QUARTERLY STATEMENT

3rd quarter of 2019

ALZCHEM AT A GLANCE

~ € 288 mn

sales generated by AlzChem from January to September 2019

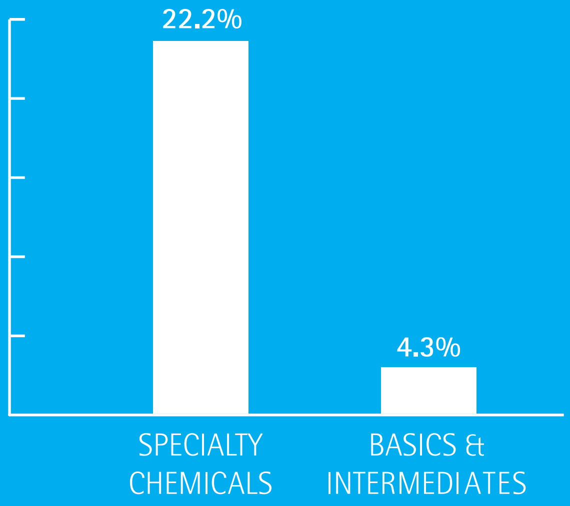
January to September 2018: ~ € 287 mn

~ € 41 mn

EBITDA achieved by AlzChem from January to September 2019

January to September 2018: ~ € 41 mn

EBITDA MARGIN BY MAIN SEGMENTS



MARKETS

NUTRITION

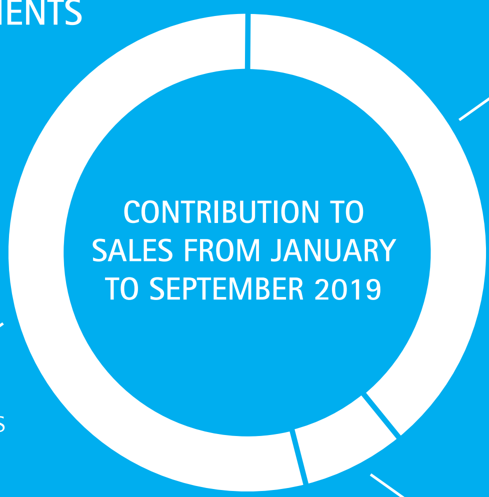
FINE CHEMISTRY

AGRICULTURE

METALLURGY

RENEWABLE ENERGY

THREE REPORTING SEGMENTS



40.0% BASICS & INTERMEDIATES

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

53.1% SPECIALTY CHEMICALS

Production anddistribution of high-quality chemical products

6.9% OTHER & HOLDING

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

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REPORTING STRUCTURE

After the previous calendar year was characterized by the presentation of two successive short fiscal years with the periods January 1 to June 30, 2018 (SFY 2018/I) and July 1 to December 31, 2018 (SFY 2018/II), the fiscal year since January 1, 2019 has again been the calendar year.

This quarterly statement reports on developments in the 3-month period from July 1 to September 30, 2019 (3rd quarter of 2019) and from July 1 to September 30, 2018 as the comparable prior-year period. Due to the short fiscal year 2018/II, the 3-month period from July 1 to September 30, 2018 was technically the 1st quarter of the SFY 2018/II. For simplification purposes, we refer to this period in this quarterly statement as the 3rd quarter of 2018.

In addition, this quarterly statement also compares the key financial figures for the following periods:

- 9-month period from January 1 to September 30, 2019 (9-month period of 2019)
- 9-month period from January 1 to September 30, 2018 (9-month period of 2018)

The key financial figures for the income statement and cash flow statement for the 9-month period of 2018 were calculated by adding the short fiscal year 2018/I and the 3-month period from July 1 to September 30, 2018.

STRONG 3RD QUARTER OF 2019 – REVENUES AND EBITDA CLEARLY ABOVE PREVIOUS YEAR

3RD QUARTER OF 2019

- Sales increase by 8.1% to EUR 99.4 million.
- Successful commissioning of the new Creamino® plant at the Trostberg site.
- Consistent implementation of the expansion strategy for the dietary supplements product portfolio. AlzChem successfully launches the product LIVADUR® and starts a marketing offensive.
- Dormex® business expansion continues to be gratifying.
- Successful volume and price increases in Basics & Intermediates in a very challenging market environment.
- Raw material prices stagnate at high to very high levels.
- Prices for CO_2 certificates (EUA) continue to weigh significantly on energy costs.
- EBITDA improved by 30.9% to EUR 13.6 million and is thus within the forecast.
- Very positive cash flow development due to implementation of the announced inventory reduction.

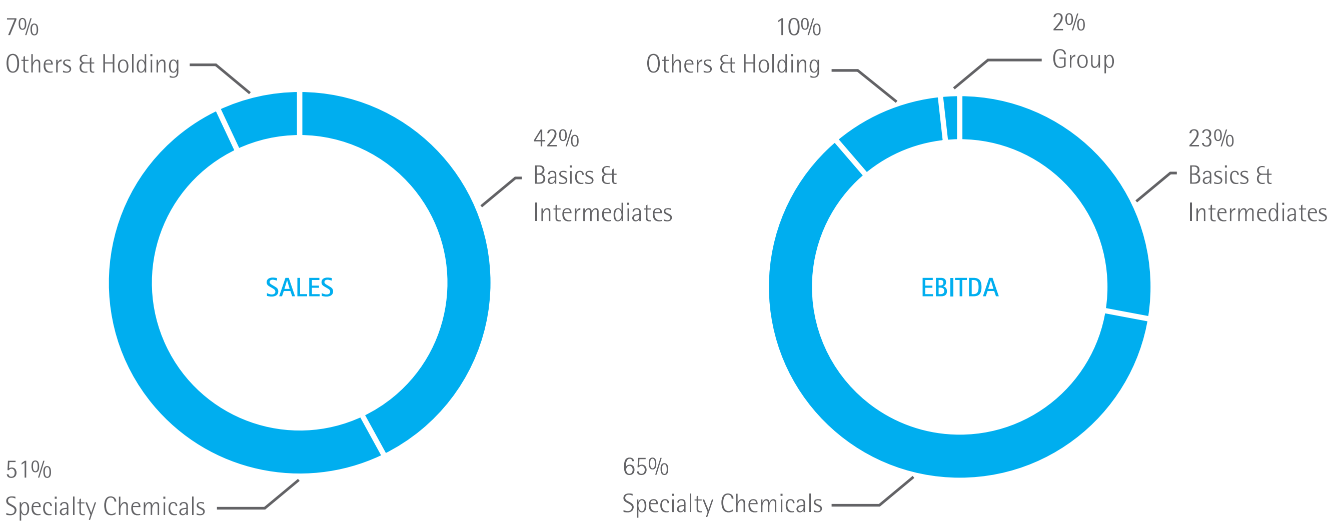
9-MONTH PERIOD OF 2019

- Stable sales of EUR 288 million with rising prices (+3%).
- EBITDA at EUR 41.4 million and thus at the previous year's level and forecast level despite burdens on the purchasing side (electricity and raw materials) as well as start-up costs for the new plants.
- Constant EBITDA margin of 14.4%.
- Consolidated net income of EUR 17.0 million influenced by high extraordinary allocations to provisions due to interest rate adjustments.
- Due to strong investment activity, free cash flow amounted to EUR -6.7 million.
- Equity characterized by strong increase in pension obligations due to historically low interest rates.
- Earnings forecast for 2019 confirmed: adjusted EBITDA between EUR 46.5 and 51.9 million.

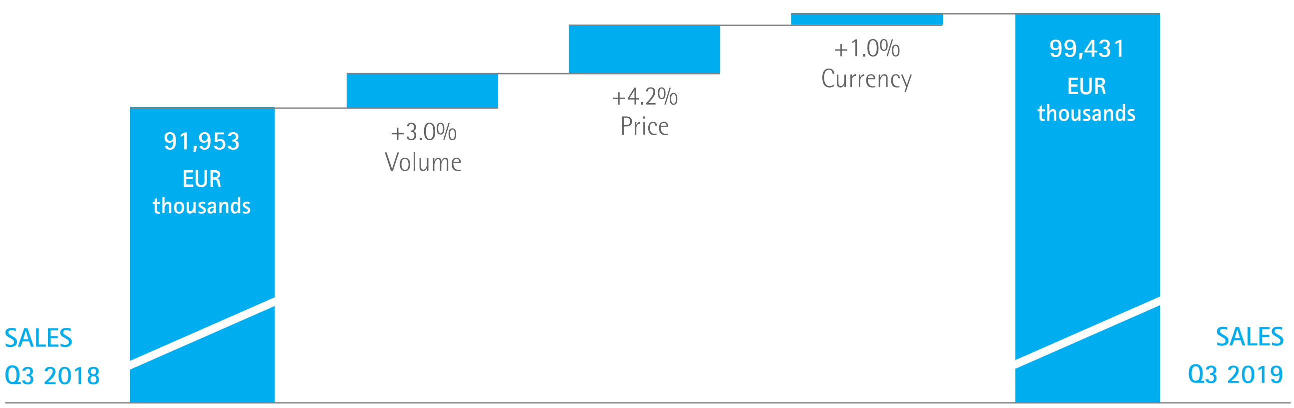
KEY FIGURES OF THE ALZCHEM GROUP IN THE 3RD QUARTER OF 2019

	Unit	3rd quarter of 2018	3rd quarter of 2019	Delta	Delta
Sales	**EUR thousands**	**91,953**	**99,431**	**7,477**	**8.13%**
EBITDA	EUR thousands	10,362	13,564	3,202	30.90%
EBITDA margin	%	11.27	13.64	2.37% points	
EBIT	EUR thousands	6,614	8,601	1,987	30.04%

SALES AND EBITDA SHARE BY SEGMENT IN THE 3RD QUARTER OF 2019



CHANGE IN SALES COMPARED TO PREVIOUS YEAR

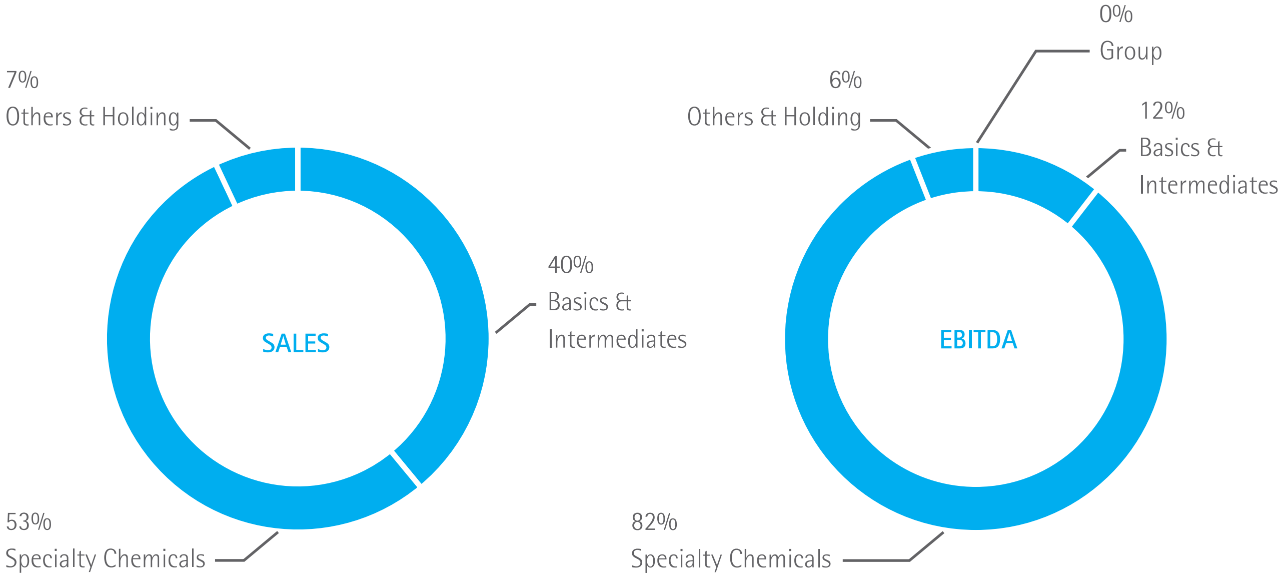


Note: Unless otherwise stated, all amounts are stated in EUR thousands. For computational reasons, rounding differences of ± one unit may occur in tables.

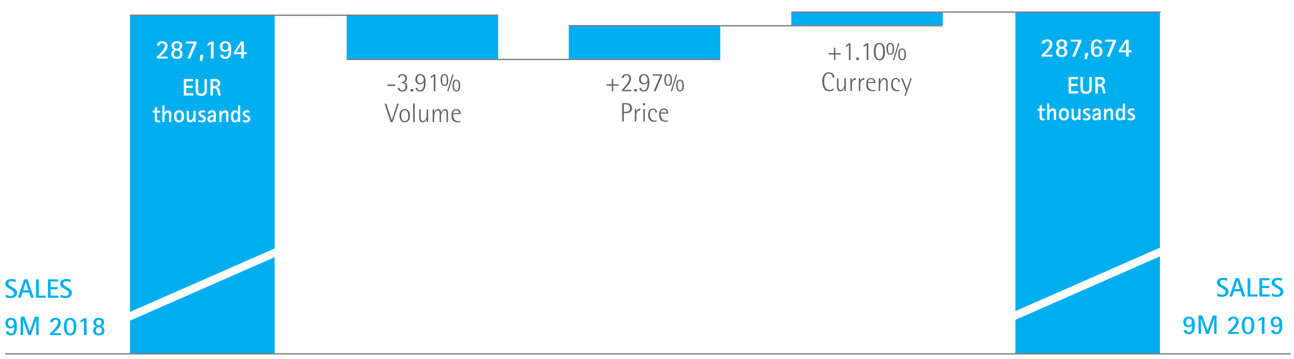
KEY FIGURES OF THE ALZCHEM GROUP IN THE 9-MONTH PERIOD OF 2019

	Unit	9-month period of 2018	9-month period of 2019	Delta	Delta
Sales	**EUR thousands**	**287.194**	**287.674**	**480**	**0,17%**
EBITDA	EUR thousands	41.321	41.418	97	0,23%
EBITDA margin	%	14,39	14,40	0,01% points	
EBIT	EUR thousands	30.075	27.856	-2.219	-7,38%

SALES AND EBITDA SHARE BY SEGMENT IN THE 9-MONTH PERIOD OF 2019



CHANGE IN SALES COMPARED TO PREVIOUS YEAR



1. DEVELOPMENT OF THE GROUP

1.1 EARNINGS POSITION IN THE 3RD QUARTER OF 2019

CONSOLIDATED INCOME STATEMENT FOR THE 3RD QUARTER OF 2019 (IFRS, UNAUDITED)

in EUR thousands	3rd quarter of 2018	3rd quarter of 2019
Sales	**91,953**	**99,431**
Change in inventories of finished and unfinished products	-2,527	-11,883
Other operating income	2,372	3,670
Cost of materials	-37,705	-33,416
Personnel expenses	-26,919	-29,313
Other operating expenses	-16,813	-14,925
EBITDA	**10,362**	**13,564**
Depreciation and amortization	-3,748	-4,964
EBIT	**6,614**	**8,601**
Other interest and similar income	192	50
Interest and similar expenses	-771	-2,359
Financial result	**-579**	-2,309
Result from ordinary business activities	6,035	6,292
Taxes on income and earnings	-1,674	-1,242
Consolidated net income for the period	**4,361**	**5,050**
thereof non-controlling interests	39	43
thereof shares of the shareholders of AlzChem Group AG	4,322	5,008
Earnings per share in EUR (undiluted and diluted)[1]	**0.42**	**0.49**

In the 3rd quarter of 2019, sales increased by 8.1% year-on-year to EUR 99,431 thousands. The substantial sales growth in the Basics & Intermediates segment contributed significantly to this development. As expected, there was no increase in the Specialty Chemicals segment.

EBITDA grew in line with sales by EUR 3,202 thousands to EUR 13,564 thousands. After the partly very significant increase in purchase prices in the first two quarters of 2019, these stabilized at the high level in the 3rd quarter and showed signs of a slight decline in some cases. The situation on the raw material markets was much more stable than in the previous quarters.

In the 3rd quarter of 2019, the cost of materials ratio fell significantly below the 40% mark for three main reasons: Firstly, AlzChem was able to sell off inventories very significantly, secondly to benefit from its long-term electricity procurement strategy (advance purchase + low spot prices) and thirdly to successfully integrate external contract processing into its own value chain, thus improving the cost and capacity utilization structure of its plants.

1 Based on 10,176,335 shares (number of shares of AlzChem Group AG as at 09/30/2019).

The increase in personnel costs is mainly due to the necessary increase in personnel (including the establishment of a complete sales team for the own distribution of Creamino® as well as plant personnel for the commissioning of the new plants). The new regulations regarding temporary employment also led to an increase in personnel costs with a simultaneous decrease in other operating expenses. In addition, the regular tariff adjustment must be taken into account.

Depreciation and amortization increased over the previous year, among other things, due to the first-time recognition of depreciation and amortization on leasing usage rights (EUR 1,238 thousands). In addition, plants and parts of plants were commissioned, so that this also led to a planned increase in operating depreciation and amortization.

Despite higher operating expenses, e.g. for freight, consulting and approval services, other operating expenses were lower than in the previous year. On the one hand, there was a structural shift in connection with the first-time lease accounting in accordance with IFRS 16 (reporting of leasing expenses now as depreciation and amortization as well as interest expenses), and on the other hand, there was a sales provision formed in 2018, which no longer impacted earnings in 2019.

The financial result increased significantly by EUR -1,730 thousands to EUR -2,309 thousands compared to the same period of the previous year. The rise in interest expenses is mainly due to the non-cash compounding of long-term provisions and pension obligations due to changes in discount rates and the first-time recognition of non-cash interest expenses for leasing liabilities in accordance with IFRS 16. The discount rate used to measure pension obligations developed as follows:

in %	2018	Q1 2019	Q2 2019	Q3 2019
Discount rate	1.90	1.40	1.10	0.80

The year-on-year decrease in tax expenses by EUR 432 thousands resulted almost exclusively from deferred taxes. With approximately the same actual tax expense, the income from the reversal of deferred taxes was EUR 562 thousands higher.

Earnings per share rose from EUR 0.42 per share to EUR 0.49 per share. The new number of 10,176,335 shares was used in the calculation; the previous year's figures were adjusted accordingly. With regard to the capital measures, we refer to the comments in the half-year financial report as of June 30, 2019.

1.2 EARNINGS POSITION IN THE 9-MONTH PERIOD FROM JANUARY TO SEPTEMBER 2019

CONSOLIDATED INCOME STATEMENT FOR THE 9-MONTH PERIOD OF 2019

in EUR thousands	9-month period of 2018	9-month period of 2019
Sales	**287,194**	**287,674**
Change in inventories of finished and unfinished products	2,264	-4,308
Other operating income	8,970	14,211
Cost of materials	-117,884	-111,278
Personnel expenses	-85,544	-91,475
Other operating expenses	-53,679	-53,405
EBITDA	**41,321**	**41,418**
Depreciation and amortization	-11,246	-13,563
EBIT	**30,075**	**27,856**
Other interest and similar income	507	204
Interest and similar expenses	-2,194	-5,109
Financial result	**-1,686**	-4,905
Result from ordinary business activities	28,389	22,951
Taxes on income and earnings	-7,965	-5,964
Consolidated net income for the period	**20,424**	**16,986**
thereof non-controlling interests	95	128
thereof shares of the shareholders of AlzChem Group AG	20,328	16,858
Earnings per share in EUR (undiluted and diluted)[2]	**2.00**	**1.66**

In the 9-month period of 2019, sales remained almost unchanged at EUR 287,674 thousands compared to the same period of the previous year. The significant increase in sales in the Basics & Intermediates segment (+7.5%) compensated for the slight decline in sales in the Specialty Chemicals segment (-4.9%). As expected, the establishment of the company's own distribution of Creamino® had an impact on volume development. At the same time, there were temporary shortfalls in some products from the multi-purpose facilities, which are unlikely to be fully made up by the end of the year. At this point, the high level of diversification cannot completely compensate for the market influences from a restrained economic environment.

In line with sales, the key operating figure EBITDA was maintained at the previous year's level of EUR 41,418 thousands. Significant cost increases (e.g. for raw materials and personnel) were successfully passed on through price adjustments (+3.0%). The product portfolio was also developed towards more complex and thus high-priced products. Consistent process optimization, including with the help of proven Six Sigma experts, is an important element in the continuous improvement process of the AlzChem Group.

Earnings per share fell from EUR 2.00 per share to EUR 1.66 per share in line with the lower consolidated net profit for the period. The new number of 10,176,335 shares was used in the calculation; the previous year's figures were adjusted accordingly. With regard to the capital measures, we refer to the comments in the half-year financial report as of June 30, 2019.

2 Based on 10,176,335 shares (number of shares of AlzChem Group AG as at 09/30/2019)

1.3 FINANCIAL POSITION IN THE 3RD QUARTER OF 2019

CONSOLIDATED BALANCE SHEET AS OF SEPTEMBER 30, 2019 (IFRS, UNAUDITED)

in EUR thousands	12/31/2018	09/30/2019	Delta
Assets			
Intangible assets	870	1,153	283
Fixed assets	144,265	161,774	17,510
Leasing usage rights	0	2,187	2,187
Financial assets	20	20	0
Other receivables and assets	891	624	-267
Deferred tax assets	24,954	32,993	8,039
Non-current assets	**171,000**	**198,753**	**27,752**
Inventories	78,856	73,455	-5,401
Trade receivables	34,351	45,736	11,386
Other receivables and assets	14,510	17,680	3,170
Income tax claims	1,977	156	-1,821
Cash and cash equivalents	12,857	9,980	-2,878
Total current assets	**142,551**	**147,007**	**4,456**
Total assets	**313,551**	**345,759**	**32,208**
Capital			
Equity	68,392	57,877	-10,514
Non-current liabilities	164,001	217,891	53,890
Current liabilities	81,158	69,991	-11,167
Balance sheet total	**313,551**	**345,759**	**32,208**

Equity fell by EUR 10,514 thousands to EUR 57,877 thousands as of September 30, 2019 compared to December 31, 2018, which led to a reduction in the Group equity ratio from 21.8% to 16.7%. The positive consolidated net income of EUR 16,986 thousands was more than offset by the effects of the interest-related increase in pension obligations and the dividend distributed to shareholders.

The interest-related increase in pension obligations, reduced by deferred taxes, led to a negative other income of EUR 18,668 thousands and thus to a reduction in equity. The dividend distributed to the shareholders lowered equity by EUR 9,159 thousands in the reporting period.

In total, non-current liabilities increased by EUR 53,890 thousands compared to December 31, 2018. This rise can be attributed to the aforementioned increase in pension provisions and the utilization of bank loans. Pension provisions increased by EUR 27,568 thousands compared to December 31, 2018. In addition, the disbursement of the remaining loan amounts of EUR 30,102 thousands for the now finalized investment activities for the new Creamino® plant led to an increase in non-current loan liabilities.

Current liabilities, on the other hand, were reduced by EUR 11,167 thousands. The repayment of current financing lines and the scheduled repayment of loan liabilities in the amount of EUR 7,026 thousands contributed to this. Trade payables were strongly influenced by investing activities as of December 31, 2018 and were reduced by EUR 8,635 thousands as of September 30, 2019. On the other hand, other current liabilities increased due to balance sheet date factors and leasing liabilities were reported for the first time, which were, however, lower than the repayment of bank liabilities.

Cash and cash equivalents amounted to EUR 9,980 thousands as of September 30, 2019, which corresponds to a decrease of EUR 2,878 thousands compared to December 31, 2018.

CONSOLIDATED CASH FLOW STATEMENT FOR THE 3RD QUARTER OF 2019 (IFRS, UNAUDITED)

in EUR thousands	3rd quarter of 2018	3rd quarter of 2019
Cash flow from operating activities	**2,906**	**22,915**
Cash outflow from investing activities	-8,879	-9,683
Free cash flow	**-5,972**	**13,232**
Cash inflow (+)/outflow (-) from financing activities	7,598	-17,381
Net increase (+)/decrease (-) in cash and cash equivalents	**1,625**	**-4,149**

The cash inflow from operating activities increased strongly by EUR 20,009 thousands year-on-year to EUR 22,915 thousands. This reflects the first effects of the increased reduction of inventories in the 3rd quarter of 2019 and the reduction of trade receivables.

The cash flow from investing activities only increased by EUR 804 thousands compared to the same period of the previous year. Both comparison periods were characterized by investments in the construction and completion of the new Creamino® plant. The loan amounts for financing these investments were already disbursed in the prior-year period and in the 1st quarter of 2019 and therefore only influenced the 3rd quarter of 2018. Due to the strong cash flow from operating activities, current financing lines could be significantly reduced in the 3rd quarter of 2019. In addition, loans continued to be repaid as scheduled. These repayments resulted in a sharp increase in the cash outflow from financing activities compared with the same quarter of the previous year.

CONSOLIDATED CASH FLOW STATEMENT FOR THE 9-MONTH PERIOD OF 2019 (IFRS, UNAUDITED)

in EUR thousands	9-month period of 2018	9-month period of 2019
Cash flow from ongoing operations	**18,341**	**25,570**
Cash outflow from investing activity	-24,601	-32,225
Free cash flow	**-6,260**	**-6,655**
Cash inflow from financing activity	4,856	3,627
Net decrease in cash and cash equivalents	**-1,404**	**-3,028**

Despite a lower consolidated net income for the period, the cash flow from operating activities in the first nine months of 2019 increased by EUR 7,229 thousands year-on-year to EUR 25,570 thousands. The consolidated net income for the reporting period 2019 was burdened to a greater extent by non-cash expenses than in the same period of the previous year. The most significant non-cash effects in the reporting period resulted from the compounding of pension provisions and other non-current provisions as well as from an increase in depreciation and amortization compared to the previous year. The first effects of the increased reduction in inventories in the 3rd quarter of 2019 were also reflected positively in the cash flow from operating activities in the 9-month period.

The cash outflow from investing activities increased by EUR 7,624 thousands year-on-year to EUR 32,225 thousands. In addition to the Group's regular investment activities, the first nine months of 2019 were mainly characterized by the construction and completion of the new Creamino® plant and the capacity expansion of the nitrile plant. These two projects account for the major increase over the previous year.

The cash inflow from financing activities decreased by EUR 1,229 thousands compared to the previous year to EUR 3,627 thousands. There are significant differences here. In the current 9-month period, the remaining loan amounts for the financing of the Creamino® plant of EUR 30,102 thousands were utilized. Only EUR 10,360 thousands was paid out to the Group for this purpose in the same period of the previous year. The current reporting period was also characterised by a significantly higher reduction in current financing lines (EUR 12,067 thousands) than the comparable period (EUR 1,420 thousands). While no dividend was paid to shareholders in the first nine months of 2018, it is included in the current reporting period with an outflow of liquid funds of EUR 9,159 thousands. Since 2019, the repayments of lease payments, which in the previous year were still included in the cash flow from operating activities, have to be reported for the firsttime in the cash outflow from financing activities (EUR 1,120 thousands).

Overall, cash and cash equivalents decreased by EUR 3,028 thousands in the 9-month period of 2019.

1.4 NET ASSETS AS OF SEPTEMBER 30, 2019

Since December 31, 2018, assets have increased by EUR 32,208 thousands to EUR 345,759 thousands. This was mainly due to the expanded investment activity in connection with the construction of the new Creamino® plant, the balance sheet date related increase in trade receivables and the rise in deferred tax assets due to substantially higher pension provisions. The first-time recognition of leasing usage rights led to a rise in non-current assets of EUR 2,187 thousand as of September 30, 2019. The increased reduction in inventories had an opposite effect on assets.

2. DEVELOPMENT IN THE SEGMENTS

2.1. SPECIALTY CHEMICALS SEGMENT

in EUR thousands	3rd quarter of 2018	3rd quarter of 2019	Delta
External sales	49,804	50,951	1,147
EBITDA	**9,485**	**9,218**	**-267**
Depreciation and amortization	-1,231	-1,822	-591
EBIT	**8,254**	**7,396**	**-858**
Inventories	44,378	43,196	-1,182
EBITDA margin	**19.04%**	**18.09%**	**-0.9% points**

The development within the Specialty Chemicals segment was basically in line with forecasts. We are consistently pursuing our Creamino® strategy and are accompanying the marketing offensive for our new product LIVADUR® with a high blow rate. In the area of chemical applications, we successfully launched new products in the market in the 3rd quarter of 2019. We are also very active in the market with Dormex®. We were able to develop further crops and application areas.

EBITDA and EBIT were impacted by one-time costs in connection with the plant commissioning (Creamino®) and temporarily lower deliveries to the dietary supplement market. On the other hand, we deliberately operated some plants with reduced output in order to reduce inventories. In the field of renewable energies, the picture is heterogeneous: While we are quite successful in the wind sector, the solar sector continues to be influenced by the enormous overcapacities in the Chinese market. The EBITDA margin shows the one-off costs of the plant commissioning relatively clearly.

in EUR thousands	9-month period of 2018	9-month period of 2019	Delta
External sales	160,538	152,700	-7,838
EBITDA	**38,261**	**33,847**	**-4,414**
Depreciation and amortization	-3,854	-4,442	-588
EBIT	**34,407**	**29,405**	**-5,002**
Inventories	44,378	43,196	-1,182
EBITDA margin	**23.83%**	**22.17%**	**-1.7% points**

The sales trend in the Specialty Chemicals segment reflects the essentially forecast lower deliveries of Creamino® in the 9-month period of 2019 and the temporary decline in volumes in the multi-purpose facilities. However, significantly higher volumes in the agricultural and pharmaceutical industries could not fully offset the decline. Once again, the worldwide Dormex® business proved to be a key anchor of stability.

Earnings met expectations despite increased cost pressure and the one-time costs associated with the commissioning of the Creamino® plant as well as expenses for the significantly intensified market efforts for certain products (LIVADUR®, Creamino®, Creapure®, Alipure®, DYHARD®, Dormex®, Silzot® HQ).

At 22.2%, the EBITDA margin was slightly lower than in the previous year, but above our assumptions and expectations.

2.2. BASICS & INTERMEDIATES SEGMENT

in EUR thousands	3rd quarter of 2018	3rd quarter of 2019	Delta
External sales	35,896	41,694	5,798
EBITDA	**106**	**3,221**	**3,115**
Depreciation and amortization	-1,274	-1,730	-456
EBIT	**-1,168**	**1,491**	**2,659**
Inventories	29,257	29,616	359
EBITDA margin	**0.29%**	**7.72%**	**7.4% points**

Sales in the Basics & Intermediates segment reached a record level in the 3rd quarter of 2019. In our opinion, the market environment can certainly be described as turbulent. Nevertheless, we were able to convince our customers with our products and achieved sales of EUR 41,694 thousands. The product mix was very pleasing. We were able to more than double our NITRALZ® business and thus start and operate the new plant from "zero to 100". In addition, inventories of NITRALZ® were reduced over-proportionally. The quarter was equally promising with regard to the expansion of business activities in the application area of acetylene production. The traditional pig iron desulfurization business also performed well this quarter.

In addition, the active volume flow management within the NCN Verbund production also enabled us to maintain our inventory level at the previous year's level and to largely avoid peaks and reductions in output within our plants.

in EUR thousands	9-month period of 2018	9-month period of 2019	Delta
External sales	106,977	115,003	8,026
EBITDA	**1,354**	**4,887**	**3,533**
Depreciation and amortization	-3,681	-4,842	-1,161
EBIT	**-2,327**	**45**	**2,372**
Inventories	29,257	29,616	359
EBITDA margin	**1.27%**	**4.25%**	**3.0% points**

Sales in the 9-month period of 2019 increased significantly to EUR 115,003 thousands. The main drivers were the NITRALZ® business and a stable sales trend for our basic chemicals (including Perlka® and CAD®). The growth in sales was supported on the one hand by volume growth (+3.7%) and on the other by price increases and a changed product mix (+3.0%).

Earnings met expectations despite significantly higher raw material procurement prices in some cases and the one-time costs associated with the commissioning of the NITRALZ® plant.

The EBITDA margin improved by 2.98% points to 4.25% after nine months.

2.3. OTHER & HOLDING SEGMENT

in EUR thousands	3rd quarter of 2018	3rd quarter of 2019	Delta
External sales	6,259	6,785	526
EBITDA	**547**	**1,434**	**887**
Depreciation and amortization	-1,332	-1,497	-165
EBIT	**-785**	**-63**	**722**
Inventories	2,984	3,491	507
EBITDA margin	**8.74%**	**21.14%**	**12.4% points**

The Other & Holding segment also made a significant contribution to the successful course of business in the 3rd quarter of 2019 compared with the same period of the previous year. Services in the areas of personnel/training, information technology and energy supply exceeded the previous year's figures. Increased grid fees also had a positive impact on segment sales.

The segment's earnings were positively impacted by a slight increase in prices and by postponed project measures in the grid and infrastructure areas, which have therefore not yet been reflected in the net income for the period.

The slight rise in inventories represents a fluctuation during the year due to the procurement of auxiliary materials and stock. At the end of the year, we expect inventories to decline compared with the previous year.

in EUR thousands	9-month period of 2018	9-month period of 2019	Delta
External sales	19,680	19,971	291
EBITDA	**1,044**	**2,629**	**1,585**
Depreciation and amortization	-3,946	-4,539	-593
EBIT	**-2,902**	**-1,910**	**992**
Inventories	2,984	3,491	507
EBITDA margin	**5.30%**	**13.16%**	**7.9% points**

On the sales side, the 9-month period of 2019 essentially reflects the statements for the 3rd quarter, so that we are slightly up on the same period of the previous year at EUR 19,971 thousands. This development is supported by stable volumes and a slight price increase of +1.5%.

In addition, earnings in 2018 were burdened by the expenses from the repayment of grid fee exemptions for the fiscal years 2012 and 2013 as a result of the EU Commission's decision of May 2018. On March 28, 2019, the Court of Justice of the European Union ruled that the EU Commission's decision of May 2018 was null and void in the "State aid violation of EEG 2012" case. AlzChem has therefore joined a claim for reimbursement of the amount paid as a result of the EU Commission's decision. To date, no judgement has been reached. The burden associated with the repayment was no longer incurred in the fiscal year 2019, so that this is the main reason for the positive deviation in earnings.

3. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

No significant events occurred after the balance sheet date that could have an impact on the net assets, financial position and earnings position.

4. OUTLOOK

FORECAST OF THE ALZCHEM GROUP

The forecasts made in the consolidated financial statements as of December 31, 2018 and updated as of June 30, 2019 with regard to the equity ratio for fiscal year 2019 cannot be confirmed in their entirety in this quarterly statement.

We expect the following development for fiscal year 2019 as of September 30, 2019:

Forecast[3] for 2019 in EUR millions	Sales	Adjusted EBITDA	Adjusted EBITDA margin	Adjusted EBIT	Inventory ratio	Equity ratio	Debt ratio
AlzChem Group	**375.0 – 385.0**	**46.5 – 51.9**	**12.4% – 13.5%**	**27.1 – 32.5**	**17.9% – 20.7%**	**14.5% – 16.5%**	**0.75 – 0.85**
Specialty Chemicals	199.1 – 203.7	41.9 – 45.2	21.0% – 22.2%	34.7 – 38.0	19.1% – 22.6%	–	–
Basics & Intermediates	150.4 – 154.4	3.6 – 4.9	2.4% – 3.2%	-3.1 – -1.8	17.3% – 19.1%	–	–
Other & Holding	25.5 – 26.9	1.0 – 1.8	3.9% – 6.7%	-4.5 – -3.7	12.6% – 15.3%	–	–

The planned organic sales growth is burdened by an increasingly challenging economic environment. The main reason for the expected sales development is the continuing weakness of the automotive sector and the solar industry, which will be particularly evident for AlzChem in the fourth quarter. In the automotive sector, AlzChem is primarily affected by the lower demand for steel and steel derivatives. Deliveries from Custom Manufacturing were also weaker. In addition, deliveries to the solar market are recovering more slowly than previously assumed.

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

AlzChem is sticking to its strategy of placing its new products attractively in the market and thus being able to compensate by volume effects within the portfolio.

AlzChem is countering the anticipated sales development with optimization programs already initiated with regard to cost and process efficiency. As a result of these measures, the previous earnings forecast (EBITDA between EUR 46.5 and 51.9 million) can be confirmed despite the expected decline in sales. The EBITDA margin is expected to remain constant to slightly increasing.

The increase in personnel was mainly due to the establishment of direct sales for our Creamino® product and to changes in the German Law on Temporary Employment. Based on the actual figures, we still consider the expected personnel cost increases of 8% to 12% to be realistic.

For the financial performance indicator inventories, we currently see the largest potential deviations, but are actively working on optimizations and continue to adhere to our targets. The Management Board has already initiated various initiatives and implemented first measures.

For the financial performance indicator equity ratio, we are continuing our forecast of 15.9% to 17.9% adjusted in the half-year financial statements and assume that it will be achieved rather at the lower end. The reason for this is the persistently low level of interest rates with a reduction in the discount rate for pension liabilities from 1.90% as of December 31, 2018 to 1.10% as of June 30, 2019 and 0.80% as of September 30, 2019. The resulting increase in pension provisions led and continues to lead to a reduction in equity via other comprehensive income.

In summary, it can still be concluded that the AlzChem Group, with its broad positioning and solid financial basis, is well equipped for challenging phases and will continue to adhere to its ambitious earnings targets after the first nine months of the fiscal year 2019.

LIST OF ABBREVIATIONS

EUR	Euro
AG	Aktiengesellschaft (stock corporation)
EBIT	Earnings before interest and taxes
EBITDA	Earnings before interest, taxes, depreciation and amortization

IMPRINT

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FINANCIAL CALENDAR 2019/2020

November 25 – 27, 2019	Deutsches Eigenkapitalforum, Frankfurt
Dezember 2, 2019	Berenberg European Conference, London
March 24, 2020	Annual Report 2019
May 12, 2020	Quarterly Statement 1st Quarter 2020
May 19, 2020	General Meeting 2020
August 11, 2020	Half-Year Financial Report 2020
November 11, 2020	Quarterly Statement 3rd Quarter 2020

REMARKS

This quarterly statement 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.

Only the German version of this quarterly statement is legally binding.

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