources (negative impact).

RISK:

Ineffective use and/or high consumption could lead to increased manufacturing costs and, as a result, a loss of competitiveness.

OPPORTUNITY:

High resource efficiency can lead to cost advantages in manufacturing, which in turn can improve competitiveness.

POLICY:

In connection with the described effects, risks, and opportunities, Alzchem pursues the policy of optimizing production processes in terms of yield and resource utilization. In particular, these aspects are already taken into account in product development. The efficient use of resources, as envisaged in the policy, protects the environment.

As a contribution to sustainable procurement, we use recycled methanol obtained from waste streams and purchased methanol to supply Alzchem's own wastewater treatment plant with carbon.

RESOURCE OUTFLOWS IN CONNECTION WITH PRODUCTS AND SERVICES

IMPACT:

Products not designed for recycling become waste at the end of their service life and thus pollute the environment (negative impact).

RISK:

Manufactured intermediate products that are further processed by our customers into non-recyclable products may only be sold to a limited extent in the future.

OPPORTUNITY:

With recyclable products, only a portion of the resources (such as energy and labor) are lost and must be replaced during new production. This allows products to be manufactured very efficiently and cost-effectively and means they do not have to be disposed of at the end of their service life.

POLICY:

In connection with the described effects, risks, and opportunities, Alzchem is pursuing the following policy: We are optimizing our product portfolio with regard to recyclable products that can be manufactured with as little waste as possible and do not become waste at the end of their service life. A circular economy, as envisaged in the policy, reduces waste volumes and thus reduces environmental impact.

The policy aims at the sustainable use of resources. A significant proportion of Alzchem's end products are used in agriculture, human nutrition, and animal feed. The resources used up in the sale of products are returned to the biological cycle and do not have to be disposed of as waste at the end of their life cycle.

WASTE

IMPACT:

The disposal/removal of waste has a negative impact on the environment.

RISK:

Improper handling of waste and residual materials damages the environment and can result in sanctions by authorities and a loss of reputation.

OPPORTUNITY:

Residual materials can be recyclable materials that can be put to use (by-products). This saves resources and reduces manufacturing costs.

POLICY:

In connection with the effects, risks, and opportunities described above, Alzchem pursues the following policy: In its NCN integrated production, Alzchem uses residual materials from the manufacture of calcium carbide, calcium cyanamide, cyanamide, and dicyandiamide to manufacture other products (e.g., CO gas from the carbide furnaces in Hart for the manufacture of DCD at the Schalchen site and cyanamide at the Trostberg site). This helps avoid waste. Part of the company's strategy is to further close these cycles. The reduction or avoidance of waste volumes targeted by the policy contributes to environmental protection by reducing the amount of waste that needs to be disposed of.

Alzchem has voluntarily obtained certification as a specialist waste management company (CWMC). An annual audit is carried out by an external approved assessor. This minimizes the risk of waste disposal not complying with legal requirements.

E5-2 – ACTIONS AND RESOURCES RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

PERMANENT MEASURES

Alzchem has already taken the following permanent measures in connection with resource use and circular economy:

Alzchem's waste management at its German sites is a certified waste management company (CWMC). This does not apply to the production site in Sundsvall, Sweden, as CWMC is a German regulation. As part of CWMC at its German sites, the company operates an organized waste collection system with separate collections. This allows waste to be sorted by type and, if necessary, used for recycling or recovery. This is an optimization of waste management in line with the waste hierarchy. It is a support measure and not a remedy. To maintain CWMC certification, an annual audit is carried out by an external certifier. This was also successfully carried out in 2025.

To avoid waste, the filter dust generated during carbide production at the Sundsvall site in Sweden is returned via the hollow electrode of the carbide furnace.

Waste generation is taken into account as early as the product development stage, and the possibility of recycling is investigated. Continuous improvement of chemical syntheses increases yield while reducing the amount of waste products. In addition, the sustainability of existing products is continuously examined and evaluated by the market divisions and their core teams.

Alzchem participates in external collection and return systems, e.g., for IBCs, drums, and other packaging, which are reconditioned for reuse after emptying.

NEW MEASURES IN THE FISCAL YEAR 2025**IBC RETURN SYSTEM**

In 2025, the return system for IBCs was extended to include additional materials.

RECYCLING OF SOLVENTS

In 2025, a recycling option was identified for a solvent used in the production of an Alzchem product, which previously had to be disposed of. Since December 2025, the solvent used in the production process has been recycled externally. This will enable waste savings of up to 300 tons per year in the future.

Increase in the proportion of recycled material in product packaging

Alzchem operates a plant at its Trostberg site whose product is filled into PE plastic drums. After the drums have been emptied at our customers' premises, they are disposed of as waste.

In order to save primary resources and reduce waste, a new type of drum with a recycling content of at least 30% has been in use since this year.

All measures support the policy of using recyclable materials that are generated as waste and help to conserve resources. These measures do not involve any significant operating expenditure (OpEx) or capital expenditure (CapEx). The measures relate to the company's own activities and the downstream value chain.

No new measures were defined in 2025 with regard to resource inflows, including resource use and resource outflows in connection with products and services.

METRICS AND TARGETS

E5-3 – TARGETS RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

As part of Alzchem's integrated management system (IMS), targets for resource use and circular economy are also defined in a multi-year program. These are approved by the Management Board and their implementation and achievement are reviewed regularly.

Taking into account the significant impacts, risks, and opportunities, we have defined the following targets in relation to resource use and circular economy:

Target	Category	Target value	Deadline	Origin
Use of hydrogen for waste incineration	Resource inflows including resource use	Savings of 400,000 m ³ of natural gas per year	12/31/2025	Alzchem Voluntary
Recycling of solvents	Waste	Recycling of 100% of the solvent produced	12/31/2026	Alzchem Voluntary

USE OF HYDROGEN FOR WASTE INCINERATION

The use of hydrogen, which is produced as a by-product in a production process, is intended to reduce the natural gas consumption of the waste incineration plant (WIP) at the Trostberg site by at least 400,000 m³ per year. The aim is to reduce the inflow of primary raw materials by saving natural gas. The target was set voluntarily on the basis of the hydrogen produced during current production. The target value of 400,000 m³ of natural gas saved per year is based on measurements of the volume flow of the hydrogen produced, converted using the calorific value ratio of natural gas to hydrogen. The target value is defined as an absolute value of 400,000 m³ per year, as the actual annual consumption of natural gas can fluctuate greatly, making it unreasonable to define a percentage saving. The reference value is the WIP's natural gas consumption of 940,000 m³ in 2023.

The technical measures were implemented as planned in 2024, and hydrogen has been in use since the end of 2024. 2025 was therefore the first year in which hydrogen was available for

waste incineration throughout the entire year. A total saving of 479,000 m³ of natural gas was achieved this year, exceeding the target of at least 400,000 m³ (120% target achievement).

Investment expenditure of around EUR 1 million was required to make the hydrogen usable.

The use of hydrogen, which is a by-product of a production process, supports the policy of integrated production.

The target was derived from the policy of resource flows, including resource use, and is intended to reduce the negative impact of pollution caused by inefficient use of resources.

RECYCLING OF SOLVENTS

A recycling option has been identified for a solvent used in the production of an Alzchem product, which previously had to be disposed of. Since December 2025, the solvent used in the production process has been recycled externally. The aim is to achieve a recycling rate of 100% in 2026.

The measure supports the policy of using recyclable materials that are generated as waste and helps to save resources. The measure relates to the company's own activities and the downstream value chain.

No investments were required for the changeover.

For both targets, the measurements of the parameters for achieving the targets are not validated externally.

The targets were not determined on a scientific basis.

No stakeholders were involved in setting the targets.

No specific target has been set for 2025 in relation to resource outflows associated with products and services. The effectiveness of the policy and measures on this issue has not yet been systematically tracked.

E5-4 – RESOURCE INFLOWS

At Alzchem, all purchased raw materials constitute significant resource inflows. A total of 250,508 tons of raw materials were purchased in Germany and 111,250 tons in Sundsvall, Sweden, for the manufacture of products in 2025. These are sourced worldwide. Products from one site can also be used as raw materials for further production at the same or other sites.

The raw materials purchased are mainly organic and inorganic basic chemicals and intermediates, as well as coke, lime, and electrical energy. In addition, fine chemicals, auxiliary materials, and additives are purchased externally to a lesser extent.

No biological materials are used in Alzchem's production.

The quantities of inflows are determined by inventory management in the SAP system. No significant assumptions were made when specifying the metrics. The resource inflows were not validated externally.

Externally sourced secondary materials are not used in production. However, internally generated by-products and residues are reused on a large scale in our own production facilities. This avoids external inflows (integrated production). By-products and residual materials used internally are not included in the recycling or reuse rates. The corresponding quantities are determined via inventory management in SAP and are not validated externally.

E5-5 – RESOURCE OUTFLOWS

In total, Alzchem produced 500,011 tons of product at its production sites in Germany and 32,808 tons in Sundsvall, Sweden, in the reporting year 2025. However, some of the products manufactured at these sites are further processed at other sites before being delivered to customers as end products. The majority of the products delivered are also further processed by our customers and do not go directly from us to the end customer. A product can be used in a wide variety of applications.

Some of our products are used in agriculture, human nutrition, or animal feed. These products are designed to be returned to the biological cycle through agricultural use or consumption by humans or animals. These include, in particular, the products Perlka®, Creapure® and Creamino®. As a result, no recycling rate can be specified for these products, or it is 0%.

For chemical products, it is not possible to compare the shelf life of the products placed on the market with the industry average. The shelf life of the manufactured materials generally determines the maximum storage stability until further processing or consumption by humans or animals.

Repairability in the sense of repairing defective products cannot therefore be specified.

The recyclable portion of products cannot be determined because the products are either returned to the biological cycle or first processed into end products by our customers. The recyclable portion of product packaging has not yet been determined due to the large number of different types of packaging.

Data on resource outflows is recorded in Alzchem's SAP system and is not validated externally.

Relevant waste is generated at the four German sites and at our site in Sweden. For a better overview, the waste is therefore reported separately for Germany and Sweden. The total waste generated in both countries amounted to approximately 74,000 tons in 2025.

OVERVIEW OF WASTE GENERATION IN GERMANY IN 2025

Total waste	70,954 tons
of which:	
for utilization	24,145 tons
for disposal	46,809 tons
Total amount of hazardous waste	51,965 tons
Total amount of radioactive waste	0 tons
Hazardous waste for recycling	7,831 tons
of which:	
Preparation for reuse	0 tons
Recycling	0 tons
Other utilization	7,831 tons
Non-hazardous waste for utilization	16,314 tons
of which:	
Preparation for reuse	0 tons
Recycling	1,585 tons
Other utilization	14,729 tons
Hazardous waste for disposal	44,134 tons
of which:	
Incineration	43,998 tons
Landfill	136 tons
Other disposal	0 tons
Non-hazardous waste for disposal	2,674 tons
of which:	
Incineration	916 tons
Landfill	1,758 tons
Other disposal	0 tons
Total amount of non-recycled waste	69,369 tons
Proportion of non-recycled waste in total waste generated	98%

The reported waste quantities mainly comprise production-specific waste, such as mother liquors, reaction and distillation residues, and non-production-specific waste, such as construction waste and municipal waste.

For waste from Germany, the quantities from January to November are based on the actual amounts of waste generated according to waste disposal companies. For December, the waste quantities reported to waste disposal companies are taken into account.

OVERVIEW OF WASTE GENERATION IN SUNDSVALL, SWEDEN, IN 2025

Total waste	2,920 tons
of which:	
for utilization	1,612 tons
for disposal	1,308 tons
Total amount of hazardous waste	1,008 tons
Total amount of radioactive waste	0 tons
Hazardous waste for recycling	2 tons
of which:	
Preparation for reuse	0 tons
Recycling	2 tons
Other utilization	0 tons
Non-hazardous waste for utilization	1,610 tons
of which:	
Preparation for reuse	0 tons
Recycling	0 tons
Other utilization	1,610 tons
Hazardous waste for disposal	1,006 tons
of which:	
Incineration	0 tons
Landfill	0 tons
Other disposal	1,006 tons
Non-hazardous waste for disposal	0 tons
of which:	
Incineration	0 tons
Landfill	0 tons
Other disposal	302 tons
Total amount of non-recycled waste	2,918 tons
Proportion of non-recycled waste in total waste generated	100%

The waste consists of residues from the production of calcium carbide.

E5-6 – ANTICIPATED FINANCIAL EFFECTS FROM RESOURCE USE AND CIRCULAR ECONOMY-RELATED IMPACTS, RISKS AND OPPORTUNITIES

In accordance with ESRS E5-6, we are only reporting qualitative information on the anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities in the first three years, as it is not yet feasible to prepare quantitative information.

In addition to lime, coke, and electrical energy as the most important raw materials for Alzchem's product portfolio, a number of other chemical raw materials are required for the production process. Market prices for lime, coke, energy, and other chemical raw materials are subject to considerable fluctuations. In addition, disruptions in supply chains, unexpected production interruptions, and unreliable suppliers can be latent risks that management must always take into account. Despite the strict pursuit of a "multiple sourcing strategy", certain supplier dependencies cannot be completely ruled out, which further increases the complexity of the supply chain process.

The Alzchem Group operates a stable NCN family tree with the main products calcium carbide, Perlka®, cyanamide, di-cyandiamide, guanidine nitrate, nitroguanidine, and other high-quality derivatives such as DYHARD®, Creapure® and Creamino®. The company strives to consistently exploit growth opportunities through a combination of diversification, market penetration, and market development. In addition to traditional products, the company continuously invests in the development of new products and the further development of existing ones.

Alzchem supplies a wide range of end markets with a diverse product portfolio. This high level of diversification supports sustained, balanced sales and earnings growth with a foothold in many different market segments and industries. To date, the Group has always been able to offset or even overcompensate for economic or regional sales fluctuations in one industry with growth in another segment or country.

Alzchem sells its products in diversified markets that follow global trends, have the potential for stable growth, and therefore contribute to Alzchem's positive business development. This mainly concerns important global issues such as population growth, healthy aging, and climate protection.

In the area of the circular economy, there is a latent financial risk not only for Alzchem due to rising disposal costs for the main waste streams of its main products. On the opportunity side, however, there is also a high potential for savings if waste streams can continue to be recycled internally or externally. This can reduce both disposal costs and raw material costs.

11.4. SOCIAL (S)

11.4.1. ESRS S1 – OWN WORKFORCE

DISCLOSURE REQUIREMENTS RELATED TO ESRS 2 SBM-3

The material impacts, risks, and opportunities that have been identified and assessed in accordance with the principle of double materiality (see [IRO-1 ESRS 2](#)) and supported or prevented over many years and decades by collective agreements and a wide variety of internal regulations such as policy statements and, in everyday business, by works agreements, are anchored in everyday practice and thus form part of the corporate culture, corporate strategy, and business model. The impacts, risks, and opportunities relating to the relevant topics can be found in the [IRO overview in ESRS 2 SBM 3](#).

Realistically, it must be recognized that significant impacts on employees, as well as significant risks and opportunities for the company, are not influenced by simplistic wishful thinking, but primarily by the daily life and exemplification of values that are deeply anchored in the strategy and corporate culture. In order to properly assess Alzchem's approach to material issues, it is necessary to understand our policy and measures, which are explained in detail in [S1-1](#) and [S1-4](#).

First, we would like to note that Alzchem's policies are designed to increase employee satisfaction, convince employees to stay with the company in the long term, prevent turnover, maintain the company's reputation at a high level, and continue to recruit new employees from the labor market as needed. Starting points for this are provided by 14 important topics that are covered by the ESRS standard S1 and have been identified as essential in our materiality assessment, taking into account double materiality (see [S1-1](#)). The implementation of these topics, with a particular focus

on fairness, justice, and transparency, has contributed to the development of our corporate culture for many years. We would therefore like to emphasize that addressing the impact on employees and the risks and opportunities for the company has been an integral part of our corporate strategy and business model for many decades and did not have to be derived solely from reporting requirements.

On the one hand, Alzchem recognizes few actual and potential risks from the impacts and dependencies related to the workforce arising from its core business activities. On the other hand, however, it recognizes selected topics that offer significant opportunities to maintain and further improve the high level of many social and labor-related issues. The fact that this is not just wishful thinking was proven by EcoVadis' sustainability certification in 2024, which awarded the company a platinum medal. The labor and human rights section was rated 90 out of a possible 100 points, with no social weaknesses or significant risk factors, thus contributing significantly to the excellent overall result.

OWN WORKFORCE AND SIGNIFICANT IMPACTS

The general information provided in accordance with ESRS 2 refers to all persons belonging to the own workforce. These persons may therefore be equally affected by significant impacts of the company. In this context, the following basic information is provided to aid understanding of the report:

- a) Alzchem defines **EMPLOYEES** as persons with employment contracts with a company of the Alzchem Group (persons employed by Alzchem, including trainees and students). As can be seen from [S1-6](#), this is by far the largest group of persons. In some places in this report,

the term "employee" is also used synonymously, as it is more intuitively understood in general usage. According to Alzchem's understanding, members of the Management Board are also included among the employees and are included in the relevant evaluations and KPIs.

In addition, Alzchem classifies the following groups of persons as **NON-EMPLOYEES** (see [S1-7](#)):

- Temporary workers,
 - Persons from independent companies who provide services on behalf of Alzchem on our factory premises or at our sites within the framework of work contracts and are under contract with the respective service provider,
 - Freelancers and self-employed persons who provide services for Alzchem on their own account.
- b) There are significant negative effects on employees in terms of the risk of accidents at work and the associated health hazards for employees, which are particularly significant for production sites. Although the proportion of fixed-term employment contracts is low, fixed-term contracts cause uncertainty among employees. Without the implementation of information, consultation, and co-determination, management would be less aware of employee views, wishes, and needs. A lack of employment opportunities for people with disabilities would weaken the chances of employment and earning opportunities for this group of people. Without policies against violence and harassment in the workplace, a creeping trend reversal would occur and the working environment for employees would become less favorable. A lower or

declining proportion of women would suggest fewer development prospects for female employees. Violations of privacy obligations would destroy employees' trust in management and in the company itself.

We consider both the actual material adverse impacts (health and safety, secure employment) and the other potential adverse impacts to be material, as these are widespread impacts in our industry and in the regions affected, which we actively seek to avoid.

Workers in the value chain are a particular focus and are considered separately in [ESRS S2](#).

- c) and d) Significant positive impacts on all workers in the company, including non-employees, are achieved through occupational health management, health and safety, and high occupational safety standards, which provide a relatively safe working environment (see [S1-1](#) and [S1-14](#)). In the event of work-related injuries, which are nevertheless considered a significant and potential risk, workers at the German production sites are cared for around the clock by the company's own medical service. Care ranges from the fastest possible treatment on site to the transport of those affected for further treatment in nearby hospitals. The same applies to the response to environmental and fire incidents, which is handled by the plant's own fire departments. The site in Sweden is also covered by external partnerships with a medical service and a fire department.

Further training and skills development are seen as a key opportunity to provide employees with the neces-

sary technical qualifications and leadership skills and to ensure the company's process capability through appropriate policies and measures. In addition, various policies and measures are used to increase the company's attractiveness as an employer in order to recruit new employees and retain the core workforce for as long as possible.

- e) Alzchem does not recognize or expect any significant impacts on workers that could result from transition plans to reduce negative environmental impacts and implement more environmentally friendly activities. Further information on this can be found in [S1-2](#).
- f) and g) Alzchem has not identified any activities that would be characterized by a significant risk of forced labor or child labor, as Alzchem only operates production sites in Germany and Sweden and is not active in regions susceptible to such practices, such as developing countries. The sales companies in the United Kingdom (UK), China, and the USA are also not affected by these impacts, as only highly qualified employees are employed there due to the specific range of tasks, and these activities are not subject to any risk in this regard.

AFFECTED EMPLOYEE GROUPS

In the broadest sense, minority groups such as workers with disabilities or underrepresented ethnic groups and gender groups could potentially be at risk, which is prevented as far as possible by the implementation of binding legal requirements and also by company-specific regulations and measures. As described above, workers in production facilities in particular are exposed to possible negative effects

due to hazardous activities. Employees in laboratories and workshops may also be subject to similar risks.

RISKS AND OPPORTUNITIES

Alzchem recognizes the risks associated with its business activities in the chemical industry, particularly for the large group of employees in production and technical services, with regard to occupational safety and health protection. In addition, the loss of larger age groups can lead to risks if their wealth of experience cannot be compensated for by younger groups.

The constant need for employee training, also in connection with the existing shortage of skilled workers, represents a major challenge, but at the same time an opportunity to ensure the company's process capability and to offer employees development prospects, increase satisfaction, and achieve long-term loyalty to the company.

Homogeneous employee structures, a uniform understanding of fairness and justice, and a loyal yet self-confident attitude of employees toward the company help to identify and prevent unfavorable developments. Alzchem values the willingness of its workforce to participate in the development of the company, to support change measures positively, and to put them into practice. This is particularly evident in the fact that our workforce focuses on the "big picture" and that all sites "pull together". Alzchem sees this positive attitude as an opportunity to further develop the company together with its workforce and to position itself securely for the future.

MANAGEMENT OF IMPACTS, RISKS, AND OPPORTUNITIES

S1-1 – POLICIES RELATED TO OWN WORKFORCE

As part of an analysis based on the principle of double materiality (see [ESRS 2 IRO-1](#)), 14 important topics (shown in bold and italics below) were analyzed in terms of material impacts, risks, and opportunities that are supported by the company, i.e., by the top management level (Management Board), and backed up by relevant policies, often in the form of relevant works council and speakers' committee agreements as well as collective bargaining agreements. The implementation of the policies and their suitability are regularly reviewed and subject to a monitoring process. Feedback from employees, the most important stakeholders, is taken seriously. Of particular importance here are the workers' representatives, who are familiar with the wishes and expectations of the workforce and are often the first to notice any dissatisfaction. When existing policies are fundamentally revised, selected employees are involved in workshops during the design phase in certain cases in order to benefit from their wealth of practical experience and achieve pragmatic results.

We would like to note that the analysis identified many positive effects and only a few significant negative effects, as comprehensive policies and measures have been implemented over many decades to achieve a high level of social standards within the company. The risks described are mostly only potential risks if the policies mentioned in [S1-1](#) and the measures described in [S1-4](#) fail to have the desired effect.

Our analysis focuses on Alzchem's workforce, i.e., mainly on the internal perspective. In principle, the positive effects on the workforce also have positive effects on people outside the company, i.e., on society in the respective region. A reliable employer with high social standards offers good job opportunities, a permanent basic income for many families, promotion of regional development, and economic prosperity.

1. WORKING CONDITIONS

With a high proportion of permanent employment contracts, Alzchem has been contributing to the **SECURE EMPLOYMENT** of its employees for many years as part of its corporate culture (see [S1-6](#)), which opens up a significant opportunity for the company to achieve high employee satisfaction, long-term cooperation, and thus long-term loyalty to the company. Fixed-term employment contracts create uncertainty for those affected, which also poses a risk for the employer, as the associated employee dissatisfaction can lead to higher staff turnover.

Alzchem promotes flexible **WORKING HOURS**, including trust-based working hours and part-time employment, for the benefit of employees and their needs, in line with operational conditions and possibilities based on company agreements. Part-time employment also helps to secure jobs for employees who, for a variety of reasons, cannot or can no longer work full-time. In addition, this concession offers the company the opportunity to retain this group of employees by utilizing their technical know-how and personal skills. Alzchem usually allows part-time employment in Germany at the request of employees, taking into account operation-

al and legal regulations. This makes it possible to more effectively rule out turnover risks due to unmet working time expectations. Incidentally, the proportion of part-time employees in the Alzchem Group is low. On-call employment and other types of working models whose disadvantages clearly lie with the employees are not used at Alzchem (see [S1-6](#)).

A modern and competitive remuneration policy in the form of **ADEQUATE WAGES** is both an important component of recruitment measures and a key opportunity for retaining employees in the long term. Alzchem sees this as one of the core elements of a healthy relationship between employees and employers. That is why Alzchem is committed to paying living wages worldwide at all sites through its policy statement on human rights. Our employees not only benefit from the statutory minimum wages in Germany and, at our international sites, from the respective national regulations for ensuring an appropriate standard of living, but also from above-average and generous industry remuneration policies through collective bargaining agreements via membership in employers' associations in the chemical industry in Germany and Sweden. In Germany, we operate in accordance with the provisions of the federal collective bargaining agreement for the chemical industry and special internal company regulations, and in Sweden we also operate in accordance with collective bargaining agreements. A competitive remuneration policy secures our jobs, binds employees to the company, makes the employer more attractive, strengthens its reputation, and prevents staff turnover due to dissatisfaction with core elements of the employment relationship (see [S1-16](#)).

Alzchem also considers active **SOCIAL DIALOGUE** to be important for long-term employee satisfaction, as it allows employee interests, wishes, and needs to be incorporated into business decisions and working conditions to be developed in line with modern requirements. This increases employee satisfaction and also strengthens their loyalty to the company (see [S1-4](#) and [S1-8](#)).

Alzchem promotes **FREEDOM OF ASSOCIATION AND COALITION**, as well as the formation and **EXISTENCE OF WORKS COUNCILS**. At our German sites, we maintain goal-oriented, cooperative, and appreciative collaboration with workers' representatives to develop company regulations that are subject to co-determination and those that are not, in line with both our social values and business challenges – and without ideological differences, which is certainly not a matter of course. Alzchem invests a great deal of energy in maintaining this level on a permanent basis and, to this end, entered into partnerships with the Mining, Chemical and Energy Industrial Union (IG BCE) at its German sites several years ago through a social partner agreement and a collective agreement to form a cross-company and cross-site works council.

The competitive and modern development of working conditions ensures employee satisfaction and competitiveness in the labor market.

Alzchem respects **THE RIGHTS TO INFORMATION, CONSULTATION, AND CO-DETERMINATION** not only on the basis of legal obligations, but also in the interests of society and the company. Taking these issues into account creates a high level of employee satisfaction, as these processes allow important and central issues regarding the realization of attractive working conditions to be better integrated,

brought more into the corporate focus, and thus more likely to be incorporated into business decisions. Without taking these issues into account and actively practicing them, management would be less aware of many employee views, wishes, and needs.

Organization in employers' associations, which represent our interests in **COLLECTIVE BARGAINING**, for example, also helps to secure and improve working conditions for employees and keep them at a high level and attractive in comparison with other industries. The competitive and modern development of working conditions ensures employee satisfaction and competitiveness in the labor market. This has been achieved successfully for many decades through collective bargaining agreements at production sites in Germany and Sweden. The **PROPORTION OF EMPLOYEES COVERED BY COLLECTIVE BARGAINING AGREEMENTS** is very high at Alzchem (see [S1-8](#)).

WORK-LIFE BALANCE is also a key argument for recruiting and retaining employees. For many applicants and employees, a good work-life balance is at least as important as appropriate and good remuneration. Alzchem grants vacation time at all sites in accordance with national law. Since all major industries in Germany grant more than the statutory vacation entitlement, we are competitive with our regulations on additional vacation under collective agreements. With further collective agreement leave entitlements and company regulations on flexible working hours, Alzchem contributes to the realization of work-life balance. Statutory regulations on maternity leave, parental leave, care leave, and collective agreement provisions on reasons for leave due to personal and family circumstances, as well as company offers of kindergarten and nursery places, round off this area for all employees in the German plants (see [S1-15](#))

and are intended to ensure satisfaction with working conditions. Outside Germany, we also grant all employees leave for family reasons. This creates the basis for long-term employee loyalty to the company and increases the company's attractiveness from an external view.

HEALTH AND SAFETY issues are fundamentally very important, as their effects can be both spontaneous and insidious. Activities in production plants in the chemical industry and in associated internal technical service areas generally carry a higher risk of injury than typical administrative tasks. For many years, Alzchem has been countering the potentially high risk in chemical industry plants with policies designed to protect the health of employees, including non-employees such as temporary workers and contractors, and to maintain it throughout their working lives. This primarily includes an Integrated Management System (IMS) approved by the Management Board, which covers the topics of medical health care, health protection at work, proactive occupational safety and accident prevention, and plant safety at the German production sites (see [S1-14](#)). It is essential for Alzchem that the safety and health of its workforce are its highest priority and that this approach is established in the management structures in the form of procedures to continuously optimize these issues. Systematic risk assessments form the foundation for the safe production of our services and products.

The production site in Sweden has its own management system for this area.

Without appropriate policies, the risk of occupational safety and health incidents would be significantly higher, which could lead to an increased turnover rate due to employee

dissatisfaction and rising continued payment costs for the company.

2. EQUAL TREATMENT AND EQUAL OPPORTUNITIES FOR ALL

Fair treatment of all employee groups, including **GENDER EQUALITY**, e.g., in terms of career opportunities and development prospects, as well as **EQUAL PAY FOR EQUAL WORK**, is a high priority for Alzchem. In practice, these less obvious issues are highly significant, as they pose a potential risk if not implemented appropriately and can place a heavy strain on the corporate culture, possibly leading to high levels of dissatisfaction among affected employee and gender groups and, in the worst case, jeopardizing industrial peace. Ultimately, this would lead to increased staff turnover and reduced productivity. The low gender pay gap at our German sites is evidence of good implementation in practice (see [S1-16](#)).

With our policies for **TRAINING AND SKILLS DEVELOPMENT**, we ensure that our employees receive the qualifications they need to competently perform their operational tasks and that the company is well positioned for the future. In addition to technical qualifications, this also includes leadership skills and regular feedback meetings as well as performance and career assessments as part of employee appraisals, which on the one hand contribute to transparent performance assessment and development prospects with long-term employee retention, and on the other hand identify corrective measures where necessary (see [S1-13](#)). In particular, we would like to emphasize at this point that we

prevent skills shortages with the help of in-house training measures, also in cooperation with external partners.

A lack of performance transparency and development prospects would cause dissatisfaction among employees and a high risk of declining motivation and career reorientation. Noticeable qualification deficits would have a significant negative impact on the company's process capability and competitiveness, as well as on the job security that has existed at Alzchem for many decades. Neglecting these issues would, in the medium term, rob us of the agility of a medium-sized chemical company.

Alzchem stands by its employees and, where possible, provides jobs for employees with health restrictions. This also includes the **EMPLOYMENT AND INCLUSION OF PEOPLE WITH DISABILITIES** (see [S1-12](#)). We see this not only as a social obligation, but also as a way of actively demonstrating responsibility and appreciation. This attitude secures jobs for affected employees, enables their integration into the company and its processes, and supports our reputation as a social enterprise. A lack of employment opportunities for people with disabilities would weaken the prospects of adequate jobs and earning opportunities for this group of people.

Alzchem attaches great importance to treating each other with respect. That is why there is no place for **VIOLENCE AND HARASSMENT IN THE WORKPLACE** at our company. If employees at our German locations nevertheless feel that their fundamental or human rights are being violated or that they are being harassed, they can confidently turn to various channels within the company, such as the works council,

the human resources (HR) department, the company doctor, the anti-bullying officers, or the compliance manager. Our regulations on "cooperative behavior in the workplace and dealing with bullying" offer various approaches to de-escalation and even punishment of perpetrators.

Without policies to combat violence and harassment in the workplace, a negative trend would gradually set in and the working environment for employees would become less favorable. We are resolutely countering this through close cooperation with workers' representatives in our operational human resources and management work.

At Alzchem, **DIVERSITY** is not just a modern buzzword, but something that is actually put into practice. With the increased number of women filling specialist and management positions in recent years, traditionally male-dominated management structures have been enriched by diverse influences, in particular female leadership and management skills, and business decisions are now made on a more holistic basis. Several years ago, the foundation for promoting women was laid in cooperation with the IGBCE trade union through the "Equality Charter". It is also important to us to increase the proportion of women in the company across all hierarchical levels. A stagnant or even declining trend would not only undermine our self-image but also suggest to women that they have fewer opportunities for development, damage the company's modern reputation, and make internal and external recruitment measures more difficult (see [S1-9](#)).

The distribution within age groups is also an important indicator of diversity. Alzchem deliberately places a strong

focus on all age groups, the most even age distribution possible, and healthy social and corporate development. It is important to reach all age groups in social terms, in particular to take into account the wishes and needs of typical life stages and thus achieve as even an age distribution as possible in the long term, which, from the company's point of view, will enable the permanent and successful integration of all employees of all ages. Risks, including a reduction in the stability of the company, would have to be expected if large age groups were to disappear that could not be compensated for by younger groups and whose experience and knowledge would no longer be available (see [S1-9](#)).

As a matter of principle, all Alzchem employees are treated **EQUALLY** and in accordance with uniform and agreed regulations, regardless of age, gender, origin, nationality, length of service, etc., thereby ensuring **EQUAL OPPORTUNITIES** for all employees.

3. OTHER WORK-RELATED RIGHTS

Alzchem not only respects the personal rights of its employees but also protects relevant personal data of employees at its German sites in accordance with the provisions of the General Data Protection Regulation and the Federal Data Protection Act. This data is collected for specific purposes and used exclusively for business purposes. Other personal data that is not necessary for the fulfillment of employment contract obligations or the proper administrative management of employment relationships, e.g., due to tax and social security requirements, is neither collected, processed,

nor used. Internal regulations in the form of procedural instructions and published statements on **PRIVACY** and **INFORMATION SECURITY** ensure that employees handle data correctly and inform them of their rights and obligations. Our internal privacy and information security officers keep a close eye on sensitive company processes and provide support in the development of works agreements that are relevant to privacy and/or information security. Violations of privacy regulations and obligations would not only violate the personal rights of employees, but also destroy trust in management and the company, damaging the company's reputation in the long term and leading to high staff turnover, enormous difficulties in recruiting new employees, reduced competitiveness, and heavy fines.

HUMAN RIGHTS POLICY

Alzchem complies with the United Nations Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises for its workforce.

In the "Alzchem Group AG Policy Statement on Human Rights", we take the following position: We consider the protection of human rights to be a central element of our corporate responsibility. We base our commitment to respect human rights on the United Nations Universal Declaration of Human Rights and the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work. We are committed to respecting the internationally recognized human rights set out in these declarations and to observing them in our business activities and along our value chains. This includes, in particular, the prohibition of child and forced labor, the prohibition of all forms of human trafficking, slavery, and discrimination, and the strengthening of freedom of association. We are also committed to

complying with occupational health and safety regulations, to the ongoing payment of adequate, living wages, and to the prohibition of pollution, forced evictions, and the use of security forces when their deployment entails the risk of human rights violations or restrictions. In addition, we are guided by the United Nations Guiding Principles on Business and Human Rights.

This policy statement clarifies our commitment to respecting human rights, as already reflected in other company guidelines and, in particular, in our corporate guidelines, our Supplier Code of Conduct, and our ESHQ policy on environment, safety, health, and quality (Integrated Management System/IMS). The principles set out here apply to the business activities of all companies in the Alzchem Group and their employees. In addition, we also expect our suppliers and other business partners to commit to complying with the principles set out here and to implement appropriate processes for respecting human rights. This also includes our partners providing information on how the aforementioned principles are being complied with at Alzchem's request.

Alzchem treats its employees, temporary workers, and employees of contracted companies (contractors/external companies) working on its premises in full accordance with the above principles. To achieve these targets, the Alzchem Group has established a compliance management system (CMS) that serves to prevent or limit damage, detect and stop violations of rules, and fulfill legal obligations. The CMS also extends to the "Corporate Guidelines" that the Alzchem Group has implemented to summarize the corporate policy principles and standards with which all Alzchem employees must be familiar. They provide guidance on fundamental legal and ethical obligations and give Alzchem employees

the necessary confidence to behave appropriately in their everyday work.

HUMAN TRAFFICKING, FORCED LABOR, AND CHILD LABOR

Forced labor, slavery, human trafficking, and child labor are non-existent at all Alzchem sites in Germany and abroad. Alzchem complies with the above-mentioned guiding principles and guidelines as well as all legal obligations in the respective countries, e.g., from the Basic Law, the General Equal Treatment Act, and the Youth Employment Protection Act, and is also certified annually by the BME (German Association for Materials Management, Purchasing, and Logistics) via the BME Code of Conduct.

Employment relationships at the German sites are established through legally verified written employment contracts and are largely based on the collective agreements of the chemical industry. Our workers' representatives (works council and speakers' committee) also monitor the legally compliant implementation of personnel measures. Our trainees are also a minimum of 15 years of age. In all recruiting measures, the age is recorded by the Human Resources (HR) department and verified against the employee's identity card or other identification documents.

In addition, this topic is covered in regular compliance training courses on our corporate guidelines and is therefore part of our corporate strategy.

Similar conditions apply at our plant in Sweden. Employment contracts there are subject to the collective bargaining agreements of the Swedish chemical industry.

ELIMINATION OF DISCRIMINATION AND HARASSMENT / PROMOTION OF EQUAL OPPORTUNITIES

Alzchem aims to consolidate a corporate culture characterized by cooperative behavior in the workplace. All employees are encouraged to contribute to creating a working environment characterized by mutual respect. Content and objectives clearly aimed at preventing discrimination and harassment are described in the company guidelines under the heading "Acting Correctly", with which the company's employees must familiarize themselves.

At Alzchem, the policy of diversity is characterized by a positive and open attitude – not only because of the prohibition of discrimination under the Basic Law, the General Equal Treatment Act, the International Bill of Human Rights, etc., but also in particular with regard to equal opportunities for all genders, employees with disabilities, and nationalities, who, with their strengths, skills, and uniqueness, contribute to the economic and social development of our company in terms of tolerance, openness, integration, self-image, but also modernity, corporate culture, etc. At Alzchem, human diversity is seen as an enrichment and a cornerstone of a sustainable corporate culture.

Several years ago, Alzchem, together with the IGBCE (Industrial Union of Mining, Chemistry, and Energy) and the works council, took a clear position in the joint written declaration "Charter of Equality" and committed itself, among other things, to equal career development opportunities and equal pay for women and men. In this context, it set the goal of developing more women in management positions. Alzchem is also committed to the principles of social partnership. To support a culture of social partnership within the

company, Alzchem has signed a social partnership agreement.

For employees who suffer from serious physical, health, or mental impairments, Alzchem offers social workplaces in various areas of the company that enable them to work in a manner appropriate to their condition. In this regard, the human resources department, workers' representatives, representatives for severely disabled employees, supervisors, and the company doctor work closely with the inclusion office, the integration service, and the social psychiatric service, among others, to provide targeted support to affected employees and find solutions.

DISCRIMINATION

No employee, job applicant, or business partner may be disadvantaged or favored on the basis of race or ethnic origin or national descent, skin color, gender, religion, political opinion or worldview, disability, age, sexual identity, or social origin. Any form of harassment or discrimination is prohibited and will not be tolerated in our company. Values such as human dignity, tolerance, and respect are fundamental values of an open, pluralistic society. They are enshrined in the German Basic Law and consequently guide our corporate thinking and actions as well as our corporate culture.

POLITICAL COMMITMENTS IN RELATION TO INCLUSION

Under German law, companies are required by Section 154 (1) of SGB IX to employ at least 5% of employees with severe disabilities. For many years, Alzchem has employed significantly more than this, with over 7% of its workforce in Germany classified as severely disabled or equivalent to severely disabled persons under Section 2 of SGB IX. Although

no people with disabilities were employed in companies outside Germany in the reporting year 2025 in accordance with the respective national law, we are also open to employing employees with health restrictions there.

PROCEDURE FOR THE PREVENTION OF DISCRIMINATION

Employees who consider themselves at risk of harassment, hostility, discrimination, sexual harassment, bullying, or similar behavior in relation to the above-mentioned basic principles with regard to harassment, hostility, discrimination, sexual harassment, bullying, or similar issues may raise these critical points for review with the works council, the human resources (HR) department, the company doctor, the company bullying officers, the compliance manager, or via the whistleblower hotline – anonymously if desired.

In the context of individual case reviews, appropriate company measures such as counseling, instruction, or warning discussions are conducted, or support from external crisis services is offered. In particularly sensitive or even advanced cases, labor law measures such as transfers and warnings, up to and including dismissals, may be considered.

Our employees are informed about the procedure and the respective contact persons in regular and mandatory compliance training courses ("Acting Correctly"/company guidelines). In addition, employees can use the Alzchem intranet ("Globe") to view detailed information on procedures agreed with workers' representatives, which are set out, for example, in the works agreement on "cooperative behavior in the workplace and dealing with bullying".

S1-2 – PROCESSES FOR ENGAGING WITH OWN WORKERS AND WORKERS' REPRESENTATIVES ABOUT IMPACTS

COOPERATION BASED ON TRUST

Alzchem attaches great importance to incorporating the interests of its employees into everyday business operations. To this end, a trusting cooperation between management, workers' representatives, and the Human Resources (HR) department is maintained at all sites in order to make the working conditions as attractive as possible for employees and to minimize work-related risks.

VIEWS OF OWN WORKFORCE

Alzchem takes the opinions of its employees seriously and values constructive feedback. Close communication between the Management Board, workers' representatives, and the HR departments leads to transparency regarding the wishes, needs, and views of employees, which are taken into account in business decisions. In addition, employee satisfaction is determined through ongoing dialogue, e.g., via employee surveys.

- a) At German production sites, employee interests are primarily represented by works councils elected by the employees. This is based on the Works Constitution Act. Many issues relating to working conditions and social matters, such as working hours, vacation policies, accident prevention, wage structures, and employee suggestion schemes, which have a direct impact on employees, are subject to co-determination and can only be implemented in practice after negotiation between the employer and the works council and subsequent recording in works agreements. Similar regulations apply in principle to senior executives at all German sites, who are rep-

resented by the speakers' committee in accordance with the Executives' Committee Act.

At our plant in Sundsvall, the regulations customary in Sweden regarding employee representation apply, i.e., the interests of the employees, including all effects on the workforce, are represented by union representatives at the plant. In contrast to Germany, negotiations take place at the local level in accordance with local custom and without legal requirements. Due to the small number of employees, no employee representation bodies have been formed in the sales companies in the United Kingdom, China, and the United States.

- b) At the production sites in Germany, the works council informs employees twice a year at works meetings about operational changes and current issues. In addition, the Management Board informs employees at all German sites on a quarterly basis about the financial situation and current developments. At these events, employees are explicitly encouraged to ask questions to the works council or the Management Board. Questions can also be submitted anonymously in advance. At our site in Sweden, employees are also informed at regular intervals, in particular by management. The same applies to the US and China.

In Germany, the employer negotiates with workers' representatives as needed on current issues and topics subject to co-determination. In addition to informal coordination meetings, an average of up to five rounds of negotiations on various topics are held each month. In Sweden, negotiations with union representatives are conducted in a pragmatic manner as needed, as Swedish legislation only prescribes formal processes to a limited extent in this regard.

- c) Negotiations with workers' representatives at the operational level at German sites are delegated to the Human Resources (HR) department for issues that primarily affect all employees. Written approval of topics subject to co-determination (e.g., in the form of works agreements) is primarily granted by the member of the Management Board responsible for human resources issues and the head of Human Resources (HR), as well as by the chairpersons and deputy chairpersons of the workers' representatives. Overarching strategic decisions are controlled by the Management Board. Where possible, workers' representatives are involved in information processes in a timely manner.

In Sweden, the processes are similar at the site level but adapted to the number of employees.

- d) The issue of human rights is deeply rooted in the corporate culture of the Alzchem Group. At the global level, the "Alzchem Group AG Declaration of Principles on Human Rights" applies to all sites (see [S1-1](#)) and is available in German and English.

Several years ago, agreements on cooperative behavior in the workplace were concluded with workers' representatives at the German production sites in order to continue to ensure an appreciative working atmosphere and to initiate appropriate countermeasures based on agreed regulations in the unlikely event of violations of personal rights or human rights.

Written agreements with workers' representatives are generally accessible to all employees in Germany via the company intranet ("Globe"). Employees are informed about the conclusion of new agreements, including brief information about their content, via Globe messages.

These issues are also addressed in Sundsvall. A corresponding site policy ensures a clear stance against the above-mentioned negative effects.

- e) The company has been conducting regular employee surveys again since 2023 (planned every 1 to 3 years), most recently in Germany in the third quarter of 2024. The results are taken seriously, identified areas for improvement are analyzed, and measures are implemented in cooperation with the works councils and through project groups set up specifically for this purpose.

In Sundsvall, employee surveys are conducted every five years, although important feedback from employees at such a small site is provided on an ongoing basis in day-to-day business and is always requested during employee appraisals every three years.

In 2025, an employee survey managed by the German headquarters was conducted at the Atlanta site.

The financial resources required to implement the above-mentioned topics are provided by the company. The human resources are available in the Management Board, the Legal Department, the Works Council, and the Human Resources (HR) department.

Alzchem is convinced that overarching strategic measures such as the climate roadmap developed by the company to reduce CO₂ emissions will not have any negative impact on the workforce. This means that employees do not have to fear any negative consequences in this context, such as job losses due to staff reductions or similar measures. On the contrary, it can be assumed that new strategies will, on the

one hand, secure competitiveness and thus jobs and, on the other hand, even create new jobs with new qualitative requirements due to changed requirements, which may offer further development opportunities for potentially affected employees. The works council was informed about this issue as part of the information and approval process for the climate roadmap.

INSIGHTS INTO THE VIEWS OF THE WORKFORCE

In order to identify the interests and needs of particularly marginalized groups at German production sites and to improve working conditions through appropriate measures, the company maintains close cooperation with the works council and, in particular, communication with the representative body for severely disabled employees. In addition, the commitment of the youth and trainee representative body helps to ensure that the wishes and needs of these groups are also taken into account.

As described above, Swedish law imposes fewer formal obligations. Issues arising from the above description are analyzed, discussed, and implemented in Sundsvall in a practical manner in cooperation with union representatives, the HR and ESHQ (environment, safety, health, and quality) departments, and the aforementioned external health cooperation partner.

S1-3 – PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR OWN WORKERS TO RAISE CONCERNS

PROCESSES

- a) Alzchem generally takes a transparent approach to criticism and takes incidents that have a negative impact on the company's employees or individuals seriously, striving to develop appropriate remedial measures to prevent recurrence. This is in line not only with Alzchem's general philosophy, but also with the requirements of section 6.1 of the OECD Guidelines.

When negative effects occur, the consequences are analyzed to determine whether they are isolated cases or incidents with a broad impact. In isolated cases, the company develops individually tailored measures to counteract the identified effects. In the event of impacts on a larger group of people, comprehensive policies are developed in the form of works agreements and speakers' committee agreements, which are coordinated with workers' representatives and the Management Board in order to eliminate the identified risk issues through strategic measures for the future. Regular reviews subsequently help to evaluate the effectiveness of the measures (see [S1-1](#)). We would like to emphasize that in 2025, no significant negative effects on employees caused by Alzchem in its corporate role were identified.

- b) If employees at the German sites feel disadvantaged due to company regulations, discover regulatory gaps or grievances, or simply recognize a need for improvement, they can confidently contact the works council/speakers'

committee, the representative for disabled employees, the Human Resources (HR) department, the compliance manager (including the external whistleblower hotline), the harassment officers, the company doctor, the data protection officer, the information security officer, trade unions, or directly to the Management Board. The information provided is analyzed and evaluated by the relevant committees, and remedial measures are developed that are incorporated into generally binding regulations, such as operating or procedural instructions or works council or speakers' committee agreements.

The above-mentioned contact persons are not only designated and established by the company as channels but also have the necessary technical expertise to assess facts and, above all, to develop appropriate remedial measures themselves or, if necessary, in cooperation with other channels.

In Sundsvall, the procedures and channels described in [S1-2](#) apply in this regard.

The whistleblower hotline can also be contacted from sites outside Germany. The sites in Sweden, China, and the USA have a site manager and also a human resources department or a person responsible for HR issues to whom concerns can be expressed.

- c) Regardless of the channel through which they are received, complaints relating to employee issues are forwarded to the Human Resources (HR) department and workers' representatives or addressed directly to them. This ensures that employee-related issues do not get lost in the specialist departments or are dealt with there in an uncoordinated manner but are handled by contact persons with the relevant expertise. The specialist departments are involved as appropriate in the further processing of complaints.

- d) At the German sites, regular training courses (mostly on-line) on the topic of "Acting Correctly/Company Guidelines" are held, which are combined with a mandatory exam. New employees complete this training in the first few days after starting work. This training explains the procedures and names the company contact persons.

The management of the site in Sweden was last informed about the corporate guidelines at the end of 2025 during a quarterly meeting. Online training courses are planned at all international sites in 2026.

- e) The channels do not cooperate automatically but do so on a professional basis when required or necessary in later stages of the process. Feedback from affected parties, whistleblowers, or other involved persons is used to determine the success of remedial measures. This also serves to evaluate the performance and reliability of the channels.

KNOWLEDGE OF PROCESSES AND PROTECTION OF WORKERS

The online training courses in Germany are linked to a mandatory exam, which documents the participants' level of knowledge. The participation rate is also determined in this context.

To date, international sites have been informed globally about the company guidelines and made aware of the whistleblower hotline. Site managers have been instructed separately by our legal department. Random checks are used to assess the level of awareness of the procedures. With the above-mentioned planned additional online training campaign for international sites in 2026, the process will be aligned with the procedures in Germany.

The above-mentioned channels have the task of protecting personal rights and human rights and thereby protecting

employees from retaliatory measures. To date, no reports of retaliatory measures have been received by the compliance manager, the whistleblower hotline, or other channels.

Employees are protected under German law by the Whistleblower Protection Act (see Directive (EU) 2019/1937/Whistleblower Directive and [ESRS G1-1](#)) and workers' representatives are protected by the Works Constitution Act and the Executives' Committee Act in addition to the Whistleblower Protection Act. At this point, Alzchem would like to emphasize that it treats not only its employees but also workers' representatives with respect.

S1-4 – TAKING ACTION ON MATERIAL IMPACTS ON OWN WORKFORCE, AND APPROACHES TO MITIGATING MATERIAL RISKS AND PURSUING MATERIAL OPPORTUNITIES RELATED TO OWN WORKFORCE, AND EFFECTIVENESS OF THOSE ACTIONS

MEASURES AND RESOURCES / IMPACTS ON OWN WORKFORCE

The information in this chapter is intended to help you learn about the measures and resources Alzchem used in 2025 to achieve and promote positive impacts on the workforce, especially employees, and to reduce potential negative impacts.

In 2025, occupational accidents involving work-related injuries were identified as a significant negative impact on the company's workforce. Unfortunately, it is not possible to completely prevent occupational accidents, but only to minimize them as far as possible. Incident analyses in particular help to reconstruct accidents and injuries and to define appropriate behavioral measures to reduce the risk of recurrence.

The following measures were taken at the German production sites in 2025 to support the implementation of the 14 core topics, including the corresponding significant impacts, risks, and opportunities already described in section [S1-1](#) and in [ESRS 2](#). These impacts, risks, and opportunities are therefore not listed again separately. The focus of the reporting is on the German sites, as they employ around 96% of the workforce.

SOCIAL DIALOGUE

At the beginning of 2025, managers at the German sites were invited to a kick-off event to review the past year and look ahead to the challenges, opportunities, and targets facing the company.

- In 2025, the **MEET AND EAT** program, which was launched in the previous year, was continued by the company management. At regular dinners, employees can discuss important topics with representatives of top management in a relaxed atmosphere. This gives employees the opportunity to raise issues that are important to them directly with management, so that these issues are heard and, if necessary, taken into account in business decisions. In this way, internal social dialogue is actively promoted and practiced.

HEALTH AND SAFETY

- A long-term cooperation with a regional health insurance company, which was concluded last year as part of the **COMPANY HEALTH MANAGEMENT PROGRAM** (CHMP), was used in 2025 for preventive health measures to deal with stress in everyday working life.

- In 2025, a series of basic seminars for managers on the topic of occupational safety was launched in cooperation with the German Social Accident Insurance Institution for the Raw Materials and Chemical Industry (BGRCI), which included teaching the legal basis of occupational safety and health protection as well as duty of care.

In fall 2025, our employees were offered skin cancer screening in cooperation with an external dermatologist.

At the site in Sweden, in cooperation with an external service provider, employees were offered a comprehensive health screening in fall 2025, which took into account lifestyle habits and the working environment and included a hearing test.

TRAINING AND SKILLS DEVELOPMENT

- In 2025, the "Management Learning Journey" program for managers, which was launched in the previous year, was completed. This program places a new and clear focus on the leadership skills of top management. In addition, a new management training program for shift supervisors, i.e., managers from the production area, was launched in 2025. Ultimately, the aim is to strengthen leadership skills on a broader level and, through the intended positive effects, to increase employee satisfaction within the company and improve cooperation across all hierarchical levels.
- In 2025, an in-house training center was put into operation at the Trostberg site, which is used in particular for initial vocational training and for on-the-job training for chemical technicians.

- In 2025, many training courses were held to secure and expand skills. In this context, training was also provided on the topic of health and safety (see [S1-13](#)).

DIVERSITY

- Against the backdrop of Alzchem's ongoing internationalization, the topic of personality management with regard to "diversity in teams" was included in management training in 2025, teaching leadership skills in managing diversity.

Many measures are already in place for other core topics from [ESRS 2 IRO-1](#) (see [IRO table in ESRS 2 SBM 3](#)) not mentioned above, so we believe that no new or further activities were necessary in 2025.

REVIEW OF MEASURES

In order to review the success of the above measures and, if necessary, to identify new findings regarding potentially negative effects, employee surveys have been conducted again at the German sites since 2023. The aim is to assess the satisfaction of our employees with regard to various topics such as morale, leadership, communication, team atmosphere, identification with the company, work content/work organization, further development, and career. Based on the results, the framework conditions for employees are to be improved in order to keep them motivated in the company for as long as possible and at the same time reduce the risk of staff turnover to a minimum. Due to the importance and sensitivity of this issue, the Management Board, as the highest and most important governing body, decided to conduct employee surveys on a regular basis. Increasing

employee satisfaction strengthens the company's reputation and facilitates recruitment activities.

SIGNIFICANT RISKS AND OPPORTUNITIES / DEPENDENCIES

Over many decades, Alzchem has developed a social and employee-oriented corporate culture that is characterized by the policies described in [S1-1](#), thereby reducing the likelihood of significant risks to a minimum so that they only exist potentially and currently have little impact on business operations. Alzchem does not currently see any exposed dependency factors relating to its workforce. Nevertheless, the most realistic potential significant risk is the hazards associated with production facilities, which are inherent in the manufacture of chemical products and are recognized as systemic risk factors, but are minimized by the management systems already described. The commitment of company safety committees and working groups to occupational safety, plant safety, and occupational health management has long been essential in this regard. Risk assessments, operating instructions, employee training, inspection of machinery, devices, and other work equipment, the systematic review of safety incidents, the performance of safety audits, the installation of a higher-level incident management system, the provision of appropriate personal protective equipment to employees, procedural instructions to ensure plant safety, and medical health care to ensure health protection in the workplace round out our package of measures on the subject of **HEALTH AND SAFETY**. Nevertheless, hazardous activities involving accident and health risks contribute to increased employee absenteeism, rising continued pay costs, and productivity losses.

Alzchem currently sees significant opportunities in relation to individual core topics, particularly in the areas of **TRAINING AND SKILLS DEVELOPMENT** as well as **HEALTH AND SAFETY**. Both topics aim to maintain business operations by ensuring the necessary qualifications and employee availability. Appropriate measures have been described above and contribute to the identified opportunities.

From a meta-perspective, Alzchem faces the challenge of maintaining the current level of the 14 core topics and improving them where necessary in order to secure and improve employee satisfaction, corporate reputation, and the associated attractiveness as an employer in the long term. The core objectives here are to retain employees in the long term, prevent or limit staff turnover, and continue to recruit personnel who meet our expectations from the external labor market despite changing conditions.

PREVENTION OF SIGNIFICANT NEGATIVE EFFECTS

Alzchem always strives to critically review management decisions and identify potential risk factors in a timely manner in order to avoid significant negative impacts on the company's workforce. This includes, in particular, close and constructive cooperation with workers' representatives on an equal footing.

METRICS AND TARGETS INFORMATION ON METRICS

The metrics ([S1-6](#) to [S1-17](#)) mentioned in the chapter on the company's workforce were largely taken from internal IT-based personnel information systems and are reproduc-

ible and reliable over many years thanks to fixed evaluation definitions. With the exception of training hours at the UK and US sites, this chapter of the report does not contain any estimates.

No external audits have been conducted. However, internal audit routines and plausibility checks ensure high data quality. The metrics presented in table form are specified in more detail in the footnotes to make them more understandable and transparent for the reader. Chapters [S1-6](#) and [S1-7](#) further specify the basic information that applies to the following chapters.

S1-5 – TARGETS RELATED TO MANAGING MATERIAL NEGATIVE IMPACTS, ADVANCING POSITIVE IMPACTS, AND MANAGING MATERIAL RISKS AND OPPORTUNITIES

The targets address the most essential core issues, essentially an excerpt from the material impacts on the company's workforce and the resulting risks, as well as the most significant opportunities for the company. For this reason, the analysis is reduced to a few sets of targets. By naming the issues to which the targets contribute, a connection can also be established to the material impacts, risks, and opportunities.

All of the targets listed below are formulated on either a qualitative or quantitative basis and are to be reviewed annually to monitor progress. Quantitative targets are reviewed by evaluating data, while qualitative targets are reviewed either on a random basis, e.g., during internal audits, or through topic-oriented surveys:

TRAINING AND SKILLS DEVELOPMENT

- Design and planning of a new leadership journey with rollout and implementation in 2026.
- There will be an increased focus on employees at the German sites. In this context, measures from the employee surveys conducted in 2023 and 2024 will be implemented and, in particular, the feedback culture will be strengthened. In this context, the topic of feedback has been included as a central theme in new shift supervisor training courses in 2025.

HEALTH AND SAFETY

The following targets were set for 2025 in the annual target agreement meetings with employees at the German plants:

- A long-term target is to reduce sick leave at German sites to < 5%. Ultimately, the sickness absence rate in 2025 was 4.9% (excluding sickness absences during continued pay).
- Reducing occupational accidents and work-related injuries, as well as improving the processing of incidents, including deriving measures to reduce the risk of recurrence, are declared targets of the company management in the area of health and safety.
- Each year, there should be ≤ 39 external medical treatments (including non-employees) and ≤ 3 plant safety incidents at German sites. Alzchem fundamentally pursues a vision of zero accidents. The targets were last defined for 2025 but have a longer-term perspective at this level.

In fact, 60 external medical treatments were necessary in 2025 (including non-employees) and two plant safety incidents were recorded at the German production sites.

- At the site in Sweden, the targets defined for health and safety are zero accidents with lost time, a maximum of 10 safety incidents, and the completion of at least 15 investigations of identified hazardous situations per year. In fact, there were no accidents with lost time at the site in Sweden in 2025. Two safety incidents were within the targets, and 21 investigations of identified hazardous situations were carried out.

No further targets relating to material topics under [ESRS 2 IRO-1](#) were set, as Alzchem has optimized the potential for impacts on the workforce and the potential for material risks to the company to such an extent through policies and measures implemented over many decades at its German sites that these are now only of minor significance. The same applies to material opportunities.

No overarching Group objectives regarding social issues beyond the policy statement on human rights at Alzchem Group AG mentioned in [S1-1](#) have been agreed upon to date.

PROCEDURE FOR SETTING TARGETS

In principle, targets are set by the Management Board and then submitted to the Supervisory Board for approval. Target achievement is reviewed on an annual basis. Depending

on the degree to which targets have been achieved, appropriate measures are derived and adjustments made as necessary if the targets have not been achieved or have only been partially achieved.

Targets are subject to ongoing review in terms of their relevance and timeliness. Changes in the operating environment may influence the definition of targets and necessitate adjustments.

The relevant and agreed corporate targets are explained in detail at the company's annual kick-off events for managers and then incorporated into the annual target-setting discussions with employees.

The achievement of quantitative targets in Chapter S1 is usually determined from personnel information systems, while the achievement of qualitative targets is largely determined from regular employee surveys and employee appraisals.

The results on safety issues are continuously recorded, processed in the Safety Steering Committee and the Occupational Safety Committee, and published internally in monthly reports as "safety performance". In the process, measures for improvement are also continuously derived and current events are announced. In addition to specialists from specialist departments, workers' representatives are also involved here, who contribute to the development of proposals for target formulations.

S1-6 – CHARACTERISTICS OF THE COMPANY'S EMPLOYEES

Around 96% of the Alzchem Group's employees are based in Germany. As none of the sites outside Germany (Sweden, United Kingdom, China, and USA) employ 50 or more people and the number of employees does not represent at least 10% of the company's total workforce, no separate evaluations are prepared for these countries. In this case, a note regarding "insignificance" is included in the relevant table (similarly in [S1-8](#)). The figures for these companies are otherwise included in the total figures for the "Alzchem Group". Despite the low number of employees in all countries outside Germany, Alzchem carries out regional evaluations, with the sales companies in China and the USA acting as the sole representatives of a region (continent).

EMPLOYEES

EMPLOYEES BY GENDER – ALZCHEM GROUP

Gender	Female	Male	Other genders ²	Not specified	Total
Total number of employees ¹	326	1,468	0	0	1,794
Proportion of employees by gender	18.2%	81.8%	0%	0%	

1 Status: 12/31/2025 (number of persons)

2 Gender as specified by the employees themselves

AVERAGE NUMBER OF EMPLOYEES BY GENDER – ALZCHEM GROUP

Gender	Female	Male	Other genders ²	Not specified	Total
Average total number of employees ¹	317	1,448	0	0	1,765
Average proportion by gender	18.0%	82.0%	0%	0%	

1 Average numbers for 2025 (number of persons / 12-month average)

2 Gender as specified by the employees themselves

EMPLOYEES BY COUNTRY WITH AT LEAST 50 EMPLOYEES AND AT LEAST 10% OF THE TOTAL NUMBER OF EMPLOYEES IN THE COMPANY – ALZCHEM GROUP

Germany	Female	Male	Other genders ³	Not specified	Total
Total number of employees ^{1/2}	311	1,408	0	0	1,719
Proportion of employees	18.1%	81.9%	0%	0%	

1 Status: 12/31/2025 (number of persons)

2 Due to insignificance, no countries other than Germany are mentioned

3 Gender as specified by the employees themselves

EMPLOYEES / TYPE OF CONTRACT

EMPLOYEES BY TYPE OF CONTRACT AND GENDER – ALZCHEM GROUP

Type of contract by gender	Female	Male	Other genders ²	Not specified	Total
Total number of employees ¹	326	1,468	0	0	1,794
Employees with permanent employment contracts	273	1,312	0	0	1,585
Proportion of employees with permanent employment contracts	15.2%	73.1%	0%	0%	88.3%
Employees with fixed-term contracts	53	156	0	0	209
Proportion of employees with fixed-term contracts	3.0%	8.7%	0%	0%	11.7%
On-call staff	0	0	0	0	0
Proportion of on-call staff	0%	0%	0%	0%	0%
Full-time employees	186	1,375	0	0	1,561
Proportion of full-time employees	10.4%	76.6%	0%	0%	87.0%
Part-time employees	140	93	0	0	233
Proportion of part-time employees	7.8%	5.2%	0%	0%	13.0%

1 Status: 12/31/2025 (number of persons)

2 Gender as specified by the employees themselves

EMPLOYEES / TYPE OF CONTRACT BY REGION – ALZCHEM GROUP

Type of contract by region	Europe	Asia	North America	Total
Total number of employees ¹	1,772	6	16	1,794
Employees with permanent employment contracts	1,566	3	16	1,585
Proportion of employees with permanent employment contracts	88.4%	50.0%	100%	88.4%
Employees with fixed-term employment contracts	206	3	0	209
Proportion of employees with fixed-term contracts	11.6%	50.0%	0%	11.6%
On-call staff	0	0	0	0
Proportion of on-call staff	0%	0%	0%	0%
Full-time employees	1,539	6	16	1,561
Proportion of full-time employees	86.9%	100%	100%	87.0%
Part-time employees	233	0	0	233
Proportion of part-time employees	13.1%	0%	0%	13.0%

1 Status: 12/31/2025 (number of persons)

EMPLOYEES / EMPLOYEE TURNOVER

EMPLOYEE TURNOVER – ALZCHEM GROUP

	Average total number of employees ¹	Resignation from the Alzchem Group in 2025	Employee turnover rate
Employee turnover	1,765	149	8.4%

1 Average numbers for 2025 (number of persons / 12-month average)

METHODOLOGY / BACKGROUND INFORMATION

The employee figures listed in the tables (see combined management report, [chapter 3.2.8.1.](#)) are to be understood as headcount figures. Only active employment relationships are taken into account. Suspended employment relationships such as parental leave, passive partial retirement, long-term illnesses lasting more than 18 months, etc. are not included in the evaluations. The percentages calculated have been rounded to one decimal place. Most of the evaluations refer to the end of the reporting period, in this report to December 31, 2025. In exceptional cases, annual averages based on a 12-month average were used to determine data trends over an entire year, as in the case of determining the average number of employees (see [S1-6](#)), employee turnover (see [S1-6](#)), average training hours (see [S1-13](#)), average health and safety training (see [S1-13](#)), and the proportion of eligible employees who took family leave (see [S1-15](#)). For a better understanding, the relevant information is provided below the tables.

Evaluations relating to **EMPLOYEES** in this and all subsequent chapters (see [S1-6](#), [S1-8](#) to [S1-13](#), and [S1-15](#) to [S1-16](#)) are obtained directly from the SAP human resources information system for the German plants and, for sites outside Germany, via an SAP Business Warehouse solution into which employee data is imported. The total figures for the Alzchem Group are then determined from both applications.

An exception is the provision of information on the number of departures (see [S1-6](#)), the number of on-call workers (see [S1-6](#)), collective bargaining coverage (see [S1-8](#)), disabilities of employees (see [S1-12](#)), performance and career assessments, and training hours (see [S1-13](#)) for international sites, which are reported manually via standardized queries, evaluated centrally outside the human resources information systems for this report, and then included in the overall calculation.

No checks were carried out by external bodies. However, internal audit routines and plausibility checks ensure a high level of data quality. The metrics presented in table form are specified in more detail in the footnotes in order to make them understandable and transparent for the reader.

S1-7 – CHARACTERISTICS OF NON-EMPLOYEE WORKERS IN THE COMPANY'S OWN WORKFORCE

The following table provides information on the number of non-employees. It is clear that the number of non-employees is very small and insignificant compared to the number of employees stated in [S1-6](#). The reason for this is that Alzchem does not outsource any core competencies and only uses support services to maintain business operations in certain cases or, in rare cases, purchases special expertise that the organization does not have.

NON-EMPLOYEES IN THE COMPANY'S OWN WORKFORCE – ALZCHEM GROUP

Non-employees	Temporary employment	Contracts for work (external services)	Self-employed (freelancers, etc.)	Total
Total number of non-employees ¹	7	248	14	269

¹ Status: 12/31/2025 (number of persons)

METHODOLOGY / BACKGROUND INFORMATION

The figures for non-employees presented in table form are based on the number of persons at the end of the reporting period, i.e., December 31, 2025. For a better understanding, the relevant information is provided below each table. Due to the very small number of persons involved, it is not necessary to comment on the fluctuation rate for this group.

Evaluations of **NON-EMPLOYEES** from temporary employment agencies are obtained directly from the SAP personnel information system for the German plants, whereas temporary workers from work contracts and "freelancers" are reported manually by the purchasing and legal departments.

Evaluations from international sites are reported manually for all three groups of non-employees processed outside the personnel information systems, and added to the overall evaluation.

No checks have been carried out by external bodies. However, internal audit routines and plausibility checks ensure a high level of data quality. The metrics presented in table form are specified in more detail in the footnotes in order to make them understandable and transparent for the reader.

S1-8 – COLLECTIVE BARGAINING COVERAGE AND SOCIAL DIALOGUE

As can be seen in the following table, around 97% of employees will be covered by collective agreements in 2025:

EMPLOYEES WITH COLLECTIVE BARGAINING COVERAGE – ALZCHEM GROUP

	Total number of employees ¹	Employees with collective bargaining coverage	Proportion of employees with collective bargaining coverage
Collective bargaining coverage	1,794	1,734	96.7%

1 Status: 12/31/2025 (number of persons)

The following regulations on collective agreements apply to employees in the European Economic Area:

In Germany, all employees are generally subject to the relevant collective agreements for the chemical industry. The only exceptions are the small number of senior executives within the meaning of the Works Constitution Act, who are not covered by collective agreements but are treated similarly in many respects.

Both the IGBCE trade union and the VBCI and BAVC employers' associations represent the employee and employer sides in collective bargaining negotiations in order to serve the interests of all parties in the spirit of social dialogue. We would like to note at this point that our works council chairman is a permanent member of the Bavarian Chemical Industry Bargaining Commission (IGBCE) and the Federal Chemical Industry Bargaining Commission (IGBCE).

Employees at the Sundsvall plant are subject to the collective agreements for the chemical industry in Sweden (IKEM).

The following table shows the collective bargaining coverage and social dialogue in terms of employee representation for employees in the countries of the European Economic Area (EEA).

Employees in non-EEA countries are not subject to collective bargaining agreements and are not represented by workers' representatives.

Since only Germany employs a significant number of employees within the meaning of this standard, i.e., the number of employees is at least 50 and their share corresponds to at least 10% of the total number of employees, no other countries or regions are shown. On December 31, 2025, collective bargaining coverage in Germany was 97.8% (all employees except senior executives and board members) and workplace representation (social dialogue) was 99.7% (all employees except board members).

COLLECTIVE BARGAINING COVERAGE AND SOCIAL DIALOGUE – ALZCHEM GROUP

Breakdown by groups	Collective bargaining coverage		Social dialogue
	Employees ¹ EEA countries ²	Employees ¹ Non-EEA countries ³	Representation at the workplace EEA countries ²
80% – 100%	Germany		Germany

1 Status: 12/31/2025 (number of persons)

2 Only countries with at least 50 employees and a share of at least 10% of the total number of employees (de minimis threshold)

3 No employees in non-EEA countries/regions with at least 50 employees and a share of at least 10% of the total number of employees (de minimis threshold)

EMPLOYEES WITHOUT COLLECTIVE BARGAINING COVERAGE

Employees in Germany who are not covered by collective agreements (see [S1-8](#) above) are, without exception, in management positions with a high level of responsibility and correspondingly high pay, and comprise only 2.2% (December 31, 2025, executives and board members). This group of employees is often subject to special company or individual contractual arrangements that go far beyond the requirements of collective agreements in terms of working and employment conditions, in some cases by a multiple.

EUROPEAN WORKS COUNCILS

There is no agreement on a European works council or similar European bodies, as the proportion of employees in companies in the European Economic Area outside Germany is only just under 3% (December 31, 2025).

S1-9 – DIVERSITY METRICS

Alzchem considers it important to include all genders in management positions, not only to comply with formal diversity principles, but also to leverage gender-specific perspectives for the benefit and well-being of the company while enriching the corporate culture.

Alzchem attaches great importance to a balanced age distribution in order to be able to maintain business operations even in challenging times. In addition to fresh young talent, Alzchem also needs experienced middle-aged employees and benefits from the comprehensive expertise of older employees who have a wealth of experience gained over many decades.

GENDER DISTRIBUTION AT THE TOP MANAGEMENT LEVEL

GENDER DISTRIBUTION AT THE FIRST AND SECOND MANAGEMENT LEVELS – ALZCHEM GROUP

	Female	Male	Other genders ²	Not specified	Total
Number of employees ¹ at the first level = Management Board	1	4	0	0	5
Proportion of employees at the first level = Management Board	20%	80%	0%	0%	
Number of employees at the second level = division managers	5	17	0	0	22
Proportion of employees at the second level = division managers	22.7%	77.3%	0%	0%	

¹ Status: 12/31/2025 (number of persons)

² Gender as specified by the employees themselves

DISTRIBUTION BY AGE GROUP OF EMPLOYEES

Age groups	Under 30	30 to 50	Over 50	Total
Number of employees ¹	418	830	546	1,749
Proportion of employees	23.3%	46.3%	30.4%	

¹ Status: 12/31/2025 (number of persons)

S1-10 – ADEQUATE WAGES

Alzchem grants all employees in the EEA region appropriate remuneration in line with the applicable reference values. In Germany, collective agreements guarantee remuneration that is well above the statutory minimum wage. Although there is no statutory minimum wage in Sweden, the requirements of collective agreements are also met there. This also applies to simple auxiliary tasks.

Outside the EEA, Alzchem operates sales offices in the United Kingdom, China, and the United States. Due to the technical requirements, sales employees in these countries are paid in line with industry standards. This not only enables employees to enjoy an adequate standard of living, but also guarantees remuneration that exceeds national reference values, thus ensuring a living wage.

S1-11 – SOCIAL PROTECTION

The Alzchem Group provides all employees at all sites with comprehensive protection against loss of earnings due to significant life events in accordance with the following criteria, either based on legal requirements and/or against the background of company regulations in the respective countries:

- Sickness
- Unemployment starting from when the own worker is working for the company
- Employment injury and acquired disability
- Accidents at work and incapacity to work
- Parental leave
- Retirement

S1-12 – PERSONS WITH DISABILITIES

Alzchem attaches great importance to equal opportunities for all employees, explicitly including people with disabilities. In Germany, this includes people who are considered severely disabled or equivalent to severely disabled persons according to Section 2 SGB IX. In close cooperation with the company's representative body for severely disabled persons, the inclusion office, the integration service, and the social psychiatric service, workplaces that are

appropriate for the affected employees' conditions are sought or designed according to their needs.

Legislation in Sweden also attaches great importance to equal opportunities for employees with disabilities, which is actively practiced at the Sundsvall site under the watchful eye of management and union representatives.

The following table lists all employees of the Alzchem Group who are considered disabled according to the regulations and definitions of their country:

EMPLOYEES WITH DISABILITIES – ALZCHEM GROUP

	Total number of employees ¹	Employees with disabilities ²	Proportion of employees with disabilities
Employees	1,794	122	6.8%

1 Status: 12/31/2025 (number of persons)

2 Disabilities as defined and understood in the respective countries

S1-13 – TRAINING AND SKILLS DEVELOPMENT METRICS

The entire range of Alzchem employees benefits from extensive training and continuing education opportunities. These include not only training courses that expand technical or management skills but also training courses that address health and safety issues in order to minimize long-term occupational and health risks. A special training program is provided for employees of external companies who provide services on our premises (contractors = non-employees).

Annual employee appraisals reflect on the performance, behavior, needs, and wishes of all employees, and individual development plans are created for particularly high-performing and talented employees. Appraisals of this kind are conducted across the entire Alzchem Group, at least every three years at the site in Sweden.

PERFORMANCE AND CAREER ASSESSMENTS

NUMBER/PROPORTION OF EMPLOYEES WITH REGULAR PERFORMANCE AND CAREER ASSESSMENTS BROKEN DOWN BY GENDER – ALZCHEM GROUP

Performance and career assessment	Female	Male	Other genders ²	Not specified	Total
Total number of employees ¹	326	1,468	0	0	1,794
Number of employees with regular annual performance and career assessments	323	1,436	0	0	1,759
Proportion of employees with regular annual performance and career assessments	99.1%	97.80%	0%	0%	98.0%

1 Status: 12/31/2025 (number of persons)

2 Gender as specified by the employees themselves

TRAINING HOURS

AVERAGE NUMBER OF TRAINING HOURS PER EMPLOYEE BROKEN DOWN BY GENDER – ALZCHEM GROUP

Training hours	Female	Male	Other genders ³	Not specified	Total
Average total number of employees ¹	317	1,448	0	0	1,765
Number of training hours ²	4,403	30,080	0	0	34,483
Average training hours	13.9	20.8	–	–	19.5

1 Average numbers for 2025 (number of persons / 12-month average)

2 Training hours in 2025

3 Gender as specified by the employees themselves

As Alzchem attaches particular importance to the health and safety of its employees, an additional evaluation was carried out to provide an overview of training courses on this specific topic:

AVERAGE NUMBER OF HEALTH AND SAFETY TRAINING COURSES – ALZCHEM GROUP

Health and safety training courses	Ø Total number of employees ¹	Number of health and safety training courses ²	Ø Number of health and safety training courses per employee
Employees	1,765	26,568	15.1

¹ Average values for 2025 (number of people / 12-month average)

² Number of health and safety training courses in 2025

METHODOLOGY / BACKGROUND INFORMATION

The evaluation includes all training hours recorded in our personnel information systems by January 12, 2026, that can be clearly assigned to the year 2025. Training hours reported later will not be included in the reporting year 2025.

The average number of health and safety training courses is proactively presented beyond the reporting requirements in order to take into account our core topic of health and safety with its significant impacts, risks, and opportunities, as well as to provide transparency for international sustainability certifications. These are often short training courses in the form of company instructions or e-learning.

S1-14 – HEALTH AND SAFETY METRICS – MANAGEMENT SYSTEM

Alzchem maintains a management system at its German production sites that covers health and safety and is certified according to OHRIS (Occupational Health and Risk Management System).

The management system in Sundsvall (Sweden) also covers health and safety and is certified according to ISO 45001.

The sales companies in the United Kingdom, China, and the United States are not considered in this chapter as they are not subject to any particular hazards.

Compliance with the requirements of our management systems (including occupational safety management systems) is ensured through internal audits. OHRIS is certified by the authorities, ISO 45001 by external certifiers. The management systems cover not only employees but also non-employees. In the following evaluations, only temporary agency workers are

included under non-employees. Due to their small number and low proportion, they are not reported separately.

For the reporting year 2025, the following metrics based on headcount (number of employees) are to be reported for the production sites in Germany and Sweden (metrics are determined in accordance with definitions under national law):

- The management systems described cover 100% of the workforce at the production sites in Germany and Sweden.
- There were no fatalities as a result of work-related injuries or illnesses. Furthermore, there are no known fatalities among other workers employed at Alzchem's sites.
- A total of 30 reportable accidents at work were reported, corresponding to a rate of 12.2 (number of cases / hours worked x 1 million).
- One reportable work-related illness occurred.
- There were 1,693 days of absence due to work-related accidents and illnesses.

S1-15 – WORK-LIFE BALANCE METRICS

Alzchem grants all employees the right to take leave for family reasons on the basis of statutory, collective agreement, and company regulations applicable at the respective sites and in the member states. In this way, Alzchem fully meets its employees' needs for work-life balance.

LEAVE OF ABSENCE / FAMILY-RELATED LEAVE

According to the definition of this standard, leave for "family reasons" refers to the following reasons for leave of absence:

- Maternity leave
- Paternity leave
- Parental leave
- Leave for family caregivers

According to this definition, 100% of Alzchem Group employees are entitled to family leave.

USE OF FAMILY LEAVE

PROPORTION OF ELIGIBLE EMPLOYEES WHO TOOK FAMILY-RELATED LEAVE, BROKEN DOWN BY GENDER – ALZCHEM GROUP

Family leave	Female	Male	Other genders ³	Not specified	Total
Average number of employees ¹ entitled to family leave	317	1,448	0	0	1,765
Number of eligible employees who took family leave ²	42	103	0	0	145
Proportion of eligible employees who took family leave	13.2%	7.0%	–	–	8.2%

1. Average numbers for 2025 (number of persons / 12-month average)

2. Number in 2025 (persons)

3. Gender as specified by the employees themselves

USE OF FAMILY LEAVE – ALZCHEM APPROACH

Since the standard evaluation in the above table is not very meaningful in terms of sustainability and does not adequately reflect the use of "family leave", Alzchem additionally evaluates the total population of all employees who, according to the above definition, explicitly belonged to the group that had children in 2025 or cared for relatives in that year.

According to this approach, 110 employees were eligible in 2025, of whom 99 actually took advantage of the entitlement. The high implementation rate of 90% not only clearly shows that Alzchem offers an appreciative basis for work-life balance throughout the company, but also that eligible employees are happy to take advantage of the entitlement.

PROPORTION OF ELIGIBLE EMPLOYEES WHO BECAME PARENTS IN 2025 (CONDITION 1) OR TOOK ON A CAREGIVING ROLE (CONDITION 2) AND TOOK FAMILY LEAVE FOR THIS PURPOSE, BROKEN DOWN BY GENDER – ALZCHEM GROUP

Family leave	Female	Male	Other genders ²	Not specified	Total
Number of employees ¹ entitled to family leave (condition 1 or 2 met)	30	80	0	0	110
Number of eligible employees who took family leave	27	72	0	0	99
Proportion of eligible employees who took family leave	90%	90.0%	–	–	90.0%

1. Number in 2025 (number of persons)

2. Gender as specified by the employees themselves

S1-16 – COMPENSATION METRICS (PAY GAP AND TOTAL COMPENSATION)

At the German sites and the site in Sweden, employees are paid in accordance with collective agreements for the chemical industry (VBCI/BAVC and IKEM), which provide for gender-neutral remuneration.

In Germany, gender-neutral job and position evaluations are carried out for employees covered by collective agreements on the basis of the Federal Collective Agreement on Remuneration (BETV) by an evaluation commission with equal representation. Alzchem has also agreed with workers' representatives on a binding set of rules for gender-neutral and competitive salary determination and development for non-collective agreement employees and executives. In addition, there is also a joint evaluation committee here, which ensures gender-neutral and uniform evaluation and classification of functions.

GENDER PAY GAP

The gender pay gap is calculated in accordance with this standard using the following formula:

$$\frac{(\text{Ø gross hourly earnings of male employees} - \text{Ø gross hourly earnings of female employees}) \times 100}{(\text{Ø gross hourly earnings of male employees})}$$

GENDER PAY GAP – ALZCHEM GROUP (GERMAN SITES)

	Ø gross hourly earnings of male employees ¹	Ø gross hourly earnings of female employees ¹	Diff. Ø gross hourly earnings of male and female employees	Gender pay gap according to the above formula
Gender pay gap	34.27 €	34.05 €	0.22 €	0.6%

¹ Status: 12/31/2025

The evaluation shows that the gender pay gap at Alzchem's German sites is low and that the pay equity described above is actually being practiced.

RATIO OF HIGHEST TOTAL ANNUAL REMUNERATION TO COMPANY MEDIAN

The ratio of the total annual remuneration of the highest-paid individual to the median total annual remuneration of all employees (excluding the highest-paid individual) was 37.1 on the reporting date of December 31, 2025, and is calculated using the following formula:

$$\frac{\text{Total annual remuneration for the highest-paid person in the company}}{\text{Median of total annual remuneration for employees (excluding the highest-paid person)}}$$

RATIO OF TOTAL ANNUAL REMUNERATION – ALZCHEM GROUP (GERMAN SITES)

	Total annual remuneration for the highest-paid person in the company ¹	Median total annual remuneration for employees (excluding the highest-paid person) ¹	Ratio of total annual remuneration according to the above formula
Remuneration ratio	2,780,000 €	75,024 €	37.1

¹ Status: 12/31/2025

METHODOLOGY / BACKGROUND INFORMATION

To determine the gender pay gap and the ratio of total annual compensation, only the remuneration of employees at German sites who were in active employment on the reporting date of December 31, 2025, and who were employed for the entire year 2025 was taken into account.

Employees who joined the company during the year, as well as trainees, interns, and employees in marginal employment, were not included in these evaluations, as they would have significantly distorted the results.

When determining the total annual remuneration, employees with unpaid absences of three or more months were not taken into account, as this would also have distorted the result.

For the sake of simplicity, the remuneration of employees outside Germany was not included in this evaluation, as it would not have had a significant impact due to the small number of employees involved.

S1-17 – INCIDENTS, COMPLAINTS AND SEVERE HUMAN RIGHTS IMPACTS

In 2025, there were no known work-related incidents of harassment and discrimination or related complaints among the Alzchem Group's workforce, nor were there any serious incidents related to human rights, such as forced labor, human trafficking, or child labor. As a result, no remedial measures had to be taken and no fines or damages had to be paid.

METHODOLOGY / BACKGROUND INFORMATION

At the German sites, the compliance manager and the company's anti-bullying officers were interviewed. At sites outside Germany, the respective site managers were asked to provide information using a standardized questionnaire.

The compliance manager also provides information on incidents at national or international level that are reported via the whistleblower hotline.

11.4.2. ESRS S2 – WORKERS IN THE VALUE CHAIN

STRATEGY

DISCLOSURE REQUIREMENTS RELATED TO ESRS 2 SBM-3

In order to meet the requirements of the ESRS, Alzchem has conducted an analysis of the material impacts, risks, and opportunities, with a focus on workers in the upstream value chain as an important stakeholder group in ESRS S2. These were identified and assessed in accordance with the principle of double materiality (see [ESRS 2 SBM-3, IRO-1](#)).

For the four material topics in the ESRS S2 area, including social dialogue, health and safety, training and skills development, and child and forced labor, the following impacts, risks, and opportunities were identified in connection with our strategy, business model, and value chain.

SOCIAL DIALOGUE

The impact analysis has shown that a lack of or insufficient communication can lead to significant deficits or unfavorable working conditions going unrecognized. This can result in health problems and reduced job satisfaction, which in turn can lower productivity and the quality of work. In addition, misunderstandings and conflicts occur more frequently, which can lead to errors and inefficient work processes. This problem occurs more frequently in some countries and regions with an increased risk.

Inadequate social dialogue carries the risk of violating labor law regulations and damaging our reputation. This could have legal consequences and undermine the trust of our suppliers and business partners. In addition, production downtime at Alzchem could lead to lost sales, as raw materials may not be available.

Through social dialogue with employees in the value chain, we as a company can contribute to the continuous improvement of working conditions at our suppliers. In addition, potential conflicts can be identified at an early stage and adequately resolved, helping to minimize legal and reputational risks for Alzchem.

These opportunities show that social dialogue not only contributes to improving working conditions for workers in the value chain but also brings economic benefits for our company.

HEALTH AND SAFETY

A lack of awareness of safety and health can lead to higher accident rates, which in turn creates an unsafe working environment and has a negative impact on productivity and worker satisfaction in the value chain. A low level of transparency regarding working conditions can pose an increased risk to these workers. Incidents are more likely to occur in high-risk countries where safety awareness in the chemical industry is less pronounced. Health and safety incidents along the value chain can entail both legal and reputational risks. In addition, supply disruptions resulting from accidents can lead to significant losses in revenue.

TRAINING AND SKILLS DEVELOPMENT

A lack of training and inadequate skills development can pose an increased safety risk, for example through unsafe actions or a lack of motivation. This could have a negative impact on product quality, which could lead to a loss of revenue and a loss of competitiveness for the supplier.

CHILD AND FORCED LABOR

Children who work in exploitative conditions are often exposed to poor and dangerous working environments, which can lead to physical and mental health problems. Child labor also prevents access to education, which significantly limits their chances of a better future. Forced labor and child labor exacerbate social inequalities, as they often affect the poorest and most disadvantaged communities. Involvement in child and forced labor would have significant ethical implications for our company. It calls into question the moral integrity of the entire supply chain and can undermine consumer confidence in brands and products. Incidents related to child or forced labor within the value chain would pose a significant legal and reputational risk for Alzchem.

A strong commitment to combating child and forced labor and promoting fair working conditions can significantly enhance reputation and strengthen customer loyalty. By adhering to high ethical standards, the company can differentiate itself from its competitors, which can lead to increased sales. Avoiding child and forced labor also reduces the risk of scandals and protects against potential financial and legal consequences.

The risks of child and forced labor are mainly present in regions affected by poverty, weak legal systems, and a lack of education. This applies primarily to raw material suppliers from Asia. We take great care to ensure that no raw materials are sourced from sources that pose an increased risk of child or forced labor. Alzchem does not source any specific raw materials that pose potential risks in connection with child labor or forced labor.

In the upstream value chain, this mainly affects the workers of our raw material suppliers who are directly involved in the extraction of chemical raw materials.

As part of managing our impact and risks related to labor within the value chain, we include the following categories of workers in our analysis: workers employed in the upstream stages of a company's value chain, such as employees in the chemical industry from whom raw materials are sourced, as well as agricultural workers.

MANAGEMENT OF IMPACTS, RISKS, AND OPPORTUNITIES

S2-1 – POLICIES RELATED TO VALUE CHAIN WORKERS

Alzchem applies various policies to manage its material impacts on workers in the value chain and the associated risks and opportunities.

The materiality assessment identified social dialogue, health and safety, training and skills development, and child and

forced labor as key issues for workers in Alzchem's upstream value chain.

A fundamental prerequisite for working with our business partners is that they share our values. A key aspect for Alzchem is communication with employees along the upstream value chain at the beginning of the business relationship. During contract negotiations, the Purchasing department is responsible for checking whether business partners accept and comply with the specified requirements (see Supplier Self-Disclosure, Alzchem Code of Conduct). This check is carried out as part of the CSR risk analysis and CSR audits, which, among other things, monitor compliance with human rights due diligence obligations.

The link between business and respect for human rights is an essential part of our corporate responsibility, is also anchored in our strategy, and is in line with the expectations of our stakeholders. We base our commitment to respect human rights on the United Nations Universal Declaration of Human Rights and the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work.

We place a high priority on protecting human rights in our company and have structured our organization accordingly. Responsibility for compliance with the human rights obligations described above – including the prohibition of child and forced labor, social dialogue, health and safety in the workplace, training, and skills development – lies with the Management Board and the Compliance Officer. The Compliance Officer also acts as Human Rights Officer and is responsible for ensuring the implementation of our hu-

man rights strategy within the organization. Our goal is to minimize these risks through targeted preventive measures. However, if violations are identified, we respond with appropriate remedial measures, which may include terminating the business relationship if necessary.

As part of our materiality assessment, we have determined that the health and safety of workers in the value chain is of essential importance to Alzchem. We therefore expect our suppliers and service providers to provide a safe, healthy, and hygienic working environment and to take the necessary measures for occupational safety and health protection in order to prevent accidents and damage to health. Internationally recognized occupational safety standards must be observed and continuous improvement of working conditions must be ensured, for example through safety training for employees. This policy aims to prevent occupational accidents and work-related illnesses in order to reduce the risk described in [ESRS 2 SBM-3](#).

Health and safety protection are top priorities for Alzchem and are firmly anchored in the Code of Conduct. These principles are communicated to suppliers as part of our training programs. The impacts, risks, and opportunities related to this topic are listed in [ESRS 2 SBM-3](#).

The training and skills development of workers in the value chain has been identified as another key issue. Alzchem ensures that its suppliers and business partners regularly train their workers and promote their skills development. This ensures that high product quality is maintained and sales losses are avoided.

Compliance with applicable laws and standards, particularly in the areas of health, occupational safety, and child labor, is also required of our business partners. We have set out our commitment to protecting human rights, ensuring safe

working conditions, and preventing all forms of child labor in both our Code of Conduct for Suppliers and our company's human rights policy. Violations are grounds for exclusion from the supplier approval process and will result in the immediate termination of the business relationship.

All these policies serve to avoid legal and reputational damage while increasing our attractiveness as an employer and business partner, which in turn can lead to higher sales.

To mitigate potential risks and negative impacts and promote opportunities in the area of labor in the upstream value chain, we implement targeted measures such as the use of grievance mechanisms to channel the concerns and needs of workers in the value chain, or the risk-based assessment of suppliers with regard to ESG risks through on-site audits.

Our policies – including our code of conduct, targeted training for suppliers, supplier surveys, and the provision of complaint channels – aim to promote transparent social dialogue, involving employees wherever possible. In addition, they serve to ensure the assessment and continuous development of our suppliers and to improve working conditions in the long term through preventive approaches, as well as to minimize risks and potential negative impacts.

As a globally active specialty chemicals group, Alzchem is aware of its responsibility in the business environment, especially towards workers in the value chain. As a member of the German Association for Materials Management, Purchasing and Logistics (BME), Alzchem is committed to the BME's code of conduct and thus indirectly to the principles of the UN Global Compact. In accordance with the principles of Responsible Care®, the International Labor Organization (ILO), and other CSR guidelines, we expect our suppliers and business partners to comply with national and international

laws and regulations on environmental protection, health, product safety, and minimum social standards.

In our upstream value chain, the qualification and evaluation of suppliers prior to establishing business relationships and during ongoing cooperation form the core of our sustainable supplier management. Part of this policy is a detailed self-disclosure by the supplier, which includes topics such as compliance with human rights (prohibition of child and forced labor), appropriate working conditions, and supplier management. The exact procedure for qualifying and evaluating suppliers is described in Chapter S2-4.

In addition to the supplier self-disclosure, we have already started annual training courses for suppliers in the fiscal year 2023, including on our expectations regarding compliance with human rights. We would also like to expressly point out the establishment of a whistleblower hotline for workers throughout the value chain, which can be contacted in the event of possible violations (also anonymously).

Alzchem already drew up a new code of conduct for business partners, suppliers, and service providers in 2021, which is based on the principles of the UN Global Compact. It defines requirements for working conditions, respect for and protection of human rights, environmental protection, health and safety, training and skills development, social dialogue, product safety and quality, social standards such as fairness in wages, working hours and social benefits, as well as business ethics and fair competition. A prerequisite for a business relationship is that our suppliers recognize the requirements of our sustainability standards in the Code of Conduct or guarantee compliance with their own code of conduct that fully complies with our guidelines. They are also required to communicate the contents of the Code of Conduct to their employees and to incorporate it into their

upstream value chains. We also expect them to monitor their compliance. Clear exclusion criteria for cooperation also include human rights violations in relation to child labor, forced labor, and human trafficking, which is regulated in our procurement policy.

Alzchem's policies on the prohibition of child and forced labor, health and safety, social dialogue, and training and skills development in relation to the upstream value chain are in line with internationally recognized standards such as Responsible Care®, the OECD Guidelines for Multinational Enterprises, the International Labor Organization (ILO), and other CSR guidelines, including the United Nations Guiding Principles on Human Rights.

To date, no cases of non-compliance with the United Nations Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines have been reported to us.

For information on the key aspects of the strategies affecting the company's workforce, please refer to the disclosures in [ESRS S1](#) in this non-financial Group statement.

S2-2 – PROCESSES FOR ENGAGING WITH VALUE CHAIN WORKERS ABOUT IMPACTS

It is essential for Alzchem to convince our suppliers that we insist on compliance with international standards on sustainability issues such as respect for human rights, occupational health and safety. Through our questions in the self-assessment, personal or online explanations of our values and requirements to our suppliers (see Partnership for Sustainability), or through audits with credible representatives on site, we gain direct insight into the situation of the local workforce and their satisfaction, for example, whether the necessary occupational health and safety measures are in place or whether working hours are being adhered to. Furthermore, the audit checks and evaluates information on the prohibition of child labor and forced labor, health and safety, and training and skills development.

Our business partners and suppliers are involved before the start of a business relationship and begin by accepting our Code of Conduct and, for our suppliers, additionally by completing the supplier self-assessment. The responsible persons in Alzchem's purchasing department (Purchasing Trostberg or the local purchasing organization) will explain our guidelines for sustainable cooperation with regard to human rights, the procedure for CSR audits and health and safety, as well as the consequences of deviations or violations. This will be done either online or in person. Both the responsible purchasers in Germany and in the respective country organizations have been trained accordingly in advance.

Operational responsibility for the procurement of raw materials lies with Supply Chain Management (SCM), whose man-

agement reports directly to the responsible member of the Management Board (in this case, the CEO). This department coordinates procurement across the Group in consultation with the business units, establishes appropriate purchasing guidelines, and promotes and reviews the sustainable practices of our suppliers.

In 2024, Alzchem published a global policy statement on human rights for all employees throughout the supply chain. This statement sets out principles of conduct that make it clear that Alzchem not only bases its business activities on economic interests but is also committed to value-oriented business practices. These include respect for human rights and compliance with environmental due diligence obligations – primarily by Alzchem and its employees themselves, but also by its business partners.

As part of an annual CSR risk assessment (criteria: CSR rating, compliance with the Alzchem Code of Conduct, potential damage to Alzchem), all direct suppliers from countries where we have identified an increased risk in terms of human rights and environmental compliance are reviewed and, if necessary, audited (online or on site). This is done taking into account the respective country risk and the expected potential damage to Alzchem. This is followed by an assessment, possibly with a definition of necessary measures. Progress in implementing the measures decided upon is documented in the purchasing database.

The impressions gained from CSR audits are documented and then evaluated by the Purchasing department. If necessary, measures are derived from this and their implementation is tracked.

S2-3 – PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR VALUE CHAIN WORKERS TO RAISE CONCERNS

Alzchem maintains a trusting relationship with its suppliers. We expect our partners to comply with internationally recognized human rights standards and to respect our Code of Conduct, which is part of our purchasing conditions. In the event of violations, workers along the value chain have the option of submitting anonymous complaints via our whistleblower system, which we have set up in collaboration with a third-party provider.

To ensure compliance with human rights, Alzchem appointed a human rights compliance officer in 2023 and opened the existing anonymous whistleblower system to relevant reports. This system is available to all employees within the upstream value chain and has been presented both online and in face-to-face training sessions. Potential human rights violations can be reported directly to the human rights officer by email or telephone. Reports can also be submitted anonymously if desired (see also [ESRS G1 "Business Conduct"](#) in this non-financial Group statement).

All reports received are reviewed and forwarded by our legal department to the purchasing department for detailed investigation. Appropriate measures are then taken in justified cases.

As no reports have been received via our whistleblower system to date, we assume that our measures to comply with

human rights standards are effective and have a positive impact on employees in the value chain.

Alzchem's compliance officer is responsible for the technical effectiveness of these channels, which is reviewed several times a year. The Supply Chain Management (SCM) department works closely with the compliance officer to take immediate action in the event of any complaints. In the event of justified complaints, corrective measures must be defined and implemented immediately to end human rights violations. This is done as part of on-site audits. Supply Chain Management is responsible for monitoring, implementing, and ensuring the effectiveness of these corrective measures.

In 2025, no reports of problems or violations relating to human rights issues in our value chain were received.

Alzchem provides all direct suppliers along the value chain with comprehensive guidelines that contain detailed information on reporting channels for violations, for example in the area of human rights (including child and forced labor) or health and safety. These provisions are explained by the responsible purchasing staff either via online training or in person. To prevent retaliation against whistleblowers within the value chain, human rights violations can be reported anonymously via an external reporting office. The employees of this office are bound to secrecy and treat the identity of the whistleblower and the information provided as confidential, even vis-à-vis Alzchem. In addition, it is planned to provide the whistleblower with written feedback on the

status of the complaint and the measures taken via the whistleblower hotline after a complaint has been submitted.

S2-4 – TAKING ACTION ON MATERIAL IMPACTS ON VALUE CHAIN WORKERS, AND APPROACHES TO MANAGING MATERIAL RISKS AND PURSUING MATERIAL OPPORTUNITIES RELATED TO VALUE CHAIN WORKERS, AND EFFECTIVENESS OF THOSE ACTION

Various measures are being implemented to fulfill our human rights and environmental due diligence obligations, as outlined below. The aim is to protect workers and prevent, remedy, or at least reduce negative human rights impacts. These measures are to be understood as ongoing processes with no fixed end date.

In 2023, we launched training programs to communicate Alzchem's principles and expectations to our direct suppliers from countries where we have identified an increased risk in terms of human rights and environmental compliance, both online and in person. During the training sessions, suppliers are informed about our guidelines for cooperation. Topics covered in these training courses include our Code of Conduct, including child and forced labor, health and safety, training and skills development, and explanations on how to conduct CSR audits. In the reporting year 2025, we conducted four training courses for our suppliers.

This initiative aims to promote trust and transparency and create the basis for a long-term business relationship in which potential conflicts are identified and resolved at an early stage. Social dialogue enables continuous improvement of working conditions. This helps to avoid a loss of trust among business partners, which could lead to a decline in sales and the possible termination of the business relationship. The measures also minimize legal and reputational risks.

Employees in the purchasing department receive regular training on sustainability issues and compliance, including the company's internal Code of Conduct. In 2024, the team received further training on sustainability-related issues in person; these training courses take place every three years. Compliance training is conducted online for purchasing employees every two years. In addition, all employees participate in corresponding in-person training, with a refresher course every three years.

The responsible employee at our Chinese subsidiary took part in training on conducting CSR online audits in fiscal year 2025. This training took place in person in China.

Another issue of significant importance to Alzchem is the potential for child and forced labor within the value chain. As part of the qualification process, suppliers with unclear or ambiguous information in this area are not considered. No such cases were identified in the reporting year 2025.

Consistent adherence to high ethical standards serves to differentiate us from the competition and can have a positive effect on sales development. Our strong commitment to combating child and forced labor and promoting fair working conditions contributes significantly to strengthening our reputation and increasing customer loyalty. In ad-

dition, these measures help to minimize reputational risks and effectively prevent potential financial and legal consequences.

As part of the supplier qualification process for existing and potential suppliers, Alzchem requires suppliers to provide self-disclosure information. This includes, among other things, acceptance of our Code of Conduct or the submission of a supplier's own code. It covers our key topics such as social dialogue, health and safety of workers in the value chain, training and skills development of workers in the value chain, and the exclusion of child and forced labor. The above requirements must be consistent with Alzchem's corporate values. In addition, information on working conditions and human rights is requested, such as confirmation of the prohibition of child labor and forced labor.

Based on the results of the supplier self-assessment and its evaluation by the purchasing department, suppliers are categorized into classes A, B, and C. This determines whether a company is approved as a supplier or retains its approval. Suppliers that fall into category C are not approved and can only be considered if a CSR audit confirms that the necessary minimum requirements are met. The assessment is documented and then communicated to the respective supplier.

Alzchem has been conducting an annual CSR risk analysis since 2022. In 2024, the Alzchem procurement policy stipulated that regular CSR risk analyses be carried out for suppliers from non-OSCE countries. In addition to economic risks, human rights aspects are also taken into account. This procurement policy was updated in the reporting year 2025.

In the reporting year 2025, we identified areas for improvement (both deviations and recommendations) in the areas

of social affairs and corporate governance during CSR audits of our suppliers. The identified deviations have since been rectified and the recommendations implemented by our suppliers. As a result, measurable improvements have already been achieved in the areas concerned, which are having a positive impact on employees along the value chain.

The implementation of measures is monitored via a supplier database. In addition, it is possible to block non-compliant suppliers in the ERP system if necessary.

Incoming complaints or reports of potential violations, particularly with regard to the human rights of workers within our value chain, are carefully reviewed and processed by the relevant departments.

In the reporting year 2025, no significant financial resources were allocated for the measures mentioned in connection with workers in the value chain.

METRICS AND TARGETS

S2-5 – TARGETS RELATED TO MANAGING MATERIAL NEGATIVE IMPACTS, ADVANCING POSITIVE IMPACTS, AND MANAGING MATERIAL RISKS AND OPPORTUNITIES

Our corporate target of responsible purchasing is to holistically and continuously improve the sustainability performance of our suppliers. For the topic area "Workers in the value chain", Alzchem considers key sustainability aspects, including social dialogue, occupational health and safety, training and skills development measures, child labor, and forced labor.

Specific targets are set in these areas, which are outlined below and relate to our identified material impacts, risks, and opportunities. The targets mentioned can be assigned to several of the material topics at the same time. The targets were not set with the direct involvement of employees in the value chain or their representatives.

Through social dialogue with employees in the value chain and the application of our Code of Conduct, we contribute to the continuous improvement of working conditions at our suppliers. In this way, we minimize legal, reputational, and financial risks, including potential loss of revenue. Our Code of Conduct addresses key issues such as human rights (in particular child labor and forced labor), occupational health and safety, and training and skills development. By accepting the Code of Conduct, our suppliers commit to complying with the specified standards and our requirements.

We had set ourselves the goal for 2025 that at least 87% of all raw material suppliers would recognize our Code of Conduct (or a comparable code of conduct of their own, if available). Progress was continuously monitored and verified using the purchasing database. With a recognition rate of 91%, we have fully achieved our target. We intend to continue this positive trend in 2026.

In addition, our suppliers in non-OSCE countries are trained in the principles and guidelines on sustainability aspects that cover our key issues such as social dialogue, health and safety, training and skills development, and child and forced labor. The aim of the training is to raise suppliers' awareness of our key sustainability issues so that improvements can be implemented in their own companies and among their suppliers. The training can be conducted either in person or online.

Since 2022, Alzchem has been conducting CSR audits online and on site. The goal is to audit all raw material suppliers listed in the CSR risk analysis in the medium term. The audits serve to confirm the supplier assessment and identify high-risk suppliers. The order of the audits is based on the CSR risk analysis.

A total of ten CSR audits were conducted in the reporting year 2025, thus fully achieving the set target. Further CSR audits are planned for the coming year. Development is continuously monitored and controlled via the purchasing database.

11.4.3. ESRS S4 – CONSUMERS AND END-USERS

STRATEGY

DISCLOSURE REQUIREMENTS RELATED TO ESRS 2 SBM-3

In order to meet the requirements of the ESRS, Alzchem conducted an analysis of the material impacts, risks, and opportunities, with consumers and end-users being considered separately as an important stakeholder group within the framework of ESRS S4. Identification and assessment were carried out according to the principle of double materiality (see [ESRS 2 SBM-3, IRO-1](#)).

The following impacts, risks, and opportunities were identified within the three ESRS S4 topics that are material to Alzchem: privacy, health and safety, and responsible marketing practices.

PRIVACY

The protection of third-party data, including customer and end-user information, is of paramount importance to Alzchem and forms a central part of the company's strategy and business model. The company has robust and redundant IT infrastructures, backup mechanisms, virus protection, access controls, and encryption technologies in place. These systems for ensuring privacy and information security are continuously reviewed, regularly updated, and expanded as necessary. In addition, employees receive regular training on information protection and privacy. The importance and possibility of whistleblowing is also addressed, and the available tools for reporting privacy violations are explained.

Alzchem sees a potential reputational risk and the threat of fines in the event of information security incidents due to a lack of privacy. The associated impact of customer data being lost, which would lead to a loss of customer trust, would be seen as a consequence of an individual incident.

HEALTH AND SAFETY

Alzchem provides its business partners, customers, and end-users with comprehensive product information, including safety data sheets with hazard warnings, technical data sheets, application instructions, and information on any protective equipment that may be required. A lack of comprehensive product knowledge can pose potential health risks to consumers and end-users. Improper use of the product can lead to financial disadvantages for the company despite the existence of safety instructions. This mainly affects Alzchem intermediates that contain substances of very high concern (SVHCs) and are further processed into end products by our customers in the downstream value chain. Providing customers with comprehensive information has been shown to increase their willingness to buy. The continuous development of more environmentally friendly products that offer a high level of application safety and minimize health risks makes a further contribution to this. These measures promote lasting trust between Alzchem, business partners, customers, and end-users.

Alzchem is committed to continuously optimizing the sustainability performance of its product portfolio. In doing so, opportunities for eliminating critical substances are examined and alternatives that are more environmentally and health-friendly are developed.

RESPONSIBLE MARKETING PRACTICES

Responsible marketing practices are particularly important for Alzchem as a specialty chemicals company in order to gain the trust of business partners, customers, and the public and to be successful in the long term. Unethical or misleading marketing strategies can lead to misinformation and deception of customers and business partners. This can cause serious damage to our company's reputation and thus result in the loss of customers and business opportunities. On the other hand, acting in a factual and transparent manner in the interests of our own company can help to improve our reputation.

The introduction and ongoing enforcement of ethical marketing standards require considerable financial and human resources. If competitors apply lower standards and thereby save costs in the short term, Alzchem could suffer a competitive disadvantage.

All identified material impacts, risks, and opportunities in the areas of privacy, health and safety, and responsible marketing practices do not relate to specific consumer or end-user groups and are not limited to them. Although Alzchem's business activities are predominantly in the B2B sector – i.e., our main business partners are industrial companies that purchase our products as raw materials for further processing or resell them to end customers – in principle, both commercial and private end-users can potentially be affected, for example by health risks resulting from improper product use, by unlawful use of operational or personal data in the event of inadequate privacy, and by deception as a result of irresponsible marketing practices.

In principle, all consumers and end-users, regardless of characteristics such as age or gender, can be equally affected by negative impacts.

MANAGEMENT OF IMPACTS, RISKS, AND OPPORTUNITIES

S4-1 – POLICIES RELATED TO CONSUMERS AND END-USERS

Alzchem has various policies in place to regulate the material impacts on consumers and end-users and the associated risks and opportunities. The materiality assessment has shown that the issues of health and safety, privacy, and responsible marketing practices for consumers and end-users are of particular relevance to Alzchem (see [ESRS 2](#)).

HEALTH AND SAFETY

Providing customers and end-users with comprehensive information about our products helps us build long-term business relationships. Insufficient knowledge of health and safety aspects when handling our products can lead to improper use and potential negative health effects.

Although, as a B2B supplier of specialty chemicals, we rarely have direct contact with end-users or consumers, we are committed to providing our business partners with detailed and reliable information on the safe handling of our products. In this way, we support our business partners in providing their customers with competent and responsible information.

Responsibility for implementing and complying with legal requirements and internal product safety guidelines lies with the head of product safety/approval in close cooperation with the respective business units. Continuous improvement of product safety is a central component of our corporate policy and is firmly anchored in the Group-wide management system. This is reflected, among other things, in the provision of comprehensive product information, informative product labels, safety data sheets, and recommendations for the safe handling, use, and disposal of our products, which are communicated throughout the entire value chain. Within the scope of its business activities, it is the responsibility of the respective business unit to ensure that these documents are made available to the business partner and that the latter takes note of them.

The safe use of Alzchem products is a central aspect of corporate product responsibility. Alzchem is committed to continuously monitoring and carefully evaluating all potential risks to human health and the environment that could arise from its products.

Customers and end-users are also more willing to purchase products if they have comprehensive knowledge of their use. In addition, the development of more sustainable products that are characterized by safety and lower health risks can strengthen trust in the business relationship and thus contribute to an increase in sales. This policy effectively reduces the risk of financial burdens, even if appropriate safety instructions have been provided.

PRIVACY

Privacy and information security are firmly integrated into business processes and form the basis for cooperation with business partners. The protection of business partners' data is ensured by an information security management system (ISMS) that is certified according to the ISO 27001 standard. This regulation applies to all German sites. For direct business relationships in the upstream and downstream value chain, this is regulated by the Code of Conduct.

Our materiality assessment has shown that the protection of personal data of business partners, consumers, and end-users is of central importance to Alzchem and entails both significant legal and reputational risks. In particular, potential fines and possible reputational damage to our business partners that could result from violations of privacy laws or guidelines are assessed as significant risk factors.

Alzchem is expressly committed to protecting personal data and complying with all relevant privacy laws and regulations for consumers and end-users. To this end, a comprehensive privacy policy has been implemented. This includes a clearly structured privacy organization with clearly defined responsibilities and corresponding contact details, including the data protection officer. The information security systems used are continuously monitored, reviewed, regularly updated, and expanded as necessary to continuously optimize privacy management.

The Alzchem Group ensures that personal data is processed securely, confidentially, and transparently. Only the necessary data is collected and used in a lawful and transparent manner.

The monitoring process for the privacy policy includes internal audits to verify compliance with privacy guidelines. In addition, privacy measures are documented, reports are submitted to the Management Board, and technical and organizational measures are continuously reviewed and updated. The data protection officer is responsible for implementing and monitoring the privacy guidelines. The privacy policy serves to fulfill legal requirements and is intended to promote the trust of customers, consumers, and end-users in the company.

RESPONSIBLE MARKETING PRACTICES

Another important issue for Alzchem in terms of sustainability is the introduction of and compliance with responsible marketing practices. This means establishing principles for ethical behavior in all marketing activities, including transparency, honesty, and fairness, as well as integrating environmental and social sustainability aspects into our marketing strategies. Misleading or unethical marketing can lead to misinformation and deception of customers and business partners. This could significantly undermine the trust of our customers and business partners and ultimately lead to a loss of customers and business opportunities. In addition, Alzchem could suffer competitive disadvantages if competitors use less stringent practices and thereby reduce costs in the short term.

We are committed to responsible marketing and provide our customers with factual, clear information – without deception. This strengthens trust and protects our reputation. We comply with all regulations, invest the necessary resources, and regularly review our processes in discussions with customers in order to continuously improve.

The policies presented here on the key sustainability issues at Alzchem support compliance with legal requirements

and help to strengthen the trust and loyalty of our customers, consumers, and end-users. These policies apply to all areas of the value chain – including upstream and downstream processes – and are valid worldwide. Responsibility for implementing these measures lies with the Management Board.

HUMAN RIGHTS POLICY FOR CONSUMERS AND END-USERS

Alzchem operates internationally and pursues the goal of upholding human rights along the entire value chain. The company therefore checks whether the companies within the Alzchem Group respect the human rights of consumers and end-users.

The basis for our human rights due diligence can be found in the Human Rights Policy Statement, which has been in effect since April 2024, and in our corporate guidelines. The company also applies the principles and guidelines contained therein to business partners, consumers, and end-users to ensure that their rights are also protected. These documents are available to all relevant stakeholders, including customers, consumers, and end-users, on our website. Human rights due diligence also plays a central role in our sustainable business strategy and is linked to specific targets. To achieve these targets, the Alzchem Group has introduced a compliance management system (CMS). This system serves to prevent and limit damage, detect and end violations of human rights, and ensure compliance with legal regulations. The Management Board and Supervisory Board are informed about this once a year and more frequently in the event of any violations. If any impact on human rights is identified, appropriate remedial measures are taken immediately,

for example by terminating the business relationship with immediate effect.

The CMS also includes the corporate guidelines that the Alzchem Group has implemented to consolidate its corporate policy principles and standards.

Alzchem uses a variety of measures to ensure respect for human rights. These are based on internal guidelines and codes of conduct that define clear standards for the protection of human rights and are communicated to our business partners. In addition, due diligence checks are carried out to identify and assess potential risks in the area of human rights; these checks verify whether customers and business partners comply with the established standards. Established complaint mechanisms, such as a whistleblower hotline, are available for the anonymous reporting of any violations. Transparency is ensured through continuous reporting on measures and progress as part of sustainability reporting. These comprehensive initiatives enable effective monitoring and compliance with human rights obligations.

We are in constant dialogue with our customers and consumers in order to jointly tap into new innovation and growth potential and to be able to respond better and faster to their needs. This also includes human rights due diligence.

Alzchem is committed to complying with internationally recognized fundamental principles. Our human rights initiatives and guidelines are based on key national and international guiding principles for business and human rights.

- Responsible Care®
- UN Guiding Principles on Business and Human Rights
- UN Global Compact
- OECD Guidelines for Multinational Enterprises
- ILO (International Labor Organization) labor standards
- ILO Declaration on Fundamental Principles and Rights at Work
- International Bill of Human Rights

There are currently no indications of human rights violations, nor are there any known cases in which consumers or end-users of our products have violated these guiding principles.

With regard to the protection of the human rights of our employees and workers throughout the entire value chain, we also refer to the [ESRS S1](#), [S2](#), and [G1](#) standards.

S4-2 – PROCESSES FOR ENGAGING WITH CONSUMERS AND END-USERS ABOUT IMPACTS

The customer relationship management (CRM) system supports the maintenance and management of customer and consumer relationships. Among other things, the system enables the sales department to communicate directly with relevant contacts. Regular surveys of customers and consumers on services, safe handling, and product quality are conducted by the sales department during customer visits. Based on the results, suggestions or measures are developed, the implementation and realization of which are then monitored.

Our experts and our sales partners provide our direct customers and end consumers with advice or training on our products and their areas of application at least once a year, usually by telephone, e-mail, online, or at trade fairs. Potential new customers are informed at an early stage before the customer relationship is established in order to ensure the safe and proper use of our products and to rule out any potential health or environmental hazards. In addition, we maintain a continuous dialogue with our customers, including on topics related to the identified material IROs, as explained in this chapter in the context of the reporting requirements under [S4-1](#).

Both the respective division manager responsible for operational business and the Management Board are responsible for ensuring that the results are incorporated into the corporate policy.

S4-3 – PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR CONSUMERS AND END-USERS TO RAISE CONCERNS

Alzchem is committed to ethical and legally compliant corporate governance. Employees and external partners are expressly invited to openly communicate any compliance concerns. The effectiveness of our basic approach is assessed on the basis of targeted remedial measures and management systems, which are described in detail below.

If we identify significant negative consequences for consumers and/or end-users, there are various approaches and procedures in place to initiate countermeasures and mon-

itor their effectiveness. First, the negative impacts on consumers and end-users are identified through internal audits, customer feedback, or external reports. After a thorough assessment of the severity and scope of these impacts, the priorities and urgency of the corrective measures are determined. This is followed by detailed planning of specific measures to remedy the negative consequences, which may include product changes, recalls, compensation, or other corrective actions. The necessary resources (financial, human, technological) are made available to implement the measures effectively. The planned actions are implemented with clear responsibilities and timelines. Transparent communication with affected consumers and end-users about the measures taken and their progress is crucial. The implementation of corrective measures is continuously monitored to ensure that everything is proceeding as planned. Finally, feedback is obtained from affected consumers and end-users to assess their satisfaction with the measures.

These methods and procedures ensure that negative impacts are effectively addressed and that ongoing efforts are made to optimize processes.

In addition to the existing contact form and the option of contacting the compliance officer directly, Alzchem has introduced a whistleblower system ("whistleblower hotline") at an external reporting office to further strengthen the compliance system. This system is available to internal and external stakeholders, including customers, consumers, and end-users, to submit concerns, needs, and reports of violations and incidents. The communication platform ensures secure and confidential transmission, recording, and processing of all reports. If necessary, reports can also be

submitted anonymously. If the report is not anonymous, the identity of the whistleblower will be treated as strictly confidential. Alzchem also ensures that all whistleblowers are fully protected against possible reprisals. Information about these reporting channels is publicly available and is also actively communicated to our employees, customers, suppliers, and other partners.

Alzchem uses various methods and strategies to keep communication channels open in business relationships.

In order to make the tracking and processing of complaints effective and to ensure the performance of the complaint channels (e.g., whistleblower hotline), all incoming complaints are systematically recorded so that their processing status can be tracked. This system enables the identification of patterns and recurring problems. We monitor the nature and frequency of complaints through regular reports to the compliance officer and the responsible division managers, as well as through appropriate analyses. This helps us identify trends and take preventive measures. The implementation of feedback loops, in which customers are informed about the progress and results of their complaints, contributes to increasing transparency and trust. Our employees receive regular training in professional complaint management.

Stakeholders such as customers, consumers, and external partners are involved in the development and evaluation of complaint procedures through methods such as surveys, focus groups, or regular meetings. In addition, we conduct customer satisfaction surveys at regular intervals to systematically gather feedback on the efficiency of our complaint channels and identify potential for optimization.

These measures ensure that our complaint channels function effectively and are continuously developed.

Details on the procedures for reporting and reviewing concerns, needs, or violations, as well as policies for protecting individuals who use these procedures from retaliation, are outlined in the [ESRS G1-1](#) reporting.

S4-4 – TAKING ACTION ON MATERIAL IMPACTS ON CONSUMERS AND END-USERS, AND APPROACHES TO MANAGING MATERIAL RISKS AND PURSUING MATERIAL OPPORTUNITIES RELATED TO CONSUMERS AND END-USERS, AND EFFECTIVENESS OF THOSE ACTIONS

To ensure Alzchem's future viability, reliable information technology, including cyber and cloud security and privacy, is essential. Inadequate protection of our customers' and end-users' data can lead to a significant loss of trust. To prevent this potential negative impact and to raise awareness of the protection of consumer and end-user data, targeted e-learning courses, training sessions, and phishing simulations were conducted for our employees in 2025. Mandatory training courses on information security, privacy, and compliance, which take place every two years, ensure a thorough understanding of the applicable guidelines and processes. The mandatory participation of all Alzchem employees and the successful completion of specific training tests document the implementation of these measures.

To ensure data security, both organizational and technical measures have been established, such as backup strategies, effective virus protection programs, and encryption solutions to protect against unauthorized access.

Alzchem thus ensures compliance with legal requirements such as the General Data Protection Regulation (GDPR) and the Federal Data Protection Act (BDSG) and protects the personal data of its business partners from unauthorized collection, processing, and disclosure, also in order to avoid financial risks. In addition, transparency is guaranteed and data subjects are informed about which data is collected and processed for what purpose. These measures are applied globally along the entire value chain. No additional measures were implemented in the reporting year 2025.

All relevant issues relating to health protection and occupational safety require continuous measures, which have already been implemented.

An insufficient understanding of product properties can pose potential health risks to consumers and end-users. To avoid potential negative effects, Alzchem is continuously committed to ensuring that its products do not pose any risks to people or the environment when used responsibly and properly. Through comprehensive safety and risk assessments, the company ensures that business partners, customers, and end-users are offered safe products that meet all applicable regulatory requirements. Business partners and end-users receive comprehensive information on product safety through structured training measures and detailed information materials. These measures serve to promote health protection and safety in the long term. They apply both to our own employees – especially in production

facilities – and to customers and end-users in the downstream value chain and are fully implemented worldwide. No further measures were added in the reporting year 2025.

Continuous product monitoring includes ongoing research and the evaluation of scientific, toxicological, and ecological information. This includes the timely updating of registration dossiers, the revision and provision of relevant safety data sheets and customer information, market monitoring of Alzchem products and their areas of application, and the monitoring of potential hazard warnings, for example from press reports, consumer organizations, or industry associations, that are related to the products distributed by Alzchem. Ensuring the safe use of Alzchem products along the value chain – both internally and with downstream partners – is a central aspect of the company's product responsibility. Improper use of the product despite existing safety instructions can have significant financial implications for the company.

The development and marketing of safe and sustainable products are at the heart of Alzchem's corporate strategy. By consistently minimizing risks to people and the environment, Alzchem pursues the goal of building long-term customer relationships and attracting new business partners. This approach promotes trust and can contribute to sustainable sales growth.

Alzchem is committed to responsible marketing practices in order to meet the expectations of its business partners, consumers, and end-users. As a company that operates primarily in the B2B sector, we are fully aware of our influence and the resulting responsibility and have implemented the following measures to prevent potential negative impacts:

Our marketing materials present our products authentically and avoid any form of deception. We rely on clear and transparent communication to ensure that consumers and business partners can make informed decisions.

We implement procedures, systems, and processes and monitor them regularly. This includes reviews and risk assessments of marketing processes to ensure product quality and the protection of people and the environment. Based on the results of the risk assessments, necessary corrective measures are initiated and transparently reported on through reassessments. We then use our continuous risk assessments to check whether these corrective measures are effective and efficient. We also conduct regular training to familiarize our employees with laws, regulations, and internal rules.

Our marketing strategies and measures comply with all relevant legal requirements, including regulations governing advertising, privacy, and consumer rights, in order to avoid potential financial risks. We also ensure that all marketing activities comply with applicable advertising guidelines. These measures are already fully implemented, apply to all employees in the areas of marketing and sales, and are applied worldwide.

The marketing policies include measures for sustainability and reducing our environmental footprint. In addition, we ensure proper, transparent, comprehensive, and understandable communication about sustainable practices, including training on antitrust law. Regular surveys are conducted to proactively obtain feedback on customer satisfaction and to identify and address potential issues early on before they become formal complaints.

For Alzchem, the safe use of our products, especially in agriculture, is a top priority. When used properly in accordance with the instructions for use and in compliance with appropriate protective measures, such as wearing the appropriate personal protective equipment, health risks can be virtually eliminated. We carefully select our distribution partners and place particular emphasis on their reliability and trustworthiness to ensure that all necessary measures are implemented professionally on site. In order to provide users with comprehensive information about potential hazards, the respective distribution partners conduct structured training courses and document them carefully. Users are personally instructed in the safe handling of the product. This direct transfer of knowledge ensures that even farmers who may not be able to read the safety and application instructions on the label are protected as well as possible. A bitter substance is added to certain products to prevent accidental ingestion. In addition, an intense dye ensures clear labeling so that these products can be clearly distinguished from food or drinking water.

Together with our distribution partners, we ensure that users have access to personal protective equipment. In certain markets, it is difficult for farmers to obtain this protective equipment. For this reason, we offer chemical protective gloves free of charge, for example. No further measures were added in the reporting year 2025.

Specialized departments manage issues relevant to Alzchem with regard to customers and consumers, such as privacy, health and safety, and responsible marketing practices.

METRICS AND TARGETS

S4-5 – TARGETS RELATED TO MANAGING MATERIAL NEGATIVE IMPACTS, ADVANCING POSITIVE IMPACTS, AND MANAGING MATERIAL RISKS AND OPPORTUNITIES

There are no specific targets for privacy, health and safety, and responsible marketing practices in the reporting year 2025. Nevertheless, it is essential for Alzchem to continuously monitor and evaluate the effectiveness of the measures and policies implemented in these key sustainability areas. This is achieved through customer feedback, for example through personal conversations at trade fairs or via our contact forms. Quantitative indicators such as the number of privacy violations or the frequency of inquiries due to insufficient user information can provide information about the perception and acceptance of policies and measures. Continuous data collection and analysis makes it possible to identify long-term trends and developments.

These methods and approaches provide a basis for transparently monitoring and evaluating the effectiveness of sustainability policies and measures.

11.5. GOVERNANCE (G)

11.5.1. ESRs G1 – BUSINESS CONDUCT

GOVERNANCE

DISCLOSURE REQUIREMENTS RELATED TO ESRs 2 GOV-1

This disclosure requirement is described in detail in ESRs 2.

MANAGEMENT OF IMPACTS, RISKS, AND OPPORTUNITIES

DISCLOSURE REQUIREMENTS RELATED TO ESRs 2 IRO-1

This disclosure requirement is described in detail in ESRs 2.

G1-1 – CORPORATE CULTURE AND BUSINESS CONDUCT POLICIES

Alzchem's corporate culture is the result of many years of people living and working together within the company that now operates under the name Alzchem. It is characterized by mutual respect and trust. The values underlying the corporate culture are regularly reviewed and further developed by the company management together with the management team and workers' representatives, usually every two to three years or as required. At the end of 2024, for example, as a result of the latest employee survey, a "Culture & Values" team was formed, consisting of representatives from various employee groups. Its tasks include review-

ing the extent to which Alzchem's values are still relevant, whether they need to be further developed, and how they can be made useful for the company and its employees. The work of the project group, which currently aims to develop a kind of internal "Alzchem code", is not yet complete. Its proposals will then be presented to the Management Board, where they will be discussed and, if necessary, implemented.

We have drawn up binding rules of conduct based on our corporate values and vision and summarized them in our corporate guidelines. These apply to all employees with regard to all Alzchem activities in all business areas and cultural circles worldwide. The Corporate Guidelines summarize Alzchem's most important legal and corporate policy principles and standards, with which employees must be familiar. They provide Alzchem employees with guidance on fundamental legal and ethical obligations and determine our conduct internally in our dealings with each other and externally in our contact with business partners, authorities, the capital market, and the public.

All employees are familiarized with the corporate guidelines, among other things, through the "Acting Correctly" training course. The training, which is offered via a training tool or held in person by suitable employees, is mandatory for all employees; successful participation is documented accordingly. In the reporting year 2025, a successful participation rate of 92.5% of employees was recorded.

In addition, special training courses are offered for specific target groups on other compliance-related topics, such as fraud and corruption prevention (especially for employees in the finance and purchasing departments), signature regulations (for employees involved in contracts), export control (for employees dealing with foreign trade law), anti-trust law (especially for sales employees), and environmental, safety, and health issues. Participation in such training

courses is also documented. It is the conviction of the company management that this comprehensive approach ensures that almost all employees are covered by the topics addressed in the corporate guidelines and other topics that are not explicitly addressed there but are nevertheless relevant to compliance. (Only) in this way can the corporate guidelines fully achieve their goal of providing Alzchem employees with value-based guidance.

Apart from that, the values addressed in the corporate guidelines and other sustainability-related values to which Alzchem is committed also play a special role in the upstream supply chain. In the future, Alzchem's partners will be expected to fully comply with the company's own "Code of Conduct for Suppliers". The code is based on the German chemical industry's sustainability initiative ("Chemie³") and promotes sustainable development specifically in this industry. It addresses

- behavior in the business environment,
- the working standards prevailing at the supplier,
- compliance with fundamental and human rights,
- environmental protection, and
- product responsibility.

Detailed information can be found in chapter [ESRS S2](#), which comprehensively explains the measures for implementation and verification of our suppliers.

When it comes to ensuring that Alzchem's values are upheld within the company itself, all managers must ensure that their employees are regularly made aware of the contents of the company guidelines, which are also available as a handy flyer and online, and that they comply with the requirements contained therein. Managers are obliged to

actively support compliance with the company guidelines by setting an example ("tone from the top"). Compliance violations that occur within the company should be taken as an opportunity to discuss the misconduct expressed therein with the employees, prevent repetitions, and, if necessary, impose the necessary sanctions. Serious violations are extremely rare within the company, but in individual cases they can also result in (possibly even extraordinary) termination. In the case of a minor violation, especially one that does not cause harm to a third party, a serious conversation with the employee concerned or a written warning is usually sufficient.

If there is reasonable suspicion or knowledge of violations of company guidelines or legal regulations, every employee should inform the compliance officer, their supervisor if necessary, or alternatively the whistleblower hotline. Violations of legal regulations may nevertheless be punished by the state authorities. Violations of company guidelines may also result in consequences under labor law, in particular disciplinary measures.

The Compliance Officer ensures that all concerns addressed to him or received via the whistleblower hotline are handled independently and objectively. This applies to all concerns relating to a potential compliance violation or a violation of ethical principles or company guidelines, regardless of their origin (employees, suppliers, customers, neighbors, third parties). Even if a concern raised via the whistleblower hotline has no – or at least no immediately apparent – connection to compliance, the compliance officer will investigate it and provide feedback to the person who reported it. As a

result, none of the – already very few – reports received via the whistleblower hotline remain unanswered.

The Compliance Officer reports directly to the Management Board. However, he is not bound by any instructions in his professional capacity. The Compliance Officer is also available to all employees as a contact person for answering questions and as an advisor, for example in connection with company guidelines. He records all incoming reports and follows them up with the necessary care appropriate to the case. The reports received are treated confidentially, as far as legally possible.

If the Compliance Officer determines that there is sufficient initial suspicion of a violation of the principles contained in the company guidelines, he or she may involve other departments at Alzchem in the investigation of the matter, while maintaining the confidentiality of the reporting person and the information received. The Compliance Officer's employees are also bound to secrecy with regard to the information that has come to their knowledge.

In addition to the option of reporting to the compliance officer, supervisor, or works council, Alzchem has also set up a digitally supported whistleblower system ("whistleblower hotline") provided by a professional service provider. In addition to Alzchem employees, the whistleblower hotline is also available to third parties, such as business partners or customers, who can use it to report violations of company guidelines or legal regulations, even anonymously.

To date, no complaints about Alzchem employees have been received via the whistleblower hotline that would have

necessitated training for these employees. In an earlier case, an allegation made against an employee by another employee, which might have necessitated such training, was resolved in a joint discussion.

The protection of both internal and external whistleblowers is guaranteed in all cases. The person concerned will not suffer any disadvantages as a result of calling the compliance officer or the whistleblower hotline, provided that the whistleblower has not themselves violated any laws or company guidelines. This is not only in line with Alzchem's own code of conduct but is also guaranteed in various ways by the Whistleblower Protection Act (HinSchG) enacted in Germany to implement the so-called "Whistleblower Directive". Both internal and external whistleblowers are protected, among other things, by the fact that they can report violations of company guidelines or legal regulations anonymously. This can be done either via the compliance officer or a whistleblower system such as the whistleblower hotline. The law also guarantees that whistleblowers will not suffer any disadvantages in their professional environment as long as they themselves have not violated any laws or Alzchem's company guidelines.

The disadvantages from which the HinSchG is intended to protect whistleblowers as a result of their reports include, in particular:

- Termination or dismissal: Whistleblowers may not be terminated or dismissed on the basis of their reports.
- Discrimination and bullying: The law protects whistleblowers from any form of discrimination or bullying in the workplace.

- Transfer or demotion: Whistleblowers may not be transferred or demoted against their will.
- Salary reductions or denial of promotions: The law ensures that whistleblowers do not suffer financial disadvantages, such as salary reductions or denial of promotions.

Other reprisals: Any other measures that could be construed as reprisals against whistleblowers are also prohibited.

These protective measures are intended to ensure that whistleblowers can report violations without fear of negative consequences.

COMBATING CORRUPTION AND BRIBERY

Alzchem's corporate guidelines include a commitment to responsible and ethical business conduct and a zero-tolerance policy toward any form of corruption, bribery, fraud, and theft, including attempts to commit such crimes. According to the company guidelines, even the appearance of an Alzchem employee being corrupt or attempting to influence others by improper means must be avoided. All of Alzchem's business affairs and processes must therefore be conducted and set up in such a way that they comply with all applicable legal regulations, including foreign ones where applicable. For this reason, there are separate procedural instructions, workflows, manuals, or guidelines for all essential business matters and processes. Where contracts are concluded, orders are placed, or other legally relevant actions are taken, the signature policy (with specific value limits) and the dual control principle must be observed.

The corporate guidelines not only contain rules and procedures, e.g., for conflicts of interest, for maintaining confi-

dentiality, and for handling sensitive (insider) information, but also specifically address

- the acceptance and granting of gifts, invitations, and benefits,
- sponsorship in the form of monetary and non-monetary contributions to promote cultural, social, religious, scientific, political, and charitable purposes,
- the protective regulations to be observed specifically in financial transactions to prevent money laundering, and
- the orderly selection of suppliers and service providers based on objective criteria.

Based on these principles, Alzchem is committed to detecting all violations of legal regulations – even potential ones – at the earliest possible stage, thoroughly investigating any non-compliance that is identified, and determining appropriate organizational measures and, if necessary, sanctions for the individuals involved. However, this is more than just an end in itself: we believe that the integrity of our employees is the basis for the trust that our suppliers, customers, and other stakeholders place in our company. Furthermore, we see the integrity of our actions as an essential prerequisite for sustainable business success.

Violations of legal regulations are uncovered by supervisors, other employees, business partners, or, if necessary, authorities or the public prosecutor's office. It is also conceivable that "error reports" are made in the relevant internal Alzchem procedures and processes, thus providing an indication of any violations that may have occurred.

If a possible legal violation is suspected, it is primarily dealt with by the compliance officer, supported by the supervisor of the employee concerned, the human resources department, and, if necessary, the works council. If it is difficult to clarify the facts of the case or if there is a suspicion that it could be a more extensive matter or one of fundamental importance to the company, the involvement of an external compliance consultant may also be considered; This was the case, for example, in a case involving the theft of company property, which gave rise to the suspicion – ultimately unprovable – of a criminal network. If the internal company investigation reveals that the employee's conduct is criminal, a report is usually filed with the police.

The ethical and legal standards set out in the company guidelines, specifically on the topics of corruption and bribery, apply across the group to all Alzchem employees and – via the "Code of Conduct for Business Partners" – also to our suppliers and business partners. We also expect them to compete fairly.

The functions within Alzchem that are theoretically most susceptible to corruption and bribery include activities in the areas of procurement and purchasing, sponsorship, and sales and marketing. This is where decisions about suppliers are made, customer and partner relationships are maintained, and contracts, some of which are highly lucrative, are concluded. Risks may also exist in research and development, particularly when it comes to the protection of intellectual property and patents. Finally, managers with significant budgets and resources at their disposal may also be susceptible to unfair business practices. In this respect,

however, Alzchem does not differ structurally from other comparable commercial enterprises.

G1-2 – MANAGEMENT OF RELATIONSHIPS WITH SUPPLIERS

Alzchem strives for fair and reliable business relationships, especially with suppliers with whom it maintains intensive dialogue and close cooperation.

According to Alzchem's corporate guidelines, payment for goods and services received must be made directly to the respective contractual partner. Payment is usually made in the country where the contractual partner has its registered office. Full or partial payment in cash is prohibited, except in minor cases.

Alzchem is interested in paying its suppliers not only fairly but also punctually for the services they provide. However, no distinction is made between small, medium-sized (SME) or large companies. Rather, Alzchem tries to agree on payment terms with its suppliers that are as uniform as possible, preferably based on its General Terms and Conditions of Purchase. Accordingly, invoices from Alzchem are paid within 65 days. The payment period begins upon delivery of the goods to the place of receipt (shipping address) or acceptance of the work performance, but not before the invoice has been received in due form. Payments are made, if applicable, less any withholding tax to be retained in accordance with the law if the invoicing party cannot present an exemption certificate. Alzchem reserves the right to offset and retain payments as well as to raise the defense of non-performance of the contract to the extent permit-

ted by law. In particular, Alzchem is entitled to withhold due payments as long as the company still has claims against the contractor for incomplete or defective services. As a rule, the contractor only has a right of set-off or retention on the basis of legally established or undisputed counterclaims.

With regard to the terms of payment, individually agreed payment terms and modalities may also apply in individual cases. The reasons for such an approach are manifold (market power; business models; liquidity situation, etc.) and cannot always be determined unilaterally by Alzchem.

The agreed payment terms are stored in reliable processing systems that guarantee punctual payment. Alzchem has no interest whatsoever in payment delays, if only because of the adverse legal consequences regularly associated with them and the disruption they cause in supplier relationships. Alzchem is convinced that the reliable processing of payment obligations to suppliers is the basis for continued trustful cooperation in the future.

However, Alzchem does not wish to make advance payments in the context of procurement processes (goods and services) as this may entail risks for Alzchem (e.g., goods or services not being delivered or not being delivered properly, insolvency of the supplier or service provider, double payment of invoices). If advance payment is unavoidable in individual cases, the existing procedural instructions for this must be followed.

Most of the above principles are set out in procedural instructions, manuals, and process descriptions, which are updated regularly. We are not aware of any third-party standards or initiatives that the company has committed to

comply with as part of the implementation of its strategy to prevent late payments.

The highest level within the company that deals with the issue of late payments to suppliers is the Chief Financial Officer (CFO).

In the future, business partners in the upstream supply chain will be required to comply with our "Code of Conduct for Suppliers". Failure to comply with these strict purchasing standards and disregard for this code of conduct increases the risk of limited availability of raw materials, which could potentially lead to a decline in sales.

Alzchem's relationship with its suppliers is largely shaped by internal company regulations and the binding requirements of the Supply Chain Due Diligence Act (LkSG). The approach relevant to the company is laid down in the procedural instruction on the "Purchasing Process" ("Purchasing Procedural Instruction") and, specifically with regard to sustainability aspects, in the "Alzchem Group Supply Chain Due Diligence Act Handbook". The general objective of the Alzchem Group's purchasing activities, in accordance with Section 1 of the Purchasing Procedure, is to "ensure the realization of the most favorable market conditions and terms and conditions, taking into account quality, environmental, energy, social, information security, and sustainability aspects". In addition, the requirements of the LkSG are integrated into purchasing activities. Sustainability aspects play a role in the purchasing process in two areas: firstly, in the qualification of new suppliers and, secondly, in the actual awarding of contracts.

To this end, selection and commissioning are carried out in accordance with a specific risk grid that makes use of the results of the company's "general" risk management. For example, the decision was made to regularly subject suppliers from non-OSCE countries to a special corporate social responsibility (CSR) review focusing on human rights. In concrete terms, this means the following for supplier selection:

1. completing the CSR self-assessment questionnaire sent by Alzchem to suppliers or providing equivalent self-assessment information from the supplier;
2. acceptance of Alzchem's Supplier Code of Conduct or a commitment to an equivalent code of conduct of their own;
3. evaluation and categorization of suppliers with regard to the CSR rating using a defined scheme (A/B/C) by the Purchasing department;
4. the exclusion of suppliers if certain knockout criteria are met. This applies in the following cases:
 - a. no exclusion of child labor
 - b. no exclusion of forced labor
5. if necessary, derivation of measures directly from the feedback;
6. storage of the evaluated questionnaires in the supplier database.

Our sustainability-related approach in dealing with our suppliers, among others, is also reflected in many ways in the "Policy Statement" issued by the company's human rights officer and publicly available on the Alzchem website. The principles of conduct set out therein express, for example, that

- Alzchem does not base its business activities solely on its economic interests but stands for value-based business conduct. This includes respect for human rights and compliance with environmental due diligence obligations – primarily by Alzchem and its employees themselves, but also by its business partners;
- Alzchem considers the protection of human rights to be a central element of our corporate responsibility. We base our commitment to respect human rights on the United Nations Universal Declaration of Human Rights and the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work. We are committed to respecting the internationally recognized human rights set out in these declarations and to observing them in our business activities and along our value chains; and
- the principles set out here apply to the business activities of all companies in the Alzchem Group and their employees. In addition, we also expect our suppliers and other business partners to commit to complying with the principles set out here and to implement appropriate processes for respecting human rights. This also includes our partners providing information on how the aforementioned principles are being complied with upon request by Alzchem.

G1-3 – PREVENTION AND DETECTION OF CORRUPTION AND BRIBERY

Cases of corruption and bribery in which Alzchem or an Alzchem employee has been actively or passively involved have remained the absolute exception in corporate practice to date (see chapter [ESRS G1-4](#)). Based on a risk-based approach, there are therefore no comprehensive, dedicated anti-corruption or anti-bribery procedures or guidelines. Instead, any cases of corruption and bribery are investigated, prosecuted, and, if necessary, punished within the framework of the general compliance organization and procedures. For this very purpose, the topic is also addressed in general terms in the corporate guidelines – e.g., in the chapters on "Conflicts of Interest", "Donations", "Bribery and Fraud", and "Gifts, Entertainment, and Other Benefits". In certain areas that are notoriously prone to risk, such as accounts payable management, special service providers are sometimes used to help the company manage typical fraud risks (e.g., in the areas of "fake invoices" and "double payments"). A separate verification process has been established for verifying notifications of (alleged) account changes by Alzchem suppliers, which is applied in all cases of change without exception.

For the reasons mentioned above, Alzchem does not plan to introduce general, comprehensive procedures to combat corruption and bribery in the foreseeable future. From the company's point of view, this would only fuel mistrust where there has previously been trusting cooperation internally and with our business partners.

The awareness of Alzchem employees, including top management, of the risks associated with corruption and bribery is reinforced through regular training. This primarily includes general training on company guidelines, but also

special training courses dealing with topics such as "gifts and benefits", purchasing processes, and internal company signature regulations (dual control principle). While the training on company guidelines applies to all employees, the other training courses are specifically aimed at employees affected by the respective topics; The aim is to cover as many of the employees concerned as possible (> 95%). The training courses take place partly online and partly in person and last 30–60 minutes; online training courses are regularly followed by a final test, which the employee must pass.

Training courses are assigned to employees according to a fixed training plan agreed with the Management Board; in individual cases or on request, additional, individually tailored training courses are also held. The training plan also applies to members of the Management Board; in some cases, training courses are more or less exclusively intended for them as the only relevant target group (e.g., on certain aspects of capital market law).

The members of the Supervisory Board are not "employees" (in the sense of labor law), but members of a corporate body; for this reason alone, they are not affected by the company's training plans. However, certain internal training courses (e.g., on capital market law) are nevertheless offered to the members of the Supervisory Board by the company and are regularly accepted by them; these courses are held during Supervisory Board meetings, to which the members of the Supervisory Board are invited, usually two weeks before the meeting, with the relevant agenda attached. The last training session for the Supervisory Board on capital market law took place at the Supervisory Board meeting on April 26, 2024, and another training session on the Supply Chain Due Diligence Act took place at the meeting on July 26, 2024. If the Supervisory Board requests it,

such training sessions are also organized specifically for it, either internally or externally. Finally, the members of the Supervisory Board are informed by the Supervisory Board office of other training and continuing education opportunities that may be suitable for them; corresponding certificates of participation are collected by the Supervisory Board office. Apart from this, the topic of "Sustainability@Alzchem" is a routine item on the agenda of every single Supervisory Board meeting; furthermore, the Compliance Officer reports to the Supervisory Board on the status of compliance once a year.

The topics of "corruption" and "bribery" are covered as part of the training on corporate guidelines. Of particular interest here are the chapters "Conduct of Business" (with the subchapters "Compliance with All Laws", "Bribery and Fraud", "Gifts and Entertainment", and "Reporting Integrity"), "Business Relationships", and "Donations". Special training courses on the topics of "corruption" and "bribery" as a whole or on specific aspects thereof are conducted by the Compliance Officer on request. As the corporate guidelines are taught company-wide on an annual basis, all risk-prone functions and members of the management bodies are covered. High-risk functions include senior executives, employees responsible for purchasing goods and services and sponsorship, sales staff, individuals entrusted with the management of finances and larger budgets, and employees in the areas of licensing and public affairs.

The members of the supervisory bodies of Alzchem Group AG and Alzchem Trostberg GmbH, on the other hand, are independent of the company – unless they are specifically workers' representatives – and are therefore not subject to the usual training plan.

METRICS AND TARGETS

G1-4 – CONFIRMED INCIDENTS OF CORRUPTION OR BRIBERY

Cases of corruption and bribery are assessed by the company on the basis of the material damage incurred (either its own or that of third parties) and the associated reputational risk among stakeholders. In view of the extremely low number of cases of corruption and bribery in recent years, a further breakdown of this "metric" or even its "quality assurance" or "validation" by an "external body" does not appear to be expedient.

Neither the company nor its employees (with regard to their activities for the company) have been convicted of violations of applicable corruption and bribery regulations in 2025.

In the fiscal year 2025, the company was not aware of any violations of applicable corruption and bribery regulations, so there was no need to take any (sanctioning) measures.

G1-5 – POLITICAL INFLUENCE AND LOBBYING ACTIVITIES

It is of central importance to Alzchem to professionally manage the significant effects of its lobbying activities and the associated risks and opportunities. This includes promoting transparent and ethical political influence in order to avoid damage to our reputation, legal consequences, and financial losses, thereby ensuring the long-term sustainability of our company, which has a positive impact on the environment and society. A transparent approach to political engagement and lobbying activities, taking into account

business interests, for example in the area of regulation, offers the opportunity to strengthen Alzchem's reputation.

The lobbying activities of Alzchem and its consultants extend to only a few specific issues and areas, but these are all the more important for the company in economic terms. Internal responsibility for supervising the respective lobbying activities within the Management Board follows the general business responsibilities set out in the business distribution plan (for example, the member of the Management Board responsible for sales (CSO) is responsible for lobbying activities relating to an Alzchem product, while the person responsible for production (COO) is responsible for environmentally relevant emissions and their effects (COO) responsible for production, etc.). Where the matter in question is of group-wide significance, responsibility lies with the Chairman of the Management Board, which also entails monitoring the lobbying activity in question.

In 2025, Alzchem did not make any financial or in-kind contributions exceeding the socially acceptable level to any office holder, political decision-maker, or political party inside or outside Germany.

Alzchem has stepped up its efforts to promote its interests at the European level. The main activities are documented in the EU Transparency Register:

1. REACH restriction procedure "Calcium cyanamide as a fertilizer"
2. Hazardous chemicals – prohibiting production for export of chemicals banned in the European Union
3. Amendment of CLP Regulation 2008/1272
4. Chemicals legislation – revision of REACH Regulation to help achieve a toxic-free environment

5. Soil monitoring and resilience (Soil Monitoring Law)

6. EU Parliament: 2021/2006(INI): An EU strategy to reduce methane emissions

In the REACH restriction procedure (point 1), Alzchem contributed to the ECHA committees "RAC" and "SEAC" involved in the procedure in the form of technical opinions and held discussions with the relevant departments. Several stakeholders in the EU member states have expressed criticism of a corresponding restriction on calcium cyanamide. The EU Commission's SEAC committee also questions the benefits and proportionality of a ban. Alzchem therefore continues to believe that the ECHA proposal will not be adopted in its current form.

Alzchem has commented on points 2 to 5 in part and has issued statements: Cyanamide, a substance produced and used by Alzchem, is the focus of regulatory measures. The EU Commission has banned its use as a biocide; further restrictions on its use are possible. Due to numerous technical, legal, and procedural deficiencies, Alzchem has filed a lawsuit against the biocide ban with the European Court of Justice and intends to take action against future unfounded restrictions as well.

The CLP Regulation (2024/2865) introduces digital labeling, stricter labels, and new hazard classes, for example for endocrine disruptors. Alzchem has not yet published its own statement, but as a manufacturer of hazardous substances, it is also affected by the changes.

Alzchem is actively participating in the discussion on the planned REACH revision, particularly with regard to the proposed restriction procedure for calcium cyanamide. The European Commission is proposing a ban on its use as a fertilizer, with a transition period of five years for production

and six years for use. Alzchem opposes the ban, as it would have a significant impact on the entire production chain and downstream products, for example in the pharmaceutical sector. A position paper has been submitted to the REACH Committee to outline the socio-economic disadvantages of a ban.

In general, Alzchem calls for risk-based regulation instead of blanket bans.

Alzchem has not yet commented publicly on the new EU Soil Law, which mandates the monitoring and strengthening of soil resilience and also affects the chemical industry.

With regard to a possible reduction of methane at EU level, contact has been made with staff from the Directorate-General for Agriculture and Climate Action. Alzchem's lobbying activities with German and Bavarian authorities have focused primarily on the following areas:

- Support for the REACH restriction procedure "Calcium cyanamide as a fertilizer",
- Promotion of suitable framework conditions for the use of Eminex® to reduce methane emissions from livestock farming,
- Location policy issues, for example, on energy price developments and security of supply.

In general, it can be assumed that new legal requirements will lead to an expansion of approval obligations, which would cause additional administrative and financial burdens. In the event of bans, it may be necessary to adapt existing products or develop alternatives. If no suitable replacement is available, this could result in potential losses in sales.

For the purpose of representing our interests, discussions are held with representatives of the Federal Chancellery and the federal ministries, as well as with members of the German Bundestag, to explain the need for change in a variety of areas that are of great importance as framework conditions for business activity, including with regard to market access conditions for our products. These include issues such as environmental protection, resource availability, supply chains, energy supply, and aspects of sustainability. The purpose of our advocacy is to convey the practical perspective and provide impetus for improving the overall economic situation and regulatory framework.

For a medium-sized company like Alzchem, it is essential to efficiently represent its own interests vis-à-vis government agencies, especially in Bavaria, Germany, and Europe. In order to get through to the relevant authorities with the essential arguments appropriate to the matter, experienced interest groups are indispensable, if only because of our own limited resources. These include the trade associations CEFIC, VCI, and IVA, among others.

Alzchem Trostberg GmbH is registered in the EU Transparency Register (under No. 058565221863-63), in the Federal Lobby Register (under No. R001966) and in the Bavarian Lobby Register (under No. DEBYLT010E).

Members of the Management Board, Board of Directors, and Supervisory Board of companies in the Alzchem Group did not hold any comparable positions in public administration (including regulatory authorities) prior to their respective appointments.

G1-6 – PAYMENT PRACTICES

The business partners of Alzchem Group AG contribute significantly to the success of our company. A cooperative approach forms the basis for long-lasting business relationships that are characterized by mutual benefit and can lead to increased sales. Reliable payment practices also help to strengthen supplier relationships.

The payment terms for deliveries and services purchased by Alzchem are agreed individually with the contractual partners involved and do not follow any standard conditions. The average payment period is approximately 65 days. As no standard payment terms have been defined, it is not possible to specify the proportion of payments for which these terms were adhered to.

The most important supplier groups are recorded according to the purchasing areas of raw materials, services and technical goods, transport, and packaging. However, there is currently no evaluation of the payment terms or their share of the total purchasing volume.

There are no standard payment terms due to individual agreements. Incoming invoices are immediately processed and checked in a workflow and posted with a due date to ensure timely payment.

Currently, and also in the past, no legal proceedings have been initiated against Alzchem due to late payment.

CONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2025



Consolidated income statement

OF ALZCHEM GROUP AG, TROSTBERG,
FOR THE FISCAL YEAR FROM JANUARY 1 TO DECEMBER 31, 2025

in EUR thousand	Notes No.	01/01 - 12/31/2024	01/01 - 12/31/2025
Sales revenues	1	554,231	562,115
Change in inventories of finished and unfinished goods		-5,317	16,038
Other operating income	2	17,301	23,342
Cost of materials	3	-195,663	-198,286
Personnel expenses	4	-160,499	-173,611
Other operating expenses	5	-104,785	-113,119
EBITDA		105,268	116,479
Depreciation and amortization	6/11/12/13	-26,318	-26,648
EBIT		78,950	89,831
Other interest and similar income	7	2,230	3,238
Interest and similar expenses	7	-5,837	-5,131
Financial result	7	-3,607	-1,893
Result from ordinary business activities		75,343	87,938
Taxes on income and earnings	8	-21,097	-24,308
Consolidated annual result		54,246	63,630
Non-controlling interests in consolidated annual result	10	171	171
Shares of Alzchem Group AG shareholders in consolidated annual result		54,075	63,459
Earnings per share in EUR (undiluted and diluted)	9/IV	5.31	6.28

Consolidated statement of comprehensive income

OF ALZCHEM GROUP AG, TROSTBERG,
FOR THE FISCAL YEAR FROM JANUARY 1 TO DECEMBER 31, 2025

in EUR thousand	Notes No.	01/01 – 12/31/2024	01/01 – 12/31/2025
Consolidated annual result	21	54,246	63,630
Other income			
Items that are not reclassified to the income statement			
Result from the revaluation of defined benefit plans		4,689	9,691
Deferred taxes		-1,313	-3,505
Total items that are not reclassified to the income statement		3,376	6,186
Items that will later be reclassified to the income statement			
Result from the market valuation of financial assets		-35	-2
Difference from currency translation		208	-503
Deferred taxes		10	0
Total of items that will later be reclassified to the income statement		183	-505
Other income	21	3,559	5,681
Non-controlling interests in other income		0	0
Shares of Alzchem Group AG shareholders in other income		3,559	5,681
Consolidated comprehensive income	21	57,805	69,311
Non-controlling interests in consolidated comprehensive income		171	171
Shares of Alzchem Group AG shareholders in consolidated comprehensive income		57,634	69,140

Consolidated balance sheet

AS OF DECEMBER 31, 2025
OF ALZCHEM GROUP AG, TROSTBERG

ASSETS in EUR thousand	Notes No.	12/31/2024	12/31/2025
Non-current assets			
Intangible assets	11	3,671	3,529
Property, plant, and equipment	12	192,976	276,980
Lease usage rights	13	4,023	2,992
Financial assets	14	6	6
Other receivables and other assets	15	1,234	21,801
Deferred tax assets	16	20,121	15,711
Total non-current assets		222,031	321,019

ASSETS in EUR thousand	Notes No.	12/31/2024	12/31/2025
Current assets			
Inventories	17	101,166	116,004
Trade receivables	18	78,935	73,416
Other receivables and other assets	15	20,080	35,201
Income tax assets	19	70	319
Cash and cash equivalents	20	61,544	71,720
Total current assets		261,795	296,660
Total ASSETS		483,826	617,679

EQUITY AND LIABILITIES in EUR thousand	Notes No.	12/31/2024	12/31/2025
EQUITY			
Capital and reserves			
Subscribed capital	21	101,763	101,763
Capital reserve adjustment item reverse acquisition / IFRS 2	21	-88,459	-86,050
Capital reserve	21	24,981	24,981
Other comprehensive income	21	-18,080	-12,398
Balance sheet profit	21	186,844	232,112
Treasury shares	21	-1,512	-4,111
		205,537	256,297
Non-controlling interests	10/21	1,934	1,934
Total equity		207,471	258,231

EQUITY AND LIABILITIES in EUR thousand	Notes No.	12/31/2024	12/31/2025
LIABILITIES			
Non-current liabilities			
Provisions for pensions and similar obligations	22	96,937	88,239
Other provisions	23	22,209	18,981
Loan liabilities to banks	24	41,082	34,750
Lease liabilities	13	2,326	1,239
Trade payables	25	0	14
Contract liabilities	26	0	88,099
Other liabilities	27	647	492
Deferred tax liabilities	16	7,755	8,730
Total non-current liabilities		170,956	240,544

EQUITY AND LIABILITIES in EUR thousand	Notes No.	12/31/2024	12/31/2025
Current liabilities			
Other provisions	23	3,413	7,190
Loan liabilities to banks	24	7,589	6,368
Lease liabilities	13	1,826	1,874
Financial liabilities	27	1,994	0
Trade payables	25	37,425	51,726
Contract liabilities	26	0	2,433
Other liabilities	27	39,974	38,340
Income tax liabilities	28	13,178	10,973
Total current liabilities		105,399	118,904
Total liabilities		276,355	359,448
Total EQUITY and LIABILITIES		483,826	617,679

Consolidated statement of changes in equity

OF ALZCHEM GROUP AG, TROSTBERG, FOR THE FISCAL YEAR
FROM JANUARY 1 TO DECEMBER 31, 2025

in EUR thousand	Notes No.	Subscribed Capital	Capital reserve adjustment item Rev. Acquisition / IFRS 2	Capital reserve	Other comprehensive income	Balance sheet profit	Treasury shares	Interests held by shareholders	Non- controlling interests	Total equity
Balance as of 01/01/2024		101,763	-88,459	24,981	-21,639	144,979	0	161,625	1,934	163,559
Dividend	IV	0	0	0	0	-12,212	0	-12,212	0	-12,212
Acquisition of treasury shares	21	0	0	0	0	0	-1,512	-1,512	0	-1,512
Entitlement to compensation payment of non-controlling interests		0	0	0	0	0	0	0	-171	-171
Total transactions with shareholders		0	0	0	0	-12,212	-1,512	-13,723	-171	-13,894
Consolidated annual result	21	0	0	0	0	54,075	0	54,075	171	54,246
Other income	21	0	0	0	3,559	0	0	3,559	0	3,559
Consolidated comprehensive income		0	0	0	3,559	54,075	0	57,634	171	57,805
Balance as of 12/31/2024		101,763	-88,459	24,981	-18,080	186,844	-1,512	205,537	1,934	207,471
Balance as of 01/01/2025		101,763	-88,459	24,981	-18,080	186,844	-1,512	205,537	1,934	207,471
Dividend	IV	0	0	0	0	-18,190	0	-18,190	0	-18,190
Acquisition of treasury shares	21	0	0	0	0	0	-4,514	-4,514	0	-4,514
Entitlement to compensation payment non-controlling interests		0	0	0	0	0	0	0	-171	-171
Share-based compensation for employees	21	0	2,409	0	0	0	1,915	4,324	0	4,324
Total transactions with shareholders		0	2,409	0	0	-18,190	-2,599	-18,380	-171	-18,551
Consolidated annual result	21	0	0	0	0	63,459	0	63,459	171	63,630
Other income	21	0	0	0	5,681	0	0	5,681	0	5,681
Consolidated comprehensive income		0	0	0	5,681	63,459	0	69,140	171	69,311
Balance as of 12/31/2025		101,763	-86,050	24,981	-12,398	232,112	-4,111	256,297	1,934	258,231

Consolidated cash flow statement

OF THE ALZCHEM GROUP AG, TROSTBERG, FOR THE FISCAL YEAR
FROM JANUARY 1 TO DECEMBER 31, 2025

	Notes No.	01/01 - 12/31/2024	01/01 - 12/31/2025
	29	EUR thousand	EUR thousand
Consolidated annual result before taxes		75,343	87,938
Depreciation and amortization of property, plant, and equipment and intangible assets		26,318	26,648
Decrease in pension provisions		-2,265	-2,614
Loss from the sale of non-current assets		30	21
Other non-cash expenses		20,941	8,781
Financial result		3,607	1,893
Interest received		1,565	1,702
Interest paid		-2,325	-1,736
Income taxes paid		-11,950	-16,922
Increase in inventories		-1,375	-13,935
Increase in trade receivables and other receivables		-6,775	-1,261
Increase (+)/decrease (-) in trade payables, other liabilities, and other provisions		2,513	-3,988
Change in other balance sheet items		-480	-8,279
Payments from customer grants		0	58,765
Cash inflow from operating activities (net cash flow)		105,147	137,013

	Notes No.	01/01 - 12/31/2024	01/01 - 12/31/2025
	29	EUR thousand	EUR thousand
Payments for investments in non-current assets		-43,101	-97,789
Proceeds from the sale of non-current assets		61	41
Proceeds from subsidies received for investments		12,046	846
Cash outflow from investing activities		-30,994	-96,902
Free cash flow		74,153	40,111
Payments from the repayment of loan liabilities		-8,833	-7,583
Dividend payments to shareholders		-12,212	-18,190
Dividend payments to non-controlling interests		-171	-171
Repayment of lease liabilities		-1,928	-1,915
Payments for the acquisition of treasury shares		-1,512	-4,520
Proceeds from the issue of treasury shares		0	3,019
Cash outflow from financing activities		-24,656	-29,360
Net increase in cash and cash equivalents		49,497	10,751
Cash and cash equivalents at the beginning of the period (at the closing rate of the previous year)		11,883	61,544
Changes due to exchange rate changes		164	-575
Cash and cash equivalents at the end of the period		61,544	71,720
Net increase in cash and cash equivalents		49,497	10,751

Notes to the consolidated financial statements

AS OF DECEMBER 31, 2025

I. SEGMENT REPORTING

SEGMENT REPORTING BY OPERATING SEGMENT FOR THE PERIOD FROM JANUARY 1 TO DECEMBER 31, 2024:

	Specialty Chemicals	Basics & Intermediates	Other & Holding	Consolidation	Group
	EUR thousand	EUR thousand	EUR thousand	EUR thousand	EUR thousand
External sales	348,089	174,003	32,140	-1	554,231
EBITDA	94,017	10,825	1,788	-1,362	105,268
EBITDA margin	27.0%	6.2%	5.6%		19.0%
Depreciation and amortization					-26,318
EBIT					78,950
Other interest and similar income					2,230
Interest and similar expenses					-5,837
Financial result					-3,607
Result from ordinary business activities					75,343
Inventories as of 12/31/2024:	59,074	41,912	4,487	-4,307	101,166
Inventory intensity	17.0%	24.1%	14.0%		18.3%

SEGMENT REPORTING BY OPERATING SEGMENT FOR THE PERIOD FROM JANUARY 1 TO DECEMBER 31, 2025:

	Specialty Chemicals	Basics & Intermediates	Other & Holding	Consolidation	Group
	EUR thousand	EUR thousand	EUR thousand	EUR thousand	EUR thousand
External sales	378,776	155,091	28,247	1	562,115
EBITDA	106,794	5,617	667	3,401	116,479
EBITDA margin	28.2%	3.6%	2.4%		20.7%
Depreciation and amortization					-26,648
EBIT					89,831
Other interest and similar income					3,238
Interest and similar expenses					-5,131
Financial result					-1,893
Result from ordinary business activities					87,938
Inventories as of 12/31/2025:	55,364	58,235	4,923	-2,518	116,004
Inventory intensity	14.6%	37.5%	17.4%		20.6%

SEGMENT REPORTING BY REGION:

	Domestic	Abroad	Group
	EUR thousand	EUR thousand	EUR thousand
External sales 01/01 - 12/31/2025:	163,680	398,435	562,115
External sales 01/01 - 12/31/2024:	157,206	397,025	554,231
Non-current assets as of 12/31/2025:	278,730	4,772	283,502
Non-current assets as of 12/31/2024:	195,342	5,328	200,670

In both reporting periods, no customer contributed at least 10% of total Group sales.

IFRS 8 requires companies to segment their business activities into operating segments based on their internal organizational and reporting structure. An operating segment is defined as a component of an enterprise that generates sales and incurs expenses through its business activities. The results of operations of these segments are regularly analyzed by the responsible corporate body – the Management Board of Alzchem Group AG – as part of resource allocation and performance assessment. A further prerequisite is the availability of separate financial information for each segment.

Reportable segments of the Alzchem Group:

- Specialty Chemicals
- Basics & Intermediates
- Other & Holding

The Specialty Chemicals segment focuses on the production and sale of high-quality ingredients. These include, for example, dietary supplements under the brand names Creapure® and Creavitalis®, the propellant component nitroguanidine, the feed additive Creamino®, the pharmaceutical excipients of the Bioselect® product range, the hardener and accelerator DYHARD® and the plant growth regulator Dormex®.

The Basics & Intermediates segment comprises the production and sale of functional intermediates that are either required as raw materials for the manufacture of specialty chemicals or marketed as standalone products. The latter serve a wide range of applications, for

example in agriculture, steel production, the pharmaceutical industry, and the automotive industry.

The Other & Holding segment bundles all other activities of the Group. The sales generated are largely derived from service sales.

The same accounting principles are applied in the preparation of segment reporting in accordance with the internal management approach as in the preparation of the IFRS consolidated financial statements.

- External sales: Sales to external customers; presentation by region is based on the billing address.
- EBITDA: key indicator for assessing the profitability of the segments.
- Internal cost allocation: Expenses are allocated according to the source of the cost; cost rates do not include profit margins and are reviewed regularly.
- Assets: Inventories as a key figure; non-current assets (intangible assets, property, plant, and equipment, lease usage rights) are reported by region.
- Consolidation: Includes intercompany eliminations and entries for the consolidated financial statements as well as unallocated currency effects.

II. PRELIMINARY REMARK

The consolidated financial statements cover Alzchem Group AG, a stock corporation (corporation) under German law with its registered office in Trostberg, Germany, and its subsidiaries. The head office of Alzchem Group AG is located at Dr.-Albert-Frank-Str. 32, Trostberg, Germany. The competent registry court is located in Traunstein (HRB 26592). Alzchem Group AG is the parent company of the Alzchem Group and prepares these IFRS consolidated financial statements.

The consolidated financial statements were prepared by the Management Board on February 23, 2026.

The companies of the Alzchem Group develop, produce, and trade in all kinds of chemical products and provide services, including as chemical park operators. Using the basic raw materials lime, carbon, and electricity, versatile products with typical nitrogen-carbon-nitrogen compounds of very high quality are manufactured in further production steps at the sites in Trostberg (headquarters), Schalchen, Hart, Waldkraiburg, and Sundsvall (Sweden). In

addition, sales units are located in Atlanta (USA), Shanghai (China), and Coventry (United Kingdom).

The company's shares (WKN: A2YNT3) are listed in the Prime Standard of the Regulated Market of the Frankfurt Stock Exchange in Germany. Due to the existing shareholder structure, there is no parent company within the meaning of IAS 1.138. The current shareholder structure as of the reporting date can be found in the company's combined management report and is continuously updated on the Alzchem Group AG website. In 2024, Alzchem Group AG was included in the SDAX selection index for the first time.

By shareholder resolutions, Suppliva GmbH, Alzchem International GmbH, and Actegon Energy GmbH were exempted pursuant to Section 264 (2) 3 HGB (German Commercial Code) from the obligation to disclose their annual financial statements and management reports for the fiscal year 2025, and Alzchem Trostberg GmbH and Alzchem International GmbH from the obligation to prepare and disclose their management reports for the fiscal year 2025. The exemption resolutions were submitted to the commercial register by the subsidiaries Suppliva GmbH, Alzchem International GmbH, Actegon Energy GmbH, and Alzchem Trostberg GmbH and will be published accordingly.

III. NOTES TO THE BASIS AND METHODS OF THE CONSOLIDATED FINANCIAL STATEMENTS

ACCOUNTING PRINCIPLES

The consolidated financial statements of Alzchem Group AG have been prepared in accordance with the IFRS Accounting Standards (IFRS) issued by the International Accounting Standards Board (IASB), London, as applicable in the EU. The interpretations of the IFRS Interpretations Committee (formerly IFRIC and SIC) were applied. The consolidated financial statements comply with the European Union's directives on consolidated accounting (Directive 83/349/EEC). In order to achieve equivalence with consolidated financial statements prepared in accordance with the German Commercial Code, all disclosures and explanations exceeding the requirements of the IASB have been made in accordance with Section 315e of the German Commercial Code (HGB). The consolidated financial statements in their current version comply with the requirements of Section 315e HGB; This provision forms the legal basis for consolidated accounting in accordance with international standards in Germany, together with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of July 19, 2002, on the application of international accounting standards.

Those provisions of the IFRS Accounting Standards (IFRS) that are applicable in the EU and were mandatory as of the balance sheet date of December 31, 2025, were applied. No standards that are not yet mandatory as of December 31, 2025, were applied early. This approach results in a true and fair view of the net assets, financial position, and results of operations of the Alzchem Group.

The 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 consolidated financial statements are presented in thousands of euros (EUR thousand), unless otherwise stated. All values have been rounded up or down to EUR thousand in accordance with commercial rounding practices, so that individual figures may not add up exactly to the stated total.

STANDARDS, INTERPRETATIONS, AND AMENDMENTS TO PUBLISHED STANDARDS THAT WERE APPLIED FOR THE FIRST TIME IN THE FISCAL YEAR 2025

Starting with the fiscal year 2025, the following standards and interpretations revised or newly issued by the IASB were mandatory:

- Amendments to IAS 21 – Lack of Exchangeability

The amendments to IAS 21 require an entity to apply a consistent approach when assessing whether one currency is convertible into another currency. If this is not the case, guidelines are provided for determining the exchange rate to be used and the necessary disclosures in the notes. The currencies currently held within the Alzchem Group are convertible, so the amendments had no impact on the Alzchem Group.

STANDARDS, INTERPRETATIONS, AND AMENDMENTS TO PUBLISHED STANDARDS THAT DO NOT YET HAVE TO BE APPLIED

A number of new standards are to be applied in the first reporting period of a fiscal year beginning after January 1, 2025, with early application possible; however, the Group did not apply the following new or amended standards early in the preparation of these consolidated financial statements.

Standards	Amendment relates to	Mandatory application from	Already adopted by the EU Commission
Various	Annual improvements to IFRS accounting standards	01/01/2026	Yes
IFRS 7 / IFRS 9	Amendments to the classification and measurement of financial instruments Contracts relating to nature-dependent electricity	01/01/2026	Yes
IFRS 18	Presentation and disclosure in financial statements	01/01/2027	Yes
IFRS 19	Subsidiaries without public accountability: disclosures	01/01/2027	No

IFRS 18 PRESENTATION AND DISCLOSURE IN FINANCIAL STATEMENTS

IFRS 18 will replace IAS 1 Presentation of financial statements and is to be applied in fiscal years beginning on or after January 1, 2027. The new standard introduces the following significant new requirements:

- Companies will be required to classify all income and expenses in the income statement into five categories: operating, investing, financing, income taxes, and discontinued operations.
- Companies will also be required to present a newly defined subtotal, "operating result". The companies' result for the period will not change.
- Certain company-specific performance measures (known as management-defined performance measures, MPMs) will be disclosed in a separate note to the financial statements.
- Improved guidelines for grouping information within the financial statements are introduced.

In addition, all companies are required to use operating income as the starting point for the cash flow statement when presenting cash flow from operating activities using the indirect method. The Group is currently assessing the potential impact of the new standard, particularly with regard to the structure of the income statement, the cash flow statement, and the additional disclosure requirements for MPMS. The Group is also reviewing the impact on the way information is grouped in the financial statements, including items currently referred to as "Other".

OTHER STANDARDS

The other new and amended standards are not expected to have a significant impact on the consolidated financial statements.

SCOPE OF CONSOLIDATION / SHAREHOLDINGS

In addition to Alzchem Group AG, the consolidated financial statements include the following six domestic and five foreign subsidiaries in which Alzchem Group AG directly or indirectly holds the majority of voting rights:

Name, registered office	Share in capital in %	Currency	Subscribed capital in local currency ¹⁾
Alzchem Trostberg GmbH, Trostberg, Germany	100	EUR	EUR 11.000 thousand
Alzchem International GmbH, Trostberg, Germany	94	EUR	EUR 1.000 thousand
Alzchem Stahltechnik GmbH, Trostberg, Germany	100	EUR	EUR 25 thousand
Suppliva GmbH, Trostberg, Germany	100	EUR	EUR 25 thousand
Alzchem Netz GmbH, Trostberg, Germany	100	EUR	EUR 300 thousand
Actegon Energy GmbH, Trostberg, Germany	100	EUR	EUR 25 thousand
Alzchem LLC, Atlanta, USA	100	USD	USD 0 thousand
Alzchem Shanghai Co. Ltd., Shanghai, China	100	CNY	CNY 3,670 thousand
Nordic Carbide AB, Sundsvall, Sweden	100	SEK	SEK 50 thousand
Edelife Distributing LLC, Atlanta, USA	100	USD	USD 4,112 thousand
Alzchem UK Ltd., Coventry, United Kingdom	100	GBP	GBP 1 thousand

* The exchange rates on the respective reporting date are presented in section III, under currency translation.

CONSOLIDATION PRINCIPLES

Subsidiaries are companies controlled by the Group. The Group controls a company if it is exposed to or has rights to variable returns from its involvement with the company and has the ability to affect those returns through its power over the company. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control begins until the date on which control ends.

The financial statements of domestic and foreign subsidiaries included in the consolidation are prepared in accordance with IFRS 10 using uniform accounting and valuation methods.

Intragroup profits and losses, sales revenues, expenses and income, as well as receivables and liabilities between consolidated subsidiaries, are eliminated. If the conditions for consolidation of third-party obligations are met, this is applied. Intercompany profits are eliminated. Tax deferrals required under IAS 12 (Income Taxes) are applied to temporary differences arising from consolidation measures.

CAPITAL CONSOLIDATION

The capital consolidation of subsidiaries is carried out in accordance with IFRS 10 (Consolidated Financial Statements) in conjunction with IFRS 3 (Business Combinations) by offsetting the carrying amount of the investment against the revalued equity of the subsidiary at the time of acquisition (acquisition method) or against the statutory equity in the case of new companies.

COMPANY ACQUISITIONS / REVERSE ACQUISITIONS

The Alzchem Group applies the acquisition method to account for business combinations. The consideration transferred corresponds to the fair value of the assets transferred, the liabilities assumed and, in the case of equity interests issued, the equity interests issued at the date of acquisition. Incidental acquisition costs are recognized as expenses. Assets, liabilities,

and contingent liabilities identifiable in the business combination are measured at their fair values at the acquisition date upon initial consolidation. The excess of the consideration transferred over the balance of the net assets measured at fair value at the acquisition date is recognized as goodwill. If the consideration transferred is less than the net assets of the acquired subsidiary measured at fair value, the difference is recognized directly in the income statement after re-evaluation.

No business combinations took place during the reporting period.

CURRENCY TRANSLATION

The presentation currency and functional currency of the Alzchem Group is the euro (EUR).

In the individual financial statements of subsidiaries, which are kept in euros, transactions in foreign currencies are measured at the exchange rate at the time of initial recognition. Exchange rate gains and losses arising from the translation of monetary assets and liabilities that occurred up to the balance sheet date are taken into account. Gains and losses from exchange rate changes are recognized in other operating income or expenses.

The annual financial statements of the foreign Group companies are translated into the reporting currency of the Alzchem Group. Their functional currency is the respective local currency. The functional currency and reporting currency of the parent company and thus of the consolidated financial statements is the euro. Alzchem translates assets and liabilities of foreign Group companies whose functional currency is not the euro at the closing rate (mid-market exchange rate) at the end of the period. Expenses, income, and earnings, on the other hand, are translated at average rates. All resulting translation differences are recognized as a separate item in equity. Items in the consolidated cash flow statement are translated at average rates, while cash and cash equivalents are translated at the closing rate (mid-market rate) at the end of the period.

The exchange rates of major currencies used for currency translation are shown in the following table:

		Closing rate ¹⁾		Average rate ¹⁾	
		12/31/2024	12/31/2025	01/01–12/31/2024	01/01–12/31/2025
USA	USD	1.0389	1.1750	1.0821	1.1293
China	CNY	7.5833	8.2262	7.7863	8.1149
Sweden	SEK	11.4590	10.8215	11.4309	11.0647
United Kingdom	GBP	0.8292	0.8726	0.8466	0.8566

* Equivalent value for EUR 1

IV. ACCOUNTING AND VALUATION METHODS

At the time of preparing the consolidated financial statements, the Management Board has a justified expectation that the Group has sufficient resources to continue as a going concern in the foreseeable future. Therefore, the consolidated financial statements have been prepared on a going concern basis. The accounting and valuation methods have been applied consistently.

NON-CURRENT ASSETS AND DEPRECIATION AND AMORTIZATION

INTANGIBLE ASSETS

Acquired intangible assets are recognized at cost.

All acquired intangible assets with a determinable useful life are amortized on a straight-line basis.

The following economic useful lives are used as a basis for amortization on a Group-wide basis:

Concessions, patents, licenses, and similar rights:	1 to 20 years
Software:	1 to 7 years

Costs associated with the operation or maintenance of software are recognized as expenses when incurred. There were no internally generated intangible assets in the reporting period. Financing costs are capitalized as part of the acquisition or production costs if the requirements are met. If an impairment is recognized that exceeds regular amortization, the asset is written down to its recoverable amount. There were no intangible assets with indefinite useful lives in the reporting period.

PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment used in business operations for more than one year are measured at their acquisition or production costs less scheduled depreciation. Significant components of property, plant, and equipment are recognized and depreciated individually. Subsequent acquisition costs are only included in the acquisition cost of the asset if it is probable that future economic benefits will flow to the Group and the cost of the asset can be reliably determined. All other repairs and maintenance are recognized as expenses in the

income statement in the fiscal year in which they are incurred. Financing costs are capitalized as part of the acquisition or production costs if the conditions for capitalization are met. Land is not depreciated. All other assets are depreciated on a straight-line basis, with the acquisition costs being depreciated over the expected useful life of the assets as follows:

Buildings:	5 to 50 years
Plant and machinery:	1 to 35 years
Operating and office equipment:	1 to 16 years

The residual carrying amounts and economic useful lives are reviewed at each balance sheet date and adjusted if necessary. If the carrying amount of an asset exceeds its estimated recoverable amount, it is immediately written down to the latter. Gains and losses from the disposal of property, plant, and equipment are determined as the difference between the proceeds from the sale and the residual carrying amount and are recognized in profit or loss.

JOINTLY CONTROLLED ASSETS

In the case of assets that are jointly controlled with a non-Group company, the Alzchem Group recognizes its share of these assets within property, plant, and equipment, even if the Alzchem Group is not the legal owner of the jointly controlled asset.

BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction, or production of qualifying assets are capitalized as part of the cost of those assets until the assets are substantially ready for their intended use or sale. Qualifying assets are assets that require a substantial period of time to get ready for their intended use or sale.

Income generated from the interim investment of specifically raised debt capital until it is spent on qualifying assets is deducted from the capitalizable borrowing costs.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

RESEARCH AND DEVELOPMENT COSTS

The Alzchem Group is involved in various research and development activities with the primary aim of developing new products or processes or improving existing products or processes. Expenditure on research activities is recognized as an expense in the period in which it is incurred. A review of the six criteria specified in IAS 38 for the capitalization of development costs has shown that not all criteria are met as of the balance sheet date. Consequently, development costs are also recognized as an expense in the income statement in the period in which they are incurred. If it is recognized that the conditions for capitalizing development costs are met for individual projects, Alzchem makes use of this option.

LEASING

A lease exists when the lessor contractually grants the lessee the right to control an identified asset for a specified period of time and the lessor receives consideration from the lessee in return.

In principle, assets for the usage rights acquired must be capitalized and liabilities for the payment obligations entered into must be recognized as liabilities in the lessee's balance sheet for all leases. The Alzchem Group does not apply this general rule to short-term leases (up to twelve months), lease agreements for low-value assets, and lease agreements for intangible assets. In exercising an option, these continue to be recognized as expenses systematically over the term of the lease agreement. Low-value assets are classified as smaller, primarily workplace-related IT equipment, such as printers and copiers.

As a lessee, Alzchem recognizes lease liabilities at the present value of the lease payments still to be made. The following lease payments are included in the calculation of the present value:

- Fixed payments (including de facto fixed payments, less any lease incentives to be received).
- Variable lease payments linked to an index or (interest) rate.
- Payments likely to be made under residual value guarantees.
- Payments likely to be made from the exercise of a purchase option.
- Payments likely to be made in the event of early termination.

In determining the term of leases, all facts and circumstances that provide an economic incentive to exercise extension options or not to exercise termination options are taken into account. Changes in the term resulting from the exercise of extension or termination options are only included in the contract term if an extension or non-exercise of a termination option is sufficiently certain.

The usage right to be recognized initially is measured at the present value of the lease payments remaining to be made, plus initial direct costs, prepayments, and dismantling costs, less any incentive payments received.

The lease liability is subsequently accrued using the effective interest method and reduced by the lease payments. The actual lease payments are divided into an interest and a repayment portion. The usage right is amortized on a straight-line basis over the shorter of the two periods: the useful life and the term of the lease agreement.

In the consolidated balance sheet, the lease usage rights are reported as a separate item, separate from property, plant, and equipment.

When determining lease payments, non-lease components are not included in the calculation of lease liabilities if they can be separated directly from the contract. If the contract does not provide for the separation of these components, the non-lease components are treated in the same way as the lease components.

The interest rate used to measure the usage rights and lease liabilities is the incremental borrowing rate, unless an interest rate is implicitly stated in the lease. To determine the marginal borrowing rate, reference interest rates are derived from risk-free interest rates with appropriate maturities, increased by credit risk premiums and adjusted for a country risk premium.

As a lessor, Alzchem distinguishes between finance leases and operating leases. Lease agreements in which Alzchem, as the lessor, has transferred all significant risks and rewards from the use of the leased asset to the lessee are treated as finance leases within the meaning of IFRS 16. In these cases, the leased asset is recognized in the lessee's balance sheet, i.e., not in the consolidated balance sheet. The assets from a finance lease are presented as receivables in the amount of the net investment value from the lease. Lease agreements in which Alzchem, as the lessor, has not transferred all significant opportunities and risks are treated as operating leases within the meaning of IFRS 16. Lease payments for operating leases are recognized on a straight-line basis over the term of the lease within sales (as part of site services) and as other operating income in the consolidated income statement.

IMPAIRMENT OF NON-CASH ASSETS

Assets subject to scheduled depreciation and amortization are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may no longer be recoverable. An impairment loss is recognized in the amount exceeding the recoverable amount. The recoverable amount is the higher of the fair value of the asset less costs to sell and its value in use. For the impairment test, assets are grouped at the lowest level for which cash flows can be identified separately (cash-generating units).

If an impairment loss is subsequently reversed, the carrying amount of the asset (the cash-generating unit) is increased to the newly estimated recoverable amount. The increase in the carrying amount is limited to the amortized cost that would have been determined if no impairment loss had been recognized for the asset (cash-generating unit) in previous years. A reversal of the impairment loss is recognized immediately in profit or loss.

GOVERNMENT GRANTS

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attached to the grants and that the grants will be received.

Government grants are recognized in the consolidated income statement on a scheduled basis over the periods in which the Group recognizes the corresponding expenses that the government grants are intended to compensate.

Government grants that are paid as compensation for expenses or losses already incurred or as immediate financial support are recognized in the consolidated income statement in the period in which the corresponding entitlement arises.

Alzchem deducts government grants, the most important condition of which is the purchase, construction, or other acquisition of non-current assets (including property, plant, and equipment), when determining the carrying amount of these assets. If the assets are still under construction, a deduction is made in the amount of the grant rate. Any grants already received in excess of this amount are recognized as other liabilities. The grants are thus recognized in profit or loss over the useful life of the asset through reduced amortization amounts.

CURRENT INCOME TAXES

Current tax expense is determined on the basis of taxable income for the year. Taxable income differs from net income from the consolidated income statement due to expenses and income that are taxable or tax-deductible in later years or never. The Group's liability for current taxes is calculated on the basis of the applicable or soon-to-be-applicable tax rates.

The applicable income tax rate is calculated on the basis of the tax laws applicable on the balance sheet date for the countries in which the company's subsidiaries operate.

DEFERRED TAXES

Deferred taxes are recognized in accordance with IAS 12 for all temporary differences between the tax base of assets/liabilities and their carrying amounts in the IFRS consolidated financial statements (so-called liability method). Deferred taxes are measured using the tax rates and tax regulations that are applicable on the balance sheet date or have been substantially enacted and are expected to apply when the deferred tax asset is realized or the deferred tax liability is settled. The gradual reduction in the corporate income tax rate by one percentage point per year for the fiscal years 2028 to 2032, which has been adopted for Germany, was taken into account. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the temporary difference can be utilized. If the future tax benefit from loss carryforwards can be utilized with sufficient certainty in future periods, a deferred tax asset is recognized.

According to IAS 12.39, deferred taxes on temporary differences in connection with shares in subsidiaries ("outside basis differences") are only recognized in the consolidated financial statements if the following criteria are not met:

- the parent company, shareholder, or partner company is able to control the timing of the reversal of the temporary difference; and
- it is probable that the temporary difference will not reverse in the foreseeable future.

The temporary difference is generally only reversed when the company is sold. At present, the Alzchem Group has no plans to sell any companies but would also be in a position to control the timing of the sale. No deferred taxes are recognized in the consolidated financial statements of the Alzchem Group on temporary differences in connection with investments in subsidiaries.

Deferred taxes relating to items recognized directly in equity are also reported in equity. Changes in all other deferred tax assets and liabilities are recognized in profit or loss. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets against current tax liabilities and if the deferred taxes relate to the same tax authority.

INVENTORIES

Inventories comprise raw materials, consumables and supplies, unfinished products and services, finished products and goods, and advance payments on inventories. Inventories are stated at the lower of cost and net realizable value. The net realizable value is the estimated sales proceeds achievable in the normal course of business, less the necessary variable costs of sale. In addition to direct material and manufacturing costs, production costs also include all directly attributable costs and an appropriate portion of the necessary overhead costs and depreciation. The acquisition or production costs are determined using the average method. Where necessary, write-downs are made for excess inventory, obsolescence, and reduced marketability. Borrowing costs were not included in the acquisition or production costs as there were no qualifying assets.

FINANCIAL INSTRUMENTS

Within the Alzchem Group, the following categories of financial assets were recognized in the reporting periods:

- Measured at amortized cost (AC),
- Mandatorily measured at fair value through other comprehensive income (FVOCI),
- Measured at fair value through profit or loss (FVTPL).

The following categories are included within financial liabilities:

- Measured at amortized cost,
- At fair value through profit or loss.

FINANCIAL ASSETS

The shares in other investments reported under non-current financial assets belong without exception to the measurement category "measured at fair value through profit or loss" as the investment does not meet the cash flow criterion. No use was made of the option to account for investments at market value without subsequent recycling through profit or loss. The fair value of publicly traded financial assets is determined using the respective market price. If there is no active market, the fair value is determined using the most recent market transactions or a valuation method (such as the discounted cash flow method). If the input parameters for such a valuation cannot be reliably determined with an effort commensurate with the materiality of the investment, the Alzchem Group assumes that the acquisition cost represents the best possible estimate of the current fair value.

DERIVATIVE FINANCIAL INSTRUMENTS

The Group sometimes enters into derivative financial instruments to manage exchange rate risks. Alzchem recognizes derivative financial instruments such as forward exchange contracts at fair value. The company recognizes changes in the fair value of derivative financial instruments in the consolidated income statement.

RECEIVABLES AND OTHER ASSETS

TRADE RECEIVABLES

Trade receivables are recognized at fair value upon receipt. Subsequent measurement depends on the measurement category. At the Alzchem Group, part of the receivables were allocated to a mixed business model in fiscal year 2024 and until the end of factoring in December 2025 due to regular sales of receivables as part of factoring. As these receivables also met the cash flow criterion, they were classified as "mandatorily measured at fair value through other comprehensive income". Trade receivables from companies without factoring activities are classified as "measured at amortized cost".

In both cases, value adjustments based on the expected loss over the total term of the receivable are recognized in profit or loss. Unless there are objective indications of an actual default by the debtor, this value adjustment is corrected via other comprehensive income for receivables that are "mandatorily measured at fair value through other comprehensive income", as it is assumed that these expect-

ed losses have no additional impact on the fair value of the receivables and were already priced in when the receivables were incurred.

The expected losses are determined on the basis of historical data from the Alzchem Group, which is used to calculate the expected default rates and recovery rates depending on the age of the receivables. If the current economic outlook or other macroeconomic parameters justify it, the historically determined default rates are adjusted accordingly. As of the reporting date, the Alzchem Group has not identified any factors that would justify an adjustment of the historical rates. The corresponding rates are then applied to the receivables portfolio not covered by trade credit insurance, excluding individually identified defaults. In accordance with the contractual provisions within the framework of factoring, the Group classifies receivables as defaulted if they have not been serviced 120 days after their due date.

OTHER RECEIVABLES AND OTHER ASSETS

Other receivables and other assets are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method for non-current receivables and less any impairment losses. Receivables from customer contracts are recognized when there is an unconditional right to consideration, e.g., when the due date occurs automatically upon expiration of a period of time. If risks exist, these are taken into account through appropriate value adjustments. The same processes and guidelines are applied here as those used to determine value adjustments for trade receivables.

Other receivables and other assets are classified as financial assets at amortized cost, as they are held for investment and the cash flow criterion is met.

For other receivables and other assets, a risk provision equal to the expected loss within one year is determined upon recognition (risk provision level 1). If there has been a significant deterioration in the debtor's creditworthiness since the receivables were recognized, the determination horizon is extended to the total term of the receivable (risk provision level 2). If an actual default by the debtor is determined, the receivable is reclassified to risk provision level 3. Here, too, the risk provision is determined on the basis of expected losses over the lifetime. In contrast to the previous levels, however, any interest income is no longer calculated on the gross carrying amount, but on the basis of the net carrying amount after value adjustment using the effective interest rate. As of both reporting dates, all carrying amounts of the remaining receivables and other assets are in risk provision level 1.

A significant increase in credit risk occurs at the latest when there is a payment delay of 30 days. Earlier reclassification based on findings from the credit management process is possible in principle but is of little practical relevance to the Alzchem Group. A default in the area of other receivables and other assets is assumed in the event of a payment delay of 90 days or more, or if payment is no longer considered likely due to other events (e.g., the opening of insolvency proceedings). Due to the small volume and lack of historical data on defaults on other financial receivables at the Alzchem Group, the actual expected losses are determined based on individual assessments by Alzchem. If the materiality of the items changes, additional external data would be used.

Financial assets are generally recognized on the trade date. In the reporting period, no financial assets were offset against financial liabilities, and there are no net settlement agreements that cannot be offset in the balance sheet.

FACTORING

A company of the Alzchem Group has transferred part of its customer receivables to financing companies (receivables purchasers) until mid-December 2025. In accordance with IFRS 9, the sold receivables were derecognized in full if substantially all the associated risks and rewards were transferred to the buyer of the receivables or – if there was neither a significant transfer nor a significant retention of these risks and rewards – control over the receivables was transferred to the buyer. If, on the other hand, the selling company retained control over the receivables, continuing involvement was recognized in the balance sheet. Contractual agreements transferred the del credere risk (customer insolvency) to the receivables purchaser.

As of the balance sheet date of December 31, 2024, it was examined whether the sale of the receivables portfolio had resulted in a complete or only partial disposal and thus in a transfer of the opportunities and risks associated with the sold receivables. The analysis in the previous year showed that a complete disposal of the sold receivables was to be recognized. As of the balance sheet date of December 31, 2025, no receivables have been sold.

The purchase price retentions from factoring initially retained as collateral by the financing company were reported separately under other assets as of December 31, 2024. They became due upon receipt of payment from the customer. In addition, blocking reserves for the risk of sales deductions were agreed with the buyer of the receivables, which were also reported under other assets. The blocking

reserves became due in full after a blocking period, provided that there had been no friction in the payment flows.

The buyer of the receivables paid the remaining purchase price either upon receipt of payment by the buyer of the receivables or against interest at the request of the assigning company. The outstanding portion of the purchase price receivable was reported under current other assets as of December 31, 2024.

Interest expenses resulting from the sale of receivables were recognized in the financial result. Administrative fees were reported under other operating expenses.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash, demand deposits, and other short-term highly liquid financial assets with an original maturity of three months or less, as well as current account balances. Overdraft facilities utilized are reported as liabilities to banks under current financial liabilities.

The same principles for determining value adjustments apply to cash and cash equivalents as to other financial receivables. Since cash and cash equivalents by definition only comprise short-term investments with credit institutions with an insignificant default risk, the low credit risk exception also applies, which makes it unnecessary to consider a transfer from risk provision level 1 to risk provision level 2. Due to the short original term of less than three months, this could only lead to a change in presentation, but not to a change in the amount of the value adjustment. Due to the short terms and the high credit ratings of the banks concerned, the calculated value adjustment requirement is negligible and of minor importance for the Alzchem Group.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair values of financial instruments recognized at fair value in the consolidated balance sheet were determined on the basis of the data or input parameters used for the measurement in accordance with a three-level hierarchy in accordance with IFRS 13:

- Level 1: Exchange or market price on an active market for similar financial instruments.
- Level 2: Input parameters other than quoted prices included in Level 1 that are directly or indirectly available for the financial instruments.
- Level 3: Input parameters for the financial instruments are not available on the market.

EQUITY

Equity consists of subscribed capital, capital reserves, the capital reserve adjustment item Reverse Acquisition, other comprehensive income, treasury shares, and balance sheet profit as well as non-controlling interests.

Subscribed capital represents the nominal capital of the parent company.

The capital reserves include all amounts of equity capital contributed to the company from outside sources that are not subscribed capital.

For an explanation of the item "Capital reserve adjustment item Reverse Acquisition / IFRS 2", please refer to Note 21.

According to IAS 32, the purchase price for treasury shares must be deducted from equity. The nominal amount of the treasury shares acquired must be deducted from equity. Alzchem has opted to present this in a separate item entitled "Treasury shares". The shares were recognized at cost, including transaction costs and net of any tax benefits.

Minority interests in the equity of Group companies are reported as non-controlling interests.

OTHER PROVISIONS

Provisions are recognized when the Alzchem Group has a present legal or constructive obligation resulting from a past event, it is probable that the settlement of the obligation will result in an outflow of resources, and the amount of the provision can be reliably determined. If there are a number of similar obligations, the probability of a financial burden is determined on the basis of the group of obligations. Provisions are recognized at the present value of the expected expenditure, taking into account all identifiable risks, and are not offset against recourse claims.

Non-current provisions are measured at their expected expenditure discounted to the balance sheet date, provided that the interest component is material. The interest rate used is a pre-tax interest rate that reflects the current economic situation in the market environment and takes into

account the risk of the obligation, unless this has already been reflected in the estimated future cash outflows.

EMPLOYEE BENEFITS

PENSION OBLIGATIONS

The Alzchem Group has various pension plans. These include both defined benefit and defined contribution plans. Defined contribution plans are plans for post-employment benefits in which the company pays fixed contributions to an independent entity (such as a fund or insurance company) and is not legally or factually obliged to pay any further contributions, even if the fund does not have sufficient assets or the claims under the insurance contract are not sufficient to provide all benefits in relation to the employees' work performance in the reporting period and previous periods. A defined benefit plan is a plan that is not a defined contribution plan.

The agreements underlying the defined benefit plans provide for different benefits within the Group, depending on the subsidiary. These essentially comprise

- Pension commitments upon reaching the respective retirement age,
- lump-sum payments upon termination of employment.

The provision recognized in the consolidated balance sheet for defined benefit plans is calculated as the present value of the pension obligation at the balance sheet date less the fair value of any plan assets. The actuarial valuation of pension provisions for company pension schemes is carried out in accordance with the projected unit credit method prescribed in IAS 19 (Employee Benefits), whereby an actuarial valuation is performed by independent actuarial experts at each balance sheet date. This projected unit credit method takes into account the pensions and acquired entitlements known on the balance sheet date as well as expected future increases in salaries and pensions. The valuations are based on the legal, economic, and tax conditions of the respective country. Obligations existing exclusively in Germany are determined using the following parameters:

	12/31/2024	12/31/2025
Discount rate in %	3.40	4.10
Wage and salary trend in %	3.00	3.00
Pension trend in %	2.25	2.25

When determining pension trends, the Alzchem Group bases its calculations on future long-term inflation expectations when pensions are adjusted in line with Section 16 (2) No. 1 of the German Occupational Pensions Act (BetrAVG) in accordance with the consumer price index. Adjustments to the discount rate are taken into account in rounded 0.10 percentage points.

Employee turnover is determined on a company-specific basis and taken into account depending on age and length of service. The actuarial valuations as of December 31 are based on the biometric principles of Klaus Heubeck's "mortality tables 2018 G" ("Richttafeln 2018 G"). The provision

consists of the present value of future benefits less the fair value of plan assets.

The actuarial gains and losses arising from unexpected changes in pension obligations and from changes in actuarial assumptions for defined benefit plans are recognized in other comprehensive income and in the consolidated statement of comprehensive income in the periods in which they arise. The past service costs and gains or losses from plan settlements are recognized directly in the income statement when the plan is adjusted, curtailed, or

settlement. The interest portion of the provision (interest costs for pension obligations and expected return on plan assets) included in pension expenses is shown as interest expense within the financial result. Service cost is reported within operating personnel expenses.

TERMINATION BENEFITS

Termination benefits are granted if an employee is dismissed before reaching regular retirement age or if an employee voluntarily leaves the company in return for a severance payment. The Group recognizes severance payments immediately if it has a demonstrable and unavoidable obligation to terminate the employment of current employees in accordance with a detailed formal plan that cannot be reversed, or if it has a demonstrable obligation to pay severance payments in the event of voluntary termination of employment by employees. Benefits that fall due more than twelve months after the balance sheet date are discounted to their present value. Entitlements to benefits on termination of employment are reported under personnel provisions.

PROFIT SHARING AND BONUS PLANS

The Alzchem Group recognizes a provision in cases where there is a contractual obligation to pay profit sharing or

other performance-related employee bonuses, or where the Group has a de facto obligation based on past business practice.

SHARE-BASED PAYMENTS

The members of the Management Board of Alzchem Group AG were granted stock appreciation rights (SAR) in various tranches as a Long-Term Incentive (LTI) and from the granting of transitional payments. The SARs granted were classified and measured as share-based payments settled in cash in accordance with IFRS 2.30 ff. The fair value of the work performed by the members of the Management Board in return for the granting of the options is recognized as an expense over the vesting period in accordance with IFRS 2 and is remeasured on a basis using a Monte Carlo simulation at each balance sheet date. Further explanations are provided in Note 35. The provision is reported under other non-current provisions and the expense under operating personnel expenses.

EMPLOYEE PARTICIPATION PROGRAM

In fiscal year 2025, Alzchem Group AG offered employees of the companies participating in the program the opportunity to participate in a voluntary employee participation program. Under this program, eligible employees were able to purchase shares in Alzchem Group AG by way of a personal investment. In addition, participating employees were granted additional shares free of charge. The fair value of the shares granted free of charge was recognized in profit or loss as personnel expenses in the fiscal year.

LIABILITIES

LOAN LIABILITIES TO BANKS

Loan liabilities are initially recognized at fair value less transaction costs and subsequently at amortized cost using the effective interest method.

Loan liabilities are classified as current if repayment is due within the next twelve months.

Loan liabilities are allocated to the category "financial liabilities measured at amortized cost".

CONTRACT LIABILITIES

Contract liabilities result from the accounting of contracts with customers. If the Alzchem Group has not yet fully fulfilled its contractual obligations but has already received consideration for them or has an unconditional claim to consideration, a contract liability is recognized in the consolidated balance sheet. Contract liabilities are reported in the consolidated balance sheet as current or non-current, depending on when they are expected to be fulfilled. If they are to be fulfilled within the next twelve months, they are reported as current.

In accordance with the provisions of IFRS 15, the amount of the contract liability to be recognized in the balance sheet is based on the transaction price to be determined for the agreed consideration. It must also be examined whether there is a significant financing component. The main consideration from customer contracts in connection with the delivery of products (nitroguanidine) from the new production facility subsidized by customers consists of the assurance of additional production capacity on the one hand and the utilization of newly created capacity on the other. Any financing component is of minor importance for determining the transaction price. As soon as agreed additional quanti-

ties are due and delivered, the contract liability is released over the respective term of the individual customer contract in accordance with the quantities to be delivered per year as part of revenue recognition. Thus, customer grants represent revenue for the production capacities to be provided for the respective customer in subsequent years – essentially from fiscal year 2027 onwards. The payment of customer grants has a significant impact on cash flow from operating activities even before revenue recognition.

In addition, contract liabilities include a customer contract for the construction of a plant, for which revenue is recognized in accordance with IFRS 15 on a time-proportion basis using the percentage-of-completion method. Contract liabilities are reduced in subsequent periods as the contractually agreed services are progressively fulfilled and the corresponding revenue is recognized.

TRADE PAYABLES AND OTHER LIABILITIES

Trade payables and other liabilities are initially recognized at fair value less transaction costs and subsequently at amortized cost using the effective interest method. Trade payables and other current financial liabilities are classified as "financial liabilities measured at amortized cost". Trade payables and other liabilities are classified as current if the contractual payment is due within the next twelve months.

CONTINGENT LIABILITIES

Contingent liabilities are possible or existing obligations based on past events for which an outflow of resources is not considered probable. According to IAS 37, such obligations are not to be recognized in the consolidated balance sheet but are to be disclosed in the notes to the consolidated financial statements.

REVENUE RECOGNITION

Alzchem generates revenue from the sale of chemical products to customers, from the provision of services as part of site services and other services, where revenue is recognized on a time-proportion basis according to the progress of performance, and, where applicable, from other revenue. The determination of the amount of revenue and the timing of revenue recognition varies for these categories of revenue.

DELIVERY OF PRODUCTS

In the product area, Alzchem's performance obligation consists of delivering chemical products to the delivery location specified by the customer. Contracts with customers generally only give rise to one performance obligation. If Alzchem also takes over and organizes the transport service to the customer, this is generally included in the costs of fulfilling the performance obligation to the customer (so-called "fulfillment costs"). However, the transport service is a separate performance obligation if the performance obligation to deliver the chemical products was fulfilled before the transport service was completed.

The transaction price is determined per unit of the product delivered. Amounts collected on behalf of third parties (VAT only) are not included in the transaction price. Variable consideration exists in the context of bonus agreements with customers based on contractually agreed volumes and, in some cases, discounts granted in compliance with certain shortened payment terms. In these cases, Alzchem determines the transaction price taking into account the most probable amount and includes the variable price components in the realization of revenue if it is probable that the customer will achieve the agreed targets or if, based on the customer's payment history, it can be assumed that the customer will deduct the discount amount granted. If the final

settlement with customers subsequently results in a change in the transaction price, this is recognized as a decrease or increase in revenue in the period in which the final settlement with the customer takes place. This period may differ from the period in which the performance obligation was fulfilled. No further discretionary judgments other than this assessment of the variable price components are necessary. Based on its many years of experience with customers with variable pricing, Alzchem considers this approach to be the best possible estimate of the variable price component and does not expect any significant changes in revenue when the final settlement with customers is made. This assumption is reviewed annually by comparing the ratio of subsequently recognized revenue to the revenue realized in the previous year. In the reporting period 2025, this affected 0.01% (previous year: 0.03%) of the revenue recognized in the previous year. Financing components are not to be taken into account due to the contractually agreed short-term payment terms. Alzchem does not receive any non-cash consideration from its customers in the product area.

It is generally not necessary to allocate the transaction price to multiple performance obligations. If the transport service has been identified as a separate performance obligation, the stand-alone selling price is determined based on the expected costs plus a reasonable margin.

In the case of product deliveries, the service is provided and thus revenue is recognized at a specific point in time. Revenue is not recognized over a period of time. The following indicators are used to determine the point in time at which the service is provided:

- Alzchem has an unconditional claim to payment.
- The customer has legally acquired ownership of the delivered products.
- The delivered product has passed into the physical possession of the customer.
- The risks and opportunities associated with the delivered product have been transferred to the customer.
- The customer has accepted the goods or services.

The overall assessment of these indicators generally leads to revenue recognition for product deliveries by Alzchem at the time of transfer of risk based on the Incoterms agreed with the customer.

Alzchem sells its products to customers with the assurance that they meet the exact specifications of the chemical composition. No further guarantees are given. In the very rare cases where the product specification has not been achieved, a provision for a guarantee obligation is recognized on a case-by-case basis in accordance with the requirements of IAS 37 and reported under other provisions. Based on past experience and quality control of the products prior to delivery, this is not taken into account in the transaction price when determining the amount of sales revenue.

ACCOUNTING FOR CUSTOMER GRANTS

In connection with the "nitroguanidine" investment project, contractually agreed customer grants were received in fiscal year 2025. In accordance with IFRS 15, these grants are initially recognized as contract liabilities and are reported in the consolidated balance sheet according to their maturity until the contractually owed consideration has been provided by Alzchem. The main consideration consists of the provision of additional production capacity for the supply of nitroguanidine from the new production facility financed by the customer grants. Once delivery of the agreed additional quantities begins, the contract liability will be gradually reversed over the term of the respective customer contracts, based on the quantities to be delivered annually, as part of revenue recognition. Thus, from an economic perspective, the customer grants represent an advance payment for the production capacities to be provided in subsequent years – primarily from fiscal year 2027 onwards. The grants received have a significant impact on the cash flow from operating activities in the consolidated cash flow statement even before the corresponding revenue is recognized.

PROVISION OF SERVICES

The services provided as a site operator can be permanent services or variable services that the customer must always request individually. The service obligation to be fulfilled by Alzchem is precisely defined for each service in a term sheet. One service obligation was identified per term sheet.

The transaction price is determined as a price per unit. There are no other price components in the service area. Financing components are not to be taken into account due to the contractually agreed short-term payment terms. Alzchem does not receive any non-cash consideration from its customers in the service area.

Since there is only one performance obligation per contract, it is not necessary to allocate the transaction price to more than one performance obligation.

The customer receives the benefit during the provision of services by Alzchem and consumes this benefit immediately. Thus, the performance obligation from the individual site services is fulfilled over a period of time. The method that best represents the transfer of benefits and thus the fulfillment of the performance obligation to the customer for variable services is the output-oriented method, which is based on the provision of services. These variable services are always invoiced to the customer when the service has been provided, i.e., when the customer has used the service and the payment claim has arisen.

Revenue recognition takes place at the same time. In the case of permanent site services, the performance obligation is fulfilled over a period of twelve months of the calendar year. Billing is carried out monthly at 1/12 of the annual amount. It is irrelevant whether the customer has actually used the service. Alzchem only has to provide the service for twelve months (such as fire department and company doctor) and after one month, 1/12 of the service obligation has been fulfilled. In these cases, there is a so-called "stand-ready service obligation" because Alzchem only has to provide permanent on-site service and the customer already benefits from the provision. Revenue recognition for these on-site services is linear over the twelve-month period of the contract, as this approach represents the best estimate for an "output-oriented" determination of the progress of performance for these performance obligations.

No significant judgments were made in determining the amount and timing of revenue from services.

Revenue from contracts with customers results in receivables, which are included in full in trade receivables. Trade receivables and the associated revenue are generally recognized immediately after the performance obligation has been fulfilled.

For contracts with customers for other services that are performed over a period of time and for which the output-oriented method does not provide an appropriate measurement of the progress of performance, the input-oriented method of the "cost-to-cost" procedure is used to measure the progress of performance. Since this is usually also a performance obligation, the transaction price must be allocated to this performance obligation.

Discretionary decisions must be made in individual cases when determining the amount and timing of revenue recognition. With regard to externally sourced goods, these are only included in the determination of performance progress when they are used by Alzchem in the course of providing services to the customer.

If the services provided by Alzchem exceed the consideration received to date, contract assets are recognized. However, if advance payments received exceed the services provided by Alzchem, contract liabilities are recognized.

Receivables from other services are recognized when the performance obligation has been fulfilled.

OTHER SALES REVENUES

Other sales revenues include interest income from non-current other receivables in connection with customer contracts.

OTHER INCOME AND RECOGNITION OF EXPENSES

Expenses are recognized as expenses when the service is used or at the time they are incurred.

Rental income and rental expenses are recognized as expenses or income on an accrual basis.

FINANCIAL RESULT

Interest income and interest expenses are accrued on an accrual basis using the effective interest method, taking into account the outstanding loan amount and the applicable interest rate. The applicable interest rate is the rate that discounts the estimated future cash inflows over the term of the financial asset to the net carrying amount of the asset.

In the case of a finance lease, payments are divided into interest and principal components using financial mathematical methods.

Borrowing costs are recognized in profit or loss in the period in which they are incurred, unless they are borrowing costs that must be capitalized for qualifying assets.

DIVIDEND DISTRIBUTION

Shareholders' claims to dividend distributions are recognized in the period in which the corresponding resolution is passed.

EARNINGS PER SHARE

Share buybacks in fiscal years 2024 and 2025 and the implementation of the employee participation program 2025 had an impact on earnings per share. The calculation of undiluted earnings per share is based on the weighted average number of shares outstanding during the period. Shares repurchased during the period are only considered to be outstanding on a pro rata basis until their repurchase and are weighted accordingly. After that, treasury shares are not taken into account when determining the number of shares outstanding. The shares issued as part of the employee participation program increased the number of shares outstanding.

The previous year's figures have not been adjusted in accordance with IFRS requirements. There are currently no dilutive effects. This is calculated by dividing the consolidated annual result attributable to shareholders of Alzchem Group AG by the number of outstanding shares.

LEGAL DISPUTES AND CLAIMS FOR DAMAGES

The companies of the Alzchem Group are involved in various lawsuits and regulatory proceedings in the course of their general business operations, or such proceedings could be initiated or asserted in the future. Although the outcome of individual proceedings cannot be predicted with certainty

due to the uncertainties inherent in legal disputes, current estimates indicate that there will be no significant adverse impact on the Group's results of operations beyond the risks recognized as liabilities or provisions in the consolidated financial statements.

USE OF ASSUMPTIONS AND ESTIMATES

In preparing the consolidated financial statements, assumptions and estimates have been made that have affected the recognition and amount of assets, liabilities, income, expenses, and contingent liabilities reported in the balance sheet. These assumptions and estimates relate primarily to the Group-wide determination of economic useful lives, the assessment of the recoverability of inventories, the measurement of provisions, pensions, or site-related risks, and the realizability of future tax relief from loss carryforwards. The performance of impairment tests in accordance with IAS 36 requires estimates regarding the forecast and discounting of future cash flows expected from the asset being tested. Actual values may differ from the assumptions and estimates made in individual cases. Changes are taken into account when better information becomes available.

The estimates are based on experience and other assumptions that are considered appropriate under the circumstances. Actual values may differ from the estimates. The estimates and assumptions are reviewed on an ongoing basis.

INCOME TAXES

The Alzchem Group is required to pay income taxes in various countries based on different assessment bases. The global tax provision is calculated on the basis of a profit determination in accordance with local tax regulations and the applicable local tax rates.

The amount of tax provisions and liabilities is based on estimates of whether and to what extent income taxes will be payable. Any risks arising from a different tax treatment are provided for in an appropriate amount, if necessary.

In addition, estimates must be made in order to assess the recoverability of deferred tax assets. The decisive factor in assessing the recoverability of deferred tax assets is the assessment of the probability of future taxable profits (taxable income) being available. The gradual reduction in the corporate income tax rate by one percentage point per year for the fiscal years 2028 to 2032, which has been adopted for Germany, requires further assumptions and estimates regarding the expected reversal of tax differences for German companies. Depending on the years in which the tax differences are expected to reverse, the tax rates expected for these periods must be applied and may therefore influence the amount of deferred taxes.

Furthermore, there are uncertainties regarding the interpretation of complex tax regulations and the amount and timing of future taxable income. Particularly in light of international interdependencies, differences between actual results and Alzchem's assumptions, or future changes to these assumptions, may result in changes to the tax result in future periods.

PROVISIONS

When determining the amount of provisions, assumptions must be made about the probability of the outflow of resources. These assumptions represent the best possible estimate of the underlying situation but are subject to a certain degree of uncertainty due to the necessary use of assumptions. When measuring provisions, assumptions must also be made about the amount of the possible outflow of resources. This applies in particular to Alzchem's long-term landfill provisions. For accounting purposes, assumptions must be made about the estimated costs and also the period of storage after the closure of the landfills. A change in the assumptions can therefore lead to a different amount of the provision. Accordingly, the use of assumptions also results in some uncertainties here.

The determination of the present value of pension obligations depends significantly on the selection of the discount rate and other actuarial assumptions, which are recalculated at the end of each fiscal year. The underlying discount rate is the interest rate on corporate bonds with high credit ratings that are denominated in the currency in which the benefits are paid and have terms that match the pension obligations. Changes in these interest rates can lead to significant changes in the amount of the pension obligation. The same applies to long-term landfill provisions, which can change significantly as a result of changes in the discount rate.

At the time the consolidated financial statements were prepared, all identifiable risks were taken into account in the assumptions and estimates used.

CONSIDERATION OF GENERAL UNCERTAINTIES

The Group's economic development continues to be influenced by external factors beyond Alzchem's direct control. These include geopolitical tensions, volatile raw materials and energy prices, regulatory changes, and the ongoing transformation to a climate-neutral economy.

In addition to the increasing requirements of climate protection laws, CO₂ pricing, and sustainability reporting, physical climate risks such as extreme weather events can have a potential impact on supply chains, production sites, and the availability of raw materials.

Furthermore, international trade and customs policies, in particular the protectionist measures taken by the US, are affecting global supply chains and may lead to higher costs and adjustments in procurement strategy.

The geopolitical situation remains tense: the war in Ukraine and the ongoing conflicts in the Gaza Strip pose risks to energy supplies, raw materials markets, and the stability of international trade relations.

Uncertainties in forecasts remain high and lead to the application of estimation and assumption-sensitive accounting principles as well as discretionary decisions by management. These developments may have a negative impact on the fair values and carrying amounts of assets and liabilities as well as on the amount and timing of Alzchem's earnings realization and cash flows. The consequences vary considerably depending on the region and customer industry. Alzchem based its estimates and assumptions on current knowledge and the best available information.

The Group takes account of the existing uncertainties through cautious and compliant accounting. This includes in particular:

- Provisions for risks and obligations, e.g., recultivation obligations
- Impairment testing in accordance with IAS 36 for assets and cash-generating units
- Testing the recoverability of trade receivables

The Group continuously monitors the regulatory and economic environment and adjusts its accounting assumptions and risk reporting accordingly.

V. NOTES TO THE CONSOLIDATED INCOME STATEMENT

1. SALES REVENUES

Alzchem generates sales revenues from the sale of chemical products to customers and from the provision of services as part of site services.

The Group's sales revenues, broken down into these two categories, are as follows:

in EUR thousand	01/01 - 12/31/2024	01/01 - 12/31/2025
Sales from product sales	528,373	537,787
Sales from services	25,858	23,368
Other sales	0	960
	554,231	562,115

Sales from services include sales of EUR 371 thousand, which was recognized in accordance with IFRS 15 over a specific period of time based on the percentage of completion method.

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

in EUR thousand	01/01 - 12/31/2024	01/01 - 12/31/2025
Product sales in the Specialty Chemicals segment	348,089	377,816
Interest income in the Specialty Chemicals segment	0	960
Product sales in the Basics & Intermediates segment	174,003	155,091
Product sales in the Other & Holding segment	6,282	4,880
Service sales in the Other & Holding segment	25,858	23,368
	554,231	562,115

Total sales revenues are distributed geographically as follows:

in EUR thousand	01/01 - 12/31/2024	01/01 - 12/31/2025
Germany	157,206	163,680
European Union	177,978	176,041
Rest of Europe	27,170	26,785
NAFTA	90,305	101,544
Asia	43,375	39,053
Rest of the world	58,197	55,012
	554,231	562,115

Expected revenue recognition from performance obligations not yet fulfilled:

in EUR thousand	2026	2027	2028	2029	2030	After 2030	Total
Performance obligation	2,160	9,683	18,024	17,586	12,586	41,940	101,979

Sales revenues from contracts with customers generally result in receivables, which are reported under trade receivables. The respective opening and closing balances of these receivables correspond to the amounts reported under trade receivables in the balance sheet as of the reporting date.

Trade receivables have a heterogeneous maturity structure when first recognized, with maturities generally being less than 60 days. The impairments on trade receivables recognized in the reporting period are presented in Note 18.

If sales revenues do not result in trade receivables, they reduce contract liabilities. As there were no contract liabilities as of the previous year's reporting date, no sales revenues were realized from these in the fiscal year.

In the reporting period, EUR 74 thousand (previous year: EUR 154 thousand) in sales were recognized for which the performance obligation had already been fulfilled in the previous period. These result from the final settlement of volume-based pricing with individual customers in the respective previous year. No accruals were made for transport services during the entire reporting period.

2. OTHER OPERATING INCOME

in EUR thousand	01/01 - 12/31/2024	01/01 - 12/31/2025
Own work capitalized	7,474	9,878
Income from the reversal of provisions and liabilities	929	3,681
Income from services to third parties	1,734	3,058
Income from currency translation	4,034	3,035
Income from subsidies	1,816	1,936
Income from energy tax refunds	0	127
Miscellaneous other income	1,314	1,627
	17,301	23,342

Capitalized own work results from the capitalization of self-constructed items of property, plant, and equipment.

3. COST OF MATERIALS

in EUR thousand	01/01 - 12/31/2024	01/01 - 12/31/2025
Costs of raw materials, consumables and supplies, production-related electricity and purchased goods	192,303	194,626
Costs of purchased services	3,360	3,660
	195,663	198,286

4. PERSONNEL EXPENSES

in EUR thousand	01/01 - 12/31/2024	01/01 - 12/31/2025
Wages and salaries	133,626	144,818
Social security contributions and pension provisions	26,873	28,793
	160,499	173,611

The item social security contributions and pension provisions includes current contributions for employer contributions to the statutory pension insurance scheme in the amount of EUR 9,002 thousand (previous year: EUR 8,903 thousand). The expense for the free shares granted by Alzchem as part of the employee participation program amounts to EUR 1,305 thousand (previous year: EUR 0 thousand).

The following table shows the average number of employees in the Alzchem Group during the reporting period:

	2024	2025
Commercial workers	870	885
Employees	725	755
Trainees	130	125
	1,725	1,765

5. OTHER OPERATING EXPENSES

in EUR thousand	01/01 - 12/31/2024	01/01 - 12/31/2025
Environmental/disposal costs	17,580	18,668
Selling expenses	20,055	18,271
Maintenance	13,987	16,797
Other external services	10,825	11,900
Consulting, research, and development costs	6,534	8,030
Expenses from currency translation	3,210	6,294
Insurances	5,401	5,798
IT costs	3,274	3,725
Miscellaneous other expenses	23,919	23,636
	104,785	113,119

The consulting, research, and development costs shown above only include external research and development costs. In the reporting period, research and development costs of EUR 10,706 thousand (previous year: EUR 10,831 thousand), including personnel and other attributable expenses, were recognized as expenses.

Miscellaneous other expenses include expenses for marketing, travel, rent, expert opinions, audits, fees and contributions, and other taxes. In addition, this item in the previous year included expenses from the valuation of derivatives in the amount of EUR 1,994 thousand.

6. DEPRECIATION, AMORTIZATION, AND IMPAIRMENT

Details of scheduled depreciation and amortization can be found in the consolidated statement of changes in non-current assets. As in the previous year, no impairment losses were recognized on property, plant, and equipment or intangible assets in the reporting period.

7. FINANCIAL RESULT

The financial result comprises the following items, broken down by origin as follows:

in EUR thousand	01/01 - 12/31/2024	01/01 - 12/31/2025
Interest and similar income		
Receivables from banks	1,589	1,686
Interest income from discounting of current provisions	585	1,466
Other	56	86
	2,230	3,238
Interest and similar expenses		
Interest expense from additions to pension provisions	3,175	3,254
Loan liabilities to banks	2,179	1,610
Interest expense from sale of receivables	28	1
Interest expense from additions to other non-current provisions	337	141
Interest expense from lease liabilities	113	97
Other	5	28
	5,837	5,131
Financial result	-3,607	-1,893

Interest income from banks results from current account balances and short-term cash investments. Interest income of EUR 1,842 thousand (previous year: EUR 753 thousand) was generated in fiscal year 2025 from changes in interest rates when measuring other non-current provisions.

Total interest income for financial assets measured at amortized cost or financial liabilities not measured at fair value through profit or loss amounted to EUR 1,704 thousand in fiscal year 2025 (previous year: EUR 1,592 thousand). Total interest expense for financial assets measured at amortized cost or financial liabilities not measured at fair value through profit or loss amounted to EUR 1,610 thousand in fiscal year 2025 (previous year: EUR 2,179 thousand). No interest income or expenses were recognized in any reporting period for financial assets measured at fair value through other comprehensive income.

All interest income and expenses resulting from financial assets and financial liabilities were calculated using the effective interest method.

8. TAXES ON INCOME AND EARNINGS

Income tax expense is composed as follows:

in EUR thousand	01/01 - 12/31/2024	01/01 - 12/31/2025
Actual tax expense	-20,120	-22,457
of which unrelated to the period	-132	-809
Deferred tax expense (-)/income (+)	-977	-1,851
of which unrelated to the period	-12	747
of which from temporary differences	-911	-2,625
	-21,097	-24,308

Taxes on income and earnings comprise the income taxes paid or owed in the individual countries and deferred tax liabilities.

To determine current taxes in Germany, a uniform corporate income tax rate of 15.0% is applied to distributed and retained earnings, plus a solidarity surcharge of 5.5%. In addition to corporate income tax, trade tax is levied on profits generated in Germany. The trade tax burden ranges between 12.0% and 13.0%. The profits generated by foreign subsidiaries are determined on the basis of the respective national tax law and taxed at the applicable regional tax rate. The applicable country-specific income tax rate ranges between 5.0% and 26.13%.

Deferred taxes are calculated based on the tax rates expected in the individual countries at the time of realization; these are generally based on the legal regulations valid or adopted on the balance sheet date. The gradual reduction in the corporate income tax rate by one percentage point per year for the fiscal years 2028 to 2032, which has been adopted for Germany, has been taken into account.

The following reconciliation shows the differences between the income tax expense actually recognized and the expected income tax expense. The expected income tax expense is calculated by multiplying the earnings before income taxes by the applicable income tax rate. According to IAS 12.85, the applicable income tax rate is the one that is most appropriate for the presentation of information. The tax rate of Alzchem Trostberg GmbH is used for the tax reconciliation, as this has the most significant impact on the Group's tax rate.

in EUR thousand	01/01 - 12/31/2024	01/01 - 12/31/2025
Consolidated annual result before income taxes	75,343	87,938
Applicable income tax rate	28.00%	28.00%
Expected income tax expense	21,096	24,623
Effects from different foreign tax rates	-214	-125
Effects from differing domestic tax rates	168	-135
Tax effects		
Tax additions	227	225
Tax-free income	-338	-360
Tax income relating to other periods	-10	-740
Tax expense relating to other periods	155	802
Initial recognition of deferred taxes	-3	0
Other differences	16	17
Total tax effects	47	-56
Total tax expense	21,097	24,307
Effective tax rate	28.00%	27.64 %

9. EARNINGS PER SHARE

The share buybacks carried out in fiscal years 2024 and 2025 and the issue of treasury shares as part of the employee participation program 2025 influenced the calculation of earnings per share. The calculation of diluted earnings per share is based on the weighted average number of shares outstanding during the reporting period. The prior-year figures have not been adjusted in accordance with IFRS requirements.

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

	01/01 - 12/31/2024	01/01 - 12/31/2025
Weighted average number of shares outstanding	10,174,204	10,106,339
Earnings per share in EUR	5.31	6.28
Number of shares outstanding as of December 31	10,150,757	10,123,706

VI. NOTES TO THE CONSOLIDATED BALANCE SHEET

10. NON-CONTROLLING INTERESTS IN THE CONSOLIDATED ANNUAL RESULT

The non-controlling interests in the consolidated annual result relate to the 6% minority interest in Alzchem International GmbH held by the four former majority shareholders of Alzchem Group AG. The development of the non-controlling interests can be found in the consolidated statement of changes in equity.

The following financial information refers to the minority shareholders' percentage interests in the subsidiary:

in EUR thousand	12/31/2024	12/31/2025
Non-current assets	1,865	1,540
Current assets	428	694
Non-current liabilities	0	0
Current liabilities	186	127
Cash flow	0	0
Distributions paid	0	0
Annual result	0	0
Other income	0	0
Total income	0	0

A profit transfer agreement was concluded between Alzchem Trostberg GmbH and Alzchem International GmbH with effect from January 1, 2018. Accordingly, Alzchem International GmbH transfers its future profits in full to Alzchem Trostberg GmbH, which also assumes any losses incurred by Alzchem International GmbH in full. The agreement was originally concluded for a period of five years and could not be terminated during this period. As neither party terminated the agreement as of December 31, 2025, the agreement was automatically extended by one year.

Under the agreement, the Group has received the entire annual result and total income of Alzchem International GmbH since January 1, 2018. Consequently, the non-controlling interests do not receive any further annual results for the term of the profit transfer agreement. The minority shareholders of Alzchem International GmbH were granted compensation of EUR 2.85 (gross) per share per year for the duration of the profit transfer agreement for the loss of their variable earnings entitlement. The agreement and the compensation granted have not been terminated and remain valid.

In the consolidated balance sheet, the present value of the compensation payments to be made in the future has already been recognized in full (EUR 342 thousand; December 31, 2024: EUR 342 thousand) in current and non-current other liabilities. The non-controlling interest in Group equity was reduced by the same amount. The annual compensation payments to be made to the non-controlling interests are allocated (pro rata) to the consolidated annual result of the non-controlling interests and therefore do not correspond to the actual annual result of the non-controlling interests, as this is zero in the years covered by the profit transfer agreement. The figure reported in the overview above corresponds to 6% of the actual annual result of Alzchem International GmbH. However, for accounting purposes, EUR 171 thousand (December 31, 2024: EUR 171 thousand) from Alzchem International GmbH was allocated to the consolidated annual result of non-controlling interests. Cash settlement takes place in January of each fiscal year in the same amount.

11. INTANGIBLE ASSETS

Intangible assets include acquired software, rights, and licenses. The Alzchem Group has no internally generated intangible assets as of the reporting dates shown.

The development of intangible assets in the period from January 1 to December 31, 2024, is as follows:

in EUR thousand	Software	Concessions, patents, licenses, and similar rights	Total
Acquisition costs 01/01/2024	9,362	1,458	10,820
Additions	926	2	928
Disposals	-471	-152	-623
Reclassification	-520	564	44
Currency translation	-7	0	-7
Balance as of 12/31/2024	9,290	1,871	11,162
Amortization 01/01/2024	5,851	1,305	7,157
Additions	910	55	964
Disposals	-470	-152	-623
Reclassification	0	0	0
Currency translation	-7	0	-7
Balance as of 12/31/2024	6,284	1,207	7,491
Net carrying amount as of 12/31/2023	3,511	153	3,664
Net carrying amount as of 12/31/2024	3,006	665	3,671

The development of intangible assets in fiscal year 2025 is as follows:

in EUR thousand	Software	Concessions, patents, licenses, and similar rights	Total
Acquisition costs 01/01/2025	9,290	1,871	11,162
Additions	585	0	585
Disposals	-101	-26	-127
Reclassification	0	323	323
Currency translation	13	0	13
Balance as of 12/31/2025	9,787	2,168	11,955
Amortization 01/01/2025	6,284	1,207	7,491
Additions	1,004	45	1,049
Disposals	-101	-26	-127
Reclassification	0	0	0
Currency translation	13	0	13
Balance as of 12/31/2025	7,200	1,226	8,426
Net carrying amount as of 12/31/2024	3,006	665	3,671
Net carrying amount as of 12/31/2025	2,587	942	3,529

No impairment losses on intangible assets were recognized in any of the reporting periods. In the reporting periods presented, there were no intangible assets with indefinite useful lives and no significant intangible assets that were not yet ready for use as of the reporting date.

12. PROPERTY, PLANT, AND EQUIPMENT

The development of property, plant, and equipment in the period from January 1 to December 31, 2024, is as follows:

in EUR thousand	Land, land rights, and buildings	Plant and machinery	Operating and office equipment	Advance payments and assets under construction	Total
Acquisition costs 01/01/2024	73,633	311,435	28,436	11,648	425,152
Additions	1,475	8,940	2,711	27,171	40,297
Disposals	-3	-3,513	-2,170	-633	-6,319
Reclassification	1,708	6,908	648	-9,308	-44
Currency translation	-34	-193	0	-29	-256
Balance as of 12/31/2024	76,779	323,577	29,626	28,848	458,830
Depreciation 01/01/2024	31,842	194,296	21,733	0	247,872
Additions	2,284	17,899	3,249	0	23,432
Disposals	-2	-3,257	-2,087	0	-5,346
Reclassification	0	0	0	0	0
Currency translation	-5	-92	-5	0	-103
Balance as of 12/31/2024	34,119	208,846	22,890	0	265,855
Net carrying amount as of 12/31/2023	41,791	117,139	6,703	11,648	177,281
Net carrying amount as of 12/31/2024	42,660	114,731	6,736	28,848	192,976

The development of property, plant, and equipment in fiscal year 2025 is as follows:

in EUR thousand	Land, land rights, and buildings	Plant and machinery	Operating and office equipment	Advance payments and assets under construction	Total
Acquisition costs 01/01/2025	76,779	323,577	29,626	28,848	458,830
Additions	3,912	9,171	2,896	92,205	108,184
Disposals	-27	-1,649	-1,080	-256	-3,012
Reclassification	2,260	9,894	1,298	-13,775	-323
Currency translation	61	389	-28	24	446
Balance as of 12/31/2025	82,985	341,382	32,712	107,046	564,125
Depreciation 01/01/2025	34,119	208,846	22,890	0	265,855
Additions	2,486	17,879	3,302	0	23,667
Disposals	-17	-1,529	-1,025	0	-2,571
Reclassification	0	0	0	0	0
Currency translation	12	201	-19	0	194
Balance as of 12/31/2025	36,600	225,397	25,148	0	287,145
Net carrying amount as of 12/31/2024	42,660	114,731	6,736	28,848	192,975
Net carrying amount as of 12/31/2025	46,385	115,985	7,564	107,046	276,980

No impairment losses on property, plant, and equipment were recognized in any of the reporting periods presented.

As a site operator, Alzchem rents or leases individual office spaces, storage areas, and company apartments. The carrying amounts of these individual leased properties are not disclosed separately in accordance with IFRS 16.58, as individual carrying amounts either do not exist or are not material in the context of the total carrying amount of land and buildings.

As of the balance sheet date, plant and machinery includes jointly controlled assets that have already been fully depreciated. These consist of a steam boiler that is operated at the Waldkraiburg site together with a neighboring company on its property. The Alzchem Group's share in this joint agreement is 50%. The two companies each purchase 50% of the volume produced by the steam boiler for their own production processes. The share of expenses from this jointly managed asset amounted to EUR 3,355 thousand in fiscal year 2025 (previous year: EUR 2,938 thousand). As in the previous year, no income was generated from this jointly managed asset.

Following a Europe-wide selection process, the EU Commission approved an investment grant of EUR 34.4 million for Alzchem as part of the ASAP ("Act in Support of Ammunition Production") funding instrument. Alzchem intends to use the funds over a period of two and a half years to increase its nitroguanidine production capacity and to renew and expand its existing guanidine nitrate production facilities. In fiscal year 2025, Alzchem received a payment of EUR 846 thousand (previous year: EUR 12,046 thousand) from the approved grant. The grant reduced investments by EUR 12,339 thousand (previous year: EUR 3,684 thousand). The reduction was made in line with the progress of the investment. The investment measures are scheduled for completion in 2026, and the investments reduced by the EU grant will be depreciated over the normal useful life.

Borrowing costs were not capitalized as part of the production costs of technical equipment, machinery, and buildings in fiscal year 2025 or in the previous year.

Property, plant, and equipment in the amount of EUR 12,885 thousand (December 31, 2024: EUR 13,034 thousand) serves as collateral for loan liabilities to banks.

13. LEASING

The Alzchem Group has entered into leases primarily for motor vehicles, forklift trucks, railway wagons, office space, and software. Leases for smaller, primarily workplace-related IT equipment, such as printers and copiers, are classified as low-value leases and are not recognized in the balance sheet. Similarly, leases with a term of up to twelve months and those for intangible assets are not recognized in the balance sheet.

The following table shows the development of lease usage rights in the reporting periods, broken down by the classes of property, plant, and equipment relevant to Alzchem:

in EUR thousand	Land, land rights, and buildings	Plant and machinery	Operating and office equipment	Total
Carrying amount as of 12/31/2023	168	4,607	80	4,855
Additions	21	1,066	0	1,087
Depreciation	-119	-1,772	-31	-1,922
Disposals	0	0	0	0
Currency translation	4	0	-1	3
Carrying amount as of 12/31/2024	74	3,901	48	4,023
Additions	546	374	0	920
Depreciation	-138	-1,763	-31	-1,932
Disposals	0	0	0	0
Currency translation	-20	0	1	-19
Carrying amount as of 12/31/2025	462	2,512	18	2,992

In fiscal year 2025, cash outflows of EUR 2,033 thousand (previous year: EUR 2,041 thousand) were recorded from leases.

The carrying amounts of lease liabilities and future payments arising from these liabilities are as follows, broken down by maturity:

12/31/2024

in EUR thousand	Up to 1 year	1 to 5 years	Over 5 years	Total
Present value of lease liabilities	1,826	2,324	2	4,152
Payments from lease liabilities	1,897	2,360	2	4,259

12/31/2025

in EUR thousand	Up to 1 year	1 to 5 years	Over 5 years	Total
Present value of lease liabilities	1,874	1,214	25	3,113
Payments from lease liabilities	1,934	1,262	26	3,222

In addition to amortization, the following expenses and income related to leases were recognized in the consolidated income statement:

Income statement item in EUR thousand		01/01 - 12/31/2024	01/01 - 12/31/2025
Other operating expenses	Lease expenses for short-term leases	547	648
Other operating expenses	Lease expenses for low-value leases	41	46
Other operating expenses	Variable lease expenses outside the lease liabilities	25	25
Interest and similar expenses	Interest expense for lease liabilities	113	97
Sales revenues	Income from operating leases	1,186	1,167
Other operating income	Income from operating leases	513	525

The Alzchem Group has not generated any income or losses from subleasing lease usage rights or from sale and leaseback transactions.

There are no significant extension or termination options for the currently recognized lease rights that are not taken into account in the calculation of lease liabilities, nor have any residual value guarantees been given. There are also no obligations from leases that have already been concluded but have not yet commenced as of the balance sheet date. Future payments from variable lease payments are expected to be roughly at the same level as in the past fiscal year 2025.

The lease terms are negotiated individually and include a variety of different conditions. The lease agreements do not contain any credit terms, but leased assets may not be used as collateral for borrowing.

The Alzchem Group has not identified any finance leases as a lessor. As a site operator, Alzchem rents or leases individual office spaces, storage areas, and company apartments. The Alzchem Group expects the following inflows from these contracts in the coming periods:

Expected in the fiscal year						
as of 12/31/2024 in EUR thousand	2025	2026	2027	2028	2029	After 2029
Payments from operating lease agreements	1,558	1,096	1,083	753	741	2,761

Expected in the fiscal year						
as of 12/31/2025 in EUR thousand	2026	2027	2028	2029	2030	After 2030
Payments from operating lease agreements	1,597	1,172	842	816	816	2,078

14. FINANCIAL ASSETS

Non-current financial assets comprise shares in one other investment and are classified as "at fair value through profit or loss". Since there are no observable market values for this investment and, given its overall minor significance for the Alzchem Group, no reliable parameters for a model valuation can be determined with reasonable effort, the acquisition costs are used as the best available indication of fair value. At present, the Alzchem Group has no plans to sell the remaining investment.

15. OTHER RECEIVABLES AND OTHER ASSETS

Non-current and current other receivables and other assets comprise the following financial and non-financial assets:

in EUR thousand	12/31/2024	12/31/2025
Non-current receivables and other assets		
therein financial assets		
Receivables from customer contracts	0	20,578
Refund claims	0	15
Total non-current financial assets	0	20,593
therein non-financial assets		
Prepaid expenses	1,045	1,012
Other	189	196
Total non-current non-financial assets	1,234	1,208
Total non-current receivables and other assets	1,234	21,801

Current receivables and other assets

therein financial assets		
Receivables from purchase price retention, special blocked account, and settlement account	5,572	0
Short-term restricted cash investments	5,902	6,485
Receivables from customer contracts	0	10,381
Other	1,607	4,573
Total current financial assets	13,081	21,439

in EUR thousand	12/31/2024	12/31/2025
therein non-financial assets		
Tax receivables	4,622	10,842
Prepaid expenses	2,165	2,764
Other	212	156
Total current non-financial assets	6,999	13,762
Total current receivables and other assets	20,080	35,201

Other receivables also include receivables from customer contracts in accordance with IFRS 15 for unconditional payment claims in future periods. These receivables are contractually based on payment dates. Some of these receivables bear interest in accordance with the contractual provisions. The non-interest-bearing portion of receivables from customer contracts is only recognized at present value and accrued over the term if the contract has a relevant financing component. Interest income from these receivables is reported under sales revenues due to its connection with customer contracts in accordance with IFRS 15.

Receivables from customer contracts developed as follows in the fiscal year:

in EUR thousand	Receivables from customer contracts
Balance as of 01/01/2024	0
Addition	0
Disposal	0
Balance as of 12/31/2024	0
Balance as of 01/01/2025	0
Addition	89,402
Interest and outstanding items under trade receivables	322
Payment	-58,765

in EUR thousand	Receivables from customer contracts
Balance as of 12/31/2025	30,959
thereof non-current > 1 year to 3 years	20,578
thereof current <= 1 year	10,381

Receivables from purchase price retention, special blocked accounts, and settlement accounts result from factoring transactions and represent receivables from the factor. Due to the termination of the factoring agreement in fiscal year 2025, these assets only existed in the previous year. Short-term cash investments relate to cash and cash equivalents invested with banks with a fixed interest period of no more than twelve months. These cash investments amounting to EUR 6,485 thousand (December 31, 2024: EUR 5,902 thousand) serve entirely as collateral in accordance with the legal requirements for the aftercare and recultivation of landfill sites and are therefore restricted in their availability.

Prepaid expenses were mainly recognized for advance payments for insurance, software, and maintenance contracts. Insurance policies relating to the current stock market listing are also reported under non-current assets.

No value adjustments were made to the non-current and current financial assets listed above, nor do they include any overdue amounts. As of the balance sheet date, there are no indications that the payments will not be made when these items fall due.

The current and non-current financial assets shown here include the following receivables in foreign currency:

in EUR thousand	12/31/2024	12/31/2025
Total	394	402
USD	159	15
CNY	235	387

16. DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets against current tax liabilities and if the deferred taxes relate to the same tax authority. Deferred tax assets and deferred tax liabilities relate to the following items:

in EUR thousand	12/31/2024	12/31/2025
Deferred tax assets		
Intangible assets	0	0
Property, plant, and equipment	145	25
Financial assets	8	6
Inventories	1,688	1,667
Other receivables and other assets	3,137	4,100
Provisions	13,448	9,155
thereof for pension obligations	12,054	7,766
Liabilities	1,678	744
Tax loss carryforwards	17	14
Total deferred tax assets	20,121	15,711
thereof current	6,511	6,518
thereof non-current	13,610	9,193
Deferred tax liabilities		
Intangible assets	729	572
Property, plant, and equipment and lease usage rights	6,527	5,744
Other receivables and other assets	0	0
Provisions	499	2,414

in EUR thousand	12/31/2024	12/31/2025
Liabilities	0	0
Total deferred tax liabilities	7,755	8,730
thereof current	0	0
thereof non-current	7,755	8,730
Offsetting of deferred tax assets and liabilities	0	0
Balance sheet recognition of deferred tax assets	20,121	15,711
Balance sheet value of deferred tax liabilities	7,755	8,730

Changes in deferred taxes compared with the previous year were recognized as an expense in the consolidated income statement in the amount of EUR 1,851 thousand (previous year: EUR 977 thousand). The change in deferred taxes is included in other comprehensive income in the amount of EUR -3,505 thousand (previous year: EUR -1,303 thousand). The gradual reduction in the corporate income tax rate by one percentage point per year for the fiscal years 2028 to 2032, which has been adopted for Germany, was taken into account accordingly.

The deferred tax assets on income tax loss carryforwards listed here are attributable to domestic companies in the amount of EUR 14 thousand (December 31, 2024: EUR 17 thousand). Of this amount, EUR 7 thousand (December 31, 2024: EUR 8 thousand) relates to trade tax and EUR 6 thousand (December 31, 2024: EUR 9 thousand) to corporate income tax. In the reporting year, deferred tax assets were recognized on all income tax loss carryforwards. The existing tax loss carryforwards in Germany are vested.

The calculation of deferred taxes resulted in an excess of deferred tax assets. Based on the approved corporate planning, it can be assumed that sufficient taxable income will be available in the future to make the realization of the deferred tax assets probable.

No deferred tax liabilities were recognized for temporary differences in connection with shares in subsidiaries amounting to EUR 60,795 thousand (December 31, 2024: EUR 53,828 thousand).

For further information, please refer to the accounting and valuation principles and the explanations in section IV.

17. INVENTORIES

in EUR thousand	12/31/2024	12/31/2025
Raw materials, consumables, and supplies	31,922	31,398
Unfinished goods	22,817	42,832
Unfinished services	129	561
Finished goods	45,425	41,016
Merchandise	125	192
Advance payments	748	5
	101,166	116,004

In fiscal year 2025, changes in inventory write-downs amounting to EUR 903 thousand (previous year: EUR 7,688 thousand expense) were recognized as income within material expenses or changes in inventories. The impairments were mainly made for excess inventory, lack of marketability, and write-downs to net realizable value. The total amount of inventories recognized as an expense in fiscal year 2025 is EUR 198,286 thousand (previous year: EUR 195,663 thousand).

The Group carries out long-term construction contracts in which revenue is recognized according to the stage of completion. As of the balance sheet date, there are inventories of unfinished services amounting to EUR 442 thousand, which comprise manufacturing costs incurred but not yet recognized as revenue from these contracts.

18. TRADE RECEIVABLES

The development of value adjustments in the reporting period is as follows:

in EUR thousand	01/01/2024	Additions	Utilization	Reversal	Currency translation	12/31/2024
Value adjustments on trade receivables (AC)	9	180	0	-116	0	73
Value adjustments on trade receivables (FVOCI)	121	961	0	-215	0	867
Total	130	1,141	0	-331	0	940

in EUR thousand	01/01/2025	Additions	Utilization	Reversal	Currency translation	12/31/2025
Value adjustments on trade receivables (AC)	73	774	0	-185	0	662
Value adjustments on trade receivables (FVOCI)	867	0	-38	-829	0	0
Total	940	774	-38	-1,014	0	662

The termination of the factoring agreement in mid-December 2025 did not represent a change in the business model in accordance with IFRS 9. The receivables portfolio existing at that time expired and new receivables were allocated to the "amortized cost" portfolio due to the termination.

Due to the termination of the factoring agreement in mid-December 2025, there are no longer any receivables assigned to the fair value measurement category with changes in value recognized in other comprehensive income (FVOCI) as of the reporting date. Accordingly, the gross receivables volume before collateral and value adjustments in this category amounts to EUR 0 thousand (December 31, 2024: EUR 68,581 thousand).

The gross receivables volume of trade receivables measured at amortized cost (AC) amounts to EUR 74,077 thousand as of the reporting date (December 31, 2024: EUR 11,294 thousand).

The expected loss ratio, measured against the total receivables portfolio, amounted to 0.89% as of the reporting date, with individual rates based on historical values ranging between 0.00% and 0.28% depending on the age of the receivables.

As of the reporting date of December 31, 2025, the Alzchem Group had received collateral from trade credit insurance policies to secure trade receivables in the amount of EUR 56,332 thousand (December 31, 2024: EUR 59,256 thousand). Of this amount, collateral in the amount of EUR 3,542 thousand (December 31, 2024: EUR 8,023 thousand) relates to overdue receivables.

As of the balance sheet date, there are no indications that payments will not be made when due for receivables that are neither impaired nor overdue.

Due to the Group's international activities, trade receivables as of the reporting dates include the following foreign currency receivables converted into the Group currency, the euro:

in EUR thousand	12/31/2024	12/31/2025
Total	21,402	21,149
USD	14,347	14,637
SEK	4,053	3,981
JPY	1,787	2,143
CNY	1,215	388

The factoring agreement concluded in the previous year was terminated in fiscal year 2025. As of the balance sheet date, the carrying amounts of the receivables sold under factoring – after deduction of the agreed retentions – amounted to EUR 0 thousand (previous year: EUR 0 thousand). An analysis of the receivables sold as of December 31, 2024, showed that a complete disposal was to be recognized. Neither in the reporting year nor in the previous period were there any cash inflows from purchase price retentions to the factoring company.

19. INCOME TAX ASSETS

Tax receivables comprise income tax receivables from foreign companies amounting to EUR 319 thousand (December 31, 2024: EUR 70 thousand). These mainly result from overpayments in the past and previous fiscal years.

20. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are composed as follows:

in EUR thousand	12/31/2024	12/31/2025
Balances with banks	61,539	71,717
Cash on hand	5	3
	61,544	71,720

Cash and cash equivalents consist of the Group currency, the euro, converted into the following currencies:

in EUR thousand	12/31/2024	12/31/2025
Total	9,613	10,125
USD	4,650	2,205
CNY	2,138	1,970
SEK	2,317	5,707
Other	508	243

21. EQUITY

SUBSCRIBED CAPITAL

The subscribed capital corresponds to that of Alzchem Group AG. The subscribed capital of Alzchem Group AG, Trostberg, amounts to EUR 101,763,350.00 as of the reporting date (December 31, 2024: EUR 101,763,350.00) and is divided into 10,176,335 no-par value shares with a notional value of EUR 10.00 per share.

As of December 31, 2025, the company holds a total of 52,629 treasury shares (December 31, 2024: 25,578 shares). No shares with special rights have been issued. All shares carry the same rights and obligations.

AUTHORIZED CAPITAL

Pursuant to Section 5 (5) of the company's Articles of Association, the Management Board is authorized, with the approval of the Supervisory Board, to increase the share capital of Alzchem Group AG on one or more occasions by a total of up to EUR 10,176,330.00 (in words: ten million one hundred seventy-six thousand three hundred thirty euros) by issuing up to 1,017,633 new no-par value bearer shares in exchange for cash and/or non-cash contributions. In principle, shareholders shall be granted subscription rights. The statutory subscription right may also be granted in such a way that the new shares are taken over by a credit institution or a consortium of credit institutions designated by the Management Board with the obligation to offer them to the shareholders of the company for subscription.

The Management Board is authorized, with the approval of the Supervisory Board, to exclude the statutory subscription rights of shareholders in the following cases:

- in the event of a capital increase against contributions in kind, in particular for the acquisition of companies, parts of companies, or interests in companies;
- in the case of capital increases against cash contributions, if the issue price of the new shares issued with the exclusion of subscription rights pursuant to Section 186 (3) sentence 4 AktG is not significantly lower than the stock market price of the already listed shares of the same class and with the same features, and if the total proportionate amount of the share capital attributable to the new shares issued with the exclusion of subscription rights pursuant to Section 186 (3) sentence 4 AktG does not exceed 10% of the share capital existing at the time this authorization takes effect and at the time this authorization is exercised. Shares issued or sold during the term of this authorization until the date of its exercise in direct or corresponding application of Section 186 (3) sentence 4 AktG shall be counted toward this limit of 10% of the share capital;
- to avoid fractional amounts; and/or
- to issue shares to employees of the company or an affiliated company in return for cash and/or non-cash contributions as part of share ownership or other share-based programs, provided that the employment relationship with the company or an affiliated company must exist at the time the share issue is committed.

The Management Board is authorized, with the approval of the Supervisory Board, to determine further details of the capital increase and its implementation, in particular the content of the share rights and the conditions of the share issue, including profit sharing deviating from Section 60 (2) AktG. If shares are issued to employees of the company or an affiliated company, the shares may also be issued in such a way that the contributions to be made on them are covered by the portion of the net income that the Management Board and Supervisory Board could allocate to other retained earnings pursuant to Section 58 (2) AktG. The Super-

visory Board is authorized to amend the company's Articles of Association accordingly after the authorized capital has been fully or partially utilized or has expired, in particular with regard to the amount of share capital and the number of existing no-par value shares.

AUTHORIZATION TO ACQUIRE AND USE TREASURY SHARES

In order to enable Alzchem Group AG to acquire and resell treasury shares if necessary, the Annual General Meeting 2024 authorized Alzchem Group AG in accordance with Section 71 (1) No. 8 AktG to acquire treasury shares up to May 6, 2029, in a volume of up to 10% of the share capital existing at the time of the resolution or, if this amount is lower, of the share capital existing at the time the authorization is exercised. The shares acquired on the basis of this authorization, together with other shares of the company owned by Alzchem Group AG at the time of acquisition or attributable to it in accordance with Sections 71d or 71e AktG, may not at any time exceed 10% of the share capital. The authorization may not be used by Alzchem Group AG for the purpose of trading in treasury shares.

The authorization may be exercised in whole or in part, once or several times, by Alzchem Group AG or by companies dependent on or majority-owned by Alzchem Group AG or by third parties acting on behalf of Alzchem Group AG or companies dependent on or majority-owned by Alzchem Group AG. At the discretion of the Management Board, the acquisition may be made via the stock exchange or by means of a public purchase offer addressed to all shareholders or a public invitation to submit offers for sale, or via a credit institution or another company that meets the requirements of Section 186 (5) sentence 1 AktG and is commissioned to make the acquisition as part of a buyback program. In the case of acquisition via the stock exchange, the acquisition price (excluding incidental acquisition costs) may not ex-

ceed the price of the share determined on the trading day by the opening auction in Xetra trading (or in a comparable successor system) by more than 10% and may not fall below it by more than 20%.

In the case of acquisition via a public purchase offer, a specific purchase price or purchase price range may be set. The purchase price per share paid by the company (excluding incidental costs) may not exceed the arithmetic mean of the closing prices of the share in Xetra trading on the Frankfurt Stock Exchange (or a comparable successor system) on the last three trading days prior to the date of the Management Board's final decision on the publication of the public purchase offer ("reference date") by no more than 10% and may not fall below it by more than 20%. If there is a significant price deviation after the reference date, the purchase price may be adjusted in accordance with the above calculation; in this case, the reference period is the three trading days prior to the publication of the adjustment. The volume of the purchase may be limited. If the total subscription to the public purchase offer exceeds this volume, acceptance by the company will be based on quotas. Preferential acceptance of small quantities (up to 100 shares tendered per shareholder) may be provided for. The public purchase offer may provide for further conditions.

If the acquisition is made by means of a public invitation to submit offers to sell, the purchase price per share paid by the company (excluding incidental costs) may not exceed the arithmetic mean of the closing prices of the share in Xetra trading on the Frankfurt Stock Exchange (or a comparable successor system) on the last three trading days prior to the date of acceptance of the offers to sell by more than 10% and may not fall below it by more than 20%. The volume of the purchase may be limited. If the total number of shares

tendered exceeds this volume, acceptance by the company will be based on quotas. Preferential acceptance of small numbers of shares (up to 100 shares tendered per shareholder) may be provided for. The public invitation to submit offers to sell may stipulate further conditions.

As part of a buyback program, a credit institution may be commissioned to acquire either an agreed number of shares or shares for a predetermined total purchase price on a predetermined minimum number of trading days in Xetra trading on the Frankfurt Stock Exchange (or a comparable successor system) on a predetermined number of trading days and, at the latest, by the end of a predetermined period, either an agreed number of shares or shares for a predetermined total purchase price and transfer them to the company. In doing so, (i) the credit institution must acquire the shares via the stock exchange, (ii) the purchase price per share paid by the credit institution (excluding incidental costs) may not exceed the price determined on the trading day by the opening auction in Xetra trading on the Frankfurt Stock Exchange (or a comparable successor system) by more than 10% and may not fall below it by more than 20%, and (iii) the purchase price per share to be paid by the company must be at a discount to the arithmetic mean of the volume-weighted average prices (VWAP) of the Alzchem share in Xetra trading on the Frankfurt Stock Exchange (or a comparable successor system) during the actual buyback period. Apart from this, the credit institution is free to implement the buyback program, subject to any further requirements imposed by the company in individual cases.

The Management Board is authorized, with the approval of the Supervisory Board, to use treasury shares that have been or will be acquired on the basis of this or a previously granted authorization for all legally permissible purposes, in

particular for the following purposes, except for sale on the stock exchange or via a sale offer to all shareholders. In doing so, the company may also make use of dependent companies or companies in which it holds a majority stake, or third parties acting on behalf of the company or the aforementioned companies:

1. The shares may be redeemed without the redemption or its implementation requiring a further resolution by the Annual General Meeting. The redemption shall result in a reduction of the share capital by the amount attributable to the redeemed shares. Notwithstanding this, the Management Board may determine that the share capital shall remain unchanged upon redemption and that the proportionate amount of the non-redeemed shares in the share capital shall be increased accordingly; in this case, the Management Board is authorized to amend the number of shares specified in the Articles of Association.
2. The shares may be offered for purchase or promised as part of remuneration to members of the company's Management Board, members of the Management Boards of affiliated companies, and employees of the company and affiliated companies; the offered or promised shares may also be transferred to the beneficiaries after termination of their employment or membership of a governing body. The shares may also be transferred to a credit institution that accepts the shares with the obligation to use them exclusively for the purposes specified in sentence 1. Insofar as treasury shares are to be offered or promised to members of the company's Management Board and transferred, this authorization applies exclusively to the company's Supervisory Board.

3. The shares may be offered to and transferred to third parties in the context of business combinations and the (direct or indirect) acquisition of companies, parts of companies or company interests, as well as other assets eligible for contribution in connection with such acquisition projects.
4. The shares may also be sold to third parties for cash other than through the stock exchange or by way of an offer to all shareholders if the price at which the shares are sold is not significantly lower than the share price determined on the day of sale by the opening auction in Xetra trading on the Frankfurt Stock Exchange (or a comparable successor system) (excluding incidental costs). In addition, in such cases, the total number of shares sold may not exceed 10% of the share capital, either at the time this authorization takes effect or at the time it is exercised. The proportionate amount of the share capital attributable to shares issued or used during the term of this authorization with the exclusion of subscription rights in direct or corresponding application of Section 186 (3) sentence 4 AktG shall be credited against this amount.

Shareholders' subscription rights to acquired treasury shares shall be excluded to the extent that these shares are used in accordance with the above authorizations (2) to (4). In addition, in the event of the sale of the shares via a sale offer to all shareholders, shareholders' subscription rights for fractional amounts may be excluded.

The above authorizations may be exercised once or several times, in whole or in part, individually or jointly, within the limits specified.

The Management Board, in agreement with the Supervisory Board, made use of the buyback authorization in November

2024 to launch a share buyback program with a volume of up to EUR 6 million or 100,000 Alzchem shares. The buyback program was completed in November 2025. The Management Board, in agreement with the Supervisory Board, announced a further share buyback program on December 15, 2025. According to this program, up to 70,000 shares of the company are to be repurchased via the stock exchange over a period of up to twelve months at a total purchase price of up to EUR 10 million (excluding incidental acquisition costs). This program had not yet commenced by the time the annual financial statements were approved in February 2026.

CAPITAL RESERVE ADJUSTMENT ITEM REVERSE ACQUISITION / IFRS 2

The capital reserve adjustment item "Reverse Acquisition / IFRS 2" comprises the adjustment of the subscribed capital of Alzchem Trostberg GmbH to the subscribed capital of Alzchem Group AG as well as the business transactions from the capital increases in the fiscal year 2017 that did not affect the subscribed capital of Alzchem Group AG. These adjustments were necessary in order to meet the requirements for accounting and reporting the reverse business combination in fiscal year 2017.

In fiscal year 2025, there was a change of EUR 2,409 thousand due to share-based compensation from the implementation of an employee participation program. The transfer of shares free of charge from the employee participation program 2025 constitutes share-based payment with settlement through equity instruments within the meaning

of IFRS 2. The fair value of the shares transferred free of charge is determined at the grant date on the basis of the market price of the company's shares.

The capital reserve 'Reverse Acquisition / IFRS 2' recognized as of December 31, 2025, amounts to EUR -86,050 thousand (previous year: EUR -88,459 thousand).

CAPITAL RESERVE

The capital reserve represents that of Alzchem Trostberg GmbH at the time of the reverse acquisition and amounted to EUR 24,981 thousand at the time of the transaction. Capital measures carried out after the transaction are eliminated for the purposes of the consolidated financial statements by way of capital consolidation.

TREASURY SHARES

Treasury shares held prior to the fiscal year 2023 were transferred to certain employees in the fiscal year 2023 as part of share-based compensation programs. In accordance with the provisions of IFRS 2, this employee compensation is recognized in capital reserves. With the transfer to employees, the item "Treasury shares", which was previously reported separately, was reclassified to the balancing item "Capital reserves – Reverse Acquisition / IFRS 2".

A new share buyback program was initiated in November 2024. A total of 82,450 treasury shares were acquired by December 31, 2025. As part of the employee participation program 2025, a total of 29,821 treasury shares were issued to employees, of which 20,820 were acquired by employees and 9,001 were allocated free of charge.

Statement of changes in treasury shares:

	Number of shares
Balance as of 01/01/2024	0
Buyback of treasury shares	25,578
Balance as of 12/31/2024	25,578
Balance as of 01/01/2025	25,578
Buyback of treasury shares	56,872
Issue as part of the employee participation program	-29,821
Balance as of 12/31/2025	52,629

OTHER COMPREHENSIVE INCOME

Other comprehensive income includes gains and losses that are not recognized in the income statement but are recognized in other income. In addition, other comprehensive income also includes the difference arising in the period under review from the translation of foreign financial statements into the reporting currency, effects from the remeasurement of defined benefit obligations, changes from the market valuation of financial assets, and related deferred tax liabilities. The development of the individual items in the period under review is as follows:

	Measurement of financial assets at fair value through other comprehensive income	Difference from currency translation	Measurement of pension provisions	Total
	EUR thousand	EUR thousand	EUR thousand	EUR thousand
Balance as of 01/01/2024	27	84	-21,750	-21,639
Gains (+) or losses (-) recognized in other in-come	-35	0	4,689	4,654
Difference from currency translation	0	208	0	208
Deferred taxes	10	0	-1,313	-1,303
Balance as of 01/31/2024	2	292	-18,374	-18,080
Balance as of 01/01/2025	2	292	-18,374	-18,080
Gains (+) or losses (-) recognized in other in-come	-2	0	9,691	9,689
Difference from currency translation	0	-503	0	-503
Deferred taxes	1	0	-3,505	-3,504
Balance as of 01/31/2025	0	-211	-12,188	-12,398

The total other comprehensive income is attributable to the shareholders of Alzchem Group AG. There are no non-controlling interests in other comprehensive income.

BALANCE SHEET PROFIT

The balance sheet profit includes the results accumulated in the reporting year and in previous fiscal years, less dividend payments to shareholders. In accordance with the requirements for accounting for and reporting a reverse business combination, the balance sheet profit is a continuation of the IFRS Group balance sheet profit of Alzchem Trostberg GmbH at the time of the business combination in fiscal year 2017.

During the reporting period, Alzchem Group AG distributed a dividend of EUR 18,190 thousand (previous year: EUR 12,212 thousand) to shareholders. Based on the 10,105,767 shares of Alzchem Group AG entitled to dividends at the time of payment, this resulted in a dividend per share of EUR 1.80 (previous year: EUR 1.20). The dividend in the reporting periods was distributed as a cash dividend.

For the fiscal year 2025, a proposal will be made to the Annual General Meeting to distribute a dividend of EUR 2.10 per dividend-bearing share from the balance sheet profit. Based on the number of dividend-bearing shares as of December 31, 2025, this corresponds to EUR 21,259,782.60.

NON-CONTROLLING INTERESTS

Non-controlling interests amounting to EUR 1,934 thousand (December 31, 2024: EUR 1,934 thousand) include the shares in the capital of Alzchem International GmbH that are not attributable to the shareholders of Alzchem Trostberg GmbH. The changes are presented in the consolidated statement of changes in equity.

Further financial information on non-controlling interests can be found in Note 10.

CAPITAL MANAGEMENT

The Alzchem Group's capital management objectives are, on the one hand, to ensure the long-term continuation of the business and generate appropriate returns for shareholders and, on the other hand, to maintain an optimal capital structure in order to reduce capital costs.

The capital structure is managed in such a way that it takes into account changes in the overall economic environment and risks arising from the underlying assets. Thanks to its strong operating cash flow, the company is in a position to make optimal use of its own financial resources. Investments, which are generally only made after careful consideration of the potential costs and benefits, are regularly reviewed to determine whether the available financial resources can be replaced by long-term financing in order to improve raw material procurement prices. The Alzchem Group is in constant contact with banks and other financing companies in order to examine the use of bank loans and other financing options for optimizing the return on equity.

Within this framework, the procurement of debt capital is managed on the basis of a target debt capital structure that is oriented towards companies in the same industry and with similar size characteristics to the Alzchem Group. When selecting financial instruments, the focus is on matching maturities, which is achieved by managing the terms. When monitoring the capital structure and other resulting key figures, the focus is on taking into account and complying with contractual agreements in financing agreements (covenants).

Capital monitoring and capital management focus primarily on the Group's equity ratio. Compliance with contractual agreements in financing agreements is also linked to this ratio. Alzchem therefore defines the Group's equity ratio as a capital management indicator.

The Group equity ratio developed as follows during the reporting period:

in EUR thousand	12/31/2024	12/31/2025
Total capital	483,826	617,679
Equity	207,471	258,231
Equity ratio in %	42.9	41.8

22. PROVISIONS FOR PENSIONS AND SIMILAR OBLIGATIONS

Provisions for pensions relate to benefit commitments for former and current employees of the Alzchem Group. The provisions are formed on the basis of pension plans for commitments to retirement, disability, and survivor benefits. The amount of the individual pension benefits from the commitments is determined by the wage or salary level and/or position in the company hierarchy, as well as the length of service. The duration of the benefit allowance is not limited during the lifetime of the beneficiary. The Alzchem Group is therefore exposed to the risks of future salary increases and longevity. The company regularly addresses the risk of salary increases in collective bargaining negotiations and attempts to keep the risk low. However, the low proportion of plan assets does not significantly limit the risks.

The amount of the provision recognized exclusively in Germany is as follows on the balance sheet dates:

in EUR thousand	12/31/2024	12/31/2025
Provisions for pensions	96,937	88,239

The present value of pension obligations based on defined benefit obligations at the companies of the Alzchem Group developed as follows:

in EUR thousand	DBO	Plan assets	Provision
Balance as of 01/01/2024	100,319	25	100,294
Effects from revaluation	-4,689	–	-4,689
thereof change in demographic assumptions	0	–	0
thereof change in financial assumptions	-3,117	–	-3,117
thereof experience-based adjustments	-1,572	–	-1,572
Interest expense	3,176	–	3,176
Current service cost	422	–	422
Pensions paid	-2,265	–	-2,265
Expected income from plan assets	–	1	-1
Payments from plan assets	–	0	0
Balance as of 12/31/2024	96,963	26	96,937

in EUR thousand	DBO	Plan assets	Provision
Balance as of 01/01/2025	96,963	26	96,937
Effects from revaluation	-9,691	–	-9,691
thereof change in demographic assumptions	0	–	0
thereof change in financial assumptions	-9,648	–	-9,648
thereof experience-based adjustments	-43	–	-43
Interest expense	3,254	–	3,254
Current service cost	353	–	353
Pensions paid	-2,614	–	-2,614
Expected income from plan assets	–	0	0
Payments from plan assets	–	0	0
Balance as of 12/31/2025	88,265	26	88,239

Reconciliation of obligations to the provision value:

	12/31/2024	12/31/2025
	EUR thousand	EUR thousand
Defined benefit obligation not fund-financed	96,937	88,239
Defined benefit obligation fund-financed	26	26
Subtotal	96,963	88,265
Less market value of plan assets	-26	-26
Provisions for pensions and similar obligations	96,937	88,239

The effects of the remeasurement of defined benefit obligations recognized in other comprehensive income in the past fiscal year 2025 are as follows:

in EUR thousand	12/31/2024	12/31/2025
Change in demographic assumptions	0	0
Change in financial assumptions	-3,117	-9,648
Experience-based adjustments	-1,572	-43
	-4,689	-9,691

The amounts recognized in the consolidated income statement for the reporting period are as follows:

in EUR thousand	01/01 – 12/31/2024	01/01 – 12/31/2025
Interest expense	3,176	3,254
Service cost	422	353
Expected income from plan assets	-1	0
	3,597	3,607

The expected cash outflows from pension obligations in the coming year total EUR 3,205 thousand (previous year: EUR 2,940 thousand).

Current contributions for employer contributions to the statutory pension insurance scheme are reported as expenses for the respective year in the operating result and amounted to a total of EUR 9,002 thousand for the Group in fiscal year 2025 (previous year: EUR 8,903 thousand).

Plan assets developed as follows:

in EUR thousand	2024	2025
Balance as of January 1	25	26
Expected income from plan assets	1	0
Payments from plan assets	0	0
Balance as of December 31	26	26

The plan assets consist entirely of reinsurance, for which there is no quoted market price on an active market.

A change in the three key factors affecting the present value of the pension obligation, assuming all other assumptions remain unchanged, would have the following effect on the present value of the pension obligation as of the balance sheet date:

Present value of the pension obligation in EUR thousand	
Discount rate	
As of 12/31/2025: 4.10%	88,239
Increase to 4.20%	86,982
Decrease to 4.00%	89,524
Wage and salary trend	
As of 12/31/2025: 3.00%	88,239
Increase to 4.00%	89,828
Decrease to 2.00%	87,177
Pension trend	
As of 12/31/2025: 2.25%	88,239
Increase to 3.25%	97,190
Decrease to 1.25%	80,752

If pensioner mortality fell by 20%, the present value of the pension obligation would be EUR 93,034 thousand.

The same method was used to calculate the sensitivity of the DBO for the relevant actuarial assumptions (determination of the present value using the single premium method) as for the calculation of the provisions for pensions recognized in the consolidated balance sheet. When determining the sensitivities, only one parameter was changed, and all other assumptions were retained.

The weighted average term of the defined benefit obligation based on the present value of the pension obligation as of the reporting date is as follows:

Present value of the pension obligation in EUR thousand	Average term in years	Obligated company
88,265	15	Alzchem Trostberg GmbH/ Alzchem Group AG

Deferred tax assets of EUR 7,766 thousand (December 31, 2024: EUR 12,054 thousand) were recognized on the pension provisions recognized in the Group.

23. OTHER PROVISIONS (CURRENT AND NON-CURRENT)

	Provisions for land- fills	Provi- sions for personnel	Provisions for warranties on product sales	Provisions for subsequent customer rebates / commissions	Other provi- sions	Total
	EUR thousand	EUR thousand	EUR thousand	EUR thousand	EUR thousand	EUR thousand
Balance as of 01/01/2024	7,941	12,080	167	242	2,799	23,229
Utilization	0	-4,019	0	-26	-1,204	-5,249
Additions	0	8,333	0	161	1,344	9,838
Reversal	-61	0	-12	-14	-200	-287
Reclassification	0	-1,835	0	0	0	-1,835
Compounding / Discounting / Interest rate change	-585	500	0	0	12	-73
Currency translation	0	-2	0	1	0	-1
Balance as of 12/31/2024	7,295	15,057	155	364	2,751	25,622
Non-current	7,295	14,819	0	0	95	22,209
Current	0	238	155	364	2,656	3,413
Balance as of 12/31/2024	7,295	15,057	155	364	2,751	25,622

	Provisions for land- fills	Provi- sions for personnel	Provisions for warran- ties on product sales	Provisions for subsequent customer rebates / commissions	Other provi- sions	Total
	EUR thousand	EUR thousand	EUR thousand	EUR thousand	EUR thousand	EUR thousand
Balance as of 01/01/2025	7,295	15,057	155	364	2,751	25,622
Utilization	0	-5,850	0	-66	-257	-6,173
Additions	0	7,673	2	954	2,075	10,704
Reversal	-85	-144	0	-279	-71	-579
Reclassification	0	-2,290	0	0	0	-2,290
Compounding / Discounting / Interest rate change	-1,396	269	0	0	12	-1,115
Currency translation	0	4	0	-2	0	2
Balance as of 12/31/2025	5,814	14,719	157	971	4,510	26,171
Non-current	5,814	11,411	0	0	1,756	18,981
Current	0	3,308	157	971	2,754	7,190
Balance as of 12/31/2025	5,814	14,719	157	971	5,410	26,171

The provisions for landfills relate to legal requirements for the aftercare and recultivation of landfill sites. The provisions were formed on the basis of internal and, in some cases, external (expert-prepared) cost estimates, taking into account discounting appropriate to the term.

The changes in fiscal year 2025 resulted from parameter changes and discounting or interest rate effects. Cash outflows from these non-current provisions are expected over a substantial period of time as part of the aftercare obligations.

Provisions for personnel relate to provisions for length-of-service bonuses, provisions for annual leave in the event of retirement, and other social benefits for employees. The provisions are calculated taking into account actuarial assumptions and discounting appropriate to the term.

Provisions for warranties on product sales are recognized based on historical experience. The recognition is reviewed annually and adjusted to reflect current developments.

Provisions for subsequent customer rebates and commissions relate to supply contracts with customers that are ongoing beyond the balance sheet date and under which subsequent price reductions are granted if certain minimum purchase quantities are exceeded.

Provisions for imminent losses from individual customer orders amounting to EUR 368 thousand (December 31, 2024: EUR 301 thousand) are reported under other provisions.

The other provisions mainly relate to provisions for other fees and premiums that have not yet been invoiced and whose amount is still uncertain.

24. LIABILITIES TO BANKS

in EUR thousand	12/31/2024	12/31/2025
Residual term of less than one year as of the balance sheet date	7,589	6,368
thereof current portion of loan liabilities	7,583	6,333
Residual term of more than one year as of the balance sheet date	41,082	34,750
	48,671	41,118

The non-current loan liabilities to banks granted in the fiscal years 2017 and 2020 have a fixed interest rate of between 1.25% and 1.65%. These loans are repaid quarterly with a final repayment on September 30, 2027. In fiscal year 2023, Alzchem was granted loans in the amount of EUR 30,000 thousand with final maturity on December 31, 2027, and March 31, 2028, respectively. The interest rate on these loans is variable and depends on the 3-month EURIBOR plus the bank's individual margin.

As of December 31, 2025, current liabilities to banks consist almost entirely of the current portion of loan liabilities (EUR 6,333 thousand; December 31, 2024: EUR 7,583 thousand). Short-term financing lines were not utilized as of the reporting dates December 31, 2024, and December 31, 2025. No credit lines were utilized during the fiscal year 2025.

Based on the usual payment agreements with the banks, the maturities and thus the cash outflow from short-term loan liabilities to banks are as follows:

in EUR thousand	12/31/2024	12/31/2025
Carrying amount	7,589	6,368
Due in the following time bands:		
< 30 days	6	36
30 - 90 days	2,208	1,583
90 - 180 days	2,208	1,583
180 days - 1 year	3,167	3,166

Loan liabilities to banks are secured as of the reporting date by property, plant, and equipment with a carrying amount of EUR 12,885 thousand (December 31, 2024: EUR 13,034 thousand). All liabilities to banks are denominated in euros.

Loan liabilities developed as follows during the reporting period:

	Current loan liabilities	Non-current loan liabilities
	EUR thousand	EUR thousand
Balance as of 01/01/2024	8,833	48,665
Cash-effective change		
Repayment	-8,833	0
Addition	6	0
Non-cash change		
Interest accrual	0	0
Reclassification	7,583	-7,583
Balance as of 12/31/2024	7,589	41,082
Balance as of 01/01/2025	7,589	41,082
Cash-effective change		
Repayment	-7,583	0
Addition	30	0
Non-cash change		
Interest accrual	0	0
Reclassification	6,333	-6,333
Balance as of 12/31/2025	6,368	34,750

25. TRADE PAYABLES

Based on the usual payment agreements with suppliers and other business partners, the maturities and thus the cash outflow of current trade payables are as follows:

in EUR thousand	12/31/2024	12/31/2025
Carrying amount	37,425	51,726
Thereof due in the following time bands:		
< 30 days	32,714	46,600
30 - 90 days	2,085	4,735
90 - 180 days	2,347	0
180 days - 1 year	279	391

Due to the Group's international activities, trade payables as of the reporting dates include the following foreign currency liabilities converted into the Group currency EUR:

in EUR thousand	12/31/2024	12/31/2025
Total	3,596	2,751
USD	1,088	729
SEK	1,584	1,643
CNY	813	146
Other	111	233

No collateral has been provided for the reported trade payables, except for the usual country-specific retention of title. No trade payables were overdue as of the balance sheet dates.

26. CONTRACT LIABILITIES

Development of contract liabilities:

in EUR thousand	Contract liability
Balance as of 01/01/2024	0
Addition	0
Disposal	0
Balance as of 12/31/2024	0
Balance as of 01/01/2025	0
Addition	90,903
Disposal	-371
Balance as of 12/31/2025	90,532
thereof non-current > 1 year to 6 years	88,099
thereof current <= 1 year	2,433

The additions and disposals of contract liabilities reflect normal processing: advance payments increase contract liabilities, while the fulfillment of performance obligations over time leads to revenue recognition and thus to a corresponding reduction in contract liabilities.

27. OTHER LIABILITIES

The other current liabilities are broken down as follows:

in EUR thousand	12/31/2024	12/31/2025
Personnel liabilities	19,391	23,026
Liabilities from energy taxes	4,061	3,788
Other tax liabilities	2,605	2,448

in EUR thousand	12/31/2024	12/31/2025
Liabilities from bonus settlements to customers	573	1,545
Liability to the employers' liability insurance association	289	412
Liabilities from investment subsidies	8,116	0
Other	4,939	7,121
	39,974	38,340

Other current liabilities comprise other financial liabilities amounting to EUR 6,359 thousand (December 31, 2024: EUR 7,646 thousand). This includes the following amounts in foreign currencies converted into euros:

in EUR thousand	12/31/2024	12/31/2025
Total	129	158
USD	278	158
CNY	-149	0

The maturities and thus the cash outflow of these current financial liabilities are as follows:

in EUR thousand	12/31/2024	12/31/2025
Carrying amount	7,646	6,359
thereof due in the following time bands:		
< 30 days	225	200
30 - 90 days	347	1,345
90 - 180 days	4,061	3,788
180 days - 1 year	3,013	1,026

As of the balance sheet date, other non-current liabilities amounted to EUR 492 thousand (December 31, 2024: EUR 647 thousand). In each case, these comprise financial liabilities in the amount of EUR 171 thousand.

28. INCOME TAX LIABILITIES

Income tax liabilities comprise EUR 10,618 thousand (December 31, 2024: EUR 12,560 thousand) in domestic income tax liabilities and EUR 355 thousand (December 31, 2024: EUR 618 thousand) in foreign income tax liabilities.

29. CONSOLIDATED CASH FLOW STATEMENT

The cash flow statement shows how the Alzchem Group's cash and cash equivalents changed during the reporting periods. Cash and cash equivalents are defined as cash and cash equivalents less cash with restricted availability.

In accordance with IAS 7, cash flows are classified according to cash inflows/outflows from operating activities, investing activities, and financing activities.

in EUR thousand	01/01 – 12/31/2024	01/01 – 12/31/2025
Cash inflow from operating operating activities (net cash flow)	105,147	137,013
Cash outflow from investing activities	-30,994	-96,902
Free cash flow	74,153	40,111
Cash flow from financing activities	-24,656	-29,360
Net increase in cash and cash equivalents	49,497	10,751

The consolidated cash flow statement is prepared using the indirect method.

Cash and cash equivalents as of December 31, 2025, amounted to EUR 71,720 thousand (December 31, 2024: EUR 61,544 thousand) and comprise immediately available balances with banks, checks, and cash on hand.

Other non-cash income and expenses amounting to EUR 8,781 thousand (previous year: EUR 20,941 thousand) mainly comprise value adjustments on inventories, additions to and reversals of pension provisions, other provisions and liabilities.

30. RISK MANAGEMENT AND USE OF DERIVATIVE FINANCIAL INSTRUMENTS

The finance department of Alzchem Trostberg GmbH monitors and manages the financial risks of the entire Alzchem Group. These are specifically:

- Liquidity risks
- Market risks (interest rate and currency risks)
- Credit risks

Due to the nature of its activities, the Alzchem Group is exposed to a variety of financial risks. Risk is understood to mean unexpected events and possible developments that have a negative impact on the achievement of set goals and expectations. Risks with a significant influence on the net assets, financial position, and results of operations are relevant. The Alzchem Group's risk management system analyzes various risks and attempts to minimize negative effects on the company's financial position. Risk management is carried out in the finance department in accordance with existing guidelines.

The Group distinguishes between liquidity, credit, and market risks for the measurement and control of significant individual risks.

LIQUIDITY RISKS

Liquidity risk in the narrower sense is understood to be the risk of not being able to meet current or future payment obligations or only being able to do so under unfavorable conditions. The company generates financial resources primarily through its operating business.

Alzchem Trostberg GmbH acts as the financial coordinator for the companies of the Alzchem Group in order to ensure that the financial requirements for operating activities and investments are covered as cost-effectively as possible and always in sufficient amounts.

The necessary information is analyzed using two cash management instruments:

1. The liquidity plan, which evaluates the coming twelve months every three months and uses the latest forecast information as a basis.
2. The liquidity status looks at the shorter term over the next two months and is updated monthly. Unlike the liquidity plan, it does not evaluate the forecast information, but rather the current actual figures. If liquidity risks increase, the observation period for the liquidity status is adjusted accordingly.

The Alzchem Group's long-term corporate financing is secured by the ongoing cash flow from operating activities and sufficient available short- and long-term debt financing.

Through intra-group financial clearing transactions, short-term liquidity surpluses of individual Group companies are used to internally finance the cash requirements of other Group companies. This contributes to a reduction in the volume of external debt financing and an optimization of cash and capital investments, thus having a positive impact on the Group's interest income.

At the Alzchem Group level, consolidated and integrated liquidity planning is prepared based on the latest corporate planning/forecasts, including any additional special effects that are foreseeable in the short term.

The Alzchem Group is financed primarily by the Group's cash generated from its operating activities. In addition, there are credit lines with the Group's principal banks, which existed and were utilized as follows on the reporting dates:

in EUR thousand	Maximum line	Utilization	Free availability
As of 12/31/2024	77,500	0	77,500
As of 12/31/2025	120,000	0	120,000

The existing credit lines were expanded as part of the strategic adjustment of the financing structure in order to compensate for the discontinuation of the current financing instrument (sale of customer receivables to a factor) and to support the planned expansion of business.

Non-current loans were taken out in the past to finance investment projects. As of the balance sheet date, the outstanding loan portfolio from these non-current financings amounts to EUR 41,082 thousand (December 31, 2024: EUR 48,665 thousand). The current portion of this financing amounted to EUR 6,333 thousand as of the balance sheet date (December 31, 2024: EUR 7,583 thousand).

Other current financial liabilities from primary financial instruments amounted to EUR 58,085 thousand as of the balance sheet date (December 31, 2024: EUR 45,242 thousand).

MATURITY ANALYSIS OF FINANCIAL LIABILITIES

The following table shows the maturity structure of the contractual, undiscounted cash flows from interest and principal payments on primary financial liabilities:

12/31/2024 in EUR thousand	Up to 1 year	1 - 5 years	Over 5 years	Total
Loan liabilities to banks	7,784	41,221	0	49,005
Trade payables	37,425	0	0	37,425
Other financial liabilities	7,646	171	0	7,817
Total	52,855	41,392	0	94,247

12/31/2025 in EUR thousand	Up to 1 year	1 - 5 years	Over 5 years	Total
Loan liabilities to banks	6,477	34,779	0	41,256
Trade payables	51,726	14	0	51,740
Other financial liabilities	6,359	171	0	6,530
Total	64,562	34,964	0	99,526

The maturity analysis of derivative financial liabilities is provided in the section on maturity analysis of derivatives.

The Alzchem Group has not breached any payment agreements or contractual covenants in its financing agreements with regard to its financial liabilities. No impairment of these requirements is apparent in the context of medium-term planning.

The undiscounted cash outflows are subject to the condition that the repayment of liabilities is based on the earliest maturity date.

A more detailed presentation of the maturity band "up to 1 year" is provided for loan liabilities to banks in Note 24, for trade payables in Note 25, for contract liabilities in Note 26, and for other financial liabilities in Note 27.

Of the non-derivative financial liabilities reported by the Group as of December 31, 2025, in the amount of EUR 99,389 thousand (December 31, 2024: EUR 93,913 thousand), EUR 12,885 thousand (December 31, 2024: EUR 13,034 thousand) or 13% (December 31, 2024: 14%) are secured.

The collateral is composed as follows:

12/31/2024

in EUR thousand	Land charge on land and buildings	Technical equipment and machinery	Total
Loan liabilities to banks	11,000	2,034	13,034

12/31/2025

in EUR thousand	Land charge on land and buildings	Technical equipment and machinery	Total
Loan liabilities to banks	11,000	1,885	12,885

In addition, the majority of companies are supplied under country-specific retention of title.

If the non-derivative financial liabilities are broken down by region, the following risk concentrations arise, which Alzchem monitors regularly:

	12/31/2024		12/31/2025	
	EUR thousand	%	EUR thousand	%
Total	93,913	100	99,389	100
Germany	87,378	93	90,762	91
Europe – EU (excluding Germany)	3,404	4	7,253	7
Europe – Other	1,157	1	82	1
Rest of the world	1,974	2	1,292	1

CREDIT RISKS

Credit risks arise from the complete or partial default of a customer, for example due to insolvency, and in the context of financial investments. The maximum default risk amounts to the carrying amounts of all financial assets. Allowances for trade receivables and other receivables and assets are recognized in accordance with uniform Group rules and cover all identifiable credit risks.

In order to minimize the risk of default on receivables, Alzchem imposes minimum requirements on all business partners with regard to their creditworthiness and also sets individual maximum limits for exposure. The amount of the credit limit reflects the creditworthiness of a contracting party and the typical size of the transaction volume with that contracting party. This is based on a limit system laid down in the treasury guidelines, which is based on the ratings of international rating agencies and internal credit assessments on the one hand, and on internal experience with the respective contracting parties on the other. In addition, the specific limits of trade credit insurance are taken into account for each customer. The Alzchem Group is therefore exposed to credit risks only to a very limited extent.

The following table shows the maximum default risk and collateral held by the Alzchem Group, broken down by balance sheet item and valuation category as of December 31, 2024, and December 31, 2025:

	Maximum default risk	Collateral held		Calculated risk
12/31/2024	EUR thousand	EUR thousand	%	EUR thousand
Balance sheet item / valuation category				
Financial assets				
At fair value through profit or loss	6	0	0	6
Other receivables and other assets				
At amortized cost	13,081	0	0	13,081
Trade receivables				
At amortized cost	11,103	4,985	45	6,118
At fair value through other comprehensive income	67,832	54,272	80	13,560
Cash and cash equivalents				
At amortized cost	61,544	0	0	61,544
Total financial assets	153,566	59,257	39	94,309

12/31/2025	Maximum default risk	Collateral held	Calculated risk
Balance sheet item / valuation category	EUR thousand	EUR thousand	% EUR thousand
Financial assets			
At fair value through profit or loss	6	0	0
Other receivables and other assets			
At amortized cost	42,032	0	0
Trade receivables			
At amortized cost	73,416	56,332	77
At fair value through other comprehensive income	0	0	0
Cash and cash equivalents			
At amortized cost	71,720	0	0
Total financial assets	187,174	56,332	30

The total collateral is fully covered by trade credit insurance.

As described in IV. Accounting and valuation methods, identifiable default risks in the receivables portfolio are generally taken into account by creating sufficient value adjustments. The development of value adjustments on trade receivables is presented in Note 18.

The following table shows the concentration of default risk in the default risk classes of financial assets monitored by Alzchem, broken down by balance sheet item and measurement category:

12/31/2024	Gross carrying amount	Not due	Overdue in days		
Balance sheet item / valuation category in EUR thousand			1 - 30	31 - 120	> 120
Financial assets					
At fair value through profit or loss	6	6	0	0	0
Other receivables and other assets					
At amortized cost	13,081	13,081	0	0	0
Trade receivables					
At amortized cost	11,294	9,873	973	111	337
At fair value through other comprehensive income	68,581	59,843	6,101	1,866	771
Cash and cash equivalents					
At amortized cost	61,544	61,544	0	0	0
Total financial assets	154,506	144,347	7,074	1,977	1,108

12/31/2025	Gross carrying amount	Not due	Overdue in days		
Balance sheet item / valuation category in EUR thousand			1 - 30	31 - 120	> 120
Financial assets					
At fair value through profit or loss	6	6	0	0	0
Other receivables and other assets					
At amortized cost	42,032	42,032	0	0	0
Trade receivables					
At amortized cost	74,077	68,155	4,364	756	802
At fair value through other comprehensive income	0	0	0	0	0
Cash and cash equivalents					
At amortized cost	71,720	71,720	0	0	0
Total financial assets	187,835	181,913	4,364	756	802

Distributing the Group's total financial assets across regions results in the following risk concentrations:

	12/31/2024		12/31/2025	
	EUR thousand	%	EUR thousand	%
Total	153,566	100	187,174	100
Germany	89,984	59	124,905	67
Europe – EU (excluding Germany)	26,459	17	25,970	14
Europe – Other	2,784	2	2,646	1
Rest of the world	34,339	22	33,653	18

MARKET RISKS (INTEREST RATE AND CURRENCY RISKS)

Market risk refers to the risk of loss that may arise as a result of changes in market parameters relevant to valuation (currency, interest rates, prices).

CURRENCY RISKS

The Group operates internationally and is therefore exposed to foreign currency risk based on changes in the exchange rates of various foreign currencies. Foreign currency risks can arise from expected future transactions, recognized assets and liabilities, and net investments in foreign operations.

In order to minimize potential risks from changing exchange rates, the Alzchem Group sometimes uses hedging transactions to hedge currency risks from future transactions. However, no hedging transactions were used in the periods currently presented.

Of the non-derivative financial instruments reported in the Group, EUR 31,675 thousand (December 31, 2024: EUR 31,409 thousand) relates to financial assets denominated in foreign currencies and EUR 2,909 thousand (December 31, 2024: EUR 3,726 thousand) to financial liabilities denominated in foreign currencies. The risk concentration related to foreign currencies is as follows:

Financial assets	12/31/2024		12/31/2025	
	EUR thousand	%	EUR thousand	%
Total	31,409	100	31,675	100
USD	19,156	61	16,856	53
SEK	6,370	20	9,688	31
CNY	3,588	11	2,744	9
JPY	2,072	7	2,224	7
Other	223	1	163	< 1

Financial liabilities	12/31/2024		12/31/2025	
	EUR thousand	%	EUR thousand	%
Total	3,726	100	2,909	100
SEK	1,584	42	1,643	57
USD	1,366	37	886	30
CNY	664	18	146	5
JPY	71	2	0	0
Other	41	1	234	8

To illustrate currency risks, sensitivity analyses were performed on the reporting dates to show the effects of hypothetical changes in relevant risk variables on earnings and equity. The periodic effects are determined by relating the hypothetical changes in risk variables to

the portfolio of financial instruments as of the reporting date. It is assumed that the portfolio as of the reporting date is representative of the entire year. The analysis of currency sensitivities was based solely on the currencies that are significant for the Alzchem Group, namely USD, JPY, CNY, and SEK.

As of the balance sheet date, the Alzchem Group is exposed to currency risks, which are mainly reflected in the balance sheet items trade receivables, trade payables, cash and cash equivalents, and derivatives.

If the euro had appreciated or depreciated by 10% against the major foreign currencies in which the Alzchem Group operates as of December 31, 2025, the reported equity in functional currency would have changed by EUR -2,622 thousand (December 31, 2024: EUR 1,439 thousand) or EUR 3,204 thousand (December 31, 2024: EUR -1,759 thousand).

The hypothetical impact on earnings (before taxes) of EUR 2,622 thousand (December 31, 2024: EUR 2,500 thousand) and EUR 3,204 thousand (December 31, 2024: EUR 3,056 thousand) for non-derivative financial assets and liabilities results from the following currency sensitivities:

in EUR thousand	12/31/2024		12/31/2025	
	+10%	-10%	+10%	-10%
Total income statement	-2,500	3,056	-2,622	3,204
EUR/USD	-1,617	1,977	-1,452	1,774
EUR/SEK	-435	532	-731	894
EUR/CNY	-266	325	-236	289
EUR/JPY	-182	222	-203	247
Total other income	0	0	0	0
Total equity effect	-2,500	3,056	-2,622	3,204

The derivative financial liabilities result in a hypothetical impact on earnings (before taxes) of EUR thousand:

	12/31/2024		12/31/2025	
in EUR thousand	+10%	-10%	+10%	-10%
Total income statement	3,939	-4,815	0	0
EUR/USD	3,939	-4,815	0	0
Total other income	0	0	0	0
Total equity effect	3,939	-4,815	0	0

INTEREST RATE RISKS

Interest rate risks arise primarily from possible changes in market interest rates, which may affect future cash flows from interest-bearing financial liabilities. To limit these risks, the Group primarily takes out necessary financing on a long-term basis and at fixed interest rates. Non-current loans from banks are predominantly fixed-rate and are therefore not subject to any significant interest rate risks.

In fiscal year 2023, EUR 30,000 thousand was transferred from current financing lines to non-current loans as part of a refinancing. These loans have variable interest rates and are therefore exposed to fluctuations in market interest rates. The existing current financing lines also have variable interest rates but were not utilized in fiscal year 2025.

Sensitivity analysis:

A change in the average interest rate for variable-rate loans of 0.5 percentage points would have reduced or increased the result for the period or equity (before taxes) by EUR 150 thousand (previous year: EUR 150 thousand).

Alzchem invests liquidity surpluses in variable-rate cash investments. If the average interest rate for the cash investments reported as of the reporting date had been 0.5 percentage points higher or lower than the actual interest rate, the result for the period or equity (before taxes) would have improved or decreased by EUR 337 thousand (previous year: EUR 249 thousand).

PRICE RISKS

Price risks arise mainly from changes in market prices for raw materials, electricity, and gas. The Group counteracts these risks in particular through price escalation clauses and forward transactions.

For 2026, Nordic Carbide AB's electricity volumes have been largely secured through strip purchases in order to cover the company's own requirements and reduce future price risks.

Sensitivity analysis:

With a band delivery volume of EUR 3.0 million, a change in the electricity price of $\pm 10\%$ would change operating electricity costs by $\pm$ EUR 0.3 million and thus earnings before taxes.

CARRYING AMOUNTS AND FAIR VALUES OF FINANCIAL INSTRUMENTS

The fair value of a financial instrument is the amount at which an asset would be exchanged or a liability settled between knowledgeable, willing, and independent business partners. The following table shows the carrying amounts and fair values of financial assets by measurement category in accordance with IFRS 9:

12/31/2024	At amortized cost		At fair value		Total amount	
	Financial assets measured at amortized cost	Financial assets measured at fair value through other comprehensive income with subsequent reclassification to the income statement	Financial assets measured at fair value through profit or loss			
	Carrying amount	Carrying amount	Carrying amount	Carrying amount	Fair value	
Balance sheet item	EUR thousand	EUR thousand	EUR thousand	EUR thousand	EUR thousand	EUR thousand
Financial assets	–	–	6	6		6
Other receivables and other assets	13,081	–	–	13,081		13,081
Trade receivables	11,103	67,832	–	78,935		78,935
Cash and cash equivalents	61,544	–	–	61,544		61,544
Total financial assets	85,728	67,832	6	153,566		153,566

12/31/2025	At amortized cost		At fair value		Total amount	
	Financial assets measured at amortized cost	Financial assets measured at fair value through other comprehensive income with subsequent reclassification to the income statement	Financial assets measured at fair value through profit or loss			
	Carrying amount	Carrying amount	Carrying amount	Carrying amount	Fair value	
Balance sheet item	EUR thousand	EUR thousand	EUR thousand	EUR thousand	EUR thousand	EUR thousand
Financial assets	–	–	6	6		6
Other receivables and other assets	42,032	–	–	42,032		40,262
Trade receivables	73,416	–	–	73,416		73,416
Cash and cash equivalents	71,720	–	–	71,720		71,720
Total financial assets	187,168	–	6	187,174		185,404

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

12/31/2024	At amortized cost		At fair value		Total amount	
	Financial liabilities measured at amortized cost	Liabilities held for trading				
	Carrying amount	Carrying amount	Carrying amount	Fair value		
Balance sheet item	EUR thousand	EUR thousand	EUR thousand	EUR thousand		
Loan liabilities to banks	48,671	–	48,671			48,502
Trade payables	37,425	–	37,425			37,425
Financial liabilities	–	1,994	1,994			1,994
Other liabilities	7,817	–	7,817			7,817
Total financial liabilities	93,913	1,994	95,907			95,738

	At amortized cost	At fair value		
	Financial liabilities measured at amortized cost	Liabilities held for trading	Total amount	
12/31/2025				
Balance sheet item	Carrying amount	Carrying amount	Carrying amount	Fair value
	EUR thousand	EUR thousand	EUR thou-sand	EUR thousand
Loan liabilities to banks	41,118	–	41,118	41,013
Trade payables	51,740	–	51,740	51,740
Financial liabilities	–	0	0	0
Other liabilities	6,530	–	6,530	6,530
Total financial liabilities	99,389	0	99,389	99,284

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

Financial assets, in particular other receivables and other assets, have both long-term and short-term maturities. The fair values of assets with remaining terms of more than one year are calculated by discounting the cash flows associated with the assets, taking into account the current interest rate parameters observed on the market. For financial assets with short-term maturities, it is assumed that the fair values approximate the carrying amounts.

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

The fair values of derivative financial instruments in the balance sheet item financial liabilities were calculated using present value and option pricing models. As far as possible, the relevant market prices and interest rates observed on the balance sheet date and obtained from recognized external sources were used as input parameters for these models. This approach corresponds to Level 2 in the IFRS 13 hierarchy.

Loan liabilities to banks comprise current and non-current financial liabilities. The fair values of liabilities with remaining terms of more than one year are calculated by discounting the cash flows associated with the liabilities, taking into account the current interest rate parameters observable on the market. The individual credit ratings of the Group are taken into account in the present value calculation in the form of market-standard credit and liquidity spreads. This approach corresponds to Level 2 in the IFRS 13 hierarchy.

Certain financial assets are measured at fair value on a recurring basis and assigned to the corresponding categories of IFRS 9. The following table shows these financial assets and their measurement levels in accordance with IFRS 13:

12/31/2024 in EUR thousand

Assets	Level 2	Level 3	Total
Trade receivables			
- Measured at fair value through other comprehensive income	67,832	–	67,832
Financial assets			
- Measured at fair value through profit or loss	–	6	6
Total assets	67,832	6	67,838
Liabilities			
Financial liabilities			
- Measured at fair value through profit or loss	1,994	0	1,994
Total liabilities	1,994	0	1,994

12/31/2025 in EUR thousand

Assets	Level 2	Level 3	Total
Trade receivables			
- Measured at fair value through other comprehensive income	0	–	0
Financial assets			
- Measured at fair value through profit or loss	–	6	6
Total assets	0	6	6
Liabilities			
Financial liabilities			
- Measured at fair value through profit or loss	0	0	0
Total liabilities	0	0	0

Financial liabilities were recognized at fair value in the reporting period.

There were no reclassifications between the individual hierarchies for determining fair values in the reporting period.

The market value of trade receivables measured at fair value through profit or loss is assigned to Level 2. The market values of trade receivables measured at fair value are derived with reference to transactions in comparable instruments. Specifically, the transaction prices are used in the context of receivables sales, where the purchaser regularly bases the price on the nominal value. In the event of a default, these values are adjusted for the amount of the impairment loss.

The Alzchem Group holds an investment in the category "measured at fair value through profit or loss" whose market value is classified as Level 3. Due to the lack of reliable input parameters for a more complex model and the minor significance of this investment for the Alzchem Group, the market value was estimated on the basis of acquisition costs. A deviation of the actual market value from this estimated value within a realistic range would not have a material impact on the significance of the item for the Alzchem Group or on the Alzchem Group's net assets, financial position, and results of operations. In the reporting period, EUR 27 thousand (previous year: EUR 23 thousand) in income from these financial assets was recognized and reported in the financial result.

NET RESULT FROM FINANCIAL INSTRUMENTS BY MEASUREMENT CATEGORY

The following overviews show the net gains or losses on financial instruments recognized in the income statement and other comprehensive income by measurement category:

01/01-12/31/2024 in EUR thousand	Interest	Currency translations	Impairment losses / reversals of impairment losses	Changes in market value of derivatives	Income from investments	Net income P&L	Other income
Financial assets measured at amortized cost	1,592	-84	0	0	0	1,508	0
Financial assets measured at fair value through profit or loss	0	0	0	-1,994	23	-1,971	0
Financial assets measured at fair value through other comprehensive income assets	0	1,189	-746	0	0	443	-35
Financial liabilities measured at amortized cost	-2,179	-281	0	0	0	-2,460	0
	-587	824	-746	-1,994	23	-2,480	-35

01/01-12/31/2025 in EUR thousand	Interest	Currency translations	Impairment losses / reversals of impairment losses	Changes in market value of derivatives	Income from investments	Net income P&L	Other income
Financial assets measured at amortized cost	1,704	-3,095	-589	0	0	-1,980	0
Financial assets measured at fair value through profit or loss	0	0	0	0	27	27	0
Financial assets measured at fair value through other comprehensive income assets	0	0	829	0	0	829	-2
Financial liabilities measured at amortized cost	-1,610	-164	0	0	0	-1,774	0
	94	-3,259	240	0	27	-2,898	-2

No interest income from impaired trade receivables was recognized in the reporting periods. The effects of currency translations and changes in the market value of derivatives are reported under other operating income or other operating expenses. The remaining effects are reported under financial result.

DERIVATIVES AND HEDGE ACCOUNTING

As of the balance sheet date of December 31, 2024, foreign currency derivatives were in place to hedge future cash flows in US dollars with a nominal volume of USD 45,000 thousand (equivalent to EUR 41,264 thousand). As of the current balance sheet date, there are no foreign currency derivatives.

MATURITY ANALYSIS OF DERIVATIVES

For the hedging transactions that existed in the previous year, the hedged cash flows were all received in the fiscal year 2025. No forward exchange transactions with a term of more than one year were concluded in the reporting period 2025.

The following table shows the expected undiscounted net cash flows of the individual derivatives as of the balance sheet date of December 31, 2024, regardless of their current market value. Positive signs indicate a cash outflow and negative signs indicate a cash inflow:

12/31/2024	Up to 1 year	1 - 5 years	Over 5 years	Total
	EUR thousand	EUR thousand	EUR thousand	EUR thousand
US derivatives	1,994	0	0	1,994
Total	1,994	0	0	1,994

OFFSETTING OF FINANCIAL ASSETS AND LIABILITIES

Financial assets and liabilities are only offset if net settlement is possible and intended at any time. No offsetting was carried out as of the balance sheet dates in 2025 and 2024.

31. BUSINESS ACQUISITIONS

No company acquisitions had to be reported in the periods currently presented.

VII. OTHER NOTES

32. OTHER FINANCIAL OBLIGATIONS

In addition to the lease liabilities already recognized in accordance with IFRS 16, the Alzchem Group has other financial obligations for maintenance and service contracts for machinery and equipment, software, and other operating and office equipment, as well as for purchase commitments. These are as follows as of the reporting dates:

12/31/2024 in EUR thousand	Up to 1 year	1 - 5 years	Over 5 years	Total
Maintenance and service contracts	1,672	921	114	2,707

12/31/2025 in EUR thousand	Up to 1 year	1 - 5 years	Over 5 years	Total
Maintenance and service contracts	1,565	377	57	1,999

Order commitments as of December 31, 2025, amounted to EUR 143,161 thousand (December 31, 2024: EUR 122,848 thousand). These mainly comprise long-term purchase commitments for lime and electricity supplies (EUR 80,618 thousand; previous year: EUR 82,295 thousand) and for property, plant, and equipment (EUR 62,543 thousand; previous year: EUR 40,553 thousand).

Information on leases in accordance with IFRS 16 is included in the separate note 13 Leases.

33. CONTINGENT LIABILITIES

Liabilities amounting to EUR 2.2 million exist until 2038 for potential environmental obligations arising from the sale of the alloy plant in 2008. Due to the industrial structure at the site, the company does not expect any claims to be made in this regard.

34. CORPORATE BODIES

The following persons were appointed as members of the Management Board of Alzchem Group AG during the reporting period:

- Andreas Niedermaier, Qualified Industrial Engineer (FH) – CEO
- Klaus Englmaier, Qualified Engineer (FH) – COO (until December 31, 2025)
- Andreas Lösler, Business Graduate – CFO
- Martina Spitzer, Executive MBA (EMBA) – CSO (since January 1, 2025)
- Dr. Georg Weichselbaumer, Chemist – CSO (until December 31, 2025)

The members of the Management Board are the persons in key positions within the Alzchem Group in accordance with IAS 24. The remuneration of the members of the Management Board totaled EUR 7,573 thousand in the reporting period (previous year: EUR 8,357 thousand). The remuneration can be broken down as follows:

in EUR thousand	01/01 - 12/31/2024	01/01 - 12/31/2025
Fixed remuneration	1,090	1,260
Bonus	1,448	1,323
Remuneration in kind / other remuneration	358	163
Post-employment benefits	188	205
Share-based remuneration – payment (Long-Term Incentive)	1,270	2,340
Share-based remuneration – change in fair value of SARs (Long-Term Incentive / Transitional Payment)	4,003	2,282
	8,357	7,573

The outstanding balances as of December 31, 2025, amount to EUR 1,323 thousand (December 31, 2024: EUR 1,448 thousand) and are reported under other current liabilities. Provisions for post-employment benefits for members of the Management Board amount to EUR 1,087 thousand (December 31, 2024: EUR 986 thousand) and are shown under provisions for pensions and similar obligations. The provision for share-based remuneration in the amount

of EUR 4,903 thousand (December 31, 2024: EUR 4,866 thousand) for the members of the Management Board appointed as of December 31, 2025, is included in other current and non-current provisions. The individual remuneration of the members of the Management Board of Alzchem Group AG is included in the separate remuneration report 2025 of Alzchem Group AG.

The Supervisory Board of the parent company Alzchem Group AG, consisting of four members, is required by the Articles of Association to hold one meeting per calendar quarter and must hold two meetings per calendar half-year.

In the reporting year, the Supervisory Board consisted of the following persons:

- Markus Zöllner (Chairman)
- Steve Röper
- Prof. Dr. Martina Heigl-Murauer
- Dr. Caspar Freiherr von Schnurbein (Deputy Chairman).

All members of the Supervisory Board of Alzchem Group AG were also appointed to the Supervisory Board of Alzchem Trostberg GmbH for the entire reporting period.

In addition, workers' representatives Christian Ortbauer and Christian Rieder were members of the Supervisory Board of Alzchem Trostberg GmbH during the reporting period. The aforementioned Supervisory Board members also hold key positions within the Alzchem Group in accordance with IAS 24. The remuneration of all Supervisory Board members amounted to EUR 311 thousand (previous year: EUR 171 thousand), which led to outstanding balances of EUR 310 thousand as of the reporting date (December 31, 2024: EUR 170 thousand). The workers' representatives on the Supervisory Board of Alzchem Trostberg GmbH received market-standard remuneration for their activities. The individual remuneration of the members of the Supervisory Board of Alzchem Group AG is included in the separate remuneration report 2025 of Alzchem Group AG.

35. SHARE-BASED REMUNERATION

STOCK APPRECIATION RIGHTS 2019

In fiscal year 2019, Management Board members Andreas Niedermaier, Klaus Englmaier, and Dr. Georg Weichselbaumer entered into Management Board contracts that, among other things, regulate the granting of stock appreciation rights ("Stock Appreciation Rights 2019"). As a Long-Term Incentive, the members of the Management Board receive a certain number

of stock appreciation rights (SAR) with a multi-year assessment basis. SARs do not entitle the holder to the transfer of shares, but rather to the payment of a bonus (LTI) if the average closing price of Alzchem Group AG shares in the last 30 trading days prior to the respective exercise date (plus any dividends granted up to that point) is higher than the average closing price of Alzchem Group AG shares in the 60 trading days prior to January 1, 2020 (with this "base price" increasing by three percentage points each year from January 1, 2020). Depending on the member of the Management Board, two (or three) exercise periods in January 2023 (not exercised), 2024 (fully or partially exercised) and 2025 (fully exercised), a certain portion of the SARs could be exercised, i.e., converted into a cash amount to be paid out as a bonus within six weeks after the end of the respective exercise period, provided that the relevant conditions were met. SARs not redeemed at the end of the last exercise period expired. The entitlement to receive SARs was linked to the acquisition of a certain number of Alzchem shares by the end of the fiscal year 2019 ("treasury shares 1"). If the bonus exceeds a contractually fixed maximum amount, it is capped at this amount; the bonus exceeding the maximum amount expires.

Following the grants in fiscal year 2019, no further SARs were granted to the members of the Management Board in the reporting period under the Management Board contracts 2019. As of December 31, 2023, the number of SARs granted (2019) was 250,000. In January 2024, 230,000 of these were exercised. The remaining 20,000 were exercised in January 2025.

As a result, no SARs (2019) were held as of December 31, 2025, and a fair value measurement was therefore no longer necessary. The provision as of December 31, 2024, in the amount of EUR 794 thousand was utilized in the same amount with the last exercise in 2025.

The fair value for the previous year was determined on the basis of a Monte Carlo model, and the expense reported in personnel expenses was distributed on a straight-line basis from the date of grant to the start of the exercise period. In fiscal year 2024, an expense of EUR 1,125 thousand was recognized from this plan, resulting in a provision of EUR 794 thousand. The valuation was based on the following parameters:

	12/31/2024
Residual term (in years)	0.1
Expected volatility	26.3%
Risk-free interest rate	2.49%
Share price at valuation date	EUR 59.30

As the members of the Management Board are entitled to payment of dividends granted between January 1, 2020, and the date of exercise, it was not necessary to explicitly model the dividend in the calculation.

The expected volatility of the Alzchem share was determined on the basis of the historical volatility of comparable companies with a similar term. Since the subscription rights (SAR) in question are not options and the subscription rights certify a payment in the amount of the share price valid at the time of exercise, the exercise price for the SAR is EUR 0.00.

STOCK APPRECIATION RIGHTS 2022 TO 2025

Under their management contracts, each member of the Management Board receives an LTI tranche consisting of a certain number of stock appreciation rights (SARs) in each year of their term of office. The "allocation date" is January 1 of the fiscal year of allocation. The SARs entitle the Management Board member to payment of a cash amount after the vesting period has expired, based on an assumed "four-year price increase" defining 100% target achievement. The assumed four-year price increase is determined by the Supervisory Board at its reasonable discretion – usually annually – for the respective LTI tranche to be allocated. A SAR entitles the holder to payment of a cash amount depending on the exercise price (average of the Xetra-weighted closing prices of Alzchem Group AG shares in the last 30 trading days prior to the date of exercise of the SAR + dividends paid since the allocation date), less the allocation price (average of the Xetra-weighted closing prices of Alzchem Group AG shares in the last 60 trading days prior to the allocation date). SARs can only be exercised in whole or in part during certain periods to be determined by the Supervisory Board. The earliest possible exercise date is after a holding period of four years following the allocation date of the relevant LTI tranche. Unexercised SARs expire without replacement.

The SARs were granted as part of a Long-Term Incentive (LTI) agreement. In addition to a payout cap on the total LTI, a payout cap on the total remuneration was also defined for the individual beneficiaries, which must be considered when accounting for the SARs. In the event of significant breaches of duty to the Alzchem Group, the Supervisory Board may reclaim all or part of the LTI tranche granted for a specific year within a one-year period. This also applies to LTIs that have already been paid out.

In fiscal year 2025, 42,187 SARs were granted to the members of the Management Board, which are exercisable for the first time on December 31, 2028.

The SARs for 2022 to 2025 are share-based payments with cash settlement in accordance with the provisions of IFRS 2. The fair value was determined on the basis of a Monte Carlo model and the expense reported in personnel expenses was distributed on a straight-line basis from the date of grant to the start of the exercise period. In fiscal year 2025, personnel

expenses of EUR 858 thousand (previous year: EUR 748 thousand) were recognized from this plan, resulting in a provision of EUR 1,818 thousand (previous year: EUR 960 thousand). The valuation was based on the following parameters:

	12/31/2024	12/31/2025
Residual term (in years)	2.0 - 5.0	1.0 - 7.0
Expected volatility	26.2% - 31.0%	26.2% - 30.9%
Risk-free interest rate	1.98% - 2.15%	2.00% - 2.59%
Share price at valuation date	EUR 59.30	EUR 155.00

Since the members of the Management Board are entitled to payment of dividends granted between the allocation date and the date of exercise, it was not necessary to explicitly model the dividend in the calculation.

The expected volatility of the Alzchem share was determined on the basis of the historical volatility of comparable companies with a similar duration. Since the subscription rights (SAR) in question are not options and the subscription rights certify a payment in the amount of the share price valid at the time of exercise, the exercise price for the SAR is EUR 0.00.

TRANSITIONAL PAYMENTS

The current remuneration system (MB rs 2025) approved by the Annual General Meeting in May 2025 provides for so-called transitional payments (TP) as an option for individual members of the Management Board in the event of liquidity gaps arising as a result of the change-over to a new LTI system. Such bridging payments ("Transitional payment 2024", "2025" and "2026"), which are designed for a limited transitional period of no more than three years, will be granted to Mr. Niedermaier, Mr. Englmaier, Dr. Weichselbaumer, and Mr. Lösler in the form of SARs in the amount of a contractually agreed allocation amount. The SARs allocated under the "Transitional Payment 2024" can or could be exercised after a holding period of one year (i.e., in 2025), the SARs allocated under the "Transitional Payment 2025" after a holding period of two years (i.e., in 2026), and the SARs allocated under the "Transitional

Payment 2026" after a holding period of three years (i.e., in 2027); the exact exercise periods are determined by the Supervisory Board. Instead of the "assumed four-year price increase" applicable in the LTI regulations, an "assumed one-year price increase" was used for the "Transitional Payment 2024" an "assumed two-year price increase" for the "transitional payment 2025" and an "assumed three-year price increase" for the "transitional payment 2026".

No new SARs were granted to the members of the Management Board in fiscal year 2025 (previous year: 364,818).

The transitional payments are also share-based payments with cash settlement in accordance with the provisions of IFRS 2. The fair value was determined on the basis of a Monte Carlo model and the expense reported in personnel expenses was distributed on a straight-line basis from the date of grant to the start of the exercise period. In fiscal year 2025, personnel expenses of EUR 1,441 thousand (previous year: EUR 2,463 thousand) from this plan were added to provisions. After deducting payments made, the provision amounted to EUR 3,100 thousand as of December 31, 2025 (previous year: EUR 3,111 thousand). The valuation was based on the following parameters:

	12/31/2024	12/31/2025
Residual term (in years)	0.0 - 2.0	0.0 - 1.0
Expected volatility	26.1% - 26.7%	26.2%
Risk-free interest rate	2.08% - 2.49%	2.00%
Share price at valuation date	EUR 59.30	EUR 155.00

As the members of the Management Board are entitled to payment of dividends granted between the allocation date and the date of exercise, it was not necessary to explicitly model the dividend in the calculation.

The expected volatility of the Alzchem share was determined on the basis of the historical volatility of comparable companies with a similar term. Since the subscription rights (SAR) in question are not options and the subscription rights certify a payment in the amount of the share price valid at the time of exercise, the exercise price for the SAR is EUR 0.00.

36. RELATIONSHIPS WITH RELATED COMPANIES AND PERSONS

Related persons include persons in key positions within the Alzchem Group. These are listed by name and with their remuneration in Note 34.

In addition, four two na GmbH, Munich, the companies it controls, and the companies controlled by its shareholders or legal representatives are considered to be related companies of the Alzchem Group in the reporting period. Löw SE (formerly: LIVIA Corporate Development SE), Munich, which was previously classified as a related company, no longer met the criteria for related companies and persons defined in IAS 24.9 as of the reporting date.

No transactions with related companies were conducted during the reporting period.

37. LEGAL DISPUTES AND CLAIMS FOR DAMAGES

The Alzchem Group is not involved in any legal or arbitration proceedings that could have a significant impact on the Group's situation. The existing proceedings, which are insignificant overall, have not yet been concluded, and Management does not expect any significant obligations to arise from them. In general, the exact amount of a possible obligation or claim cannot be reliably determined due to the high degree of uncertainty associated with such proceedings.

38. FEES FOR THE AUDITORS

The auditor of the consolidated financial statements of Alzchem Group AG as of December 31, 2024, and 2025 was RSM Ebner Stolz GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Stuttgart.

Fees totaling EUR 558 thousand (previous year: EUR 576 thousand) were incurred in the past fiscal year 2025 for services provided by the Group auditor within the meaning of Section 318 HGB. This includes EUR 1 thousand (previous year: EUR 29 thousand) attributable to the previous year. The remuneration is broken down as follows:

in EUR thousand	01/01 – 12/31/2024	01/01 – 12/31/2025
Other audit and assurance services	126	118
Audit services	450	440
Total	576	558

Other audit and assurance services in fiscal year 2025 comprise the business audit to obtain limited assurance on the non-financial Group statement and an audit pursuant to Section 6b (6) of the German Energy Industry Act (EnWG) of Alzchem Netz GmbH.

39. LIST OF SHAREHOLDINGS

The list of shareholders of Alzchem Group AG pursuant to Section 313 (2) HGB as of December 31, 2025, is as follows:

Name of company (Subsidiaries)	Registered office	Share of capital in %
Alzchem Trostberg GmbH	Trostberg, Germany	100
Alzchem International GmbH	Trostberg, Germany	94
Alzchem Stahltechnik GmbH	Trostberg, Germany	100
Suppliva GmbH (formerly Alzchem Nutrition GmbH)	Trostberg, Germany	100
Alzchem Netz GmbH	Trostberg, Germany	100
Alzchem LLC	Atlanta, USA	100
Alzchem Shanghai Co. Ltd	Shanghai, China	100
Nordic Carbide AB	Sundsvall, Sweden	100
Edelife Distributing LLC	Atlanta, USA	100
Alzchem UK Ltd.	Coventry, United Kingdom	100
Actegon Energy GmbH	Trostberg, Germany	100

The share of capital was calculated in accordance with Section 16 AktG and therefore includes shares held directly and indirectly by Alzchem Group AG.

40. EVENTS AFTER THE BALANCE SHEET DATE

The Supervisory Board of Alzchem Group AG has appointed Dr. Jürgen Sans as a member of the Management Board for a term of three years, i.e. from January 1, 2026, to December 31, 2028. In his position as Chief Operating Officer (COO), he will be responsible for the areas of

- Production
- Technology
- Environment, safety, health, quality
- Product safety/approval
- Technical planning & infrastructure.

In light of Alzchem's planned US activities, Alzchem Trostberg GmbH founded Alzchem US Corp. on January 20, 2026, with its registered office in Wilmington, Delaware, and a capital of USD 1,000. On the same day, Alzchem US Corp. founded Alzchem Manufacturing LLC, with its registered office in Wilmington, Delaware.

41. CORPORATE GOVERNANCE

In December 2025, the Management Board and Supervisory Board of Alzchem Group AG issued the Declaration of Conformity required under Section 161 AktG and made it publicly available on the website.

Trostberg, February 23, 2026

Alzchem Group AG

The Management Board



Andreas Niedermaier (CEO)



Andreas Lösler (CFO)



Dr. Jürgen Sans (COO)



Martina Spitzer (CSO)

RESPONSIBILITY STATEMENT



Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements and the annual financial statements give a true and fair view of the net assets, financial position, and results of operations of the Group and the company. Likewise, the combined management report accurately presents the course of business, including the business results and the situation of the Group and the company, and describes the significant opportunities and risks of the expected development.

Trostberg, February 23, 2026

Alzchem Group AG

The Management Board

Andreas Niedermaier (CEO)

Dr. Jürgen Sans (COO)

Andreas Lösler (CFO)

Martina Spitzer (CSO)

DECLARATION ON THE PAY TRANSPARENCY ACT



Declaration on the Pay Transparency Act

The Act to Promote Transparency in Wage Structures among Women and Men came into force on July 6, 2017. The focus of the Act is on the right of individual employees to obtain information about the remuneration of the opposite sex in companies with more than 200 employees. In addition, the Act requires employers to carry out checks to ensure compliance with the principle of equal pay and requires employers with more than 500 employees to report statistical data and the equality measures implemented in the company. The right to information could be exercised for the first time from February 2018. The equality report was to be prepared for the first time in 2018 for the year 2016. The report must be attached to the combined management report as an appendix and disclosed in the company register, Section 22 (4) of the Transparency in Wage Structures Act. It is not part of the consolidated financial statements or the combined management report.

Alzchem guarantees its employees fair remuneration and pay transparency. This is achieved in detail as follows:

COLLECTIVE BARGAINING AGREEMENTS AND TRANSPARENCY

Alzchem Trostberg GmbH and Nordic Carbide AB are members of the employers' associations VBCI and IKEM, respectively, and apply the collective agreements of the chemical industry. Collective agreements and pay scales are available for all employees to view.

GENDER-NEUTRAL JOB EVALUATION

- Alzchem regularly conducts job evaluations in summary form with its operating partner for employees covered by collective agreements in accordance with the provisions of the Federal Collective Agreement on Remuneration through joint evaluation committees, which meet at least six times a year. Equivalent functions are grouped together into job families via a works agreement, ensuring fair and gender-neutral job evaluation and, as a result, gender-neutral classification and remuneration for employees. A joint evaluation committee meets regularly to evaluate new job families in a gender-neutral and uniform manner.
- Alzchem has also agreed with its operating partner on a binding set of rules for gender-neutral, competitive salary determination and development for non-tariff employees and executives. In addition, there is also a joint evaluation committee here, which ensures gender-neutral and uniform evaluation and classification of functions.

PRINCIPLES OF EVALUATION

The declarations on gender-neutral job evaluation ensure that jobs are evaluated solely on the basis of their qualitative requirements and job-specific demands, which are completely independent of the gender of the job or function holder.

PROMOTION OF A FAMILY-FRIENDLY WORKING ENVIRONMENT

Alzchem promotes and implements a family-friendly working environment for all genders. This is achieved primarily through flexible working hours agreed with the operating partner and a variety of part-time models. Within a specified time frame, employees can largely determine their own start and end times and organize their working hours flexibly thanks to flexitime and trust-based working hours. In addition, regulations on mobile working help to better balance work and family life.

In cooperation with the city of Trostberg and the Traunstein district association of the Workers' Welfare Association, a kindergarten and nursery facility have been created. Through this cooperation, Alzchem has been offering its employees up to 37 places (kindergarten and nursery places) in the "Alzstadtkindergarten" in Trostberg since fall 2023. This means that half of the kindergarten and nursery places can be occupied by children of Alzchem employees.

As of December 31, 2025, the Alzchem Group employed 1,379 men (including 4 members of the Management Board) (previous year: 1,357) and 186 women (including 1 member of the Management Board) (previous year: 184) full-time and 89 men (previous year: 81) and 140 women (previous year: 130) part-time.

Alzchem has set itself the goal of increasing the proportion of female executives in upper management (first and second management levels). This has already been significantly increased in recent years and currently stands at 19.5% (2024: 17.3%).

FURTHER INFORMATION

324 INDEPENDENT AUDITOR'S REPORT

330 LIMITED ASSURANCE REPORT OF THE INDEPENDENT AUDITOR
REGARDING THE NON-FINANCIAL GROUP STATEMENT INCLUDED
IN THE COMBINED MANAGEMENT REPORT

333 LIST OF ABBREVIATIONS

334 FINANCIAL CALENDAR 2026

334 REMARKS

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Independent auditor's report

to Alzchem Group AG, Trostberg

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE COMBINED MANAGEMENT REPORT

AUDIT OPINIONS

We have audited the consolidated financial statements of Alzchem Group AG, Trostberg, and its subsidiaries (the Group), which comprise the consolidated balance sheet as at December 31, 2025, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the fiscal year from January 1 to December 31, 2025, and notes to the consolidated financial statements, including material information on accounting policies. In addition, we have audited the Group management report combined with the management report (hereinafter: combined management report) of Alzchem Group AG, Trostberg, for the fiscal year from January 1 to December 31, 2025. In accordance with German legal requirements, we have not audited the content of the non-financial Group statement contained in section 11 of the combined management report and the (Group) Declaration on Corporate Governance contained in section 9 of the combined management report.

In our opinion, based on the findings of our audit,

- the accompanying consolidated financial statements comply in all material respects with the IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) (hereinafter referred to as "IFRS Accounting Standards"), as adopted by the EU and the additional requirements of German law pursuant to sec. 315e para. 1 HGB and give a true and fair view of the net assets and financial position of the Group as of December 31, 2025, and of its results of operations for the fiscal year from January 1 to December 31, 2025, based on these requirements and

- the accompanying combined management report overall gives a true and fair view of the situation of the Group. In all material respects, this combined management report is consistent with the consolidated financial statements, complies with German legal requirements, and accurately presents the opportunities and risks of future development. Our audit opinion on the combined management report does not cover the above-mentioned components of the combined management report that were not audited as to their content.

In accordance with sec. 322 para. 3 sentence 1 HGB, we declare that our audit has not led to any objections to the correctness of the consolidated financial statements and the combined management report.

BASIS FOR THE AUDIT OPINIONS

We conducted our audit of the consolidated financial statements and the combined management report in accordance with sec. 317 HGB and the EU Auditor Regulation (No. 537/2014; hereinafter "EU-APrVO") and generally accepted German standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Our responsibility in accordance with these regulations and principles is further described in the section "responsibility of the auditor for the audit of the consolidated financial statements and the combined management report" of our auditor's report. We are independent of the Group companies in accordance with European and German commercial law and professional regulations and have fulfilled our other German professional obligations in accordance with these requirements. Furthermore, we declare pursuant to sec. 10 para. 2 letter f) EU-APrVO that we have not performed any prohibited non-audit services pursuant to sec. 5 para. 1 EU-APrVO. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and the combined management report.

PARTICULARLY IMPORTANT AUDIT MATTERS IN THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Particularly important audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the fiscal year from January 1 to December 31, 2025. These matters were considered in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In the following, we present the audit matter that we consider to be of particular importance:

- Government and private grants

a) The risk for the consolidated financial statements

Alzchem Group AG, Trostberg, began investing in the expansion of its production capacities for guanidine nitrate and nitroguanidine at the end of the fiscal year 2024. The total investment volume will amount to slightly more than EUR 140 million. As of December 31, 2025, EUR 77.9 million has already been capitalized for this project under the consolidated balance sheet item "Property, plant, and equipment" as "Assets under construction". The project thus has a significant effect on property, plant, and equipment and the consolidated balance sheet total.

In addition, the company has concluded supply contracts with several customers in the defense sector in connection with this project for the fiscal years 2024 and 2025. These contracts guarantee the customers annual production and delivery volumes from the capacity expansion of nitroguanidine production in Germany and, for Alzchem Group AG, utilization of the newly created capacities. In this regard, the company states in the notes to the consolidated financial statements in the section "IV. Accounting and valuation methods" in the subsections "Contract liabilities" and "Accounting for customer grants" that the Alzchem Group recognizes a contract liability from contracts with customers if it has not yet fully fulfilled its contract obligations but has already received consideration for this or has an unconditional claim to consideration. In accordance with the provisions of IFRS 15, the amount of the contract liability to be recognized in the balance sheet is based on the transaction price to be determined for the agreed consideration. Receivables from these customer contracts are only reported if there is an unconditional claim to consideration. When delivery of the agreed additional quantities begins, the contract li-

ability is gradually reversed over the term of the respective customer contracts, based on the quantities to be delivered annually, as part of revenue recognition.

Furthermore, following a Europe-wide selection process, the Alzchem Group 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. In this regard, the company states in the notes to the consolidated financial statements in section IV. "Accounting and valuation methods" in the subsection "Government subsidies" that these are only recognized when the relevant conditions have been met and the subsidies have been granted. The Alzchem Group deducts government subsidies when determining the carrying amounts of the subsidized assets.

As stated by the company in the combined management report under "3.2.5. Special effects from customer grants received", these matters have a significant impact on the consolidated cash flow statement, the consolidated balance sheet and the consolidated income statement.

In our opinion, this matter was of particular importance to our audit, as the items which are significant in terms of amount, have and will continue to have a material impact on the net assets, financial position, and results of operations of Alzchem Group AG.

b) Audit procedure and conclusions

As part of our audit, we reviewed the underlying contracts, funding commitments, and payments received, and examined the resulting accounting and valuation in the consolidated financial statements of Alzchem Group AG on the basis of the relevant IFRS accounting standards. Based on our audit procedures, we were able to convince ourselves that the estimates made by the legal representatives and the accounting are justified and sufficiently documented

and have led to an overall adequate presentation in the financial statements.

OTHER INFORMATION

The legal representatives or the Supervisory Board are responsible for the other information. The other information includes:

- the components of the combined management report referred to in the section "audit opinions" which have not been audited as to their content,
- the report of the Supervisory Board,
- the responsibility statement of the legal representatives on the annual financial statements or the consolidated financial statements, and the responsibility statement on the combined management report,
- the Declaration on the Remuneration Transparency Act,
- the other parts of the published annual report, but not the consolidated financial statements, not the components of the combined management report included in the content audit, and not our audit opinion thereon.

The Supervisory Board is responsible for the report of the Supervisory Board. The legal representatives and the Supervisory Board are responsible for the declaration pursuant to sec. 161 AktG on the German Corporate Governance Code, which forms part of the (Group) Declaration on Corporate Governance contained in section 9 of the combined management report. Besides, the legal representatives are responsible for the other information.

Our audit opinions on the consolidated financial statements and the combined management report do not cover the other information, and accordingly, we do not express an opinion or any other form of conclusion on it.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information referred to above and, in doing so, evaluate whether the other information

- contain material inconsistencies with the consolidated financial statements, with the audited disclosures in the combined management report or with our knowledge obtained in the audit, or
- otherwise appear to be materially misstated.

If we conclude, based on the work we have performed, that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this context.

RESPONSIBILITY OF THE LEGAL REPRESENTATIVES AND THE SUPERVISORY BOARD FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND THE COMBINED MANAGEMENT REPORT

The legal representatives are responsible for the preparation of the consolidated financial statements that comply in all material respects with IFRS Accounting Standards as adopted by the EU and the additional requirements of German law pursuant to sec. 315e para. 1 HGB and for the consolidated financial statements giving a true and fair view of the net assets, financial position and results of operations of the Group based on these requirements. Furthermore, the legal representatives are responsible for the internal controls that they have determined are necessary to enable the preparation of consolidated financial statements that are

free from material misstatement, whether due to fraud (i.e. manipulation of the financial statements and misstatement of assets) or error.

In preparing the consolidated financial statements, the legal representatives are responsible for assessing the Group's ability to continue as a going concern. In addition, they are responsible for disclosing, as applicable, matters related to going concern. Furthermore, they are responsible for preparing the financial statements on a going concern basis unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

In addition, the legal representatives are responsible for the preparation of the combined management report, which as a whole gives a true and fair view of the Group's situation and is consistent in all material aspects with the consolidated financial statements, complies with German legal requirements and suitably presents the opportunities and risks of future development. Furthermore, the legal representatives are responsible for the arrangements and measures (systems) they have deemed necessary to enable the preparation of a combined management report in accordance with the applicable German legal requirements and to provide sufficient appropriate evidence for the statements made in the combined management report.

The Supervisory Board is responsible for monitoring the Group's accounting process for the preparation of the consolidated financial statements and the combined management report.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE COMBINED MANAGEMENT REPORT

Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement due to fraud or error and whether the combined management report as a whole provides a suitable view of the Group's situation and is consistent, in all material aspects, with the consolidated financial statements and with the findings of our audit, complies with German legal requirements and suitably presents the opportunities and risks of future development, and to issue an auditor's report that includes our audit opinion on the consolidated financial statements and the combined management report.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with sec. 317 HGB and EU-APrVO and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if it could reasonably be expected that they would, individually or collectively, influence the economic decisions of addressees taken on the basis of these consolidated financial statements and combined management report.

During the audit, we exercise professional judgment and maintain a critical basic attitude. Furthermore,

- we identify and assess the risks of material misstatements in the consolidated financial statements and the combined management report due to fraud or error, plan and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion. The risk of not detecting a material misstatement that results from fraud is higher than the risk of not detecting a material misstatement that results from error, as fraud may involve collusion, counterfeiting, intentional omissions, misleading presentations, or the override of internal controls.
- we obtain an understanding of the internal controls relevant to the audit of the consolidated financial statements and of the arrangements and actions relevant to the audit of the combined management report in order to plan audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls and these precautions and measures.
- we evaluate the appropriateness of the accounting methods used and the reasonableness of accounting estimates and related disclosures made by the legal representatives.
- we conclude on the appropriateness of the going concern basis of accounting used by the legal representatives and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's

report to the related disclosures in the consolidated financial statements and the combined management report or, if such disclosures are inadequate, to modify our respective audit opinions. We draw our conclusions based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group not to be able to continue as a going concern.

- we evaluate the presentation, structure and content of the consolidated financial statements as a whole, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with IFRS Accounting Standards as adopted by the EU and the additional requirements of German law pursuant to sec. 315e para. 1 HGB.
- we plan and perform the audit of the consolidated financial statements in order to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for expressing audit opinions on the consolidated financial statements and on the combined management report. We are responsible for the direction, supervision and review of the audit activities performed for the purposes of the audit of the consolidated financial statements. We bear sole responsibility for our audit opinions.
- we assess the consistency of the combined management report with the consolidated financial statements, its compliance with the law, and the view of the Group's situation conveyed by it.

- we perform audit procedures on the forward-looking statements made by the legal representatives in the combined management report. Based on sufficient appropriate audit evidence, we in particular verify the significant assumptions underlying the forward-looking statements made by the legal representatives and evaluate the appropriate derivation of the forward-looking statements from these assumptions. We do not give an independent audit opinion on the forward-looking statements or on the underlying assumptions. There is a significant unavoidable risk that future events may differ materially from the forward-looking statements.

We discuss with those responsible for supervision, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We provide a statement to those charged with supervision that we have complied with the relevant independence requirements and discuss with them all relationships and other matters that may reasonably be thought to affect our independence and, if relevant, the actions taken or safeguards implemented to eliminate independence threats.

From the matters we discussed with those responsible for supervision, we determine those matters that were of most significance in the audit of the consolidated financial statements of the Group for the current reporting period and are therefore the particularly important audit matters. We describe these matters in our auditor's report unless law or other regulations preclude public disclosure of the matter.

OTHER LEGAL AND OTHER REGULATORY REQUIREMENTS

REPORT ON THE AUDIT OF THE ELECTRONIC REPRODUCTIONS OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE COMBINED MANAGEMENT REPORT PREPARED FOR DISCLOSURE PURPOSES IN ACCORDANCE WITH SEC. 317 PARA. 3A HGB

Audit opinion

In accordance with sec. 317 para. 3a HGB, we have performed an audit with reasonable assurance as to whether the reproductions of the consolidated financial statements and the combined management report (hereinafter also referred to as “ESEF documents”) contained in the file “alzchemgroupag-2025-12-31-1-de.xbri” and prepared for disclosure purposes comply in all material aspects with the requirements of sec. 328 para. 1 HGB on the electronic reporting format (“ESEF format”). In accordance with German legal requirements, this audit extends only to the conversion of the information contained in the consolidated financial statements and the combined management report into the ESEF format and therefore does not extend to the information contained in these reproductions or any other information contained in the aforementioned file.

In our assessment, the reproductions of the consolidated financial statements and the combined management report contained in the above-mentioned file and prepared for disclosure purposes comply in all material respects with the requirements of sec. 328 para. 1 HGB regarding the electronic reporting format. Beyond this audit opinion and our audit opinions contained in the preceding “report on the audit of the consolidated financial statements and the

combined management report” on the accompanying consolidated financial statements and the accompanying combined management report for the fiscal year from January 1 to December 31, 2025, we do not give any audit opinion on the information contained in these reproductions or on the other information contained in the aforementioned file.

Basis for the audit opinion

We conducted our audit of the reproductions of the consolidated financial statements and the combined management report contained in the above-mentioned file in accordance with sec. 317 para. 3a HGB and in consideration of the IDW audit standard: audit of electronic reproductions of financial statements and management reports prepared for disclosure purposes in accordance with sec. 317 para. 3a HGB (IDW PS 410 (06.2022)) and the International Standard on Assurance Engagements 3000 (revised). Our responsibility thereafter is further described in the section “responsibility of the auditor of the financial statements for the audit of the ESEF documents”. Our auditing practice has applied the quality management system requirements of the IDW quality management standards: requirements for quality management in auditing practice (IDW QMS 1 (09.2022)).

Responsibility of the legal representatives and the Supervisory Board for the ESEF documents

The legal representatives of the company are responsible for the preparation of the ESEF documents with the electronic reproductions of the consolidated financial statements and the combined management report in accordance with sec. 328 para. 1 sentence 4 no. 1 HGB and for the tagging of the consolidated financial statements in accordance with sec. 328 para. 1 sentence 4 no. 2 HGB.

Furthermore, the legal representatives of the company are responsible for the internal controls that they consider necessary to enable the preparation of the ESEF documents that are free from material violations, whether intentional or unintentional, of the requirements of sec. 328 para. 1 HGB to the electronic reporting format.

The Supervisory Board is responsible for monitoring the process of preparing the ESEF documents as part of the accounting process.

Responsibility of the auditor for the audit of the ESEF documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material violations, whether intentional or unintentional, of the requirements of sec. 328 para. 1 HGB. During the audit, we exercise professional judgment and maintain a critical basic attitude. Furthermore,

- we identify and assess the risks of material violations, whether intentional or unintentional, of the requirements of sec. 328 para. 1 HGB, plan and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion.
- we gain an understanding of the internal controls relevant to the audit of the ESEF documents in order to plan audit procedures that are appropriate in the given circumstances, but not for the purpose of giving an audit opinion on the effectiveness of these controls.
- we evaluate the technical validity of the ESEF documents, meaning whether the file containing the ESEF documents complies with the requirements of Delegated Regulation

(EU) 2019/815 for the technical specification of that file, as applicable at the reporting date.

- we assess whether the ESEF documents allow for a content identical XHTML reproduction of the audited consolidated financial statements and the audited combined management report.
- we assess whether the tagging of the ESEF documents with inline XBRL technology (iXBRL) in accordance with Articles 4 and 6 of Delegated Regulation (EU) 2019/815, as applicable on the reporting date enables an adequate and complete machine-readable XBRL copy of the XHTML reproduction.

OTHER INFORMATION ACCORDING TO SEC. 10 EU-APRVO

We were elected as auditors of the consolidated financial statements by the Annual General Meeting on May 8, 2025. We were appointed by the Supervisory Board on December 4, 2025. We have served as auditors of the consolidated financial statements of Alzchem Group AG, Trostberg, without interruption since the fiscal year 2019.

We declare that the audit opinions contained in this auditor's report are consistent with the additional report to the Audit Committee pursuant to sec. 11 EU-APrVO (audit report).

OTHER MATTERS – USE OF THE AUDITOR'S REPORT

Our auditor's report should always be read in conjunction with the audited consolidated financial statements and the audited combined management report as well as the audited ESEF documents. The consolidated financial statements and combined management report converted to ESEF format – including the versions to be entered in the company register – are merely electronic reproductions of the audited consolidated financial statements and the audited combined management report and do not replace them. In particular, the ESEF opinion and our audit opinion contained therein can only be used in conjunction with the audited ESEF documents provided in electronic form.

RESPONSIBLE AUDITOR

The auditor responsible for the audit is Mr. Karsten Bender.

Munich, February 23, 2026

RSM Ebner Stolz GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Dr. Volker Hecht
Certified Public Accountant

Karsten Bender
Certified Public Accountant

Limited Assurance report of the Independent Auditor regarding the Non-Financial Group Statement included in the Combined Management Report

To Alzchem Group AG, Trostberg/Germany

ASSURANCE OPINION

We have performed a limited assurance engagement on the non-financial group statement of Alzchem Group AG, Trostberg/Germany for the period from January 1 to December 31, 2025 that is included in section "non-financial group statement" of the combined management report in order to fulfill sections 315b and 315c in conjunction with sections 289c to 289e of the German Commercial Code (Handelsgesetzbuch, HGB) and that contains information to fulfill the requirements of Article 8 of Regulation (EU) 2020/852 (hereinafter the "non-financial group reporting").

Prior-year information as well as reporting of other Auditors regarding Assurance engagements for information on the value chain that is included in the non-financial group reporting were not part of our assurance engagement.

Based on the assurance procedures performed and the assurance evidence obtained, nothing has come to our attention that causes us to believe that the attached non-financial group reporting for the period from January 1 to December 31, 2025, is not prepared, in all material respects, in accordance with sections 315b and 315c in conjunction with sections 289c to 289e of the German Commercial Code (HGB) and the requirements of Article 8 of Regulation (EU) 2020/852 as well as the substantiating criteria disclosed by the legal representatives of the company.

BASIS FOR CONCLUSION FOR THE ASSURANCE OPINION

We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements other than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board (IAASB).

In a limited assurance engagement, the procedures performed differ from those performed in a reasonable assurance engagement in nature and timing and are less extensive. Accordingly, the level of assurance obtained is substantially lower than the level of assurance that would have been obtained through a reasonable assurance engagement.

Our responsibility according to ISAE 3000 (Revised) is described in more detail in section "Responsibility of the Assurance Practitioner for the Assurance of the non-financial group reporting".

We are independent of the company in accordance with European and German commercial law and ethical requirements and we fulfill our other German ethical requirements in accordance with these provisions. Our firm applies the IDW Standard on Quality Management 1: Requirements for Quality Management in Audit Firms (IDW QMS 1 (09.2022) published by the Institute of Public Auditors in Germany (IDW). In our opinion, the assurance evidence obtained is sufficient and appropriate to form the basis of our assurance opinion.

REFERENCE TO SPECIFIC CIRCUMSTANCES – PRINCIPLES FOR PREPARING THE NON-FINANCIAL GROUP REPORTING

Without modifying our assurance opinion, we refer to the explanations included in the non-financial group reporting. According to these, the company applied the European Sustainability Reporting Standards (ESRS) in the scope described in section "non-financial group statement".

MANAGEMENT'S AND THE SUPERVISORY BOARD'S RESPONSIBILITIES FOR THE NON-FINANCIAL GROUP REPORTING

Management is responsible for preparing the non-financial group reporting in accordance with the relevant German and European legal provisions as well as the substantiating criteria disclosed by the legal representatives of the company. Management is further responsibly for designing, implementing and sustaining the internal controls deemed necessary for ensuring a preparation of the non-financial group reporting in accordance with these provisions that is free of material misstatements due to fraud (i.e. manipulation of the non-financial reporting) or error.

Management's responsibilities include maintaining the materiality analysis process, selecting and applying appropriate methods for the preparation of the non-financial group reporting, making assumptions and estimates as well as determining forward-looking information for individual sustainability disclosures.

The Supervisory Board is responsible for controlling the process for preparing the non-financial group reporting.

INHERENT LIMITATIONS IN PREPARING THE SUSTAINABILITY STATEMENT

The relevant German and European provisions include phrases and terms that are subject to substantial uncertainties regarding their interpretation and for which no comprehensive binding guidance has been published. As the respective phrases and terms can be interpreted differently by regulators and courts, the legal conformity of measurements and assessments of sustainability aspects that are based on these interpretations is subject to uncertainties.

These inherent limitations also apply to the assurance of the non-financial group reporting.

RESPONSIBILITY OF THE ASSURANCE PRACTITIONER FOR THE ASSURANCE OF THE NON-FINANCIAL GROUP REPORTING

It is our responsibility to express, based on the assurance engagement performed, a limited assurance opinion as to whether anything has come to our attention that causes us to believe that the non-financial group reporting is not prepared, in all material respects, in accordance with the relevant German and European legal provisions as well as the substantiating criteria disclosed by the legal representatives of the company. It is also our responsibility to issue an assurance report containing our assurance opinion.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised), we exercise professional judgement and maintain professional skepticism throughout the engagement. Furthermore,

- we obtain an understanding of the process for preparing the non-financial group reporting including the process for the materiality analysis applied for identifying the information to be included in the non-financial group reporting;
- we identify disclosures for which material misstatements are likely to arise due to fraud or error, we design and perform assurance procedures responsive to these disclosures and appropriate to achieve a limited level of assurance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls;
- we evaluate the forward-looking information including the appropriateness of underlying assumptions. There is a significant unavoidable risk that future events differ substantially from the forward-looking information.

SUMMARY OF THE WORK PERFORMED BY THE ASSURANCE PRACTITIONER

A limited assurance engagement involves performing procedures to obtain evidence about the sustainability information. The nature, timing and extent of assurance procedures selected are subject to our professional judgement. In conducting our limited assurance engagement, we

- evaluated the appropriateness of criteria as a whole as disclosed by Management in the non-financial reporting;
- performed inquiries of Management and relevant personnel involved in preparing the non-financial group reporting regarding the process of preparation including the process for performing the materiality analysis to identify disclosures for the non-financial group reporting as well as internal controls relating to the process;
- assessed the methods applied by Management for preparing the non-financial group reporting;
- evaluated the appropriateness of estimations and corresponding explanations provided by Management;
- conducted analytical assurance procedures and inquiries regarding selected information in the non-financial reporting;
- assessed the presentation of information in the non-financial reporting;
- obtained an understanding of the process to evaluate taxonomy eligible and taxonomy aligned economic activities and the corresponding disclosures in the non-financial group reporting.
- evaluate selected internal and external documents;
- assessed local data collection and reporting processes and reliability of reported data via a sampling survey at selected Alzchem units;
- assessed the overall presentation of information in the non-financial group reporting.

RESTRICTION OF USE FOR THE ASSURANCE REPORT

We draw attention to the fact that the assurance engagement was conducted for the Company’s purposes and that the report is intended solely to inform the Company about the result of the assurance engagement. Consequently, it may not be suitable for a purpose other than the aforementioned. Accordingly, the assurance report is not intended to be used by third parties for making (financial) decisions based on it. Our responsibility is to the Company alone. We assume no responsibility with regard to any third parties.

GENERAL ENGAGEMENT TERMS AND LIABILITY

This assurance engagement is covered, also with respect to third parties, by the “General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften (German Public Auditors and Public Audit Firms)” as of January 1, 2024. We specifically draw attention to the liability terms including the limitation of our liability as stipulated in

No. 9 and the exclusion of liability regarding third parties. We assume no responsibility, liability or any other obligations with regard to any third parties.

Stuttgart, February 23, 2026

RSM Ebner Stolz GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

[Original German version signed by:]

Karsten Bender	Alexander Glöckner
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

List of abbreviations

AB	Aktiebolag (stock corporation)
AG	Aktiengesellschaft (stock corporation)
CEO	Chief Executive Officer
CFO	Chief Financial Officer
COO	Chief Operating Officer
CSO	Chief Sales Officer
CNY	Renminbi Yuan
DBO	Defined Benefit Obligation
EBIT	Earnings before interest and taxes
EBITDA	Earnings before interest, taxes, depreciation and amortization
EU	European Union
EUR	Euro
GmbH	Gesellschaft mit beschränkter Haftung (Limited Liability Company)
HGB	Handelsgesetzbuch (German Commercial Code)
IAS	International Accounting Standard
IASB	International Accounting Standards Board

IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standards
JPY	Yen
LLC	Limited Liability Company
Ltd.	Limited
LTI	Long-Term Incentive
mn	million
No.	Number
OCI	Other Comprehensive Income
SAR	Stock Appreciation Rights
S.à.r.l.	Société à responsabilité limitée
SEK	Swedish Krona
SIC	Standing Interpretations Committee
USA	United States of America
USD	United States Dollar

Financial Calendar 2026

January 28 to February 27, 2026	Quiet Period*
February 27, 2026	Annual report 2025
March 31 to April 30, 2026	Quiet Period*
April 30, 2026	Quarterly Statement 1st Quarter of 2026
May 5, 2026	Annual General Meeting 2026
June 30 to July 30, 2026	Quiet Period*
July 30, 2026	Half-year financial report 2026
September 29 to October 29, 2026	Quiet Period*
October 29, 2026	Quarterly Statement 3rd Quarter of 2026

* In a "quiet period", Alzchem Group AG only communicates with the capital market to a limited extent before publishing quarterly or annual statements.

Remarks

This 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, the annual 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.

Only the German version of this Annual Report is legally binding.

Imprint

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