

**Disclosure of an inside information acc. to
Article 17 MAR of the Regulation (EU) No 596/2014**

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Alzchem Group AG: Doubling of nitroguanidine production capacities planned in Germany; preliminary contract for site search in the USA concluded

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Trostberg, October 2, 2024 – Alzchem Group AG plans significantly increase its production capacity for nitroguanidine. It was only in spring of this year that the company announced a capacity expansion for the preliminary stage with an investment of EUR 76 million over several years. Taking into account the additional expansion plans for a new production plant, the total investment will almost double. Alzchem expects this to result in increasing revenues in the upper double-digit million range from 2027 onwards, with correspondingly positive contributions to earnings. To this end, supply contracts have already been signed with several customers in the defense sector, who have declared their willingness to make significant contributions to the financing of the new plant in the common interest. The new production capacities are expected to be commissioned in the second half of 2026.

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As part of this investment, the largest in the company's history, Alzchem will not only build a new nitroguanidine production plant but also renew and expand the existing facilities for the production of guanidine nitrate, the precursor of nitroguanidine. For this first investment project, the company was already awarded an investment grant of EUR 34.4 million by the EU Commission in March of this year as part of the ASAP ("Act in Support of Ammunition Production") funding instrument (see ad hoc announcement dated March 15, 2024).

In parallel to the measures in Germany, Alzchem will intensify its site search in the USA. To this end, a preliminary contract has been concluded with the US Department of Defense that extends over the next two years. In the event that a suitable production site is found during this period, the US Department of Defense has already committed USD 150 million in funding for the construction of a production facility in the US by the end of 2029.