Securities prospectus

for the public offering of

63,102,080 newly issued no-par value registered shares (the ”New Shares”)

from the capital increase against cash contribution resolved by the extraordinary General Meeting on 12 March 2020

and for

the admission to trading on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) (General Standard) of the New Shares

of

Altech Advanced Materials AG

Frankfurt am Main

each of the shares representing a proportionate amount of EUR 1.00 of the share capital and carrying full dividend rights as from 1 January 2019 if, upon delivery of the shares, a resolution on the appropriation of profits for the financial year 2019 has not yet been passed and, if a corresponding resolution on the appropriation of profits for the financial year 2019 has already been passed, as from 1 January 2020.

International Securities Identification Number:
New Shares: DE000A2LQUJ6

German Securities Identification Number (WKN):
New Shares: A2LQUJ

Sole Bookrunner
futurum bank AG

18 May 2020

The validity of the approved Prospectus will expire at the time when trading of the New Shares on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) (General Standard) begins, presumably on 15 September 2020.The obligation to supplement the Prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when the Prospectus is no longer valid.

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I. SUMMARY OF THE PROSPECTUS

Section a) Introduction, containing warnings

Description of the securities:
The public offer and the admission to trading on the regulated market at the Frankfurt Stock Exchange (General Standard) comprise 63,102,080 new registered shares with no-par value (*Stückaktien*) (ISIN: DE000A2LQUJ6 / WKN: A2LQUJ) (the "**New Shares**") in Altech Advanced Materials AG.

Identity and contact details of the issuer:
Altech Advanced Materials AG having its registered office in Frankfurt am Main, Germany, and its business address at Ziegelhäuser Landstraße 3, Heidelberg, Germany (hereinafter referred to as "**AAM AG**", the "**Company**" or the "**Issuer**"). Legal entity identifier ("**LEI**"): 529900PVUKFVG9GDEQ03, telephone number: +49 6221 649 240, website: www.altechadvancedmaterials.com.

Identity and contact details of the competent authority approving the prospectus:
Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin), Marie-Curie-Straße 24-28, 60439 Frankfurt am Main, Germany, telephone: (+49) 228 41080, website: www.bafin.de.

Date of approval of the prospectus: 19 May 2020

Warnings:
The summary should be read as an introduction to the Prospectus. Any decision to invest in the securities should be based on a consideration of the Prospectus as a whole by the investor. The investor could lose all or part of the invested capital. Where a claim relating to the information contained in a prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the prospectus, or where it does not provide, when read together with the other parts of the prospectus, key information in order to aid investors when considering whether to invest in such securities.

Section b) Key information on the issuer

Who is the Issuer of the securities?
The Issuer of the securities is Altech Advanced Materials AG having its registered office in Frankfurt am Main, Germany. The Issuer is a stock corporation under German law and has been registered with the commercial register of the District Court Frankfurt am Main, Germany, under HRB 118874. Its LEI is 529900PVUKFVG9GDEQ03.

The members of the Issuer's Management Board are Mr Hansjörg Plaggemars, Mr Ignatius (Iggy) Tan and Mr Uwe Ahrens.

Major shareholders are Deutsche Balaton AG (57.33% of the shares) and Altech Chemicals Ltd. (29.03% of the shares). Due to its holding of more than 50% of the voting rights in the Issuer, Deutsche Balaton AG is able to exercise direct control over the Issuer. Deutsche Balaton AG is controlled by Mr Wilhelm K. T. Zours, who holds an indirect majority participation in Deutsche Balaton AG and thus indirectly controls the Issuer. Mr Zours holds a majority participation in DELPHI Unternehmensberatung Aktiengesellschaft which holds a majority participation in VV Beteiligungen Aktiengesellschaft which holds a majority participation in Deutsche Balaton AG.

The Issuer's auditor for the financial year 2019 is MSW GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Straße des 17. Juni 106-108, 10623 Berlin, Germany.

The Issuer just started its business activities as a holding company (*Beteiligungsgesellschaft*) with its focus on companies in the following sectors: raw material extraction and processing, chemicals, manufacture of all types of packaging and paper products and their distribution.

What is the key financial information regarding the issuer?

The key financial information following hereinafter are derived from the Issuers audited financial statements prepared in accordance with German audit standards (HGB) for the financial year from 1 January 2019 to 31 December 2019.

Selected positions of the Income statement (in EUR)	**1 January 2019 - 31 December 2019 (HGB) audited**	**23 February 2018[1] - 31 December 2018 (HGB) audited**
Other operating income	137,616	105,739
Operating profit	-407,715	-179,635
Annual net profit	-407,715	-179,635
Selected positions of the Balance sheet (in EUR)	**31 December 2019 (HGB) audited**	**31 December 2018 (HGB) audited**
Total assets	1,334,712	1,102,819
Total equity	485,679	893,394
Net financial debt (long term debt plus short term debt minus cash and securities)	18,535	-112,630
Selected Positions of the Cash flow statement (in kEUR)	**1 January 2019 - 31 December 2019 (HGB) audited**	**1 January 2018 - 31 December 2018 (HGB) audited**
Cash flows from operating activities	26	-150
Cash flows from investing activities	353	-957
Cash flows from financing activities	0	1,282

What are the key risks that are specific to the issuer?

Risks arising from the establishment of completely new business activities

The Issuer just started its business as a holding company with its focus on companies in the following sectors: raw material extraction and processing, chemicals, manufacture of all types of packaging and paper products and

[1] The insolvency proceedings over the Issuer were rescinded by court resolution dated 22 February 2018. Hence, the fiscal year ended on 22 February 2018 and a new (shortened) fiscal year started from 23 February 2018 to 31 December 2018.

their distribution. The establishment of these new business activities, e.g. through the planned acquisition of shares in Altech Chemicals Australia Pty Ltd (the "**4N HPA Company**"), may fail, especially against the background of the Issuer's insolvency in 2014 which led to a discontinuation of its previous business activities and the at least temporary dependence on a single shareholding provided that the Issuer, through the capital increase and further financing, raises sufficient funds to acquire this shareholding.

The acquisition of the minority shareholding in Altech Chemicals Australia Pty Ltd. could fail and is in particular dependent on the success of the placement which is subject of this Prospectus and further financing

In order to acquire the envisaged 49% of the shares in the 4N HPA Company the Issuer requires USD 100 million (which corresponds to an amount of approximately EUR 90 million at a conversion rate of EUR 1.00 = USD 1.10). The Issuer expects net issue proceeds of at least EUR 65,412,288.00 (complete placement of the New Shares solely within the scope of the subscription offer for EUR 1.10 per New Share) up to a maximum of EUR 71,722,496.00 (complete placement of the New Shares solely within the scope of the private placement for EUR 1.20 per New Share), of which EUR 62 million to EUR 69 million shall be used to acquire shares in the 4N HPA Company. The Issuer is dependent on further financing (in an amount of up to approximately EUR 28.5 million at a conversion rate of EUR 1.00 = USD 1.10) with regard to the difference that would be required to acquire the entire 49% of the shares in the 4N HPA Company. The acquisition of shares in the 4N HPA Company is therefore dependent on the success of the placement which is subject of this Prospectus and further financing. If the acquisition of the minority shareholding in the 4N HPA Company fails or if the Issuer decides to use the issue proceeds on alternative investments for any other reasons, the investor is at risk of having invested money believing that the Issuer is investing in the 4N HPA Company although this money will subsequently be used for entirely unknown investments.

Risks arising from incorrect valuations of investments

Valuations of investments by the Issuer may be incorrect and the past, present or future values of the shareholdings held may differ from these valuations. The risk of an incorrect valuation can result in an investment being acquired at too high a price.

Risks arising from operating as a holding company and from the Issuer's dependence on the revenues and dividends of its shareholdings and future subsidiaries to finance liabilities, investments, dividends and day-to-day operations.

Fluctuations in working capital could have a negative impact on the Company's liquidity. The Company is a holding company for subsidiaries and shareholdings and does not have its own cash flow from productive activities. Currently the company does not have any subsidiaries. Consequently, the company is dependent on a steady cash flow from its future subsidiaries and its shareholdings in order to finance its liabilities, investments and the ongoing business of the issuer. The cash flow from the future subsidiaries and the shareholdings may be subject to fluctuations. Any future determination as to the payment of dividends by shareholdings depends on the decision of the competent bodies under the respective legal system to pay such dividends and will depend on such participation's financial condition, future capital requirements and general business and other factors considered relevant by the competent body. There is no assurance in relation to the payment of dividends from shareholdings.

Risks arising from the investments in foreign companies under foreign law

It is possible that the Issuer will invest in foreign companies in the future. Investments in companies under foreign law could lead to the problem that claims against these companies may not be enforceable or may only be enforceable at high cost and/or time. In addition, cash flows upon which the Issuer depends as a non-operating company may depart.

Risks arising from company acquisitions and that no investments at attractive prices can be found.
Future acquisitions could pose numerous risks to operations from AAM AG, including i.a. difficulties integrating the acquired operations. The most important element in expanding the Issuer's business activities is a sufficient number of attractive investment opportunities. AAM AG competes with both strategic and financial investors for attractive investments. Some of these investors have significantly higher financial resources than the Issuer. If the Issuer has to compete with one or more competitors for a shareholding, this may result in the Issuer having to pay a higher purchase price in order to receive the bid or be unable to acquire the shareholding. If the offer of attractive investments or the Issuer's access to such investments declines or does not develop in the manner expected by the Issuer or if the Issuer has to pay higher purchase prices due to competition for shareholdings, this may impair the general business activities and future growth of the Issuer and reduce its profitability.

Section c) Key information on the securities

What are the main features of the securities?
The New Shares are registered shares with no-par value (*Stückaktien*) of AAM AG each representing a proportionate amount of EUR 1.00 of the share capital.

International Securities Identification Number (ISIN) of the New Shares: DE000A2LQUJ6

The New Shares have no term and are offered in EUR. The New Shares are fully entitled to dividends from 1 January 2019 if, upon delivery of the New Shares, a resolution on the appropriation of profits for the financial year 2019 has not yet been passed and, if a corresponding resolution on the appropriation of profits for the financial year 2019 has already been passed, from 1 January 2020. The New Shares participate in any liquidation proceeds in proportion to their arithmetical share of the share capital. Each New Share entitles its holder to one vote at the General Meeting of the Issuer. Within the Issuer’s capital structure, the New Shares rank within the equity and thus, in the event of insolvency, claims resulting from the New Shares will only be settled after all other claims of debtors have been fully settled.

There are no restrictions on the free transferability of the New Shares.

Dividends may only be paid from the balance sheet profit as shown in the Company's annual financial statements. In the past, no dividend was paid by the Issuer. In any future dividend payment, the interests of the shareholders and the general situation of the company will be taken into account.

Where will the securities be traded?
The Company will apply for admission of the New Shares to trading on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) (General Standard). The admission is expected on 14 September 2020.

What are the key risks that are specific to the securities?
An investment in shares entails an equity risk. In the event of the Issuer’s insolvency, shareholders may lose parts or all of their invested capital. In particular, the creditors hold priority claims which would be paid off first and only after these claims are settled in full, shareholders would have any entitlement to payments.

Section d) Key information on the offer of securities to the public and/or the admission to trading on a regulated market

Under which conditions and timetable can I invest in this security?
The public offer of the New Shares will be made by way of a subscription offering to existing shareholders (*Bezugsangebot*). Each existing share of the Issuer entitles to subscribe for 40 New Shares at a subscription price of

EUR 1.10 per New Share (the "**Subscription Price**"). The subscription period within which purchase offers for the New Shares may be submitted begins on 22 May 2020 and ends on 5 June 2020. Investors may submit purchase offers via their custodian bank within this period. Purchase offers are freely revocable until the end of the offer period and may be increased or reduced. The Company grants its shareholders an oversubscription right at Subscription Price. Thereafter, any New Shares not subscribed for during the subscription period can be placed in the market through a Private Placement (the "**Placement Shares**"), in this context a placement price of EUR 1.20 per share is targeted (but not mandatory). The issue price must be paid upon exercise of the subscription right, at the latest by 5 June 2020.

First, New Shares will be allotted in accordance with exercised subscription rights. Thereafter, New Shares will be allotted to existing shareholders who exercise the oversubscription right. Any remaining New Shares thereafter will be allotted to investors who subscribed in the course of the Private Placement on the basis of the quality of the individual investors and individual orders and other important allotment criteria to be determined by the Company.

The New Shares are expected to be delivered on 14 September 2020. It is however possible, that the Company may decide (in the event that this results in a faster delivery to subscribers) to deliver existing shares (in all aspects equal to the New Shares) provided by existing shareholders by way of a securities lending instead of the New Shares. In this event, an accompanying bank will take over and subscribe for New Shares from the capital increase to the extent that subscription orders and payments have been received and will return the New Shares to the existing shareholders instead of the shares provided by the existing shareholders under the securities lending agreement. A decision has not been made on this matter. The New Shares are expected to be admitted to trading on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) (General Standard) on 15 September 2020.

If and as far existing shareholders do not exercise their subscription rights in regards to the present offer to the full extent, their percentage of the capital stock of the Issuer will decrease and thus also the weight of their voting rights. In case of a complete placement of the Placement Shares offered with third parties who are not shareholders so far, the proportion of the capital / voting rights of the existing shareholders will be reduced by a total of 97.6% to 2.4% of the capital. The net book value per share on 31 December 2019 calculated on the basis of the Issuer's audited financial statements was EUR 0.31. If the New Shares had already been issued on 31 December 2019 and the Issuer would have received net issue proceeds of EUR 65 million (calculated under the assumptions of a placement price of EUR 1.10, a full placement of the New Shares and on the basis of the estimated issue costs) on 31 December 2019, the net book value per share would have been approximately EUR 1.02 (calculated on the basis of the maximum increased number of shares after placement of the New Shares). This would have meant an immediate increase in the book value of the balance sheet equity of approximately EUR 0.71 per share of the existing shareholders and a dilution for the subscribers of the Placement Shares of EUR 0.08 per share.
The Issuer estimates that the total costs relating to the offering will approximately amount to EUR 4.0 million assuming complete placement. Subscribers or purchasers will not be charged any expenses and taxes by the Issuer in connection with the offer.

Why is this prospectus being produced?
This prospectus has been produced for the purpose of the public offering of the New Shares and the admission of the New Shares to trading on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) (General Standard). In the event of a complete placement, the Issuer expects to receive gross issue proceeds of at least EUR 69,412,288.00 (complete placement of the New Shares solely within the scope of the subscription offer for EUR 1.10 per New Share) up to a maximum of EUR 75,722,496.00 (com-

plete placement of the New Shares solely within the scope of the private placement for EUR 1.20 per New Share).

The proceeds will be used firstly to cover the costs relating to the offer of approximately EUR 4 million, consisting mainly of brokerage and legal fees. EUR 3 million shall be used next for general working capital of the Issuer and the remaining approximately EUR 62 million to EUR 69 million shall be used to acquire shares in the 4N HPA Company. At a conversion rate of EUR 1.00 = USD 1.10, this would correspond to a stake of approximately 34% to 37% in the 4N HPA Company. If the proceeds are not sufficient to acquire 10% (approximately USD 20.4 million) of the shares of the 4N HPA Company, the Issuer intends to use the proceeds to acquire shares of Altech Chemicals Ltd., which is today the 100% parent company of the 4N HPA Company, at a discount of 15% on the volume weighted average share price of the preceding 10 trading days. The acquisition of shares in Altech Chemicals Ltd. is subject to the approval of the shareholders of Altech Chemicals Ltd. The prioritization of the use of proceeds shall be in the order the different uses are mentioned in this paragraph.

However, it is not certain whether the Issuer will make use of the option and invest in the 4N HPA Company. One condition of the Issuer to exercise the option and invest in the 4N HPA Company is that the 4N HPA Company obtains sufficient financing to get its business up and running for the first time. The 4N HPA Company is currently still in the financing stage. While the 4N HPA Company will operate an already capital-intensive business in the future, it currently requires capital to get this business up and running for the first time (e.g. for the construction of the HPA plant). The investment volume for the 4N HPA Company is approx. USD 300 million for capital expenditure. In addition, financing costs, various cash reserve accounts (debt service, construction cost over-run, spare parts) and working capital are required to be pre-funded. A funding requirement of approximately USD 390 million is currently estimated, which takes into account the estimated capital spend of Altech on Stage-1 and Stage-2 construction. KfW IPEX-Bank has already committed USD 190 million senior debt to the 4N HPA Company under certain conditions, the most important condition being an equity or subordinated debt contribution of USD 223.6 million from another financing source. Taking into consideration the amounts already contributed by Altech to the 4N HPA Company thus far (which fall within the USD 223.6 million), which include the purchase of that HPA site and Stage-1 and Stage-2 construction contributions, a further USD 200 million of funding is currently estimated to be required, of which USD 10 million is assumed as equity investment from SMS group GmbH (either via Altech or via the Issuer), USD 90 million is assumed as mezzanine finance via Macquarie Bank (currently under due diligence) and the balance of USD 100 million via the Issuer's investment into the 4N HPA Company. If the Issuer does not invest in the 4N HPA Company because the 4N HPA Company fails to obtain sufficient funds to get its business up and running for the first time or, in case of the intended acquisition of shares in Altech Chemicals Ltd., the shareholders of Altech Chemicals Ltd do not grant the required approval for such acquisition, the Issuer intends to use the proceeds for the acquisition of shares in one or more alternative investment opportunities which in the opinion of the Issuer have a good risk / return ratio, in case such opportunities, e. g. from its network, arise for the Issuer. The Issuer intends to invest remaining proceeds in liquid securities. However, currently the Issuer does not have any concrete plans for any of these alternative investments. Therefore neither a concrete indication of amounts nor a percentage of distribution can currently be indicated by the Issuer for the scenario that the Issuer uses the proceeds for an investment in alternative investment opportunities and/or liquid securities. The Issuer intends, in accordance with its corporate purpose, in the event of an investment in such an alternative investment opportunity and/or in liquid securities, to invest in companies which are active in particular in the business fields of raw material extraction and processing, chemicals, production of all types of packaging and paper products and their distribution. The prioritization of the alternative use of proceeds shall be in the order the different uses are mentioned in this paragraph.
The Offer is not subject to an underwriting agreement on a firm commitment basis.

Deutsche Balaton AG and Altech Chemicals Ltd have an interest in the issue, as the implementation of the capital increase in a certain amount is conditional for the acquisition of the Shares in the 4N HPA Company, which would improve the competitive situation of the Issuer. There are no conflicts of interest that are material to the issue/offer.

II. GERMAN TRANSLATION OF THE SUMMARY OF THE PROSPECTUS (ZUSAMMENFASSUNG DES PROSPEKTS)

Abschnitt a) Einleitung mit Warnhinweisen

Beschreibung der Wertpapiere:
Das öffentliche Angebot und die Zulassung der Neuen Aktien zum Handel im regulierten Markt an der Frankfurter Wertpapierbörse (General Standard) umfassen 63.102.080 neue auf den Namen lautende Stückaktien (ISIN: DE000A2LQUJ6/ WKN: A2LQUJ) (die „**Neuen Aktien**") der Altech Advanced Materials AG.

Identität und Kontaktdaten der Emittentin:
Altech Advanced Materials AG mit Verwaltungssitz in Frankfurt am Main, Deutschland und Geschäftsanschrift Ziegelhäuser Landstraße 3, Heidelberg, Deutschland (nachfolgend auch „**AAM AG**", die „**Gesellschaft**" oder die „**Emittentin**" genannt). Rechtsträgerkennung („**LEI**"): 529900PVUKFVG9GDEQ03. Telefon: +49 6221 649 240, Internetadresse: www.altechadvancedmaterials.com.

Identität und Kontaktdaten der zuständigen Behörde, die den Prospekt billigt:
Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin), Marie-Curie-Straße 24-28, 60439 Frankfurt am Main, Deutschland, Telefon: (+49) 228 41080, Internetadresse: www.bafin.de.

Datum der Billigung des Prospekts: 19. Mai 2020

Warnhinweise:
Diese Zusammenfassung sollte als Prospekteinleitung verstanden werden. Der Anleger sollte sich bei der Entscheidung, in die Wertpapiere zu investieren, auf den Prospekt als Ganzes stützen. Der Anleger könnte das gesamte angelegte Kapital oder einen Teil davon verlieren. Für den Fall, dass vor einem Gericht Ansprüche aufgrund der im Prospekt enthaltenen Informationen geltend gemacht werden, könnte der als Kläger auftretende Anleger nach nationalem Recht die Kosten für die Übersetzung des Prospekts vor Prozessbeginn zu tragen haben. Zivilrechtlich haften nur diejenigen Personen, die die Zusammenfassung samt etwaiger Übersetzungen vorgelegt und übermittelt haben, und dies auch nur für den Fall, dass die Zusammenfassung, wenn sie zusammen mit den anderen Teilen des Prospekts gelesen wird, irreführend, unrichtig oder widersprüchlich ist oder dass sie, wenn sie zusammen mit den anderen Teilen des Prospekts gelesen wird, nicht die Basisinformationen vermittelt, die in Bezug auf Anlagen in die betreffenden Wertpapiere für die Anleger eine Entscheidungshilfe darstellen würden.

Abschnitt b) Basisinformationen über die Emittentin

Wer ist Emittentin der Wertpapiere?
Emittentin der Wertpapiere ist die Altech Advanced Materials AG mit Sitz in Frankfurt am Main, Deutschland. Die Emittentin ist eine Aktiengesellschaft nach deutschem Recht und wurde im Handelsregister des Amtsgerichts Frankfurt am Main, Deutschland, unter HRB 118874 eingetragen. Ihre Rechtsträgerkennung („**LEI**") lautet 529900PVUKFVG9GDEQ03.

Die Mitglieder des Vorstands der Emittentin sind Herr Hansjörg Plaggemars, Herr Ignatius (Iggy) Tan und Herr Uwe Ahrens.

Hauptanteileigner sind die Deutsche Balaton AG (57,33 % der Anteile) und Altech Chemicals Ltd. (29,03 % der Anteile). Aufgrund ihres Anteils von mehr als 50 % der Stimmrechte an der Emittentin ist die Deutsche Balaton AG in der Lage, eine direkte Kontrolle über die Emittentin auszuüben. Die Deutsche Balaton AG wird von Herrn Wilhelm K. T. Zours kontrolliert, der eine indirekte Mehrheitsbeteiligung an der Deutsche Balaton AG hält und somit indirekt die Emittentin kontrolliert. Herr Zours hält eine Mehrheitsbeteiligung an der DELPHI Unternehmensberatung Aktiengesellschaft, die eine Mehrheitsbeteiligung an der VV Beteiligungen Aktiengesellschaft hält, die eine Mehrheitsbeteiligung an der Deutsche Balaton AG hält.

Abschlussprüfer der Emittentin für das Geschäftsjahr 2019 ist die MSW GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Straße des 17. Juni 106-108, 10623 Berlin, Deutschland.

Die Emittentin hat ihre Geschäftstätigkeit als Beteiligungsgesellschaft gerade erst aufgenommen und agiert dabei mit Fokus auf Unternehmen der folgenden Branchen: Rohstoffgewinnung und -verarbeitung, Chemie, Herstellung von Verpackungen und Papierprodukten aller Art und deren Vertrieb.

Welches sind die wesentlichen Finanzinformationen über die Emittentin?

Die nachstehend aufgeführten wesentlichen Finanzinformationen ergeben sich aus dem nach deutschen Prüfungsstandards (HGB) für das Geschäftsjahr vom 1. Januar 2019 bis 31. Dezember 2019 aufgestellten Jahresabschluss

Ausgewählte Positionen der Gewinn- und Verlustrechnung (in EUR)	**1. Januar 2019 - 31. Dezember 2019 (HGB) geprüft**	**23. Februar 2018[2] - 31. Dezember 2018 (HGB) geprüft**
Sonstige betriebliche Erträge	137.616	105.739
Ergebnis der gewöhnlichen Geschäftstätigkeit	-407.715	-179.635
Jahresüberschuss	-407.715	-179.635
Ausgewählte Positionen der Bilanz (in EUR)	**31. Dezember 2019 (HGB) geprüft**	**31. Dezember 2018 (HGB) geprüft**
Vermögenswerte insgesamt	1.334.712	1.102.819
Eigenkapital insgesamt	485.679	893.394
Nettofinanzierungsschulden (langfristige Verbindlichkeiten plus kurzfristige Schulden abzüglich Barmittel und Wertpapiere)	18.535	-112.630
Ausgewählte Positionen der Kapitalflussrechnung (in TEUR)	**1. Januar 2019 - 31. Dezember 2019 (HGB) geprüft**	**1. Januar 2018 - 31. Dezember 2018 (HGB) geprüft**
Cash-Flow aus laufender Geschäftstätigkeit	26	-150
Cash-Flow aus Investitionstätigkeit	353	-957
Cash-Flow aus Finanzierungstätigkeit	0	1.282

Welches sind die zentralen Risiken, die für die Emittentin spezifisch sind?

Risiken aus der Aufnahme neuer Geschäftsaktivitäten

[2] Das Insolvenzverfahren über die Emittentin wurde durch Gerichtsbeschluss vom 22. Februar 2018 aufgehoben. Damit endete das Geschäftsjahr am 22. Februar 2018 und ein neues (Rumpf-) Geschäftsjahr begann vom 23. Februar 2018 bis 31. Dezember 2018.

Die Emittentin hat ihre Geschäftstätigkeit als Beteiligungsgesellschaft mit dem Fokus auf Unternehmen in den Geschäftsfeldern Rohstoffgewinnung und -verarbeitung, Chemie, Herstellung aller Arten von Verpackungs- und Papierprodukten sowie deren Vertrieb gerade neu aufgenommen. Die Aufnahme neuer Geschäftsaktivitäten, z.B. durch den geplanten Erwerb an Anteilen der Altech Chemicals Australia Pty Ltd (die "**4N HPA Gesellschaft**"), kann scheitern, insbesondere vor dem Hintergrund der Insolvenz der Emittentin im Jahr 2014, die zu einer Einstellung ihrer früheren Geschäftsaktivitäten führte und der zumindest vorübergehenden Abhängigkeit von einer einzigen Beteiligung, vorausgesetzt die Emittentin nimmt über die Kapitalerhöhung und ergänzende Finanzierungen genug Mittel zum Erwerb dieser Beteiligung ein.

Der Erwerb der Minderheitsbeteiligung an der Altech Chemicals Australia Pty Ltd könnte scheitern und ist insbesondere vom Erfolg der Platzierung, die Gegenstand dieses Prospekts ist, und der weiteren Finanzierung abhängig.

Um die beabsichtigten 49 % der Anteile an der 4N HPA Gesellschaft zu erwerben, benötigt die Emittentin USD 100 Mio (ca. EUR 90 Mio. bei einem Wechselkurs von EUR 1,00 = USD 1,10). Die Emittentin erwartet einen Nettoemissionserlös in Höhe von mindestens EUR 65.412.288,00 (vollständige Platzierung der Neuen Aktien ausschließlich im Rahmen des Bezugsangebots für EUR 1,10 je Neuer Aktie) bis maximal EUR 71.722.496,00 (vollständige Platzierung der Neuen Aktien ausschließlich im Rahmen der Privatplatzierung für EUR 1,20 je Neuer Aktie), wovon EUR 62 Mio. bis EUR 68 Mio. für den Erwerb von Anteilen an der 4N HPA Gesellschaft verwendet werden sollen. Die Emittentin ist in Bezug auf die Differenz, die für den Erwerb der gesamten 49 % der Anteile an der 4N HPA Gesellschaft erforderlich wäre, von einer weiteren Finanzierung (in Höhe von bis zu ca. EUR 28,5 Mio. bei einem Wechselkurs von EUR 1,00 = USD 1,10) abhängig. Der Erwerb von Anteilen an der 4N HPA Gesellschaft ist daher vom Erfolg der Platzierung, die Gegenstand dieses Prospekts ist, und der weiteren Finanzierung abhängig. Scheitert der Erwerb der Minderheitsbeteiligung an der 4N HPA Gesellschaft oder beschließt die Emittentin aus anderen Gründen, den Emissionserlös für alternative Anlagen in Anspruch zu nehmen, besteht die Gefahr, dass der Investor Geld in dem Glauben investiert hat, dass die Emittentin in die 4N HPA Gesellschaft investiert, obwohl dieses Geld nachträglich für völlig unbekannte Investitionen verwendet wird.

Risiken aus der Fehleinschätzung von Beteiligungen

Die Bewertungen der Beteiligungen durch die Emittentin können falsch sein und die vergangenen, gegenwärtigen oder zukünftigen Werte der gehaltenen Beteiligungen können von diesen Bewertungen abweichen. Das Risiko einer falschen Bewertung kann dazu führen, dass eine Investition zu einem zu hohen Preis erworben wird.

Risiken aus der Tätigkeit als Holdinggesellschaft und aus der Abhängigkeit der Emittentin von den Erträgen und Dividenden ihrer Beteiligungen und künftigen Tochtergesellschaften zur Finanzierung von Verbindlichkeiten, Investitionen, Dividenden und dem Tagesgeschäft.

Schwankungen im Geschäftskapital können sich negativ auf die Liquidität der Gesellschaft auswirken. Die Gesellschaft ist eine Holdinggesellschaft für Tochtergesellschaften und Beteiligungen und verfügt nicht über einen eigenen Cashflow aus Geschäftstätigkeit. Derzeit hat die Gesellschaft keine Tochtergesellschaften. Daher ist die Gesellschaft zur Finanzierung ihrer Verbindlichkeiten, Investitionen und des laufenden Geschäfts auf einen kontinuierlichen Cashflow von ihren künftigen Tochtergesellschaften und ihren Beteiligungen angewiesen. Der Cashflow aus den künftigen Tochtergesellschaften und den Beteiligungen kann Schwankungen unterliegen. Jede zukünftige Entscheidung über die Zahlung von Dividenden durch Beteiligungen hängt von der Entscheidung der nach der jeweiligen Rechtsordnung zuständigen Organe ab, diese Dividenden zu zahlen, und ist abhängig von der finanziellen Situation dieser Beteiligung, den zukünftigen Kapitalanforderungen und dem allgemeinen Geschäftsgang sowie anderen Faktoren ab, die von dem zuständigen Organ als relevant erachtet werden. Es gibt keine Zusicherung in Bezug auf die Zahlung von Dividenden durch Beteiligungen.

Risiken aus den Investitionen in ausländische Unternehmen nach ausländischem Recht

Es ist möglich, dass die Emittentin in ausländische Unternehmen investiert. Investitionen in Unternehmen nach ausländischem Recht könnten zu dem Problem führen, dass Ansprüche gegen diese Unternehmen nicht oder nur mit hohen Kosten und/oder Zeitaufwand durchsetzbar sind. Darüber hinaus können die Cashflows, von denen die Emittentin als nicht operatives Unternehmen abhängt, ausbleiben.

Risiken aus Unternehmenskäufen und dass keine Investitionen zu attraktiven Preisen gefunden werden können.
Zukünftige Akquisitionen können für das operative Geschäft der AAM AG zahlreiche Risiken mit sich bringen, u.a. Schwierigkeiten bei der Integration der erworbenen Unternehmen. Wichtigstes Element beim Ausbau der Geschäftstätigkeit der Emittentin ist eine ausreichende Anzahl von attraktiven Investitionsmöglichkeiten. Die AAM AG konkurriert sowohl mit strategischen als auch mit Finanzinvestoren um attraktive Investitionen. Einige dieser Investoren verfügen über eine deutlich höhere finanzielle Ausstattung als die Emittentin. Wenn die Emittentin um eine Beteiligung mit einem oder mehreren Wettbewerbern konkurrieren muss, kann dies dazu führen, dass die Emittentin für den Zuschlag einen höheren Kaufpreis zahlen muss oder die Beteiligung nicht erwerben kann. Wenn das Angebot an attraktiven Investitionen oder der Zugang der Emittentin zu solchen Investitionen nachlässt oder sich nicht in der von der Emittentin erwarteten Weise entwickelt oder wenn die Emittentin aufgrund des Wettbewerbs um Beteiligungen höhere Kaufpreise zahlen muss, kann dies die allgemeine Geschäftstätigkeit und das zukünftige Wachstum der Emittentin beeinträchtigen und ihre Rentabilität verringern.

Abschnitt c) Basisinformationen über die Wertpapiere

Welches sind die wichtigsten Merkmale der Wertpapiere?

Die Neuen Aktien sind auf den Namen lautende Stückaktien der AAM AG mit einem rechnerischen Anteil am Grundkapital von je EUR 1,00.

International Securities Identification Number (ISIN) der Neuen Aktien: DE000A2LQUJ6

Die Neuen Aktien haben keine Laufzeit und werden in EUR angeboten. Die Neuen Aktien sind mit voller Dividendenberechtigung ab dem 1. Januar 2019 voll dividendenberechtigt, wenn bei Lieferung der Neuen Aktien ein Gewinnverwendungsbeschluss für das Geschäftsjahr 2019 noch nicht gefasst wurde und, falls ein entsprechender Gewinnverwendungsbeschluss für das Geschäftsjahr 2019 bereits gefasst wurde, ab dem 1. Januar 2020. An einem etwaigen Liquidationserlös nehmen die Neuen Aktien entsprechend ihrem rechnerischen Anteil am Grundkapital teil. Jede Neue Aktie gewährt ihrem Inhaber in der Hauptversammlung der Emittentin eine Stimme. Innerhalb der Kapitalstruktur der Emittentin zählen die Neuen Aktien zum Eigenkapital, somit werden im Insolvenzfall Forderungen aus den Neuen Aktien erst nach vollständiger Begleichung aller anderen Forderungen von anderer Schuldner beglichen.

Es bestehen keine Beschränkungen für die freie Handelbarkeit der Neuen Aktien.

Dividenden dürfen nur aus dem Bilanzgewinn, wie er sich aus dem Jahresabschluss der Gesellschaft ergibt, gezahlt werden. In der Vergangenheit wurde durch die Emittentin keine Dividende ausgeschüttet. Bei jeder zukünftigen Dividendenzahlung werden die Interessen der Aktionäre und die allgemeine Situation der Gesellschaft berücksichtigt.

Wo werden die Wertpapiere gehandelt?

Die Gesellschaft wird die Zulassung der Neuen Aktien zum Handel im regulierten Markt der Frankfurter Wertpapierbörse (General Standard) beantragen. Die Zulassung wird für den 14. September 2020 erwartet.

Welches sind die zentralen Risiken, die für die Wertpapiere spezifisch sind?

Eine Investition in Aktien birgt ein Eigenkapitalrisiko. Im Falle der Insolvenz der Emittentin können die Aktionäre Teile oder das gesamte investierte Kapital verlieren. Insbesondere werden zunächst vorrangig die Forderungen der Fremdkapitalgeber abgegolten und erst nach deren vollständiger Erfüllung würde eine Rückzahlung auf die Aktien erfolgen.

Abschnitt d) Basisinformationen über das öffentliche Angebot von Wertpapieren und/oder die Zulassung zum Handel an einem geregelten Markt

Zu welchen Konditionen und nach welchem Zeitplan kann ich in dieses Wertpapier investieren?

Das öffentliche Angebot der Neuen Aktien erfolgt im Wege eines Bezugsangebots an bestehende Aktionäre. Jede bestehende Aktie der Emittentin berechtigt zum Bezug von 40 Neuen Aktien zu einem Bezugspreis von EUR 1,10 pro Neuer Aktie (der „**Bezugspreis**“). Die Bezugsfrist, innerhalb derer Kaufangebote für die Neuen Aktien abgegeben werden können, beginnt am 22. Mai 2020 und endet am 5. Juni 2020. Anleger können innerhalb dieser Frist Kaufangebote über ihre Depotbank abgeben. Kaufangebote sind bis zum Ende der Angebotsfrist frei widerruflich und können erhöht oder reduziert werden. Die Gesellschaft räumt ihren Aktionären ein Überbezugsrecht zum Bezugspreis ein. Anschließend können alle nicht im Rahmen des Bezugsangebots gezeichneten Neuen Aktien im Rahmen einer Privatplatzierung (die „**Platzierungsaktien**“) platziert werden, in deren Kontext ein Platzierungspreis je Aktie von EUR 1,20 angestrebt wird (aber nicht verpflichtend ist). Der Ausgabepreis ist bei Ausübung des Bezugsrechts, spätestens bis zum 5. Juni 2020, zu zahlen.

Zunächst werden die Neuen Aktien gemäß den ausgeübten Bezugsrechten zugeteilt. Danach werden die Neuen Aktien den Altaktionären zugeteilt, die das Überzeichnungsrecht ausüben. Alle danach verbleibenden Neuen Aktien werden den Anlegern zugeteilt, die im Rahmen der Privatplatzierung gezeichnet haben, und zwar auf der Grundlage der Qualität der einzelnen Anleger und Einzelaufträge sowie anderer wichtiger, von der Gesellschaft festzulegender Zuteilungskriterien.

Die Neuen Aktien werden voraussichtlich am 14. September 2020 geliefert. Es besteht jedoch die Möglichkeit, dass sich die Gesellschaft entscheidet (für den Fall, dass damit eine schnellere Belieferung der Zeichner erreicht werden kann), anstelle der Neuen Aktien bereits bestehende Aktien (die in sämtlichen Aspekten identisch zu den Neuen Aktien sind) zu liefern, die von Altaktionären im Wege einer Wertpapierleihe zur Verfügung gestellt werden. In diesem Fall wird eine begleitende Bank die Neuen Aktien aus der Kapitalerhöhung übernehmen und zeichnen, soweit Zeichnungsaufträge und Zahlungen eingegangen sind, und die Neuen Aktien an die bestehenden Aktionäre anstelle der im Rahmen der Wertpapierleihe von den bestehenden Aktionären bereitgestellten Aktien zurückgeben. Eine diesbezügliche Entscheidung ist noch nicht gefallen. Die Zulassung der Neuen Aktien zum Handel im regulierten Markt der Frankfurter Wertpapierbörse (General Standard) wird für den 15. September 2020 erwartet.

Üben die Altaktionäre ihr Bezugsrecht auf das vorliegende Angebot nicht in vollem Umfang aus, verringert sich ihr Anteil am Grundkapital der Emittentin und damit auch der Anteil ihrer Stimmrechte. Im Falle einer vollständigen Platzierung der angebotenen Platzierungsaktien bei Dritten, die bisher keine Aktionäre sind, reduziert sich der Anteil am Grundkapital bzw. die Stimmrechte der Altaktionäre um insgesamt 97,6 % auf 2,4 %. Der auf Basis des Jahresabschlusses der Emittentin ermittelte Nettobuchwert je Aktie zum 31. Dezember 2019 betrug EUR 0,31. Wären die Neuen Aktien bereits am 31. Dezember 2019 ausgegeben worden und hätte die Emittentin am 31. Dezember 2019 einen Nettoemissionserlös von EUR 65 Mio. (berechnet unter den Annahmen eines Platzierungspreises von EUR 1,10, einer vollständigen Platzierung der Neuen Aktien und auf der Grundlage der geschätzten Emissionskosten) erhalten, hätte der Nettobuchwert je Aktie rund EUR 1,02 betragen (berechnet auf der Grundlage der maximal erhöhten Anzahl von Aktien nach der Platzierung der Neuen Aktien). Dies hätte eine sofortige Erhöhung des Buchwerts des bilanziellen Eigenkapitals um rund EUR 0,71 je Aktie der Altaktionäre und eine Verwässerung für die Zeichner der Platzierungsaktien um EUR 0,08 je Aktie bedeutet.

Die Emittentin schätzt, dass die Gesamtkosten im Zusammenhang mit dem Angebot bei vollständiger Platzierung rund EUR 4,0 Mio. betragen werden. Zeichnern oder Käufern werden von der Emittentin keine Kosten und Steuern in Rechnung.

Weshalb wird dieser Prospekt erstellt?

Dieser Prospekt wurde zum Zweck des öffentlichen Angebots der Neuen Aktien sowie der Zulassung der Neuen Aktien zum Handel Handel im regulierten Markt der Frankfurter Wertpapierbörse (General Standard) erstellt. Bei einer vollständigen Platzierung erwartet der Emittent einen Bruttoemissionserlös von mindestens

EUR 69.412.288,00 (vollständige Platzierung der Neuen Aktien ausschließlich im Rahmen des Bezugsangebots für EUR 1,10 je Neue Aktie) bis maximal EUR 75.722.496,00 (vollständige Platzierung der Neuen Aktien ausschließlich im Rahmen der Privatplatzierung für EUR 1,20 je Neue Aktie).

Der Erlös wird zunächst zur Deckung der mit dem Angebot verbundenen Kosten in Höhe von rund EUR 4 Mio. verwendet, die hauptsächlich aus Maklergebühren und Anwaltskosten bestehen. Für das allgemeine Betriebskapital der Emittentin werden danach ca. EUR 3 Mio. verwendet. Für den Erwerb von Anteilen an der 4N HPA Gesellschaft werden die restlichen ca. EUR 62 Mio. bis EUR 69 Mio. verwendet. Dies würde bei einem Umrechnungskurs von EUR 1,00 = USD 1,10 einer Beteiligung von rund 34 % bis 37 % an der 4N HPA Gesellschaft entsprechen. Reicht der Erlös nicht aus, um 10 % (rund USD 20,4 Mio.) der Anteile an der 4N HPA Gesellschaft zu erwerben, plant die Emittentin den Erlös für den Erwerb von Aktien der Altech Chemicals Ltd., der heutigen 100 % Muttergesellschaft der 4N HPA Gesellschaft mit einem Abschlag von 15 % auf den gewichteten Durchschnittskurs der vorangehenden 10 Handelstage zu verwenden. Der Erwerb von Aktien an der Altech Chemicals Ltd. steht unter dem Vorbehalt der Zustimmung der Aktionäre der Altech Chemicals Ltd. Die Priorisierung der Verwendung der Erlöse erfolgt in der Reihenfolge, in der die verschiedenen Verwendungen in diesem Absatz aufgezählt werden.

Es ist jedoch nicht sicher, ob die Emittentin von der Option Gebrauch machen und in die 4N HPA Gesellschaft investieren wird. Eine Bedingung für die Emittentin, von der Option Gebrauch zu machen und in die 4N HPA Gesellschaft zu investieren, ist, dass die 4N HPA Gesellschaft eine ausreichende Finanzierung erhält, um sein Geschäft zum ersten Mal in Gang zu bringen. Die 4N HPA Gesellschaft befindet sich derzeit noch in der Finanzierungsphase. Während die 4N HPA Gesellschaft in Zukunft ein bereits kapitalintensives Geschäft betreiben wird, benötigt es derzeit Kapital, um sein Geschäft zum ersten Mal in Gang zu bringen (z.B. für den Bau der HPA-Anlage). Das Investitionsvolumen für die 4N HPA Gesellschaft beträgt ca. USD 300 Mio. für Investitionen. Darüber hinaus müssen Finanzierungskosten, verschiedene Barreservekonten (Bedienung von Verbindlichkeiten, Baukostenüberschreitung, Ersatzteile) und das Betriebskapital vorfinanziert werden. Der Finanzierungsbedarf wird derzeit auf rund USD 390 Mio. geschätzt, was die geschätzten Investitionen von Altech für den Bau der Stufe 1 und 2 berücksichtigt. Die KfW IPEX-Bank hat bereits USD 190 Mio. vorrangiges Fremdkapital für die 4N HPA Gesellschaft unter bestimmten Bedingungen zugesagt, wobei die wichtigste Bedingung ein Eigenkapital oder eine nachrangige Fremdkapitalzuführung von USD 223,6 Mio. aus einer anderen Finanzierungsquelle ist. Unter Berücksichtigung der bereits von Altech in die 4N HPA Gesellschaft eingezahlten Beträge (die unter die USD 223,6 Mio. fallen), die den Kauf des HPA-Geländes und die Baubeiträge der Stufen 1 und 2 beinhalten, werden derzeit weitere USD 200 Mio. benötigt, von denen USD 10 Mio. als Eigenkapital von der SMS group GmbH (entweder über die Altech oder die Emittentin), USD 90 Mio. als Mezzanin-Finanzierung über die Macquarie Bank (derzeit in der Due Diligence Prüfung) und der Saldo von USD 100 Mio. über die Investition der Emittentin in die 4N HPA Gesellschaft aufgebracht werden sollen. Wenn die Emittentin nicht in die 4N HPA Gesellschaft investiert, weil die 4N HPA Gesellschaft nicht über ausreichende Mittel verfügt, um sein Geschäft zum ersten Mal in Gang zu bringen, oder wenn im Falle des beabsichtigten Erwerbs von Aktien der Altech Chemicals Ltd. die Aktionäre der Altech Chemicals Ltd. nicht die erforderliche Zustimmung für einen solchen Erwerb erteilen, beabsichtigt die Emittentin, den Erlös für den Erwerb von Anteilen an einer oder mehreren alternativen Anlagemöglichkeiten zu verwenden, die nach Ansicht der Emittentin ein gutes Risiko/Rendite-Verhältnis aufweisen, wenn sich solche Chancen, z. B. aus ihrem Netzwerk, für die Emittentin ergeben. Die Emittentin beabsichtigt, den verbleibenden Emisisonserlös in liquide Wertpapiere zu investieren. Derzeit hat die Emittentin jedoch keine konkreten Pläne für eine dieser alternativen Investitionen. Daher kann von der Emittentin derzeit weder eine konkrete Angabe der Beträge noch eines Prozentsatzes der Aufteilung für den Fall, dass die Emittentin den Emissionserlös für alternative Anlagemöglichkeiten und/oder liquide Wertpapiere verwendet, erfolgen. Die Emittentin beabsichtigt, im Falle einer Investition in eine solche alternative Anlagemöglichkeit und/oder in liquide Wertpapiere gemäß ihrem Unternehmenszweck in Unternehmen zu investieren, die insbesondere in den Geschäftsfeldern Rohstoffgewinnung und -verarbeitung, Chemie, Herstellung aller Arten von Verpackungs- und Papierprodukten sowie deren

Vertrieb tätig sind. Die Priorisierung der alternativen Erlösverwendung erfolgt in der Reihenfolge, in der die verschiedenen Verwendungen in diesem Absatz erwähnt werden.

Das Angebot unterliegt keinem Übernahmevertrag mit fester Übernahmeverpflichtung.

Die Deutsche Balaton AG und Altech Chemicals Ltd. haben ein Interesse an der Emission, da die Durchführung der Kapitalerhöhung in einem bestimmten Umfang den Erwerb der Anteile an der 4N HPA Gesellschaft ermöglichen soll, was die Wettbewerbssituation der Emittentin verbessern würde. Es gibt keine wesentlichen Interessenskonflikte in Bezug auf die Emission / das Angebot.

III. RISKS

*The risks featured in in the following section are limited to risks which are specific to Altech Advanced Materials AG (hereinafter referred to as "**AAM AG**", the "**Company**" or the "**Issuer**") and/or to the shares offered by the Issuer and which are material for taking an informed investment decision. According to the Issuer's assessment, in each category the most material risk factors (based on the probability of their occurrence and the expected magnitude of their negative impact) are mentioned first. Within each category, the risk factors are ranked completely according to their materiality.*

1. Business and Market Related Risks

a) The establishment of completely new business activities may fail, especially against the background of insolvency, the associated discontinuation of previous business activities and the at least temporary dependence on a single shareholding.

The Altech Advanced Materials AG has previously acted as a holding company for Chinese companies in the paper processing industry. After the Issuer had to file for insolvency in 2014 it completely ceased this business activity and carried out a realignment with parts of the existing team focusing on the raw materials market. The Issuer continues not to be operating itself but just started it business as a holding company with its focus on companies in the following sectors: raw material extraction and processing, chemicals, manufacture of all types of packaging and paper products and their distribution. The Issuer is open to minority and / or majority investments. Currently the Issuer is i.a. interested in purchasing an interest in Altech Chemicals Australia Pty Ltd. (the "**4N HPA Company**"). Therefore the Issuer entered into an option agreement allowing it to purchase a minority interest (up to 49%) in the 4N HPA Company. The execution of this acquisition is currently pending subject to precedent conditions, including the execution of the capital increase subject matter to this Prospectus. The 4N HPA Company will mine kaolin in its 100%-owned kaolin deposit at Meckering, Western Australia, and will ship it via Fremantle, Western Australia, to Tanjung Pelepas, Malaysia, and then process it in its own processing plant in Tanjung Langsat, Johor, Malaysia, into High Purity Alumina (Al_2O_3) with a purity of at least 99.99% (4N) ("**HPA**") using its patented production process. HPA is the critical ingredient required for the production of synthetic sapphire. Synthetic sapphire is used in the manufacture of substrates for LED lights, semiconductor wafers (circular or square discs, about one millimeter thick) used in the electronics industry and scratch-resistant sapphire glass used for wristwatch faces, optical windows and smartphone component. Furthermore, HPA itself is used as material for coating of the separator within lithium-ion batteries.

Such establishment of new business is subject to numerous uncertainties and risks and may fail completely or fail to meet expectations. Altogether, the Issuer has only two micro shareholdings (both 0.002%) and the option to purchase a minority shareholding in the 4N HPA Company at the date of this Prospectus. All risks relating to the 4N HPA Company may therefore - if the purchase option is executed which is unsure - have an indirect impact on the Issuer via the value of the shareholding. So far, there has been no risk diversification through diversification of shareholdings. Currently, the Issuer intends to acquire further investments in operating companies. The time of the conclusion of corresponding purchase agreements has not yet been determined and depends on the earnings situation of the Company and the access to further debt and equity capital. The possibilities for implementing the underlying growth strategy require that funds be raised to finance the development of the new business activities in order to obtain the liquidity necessary for the planned further restructuring and expansion measures. The previous insolvency could discourage equity and debt investors from investing in the Issuer and lead to the Issuer not having sufficient liquidity to acquire further investments and to continue pursuing its growth strategy. This could also lead to the Issuer continuing to be unable to spread risk and remaining solely dependent on the development of the 4N HPA Company.

b) The acquisition of the minority shareholding in the 4N HPA Company could fail and is in particular dependent on the success of the placement which is subject of this Prospectus and further financing.

On 17 July 2019, the Issuer, the 4N HPA Company and Altech Chemicals Limited ("**Altech**") concluded a contract for the option of the acquisition of up to a maximum of 49% of the shares in the 4N HPA Company. This contract is subject to several precedent conditions, the occurrence of which is partially beyond the control of the Issuer. This particularly includes the execution of the capital increase of 63,102,080 new shares in the Issuer which is subject to this Prospectus. The Issuer's right to invest a minimum of USD 20.408 million to acquire 10% up to USD 100 million to acquire 49% of the 4N HPA Company is not exclusive, hence Altech is also continuing to seek additional funding options for the 4N HPA Company.

In order to acquire the envisaged 49% of the shares in the 4N HPA Company the Issuer requires USD 100 million (approximately EUR 90 million at a conversion rate of EUR 1.00 = USD 1.10). The Issuer expects net issue proceeds of at least EUR 65,412,288.00 (complete placement of the New Shares solely within the scope of the subscription offer for EUR 1.10 per New Share) up to a maximum of EUR 71,722,496.00 (complete placement of the New Shares solely within the scope of the private placement for EUR 1.20 per New Share), of which EUR 62 million to EUR 69 million shall be used to acquire shares in the 4N HPA Company. At a conversion rate of EUR 1.00 = USD 1.10, this would correspond to a stake of approximately 34% to 37% in the 4N HPA Company. The Issuer is dependent on further financing (in an amount of up to approximately EUR 28.5 million at a conversion rate of EUR 1.00 = USD 1.10) with regard to the difference that would be required to acquire the entire 49% of the shares in the 4N HPA Company. For this purpose, the Issuer is currently in discussions with potential financing providers and has signed an engagement letter with an international bank according to which the respective bank will act as sole placement agent in relation to the issuance of shares or other equity instruments by AAM other than the capital increase subject matter to this Prospectus. There is no guarantee that these discussions will lead to the successful raising of the required amount of capital.

In the event of a failure of the acquisition, for example because the capital increase subject to Prospectus is not carried out to the extent necessary or the Issuer is unable to obtain the necessary further financing, the Issuer would be without any participation and would therefore not initially generate any (indirect) cash flow. Even if Altech waives this condition precedent, which the contract allows, the contract provides for a minimum investment in the 4N HPA Company, which the Issuer must acquire and the Issuer needs to finance the purchase price. There is a risk that the capital increase cannot be carried out to the extent necessary to acquire this minimum number of shares. In these cases, the investor is exposed to the risk of having invested its money in a non-operating company that does not have any shareholdings or subsidiaries from which it could generate revenues.

The agreement provides that in this case the Issuer may acquire shares directly in Altech, such shares to be priced at a 15% discount to the 10 day volume weighted average price of the Altech shares as traded on the Australian Securities Exchange ("**ASX**"). The issue of these shares in Altech, however, would first have to be approved by Altech's shareholders. It is possible that the Issuer may not take the opportunity to acquire shares in Altech (and thus an indirect participation in the 4N HPA Company) or that Altech's shareholders may not approve the issue of the shares to be acquired.

For several reasons, the Issuer is also continuing to sound the market for alternative investment opportunities. One reason is, that it is currently uncertain whether the Issuer will make use of the option and invest in the 4N HPA Company. One condition of the Issuer to exercise the option and invest in the 4N HPA Company, is that the 4N HPA Company obtain sufficient financing to get its business up and running for the first time. The 4N HPA Company is currently still in the financing stage. While the 4N HPA Company will operate an already capital-intensive business in the future, it currently requires capital to get this business up and running for the first time (e.g. for the construction of the HPA plant). The investment volume for the 4N HPA Company is approx. USD 300 million for capital expenditure. In addition, financing costs, various cash reserve accounts (debt service, construction cost over-run, spare parts) and working capital are required to be pre-funded. A funding requirement of approximately USD 390 million is currently estimated, which takes into account the estimated capital spend of Altech on Stage-1 and Stage-2 construction. KfW IPEX-Bank has already committed USD 190 million senior debt to the 4N HPA Company under certain conditions, the most important condition being an equity or subordinated debt contribution of USD 223.6 million from another financing source. Taking into consideration the amounts already contributed by Altech to the 4N HPA Company thus far (which fall within the USD 223.6 million), which include the purchase of that HPA site and Stage-1 and Stage-2 construction contributions, a further USD 200 million of funding is currently estimated to be required, of which USD 10 million is assumed as equity investment from SMS group GmbH (either via Altech or via the Issuer), USD 90 million is assumed as mezzanine finance via Macquarie Bank (currently under due diligence) and the balance of USD 100 million via the Issuer's investment into the 4N HPA Company. A second reason is that the Issuer intends to remain prepared for additional attractive alternative investment opportunities.

If the Issuer, in any of these cases, would use the issue proceeds to acquire one or more additional and/or alternative shareholding, the investor is at risk of having invested money believing that the Issuer is investing in the 4N HPA Company although this money will subsequently be used for entirely unknown investments.

c) Valuations of investments by the Company may be incorrect and the past, present or future values of the shareholdings held may differ from these valuations.

There is a risk that AAM AG may misjudge the intrinsic value of a company in which it intends to invest or has already invested. An incorrect valuation may result, for example, from the fact that material information is not known at the time of the valuation and is therefore valued on the basis of an incomplete information base or the information base is subject to significant changes. It cannot be ruled out that the Company may deliberately be presented with false information on the potential investments the Company does not identify as such and therefore bases its investment decision on this deliberately false information. However, an incorrect valuation may also be the result of an incorrect opportunity/risk analysis, e.g. in the event that the estimates and expectations of economic conditions relevant to the potential investment subsequently turn out to be incorrect, unrealistic or too optimistic. In addition, an incorrect valuation may also arise, for example, if a follow-up financing necessary for the company in which the Issuer invested is not obtained or is delayed and that company therefore lacks the necessary liquidity, which may lead to the insolvency of that company. The risk of an incorrect valuation can result in an investment being acquired at too high a price. If the value of an investment is assessed incorrectly, the figures contained in the annual financial statements do not reflect the actual net assets and results of operations of the company. There is a risk that the investment may have to be written off in full or in part in subsequent years. Even if the valuation was correct at the time of valuation, it is not certain that this can at least be achieved if the investment is sold. Investors should therefore not rely on the valuations contained in the annual financial statements of AAM AG and in this Prospectus.

d) AAM AG is a holding company and therefore relies on the revenues and dividends of its shareholdings and future subsidiaries to finance liabilities, investments, dividends and day-to-day operations.

Fluctuations in working capital could have a negative impact on the Company's liquidity. The Company is a holding company for subsidiaries and shareholdings and does not have its own cash flow from productive activities. The Company's principal assets consist of its investments in subsidiaries and shareholdings. Currently the company does not have any subsidiaries. Consequently, the company is dependent on a steady cash flow from its future subsidiaries and its shareholdings in order to finance its liabilities, investments and the ongoing business of the issuer. The cash flow from the future subsidiaries and the shareholdings may be subject to fluctuations. This may be due, for example, to delayed or non-payment by customers, seasonal fluctuations in orders, weather conditions or fluctuations of raw materials’ prices. In addition, the Company's ability to pay dividends primarily depends on the receipt of sufficient funds from its subsidiaries and shareholdings. The extent of these funds, in turn, depends to a large extent on the asset, financial and earnings situation of the respective subsidiary or shareholding. Any future determination as to the payment of dividends by shareholdings depends on the decision of the competent bodies under the respective legal system to pay such dividends and will depend on such participation’s financial condition, future capital requirements and general business and other factors considered relevant by the competent body. There is no assurance in relation to the payment of dividends by shareholdings.

If AAM AG's future subsidiaries or its shareholdings fail to distribute sufficient or timely earnings to the Company, this could have a material adverse effect on the Issuer's net assets, financial position and results of operations.

e) The Issuer is subject to risks resulting from its investment in companies under foreign law.

The Issuer just started its business as a holding company without any limitations to a certain region or economic sector. The 4N HPA Company, for example, is a company under Australian law. It is possible that the Issuer will invest in foreign companies in the future. Investments in companies under foreign law could lead to the problem that claims against these companies may not be enforceable or may only be enforceable at high cost and/or time. In addition, cash flows upon which the Issuer depends as a non-operating company may depart.

In the pre-insolvency period, the Issuer had already lost control of its international subsidiaries and was subsequently forced to file for insolvency. It cannot be ruled out that this will happen again. The risk is particularly increased as long as the Issuer has only one investment and is therefore particularly dependent on capital inflows from this investment.

If the Issuer would lose actual access to its only shareholding again, the 4N HPA Company, this could lead to the further insolvency of the Issuer. Even at a later stage, when the Issuer already has several holdings, the loss of a material holding may, in the worst case, lead to the insolvency of the Issuer.

f) AAM AG is exposed to risks arising from company acquisitions and that no investments at attractive prices can be found.

As part of the continuing business strategy, AAM AG makes acquisitions of, or investments in, companies. AAM AG does not have specific timetables for these plans and cannot be certain that it will be able to identify suitable acquisition or investment candidates for sale at reasonable prices.

Future acquisitions could pose numerous risks to operations from AAM AG, including difficulties integrating the acquired operations, products, technologies or personnel; substantial unanticipated integration costs; diversion of significant management attention and financial resources from existing operations; a failure to realise the potential cost savings or other financial benefits and/or the strategic benefits of the acquisitions; and the incurrence of liabilities from the acquired businesses for environmental matters, infringement of intellectual property rights or other claims, and AAM AG may not be successful in seeking indemnification for such liabilities or claims. These and other risks relating to acquiring, integrating and operating acquired assets or companies could cause not to realize the anticipated benefits from such activity and could have a material adverse effect on business, financial condition and results of operations of the AAM AG.

The most important element in expanding the Issuer's business activities is a sufficient number of attractive investment opportunities. AAM AG is seeking to acquire majority and minority interests in companies which, in the opinion of the Issuer, fit into its intended future investment portfolio without any limitations to a certain region or economic sector. It is therefore essential for the Issuer to become aware of such acquisition opportunities. In this market, however, AAM AG competes with both strategic and financial investors for attractive investments. Some of these investors have significantly higher financial resources than the Issuer. For the Issuer, this can lead to an intensification of competition in its target market. If the Issuer has to compete with one or more competitors for a shareholding, this may result in the Issuer having to pay a higher purchase price in order to receive the bid or be unable to acquire the shareholding. If the offer of attractive investments or the Issuer's access to such investments declines or does not develop in the manner expected by the Issuer or if the Issuer has to pay higher purchase prices due to competition for shareholdings, this may impair the general business activities and future growth of the Issuer and reduce its profitability.

2. Risks Related to the Offering, the Admission and the shareholders structure

a) Risk of insolvency of the Issuer resulting in a partial or full loss of the investment of the Issuer's shareholders.

An investment in shares entails an equity risk. In the event of the Issuer's insolvency, shareholders may lose parts or all of their invested capital. In particular, the creditors hold priority claims which would be paid off first and only after these claims are settled in full, shareholders would have any entitlement to payments. The risk of insolvency is particularly specific to an investment in shares of the Issuer, as the Issuer is currently in the process of establishing its business. The Issuer has not yet generated any significant revenues and yet costs are incurred, which means that the liquidity development of the Issuer is negative. The risk of insolvency is therefore higher for the Issuer than for companies which have been operating for some time.

b) Risk that the majority shareholder may enforce his interest to the detriment of the interest of other shareholders.

Deutsche Balaton AG holds 57.33% (equivalent to 904,463 voting rights) of the shares in the Issuer. Thus, it is the majority shareholder of the Issuer. The interest of the majority shareholder might conflict with the interest of the other shareholders and he might enforce its interest to the detriment of the interest of the other shareholders. Decisions in a German stock corporation's shareholders' meeting require in most cases 50% or, for more important decisions, 75% of the capital represented in the votes. With its current level of shareholding, Deutsche Balaton AG can control most of those decisions. If Deutsche Balaton AG fully exercises its subscription rights, its decisive majority would remain even after the capital increase. If Deutsche Balaton AG exercises its subscription rights only partially, its future influence will depend on the extent to which the remaining capital increase is carried out and how many shares are subscribed for under the subscription offer and how many shares are subscribed for under the private placement. Deutsche Balaton AG may therefore still be able to enforce resolutions of the General Meeting which may have a negative impact on the other shareholders even against the will of the other shareholders. This risk also exists in the case of a participation of less than 50%, since usually the entire share capital of a company is not represented at general meetings and voting and capital majorities are determined by the share capital present or the votes exercised. Wilhelm Konrad Thomas Zours is the indirect majority shareholder of Deutsche Balaton AG and thus can control Deutsche Balaton AG and is through this control indirectly able to control the Issuer in the way Deutsche Balaton AG may as described above.

3. Risks at 4N HPA Company level

In case the Issuer purchases a participation in the 4N HPA Company it will be at least for some time the most important asset of the Issuer and thus indirectly the Issuer will be subject to the risks of the 4N HPA Company. Although the risks do not directly affect the Issuer and, unlike in the case of subsidiaries, there is no consolidation, the occurrence of one or more of the following risks may have a material adverse effect on the value of the Issuer's interest in the 4N HPA Company. Therefore, material risks of the 4N HPA Company which will also be specific to the Issuer at least in course of the next few years are described hereinafter.

a) Business Related Risk Factors of the 4N HPA Company

aa) Market Developments

Unfavourable developments on HPA markets, production problems, natural disasters or other reasons could result in the 4N HPA Company selling less HPA than expected, not achieving its expected revenues and generating little to no profits and could therefore have a negative effect on the value of the Issuer's shareholding in the 4N HPA Company. The HPA industry is pro-cyclical with demand for products closely linked to economic development like lithium-ion batteries, LEDs or smartphone components. This may result in a certain volatility in the market prices for HPA in periods of macroeconomic uncertainty or recession.

bb) Dependence on a single customer

In April 2016, Altech and the Australian subsidiary of Mitsubishi Corporation (of Japan), Mitsubishi Australia Ltd. ("**Mitsubishi**") entered into an off-take sales agreement for HPA production. Under the agreement, Altech must sell its HPA, which is mined and processed through the 4N HPA Company, only to Mitsubishi. The 4N HPA Company's business therefore relies primarily on the production and sale of its HPA products to Mitsubishi.

If the 4N HPA Company is not able to maintain its existing relationship with Mitsubishi or if Mitsubishi reduces its purchases of the 4N HPA Company's products or find itself in financial difficulties or even have to file for insolvency proceedings, the 4N HPA Company might not only not be able to achieve its desired development but might face significant negative effects on its turnover and / or profit.

In addition, such large companies as Mitsubishi are constantly reviewing their suppliers and tend to renegotiate agreements with their suppliers such as the 4N HPA Company on a frequent basis, it may attempt to reduce the prices and implement other terms less favourable for suppliers. If Mitsubishi terminates the contract, reduces the agreed purchase quantity or changes the contract at conditions unfavourable to the 4N HPA Company, this would have a material adverse effect on the 4N HPA Company's financial position and development.

The appearance of one or more of the aforementioned circumstances would have a negative effect on the value of the Issuer's shareholding in the 4N HPA Company.

cc) Dependence on Kaolin mining

The 4N HPA Company's business depends on the ability to mine kaolin at economic conditions and quantities in the mining area for which it is licenced that were assumed in its feasibility study. If this is not the case, it would have a significant negative economic impact on the 4N HPA Company if it was unable to identify an alternate supply of kaolin at similar alumina grade and at price similar to its own cost of mining and transporting to Malaysia and could completely deprive the Issuer of its basis for business up to and including insolvency.

In addition, the 4N HPA Company is dependent on HPA being extracted from the extracted kaolin in an economically profitable scale. The Issuer estimates, based on measures of the kaolin in the Meckering Mine Site, that the kaolin there consists of approximately 30% alumina. The actual alumina content in kaolin may differ from the result of these measurements. As a result, the 4N HPA Company would have to mine more kaolin than expected to obtain the same amount of HPA if there was less than the estimated 30% alumina content. This would result in higher costs than expected. In this case, it may no longer be possible for the 4N HPA Company to produce HPA on economically profitable terms.

The occurrence of one or more of the aforementioned circumstances would have a negative effect on the value of the Issuer's shareholding in the 4N HPA Company.

dd) The 4N HPA Company could be unsuccessful in protecting its intellectual property and technological know-how adequately and there is a risk that it might infringe upon the intellectual property rights of others. Inadequate patent protection could worsen the competitive position of the 4N HPA Company and could have a negative impact on the value of the Issuer's shareholding in the 4N HPA Company.

The 4N HPA Company's production process is highly dependent upon its technological know-how. There can be no assurance that the 4N HPA Company's patent on its production process will not be violated by third parties. Furthermore, know-how that cannot effectively be safeguarded through a patent registration as well as other unpatented proprietary know-how might be disclosed to third parties. Due to the international nature of the 4N HPA Company's business, it may not be able to adequately safeguard its patents, other intellectual property rights and know-how. While there is a presumption that patents are valid, the granting of a patent does not necessarily imply that it is effective and that possible patent claims can be enforced to the extent necessary or desired. In particular, intellectual property rights are difficult to enforce in some countries in Asia and other countries, since the application and enforcement of laws governing such rights adhere to a different standard in these countries than in other jurisdictions as in Germany. If a patent does not provide sufficient protection, either because it is invalid or ineffective, there is the risk that competitors may copy the 4N HPA Company's know-how without incurring any expenses of their own. Also, enforcement of effective existing patents could require complicated, lengthy and costly litigation with uncertain outcomes.

The amounts for patents are capitalised as intangible assets and amortised separately. Any extraordinary amortisation of these intangible assets as a result of inadequate protection or successful opposition by third parties may affect the profitability of the 4N HPA Company.

The occurrence of one or more of the aforementioned circumstances would have a negative effect on the value of the Issuer's shareholding.

ee) Rights to the Mining Area

The 4N HPA Company's granted mining area ML70/1334 ("**Mining Tenement**") is located in Western Australia, Australia and is governed by legislation of the state of Western Australia. The Mining Tenement is subject to the Mining Act 1978 (WA) ("**Mining Act**") and there is an obligation to meet the conditions that apply to the granted Mining Tenement, including the payment of annual rent, the payment of royalties on mined minerals, and complying with prescribed conditions and commitments.

The Mining Tenement is subject to annual review and to periodic renewal, the first of which is due on 18 May 2037. Whilst it is the intention that all conditions pertaining to the Mining Tenement will be satisfied, there can be no guarantee made that, in the future, all of the conditions and commitments pertaining to the Mining Tenement will be satisfied.

If the holder of a Mining Tenement fails to comply with the terms and conditions of the Mining Tenement, and has failed in its application for exception or relief, the warden of mines (WA) or the minister for mines and petroleum; energy; and industrial relations (WA) (as is applicable per the Mining Act), may impose a fine or order that the Mining Tenement be forfeited. A fine could have a negative effect on the financial situation of the 4N HPA Company. A loss of the Mining Tenement could result in the 4N HPA Company no longer being able to extract kaolin. In this case, another mining area would have to be purchased to maintain processing at the HPA plant. This may not be possible for the 4N HPA Company, so kaolin and / or aluminium would have to be purchased - if possible. This may only be possible at economically unfavourable conditions.

The occurrence of one or more of the aforementioned circumstances would have a negative effect on the value of the Issuer's shareholding in the 4N HPA Company.

ff) Environmental regulations

The proposed mining operations in Western Australia are subject to a variety of environmental regulations and the proposed HPA plant in Malaysia will be subject to a variety of environmental regulations. Failure to comply with environmental laws and regulations could result in monetary penalties or closure of the mining operation, the HPA plant, or both, either permanently or temporarily, which would adversely affect the 4N HPA Company's results of operations and financial condition.

If these laws and regulations were to change and if, as a result, material additional expenditure were required to comply with such new laws and regulations, this could adversely affect the 4N HPA Company's results of operations and financial condition. If the 4N HPA Company is not able to meet the requirements resulting from amended laws and regulations, this could also result in monetary penalties or the closure of the mining operation, the HPA plant or both, either permanently or temporarily.

The occurrence of one or more of the aforementioned circumstances would have a negative effect on the value of the Issuer's shareholding in the 4N HPA Company.

b) Market Related Risk Factors of the 4N HPA Company

aa) The Issuer is indirectly exposed to risks in connection with the 4N HPA Company facing competition from other companies, some of which have considerably higher funds.

The 4N HPA Company is exposed to risks from competition with other companies. There is only a small number of HPA producers globally. According to a market study by Technavio Research, the five largest producers of HPA account for approximately 50% of the total market. The market for HPA is a market with significant growth developments which means that it may be assumed that even more producers will enter the market in the future.

Some of these competitors may have greater financial resources, greater potential for technical know-how and equipment and might have been active in the exploration of mineral resources for some time. This would allow them to secure or even further develop an existing competitive advantage.

In addition, some countries might have recognised or will recognise that HPA is of considerable importance for certain industries, such as high-tech industries, and would therefore like to counteract dependence of China, which currently controls almost the entire global market (in 2016, according to the 4N HPA Company's research, 14 of the TOP 20 global HPA producers were China-based). In particular, the US, currently on the brink of a trade war with China, may be interested in promoting the production of HPA within the US or a politically linked country. Thus, the development of new mining areas, the reopening of old mining areas and the general mining of kaolin and the construction of HPA plants using a process that is identical or similar to the 4N HPA Company and thus competition in general as well as competitors are politically supported in these countries.

On the one hand, an increasing number of competitors could lead to a decrease in the market shares of the 4N HPA Company. Furthermore, more competitors could lead to more HPA being produced and to lower HPA prices. This would result in the 4N HPA Company generating less revenue and earnings. This would also have a negative effect on the value of the Issuer's shareholding in the 4N HPA Company.

bb) Considerable price fluctuations and negative price developments of HPA could have a negative impact on the 4N HPA Company and therefore on the value of the Issuer's shareholding in the 4N HPA Company.

The 4N HPA Company's business activities and its net assets, financial position and results of operations are materially dependent on the development of the prices and demand for HPA.

According to history, commodity markets in general can be very volatile. It is unpredictable for how long and for which commodities sufficient demand prevails. The future prospects on the HPA markets are of major importance for the further business development of the 4N HPA Company. HPA is in demand in various industrial sectors (e.g. high tech or electronic automotive). CRU Global HPA Outlook 2019 forecasts an annual growth in demand of 30% until 2028, which would mean demand for 272,000 tonnes of HPA in 2028. However, it is uncertain whether these forecasts are accurate. A significant decline in demand and/or a substitution of HPA could have a significant negative impact on the 4N HPA Company. This would also have a negative effect on the value of the Issuer's shareholding in the 4N HPA Company.

c) Mining Related Risk Factors of the 4N HPA Company

aa) Risks arising from the nature of mining and exploration could have a negative effect on the earnings situation of the 4N HPA Company and therefore have a negative effect on the value of the Issuer's shareholding in the 4N HPA Company.

At the moment, the business activities of the 4N HPA Company are based on the exploration of the mining area in Australia, for which the 4N HPA Company has a licence. Until now, the 4N HPA Company has only explored a small portion of this area.

It cannot be excluded that exploration may be difficult or impossible due to various geological conditions. Mineral mining involves risks, which even with a combination of experience, knowledge and careful evaluation may not be able to be adequately mitigated. Mining operations are subject to hazards normally encountered in exploration and mining. These include unexpected geological formations, rock falls, flooding, dam wall failure and other incidents or conditions which could result in damage to plant or equipment, which may cause a material adverse impact on the 4N HPA Company's operations and its financial results. Mining projects may not proceed to plan with potential for delay in the timing of targeted output, and the 4N HPA Company may not achieve the level of targeted mining output. Mining output levels may also be affected by factors beyond the 4N HPA Company's control.

For the exploration of kaolin various investigations are possible and necessary in order to make a sufficient statement on the specific deposit and its mining possibilities. There is a risk that, for various reasons, it will not be possible to carry out these investigations. Excessively high costs for geochemical, geophysical, geological or geotechnical investigations, which were not calculated and planned at the beginning of the exploration activities, could have a negative effect on the earnings situation of the 4N HPA Company.

It is possible that the exploration team will not be able to carry out investigations because the terrain might be difficult to reach. A near-surface groundwater level could disrupt mining and cause additional exploration costs.

If, for example due to technical difficulties, investigations cannot be carried out or cannot be carried out to the desired extent, the 4N HPA Company could still decide to commence mining activities that do not ultimately result in the desired mining of kaolin. In this case, the 4N HPA Company would have spent capital from which it cannot derive any economic benefit.

The occurrence of one or more of the aforementioned circumstances would have a negative effect on the value of the Issuer's shareholding in the 4N HPA Company.

bb) Existing and possible future requirements for exploration and mining activities due to high environmental standards in Australia could have an adverse negative effect on the 4N HPA Company and therefore have a negative effect on the value of the Issuer's shareholding in the 4N HPA Company.

The 4N HPA Company meets the current legal requirements to obtain a mining licence and received the licence from the Western Australian Department of Mines, Industry Regulation and Safety for the Meckering Mine Site in 2017.

Considering that the state of Western Australia requires high environmental standards in its legislation, it cannot be ruled out that Western Australia will place other areas under special protection in the future. This could also include the area in which the 4N HPA Company operates. Further conditions and approval requirements for an exploration activity could arise which would impede and/or limit the 4N HPA Company and/or unexpectedly increase the costs for the 4N HPA Company. The Western Australian Department of Mines, Industry Regulation and Safety from time to time reviews the environmental bonds that are placed on mining and exploration tenements. It cannot be stated with certainty that such a review could not produce a negative assessment, with the result that the bond amount could be increased or that certain restrictive conditions be placed on the mining activities. This could have a material adverse effect on the 4N HPA Company’s business and may remove the basis for its mining and exploration activities. This would have a negative effect on the value of the Issuer's shareholding in the 4N HPA Company.

e) Processing Related Risks of the 4N HPA Company

aa) The use of chemical substances in the production process can lead to accidents that result in injuries to people or pollution of the environment. This can lead to civil claims and criminal sanctions against the 4N HPA Company and may adversely affect the value of the Issuer's participation in the 4N HPA Company.

In the processing of kaolin in Malaysia, the 4N HPA Company will use a variety of chemicals, some of which, such as hydrochloric acid, can have negative effects on human health and the environment. In addition, in the course of the process, by-products such as silica or waste materials will be produced, which can also have negative effects on health and the environment. If these chemicals are handled improperly, stored improperly or disposed of improperly, employees or third parties may be injured. This may also result in damage to the environment, for example if waste materials enter the groundwater.

As a result, civil law claims, e.g. for damages or compensation may be asserted against the 4N HPA Company. Improper handling of chemicals can also result in criminal and regulatory sanctions. In the worst case, licences and permits required to operate the factory could be withdrawn from the 4N HPA Company.

The 4N HPA Company maintains various insurance types and amounts that it believes is customary for its business activities, but no assurance can be given that the 4N HPA Company may not be fully insured against all potential hazards incidental to its operations. Insufficient insurance coverage could lead to significant costs for the 4N HPA Company.

The occurrence of one or more of the aforementioned circumstances could have a negative impact on the economic situation of the 4N HPA Company and therefore on the value of the Issuer's shareholding in the 4N HPA Company.

bb) The 4N HPA Company is exposed to risks arising from its business activities in Malaysia, in particular political risks, risks of adverse legislative changes and climate/environmental risks that could lead to increased costs for the 4N HPA Company and could therefore have a negative effect on the Issuer's shareholding in the 4N HPA Company.

After the kaolin has been mined in Australia and transported to Malaysia, it is processed there in the 4N HPA Company's own HPA plant in Johor. Malaysia is one of the so-called emerging markets which are not yet as developed as Western Europe. In addition, Malaysia is also repeatedly exposed to natural disasters, such as seasonal storms and heavy rainfall, which sometimes lead to flooding. It cannot be ruled out that particularly violent storms and heavy rains may destroy existing access roads and bridges. A delay in the processing of kaolin could lead to increased costs for the 4N HPA Company, as costs are nevertheless incurred for personnel or processing equipment. Future political and economic conditions in Malaysia, for example, could also lead to the introduction of restrictions or disadvantages with regard to the activities of foreign companies. This would have a negative effect on the value of the Issuer's shareholding in the 4N HPA Company.

IV. GENERAL INFORMATION

1. Responsibility Statement

Altech Advanced Materials AG having its registered office in Frankfurt am Main, Germany and its business address at Ziegelhäuser Landstraße 3, Heidelberg, Germany (hereinafter referred to as **"AAM AG",** the **"Company"** or the **"Issuer"**) is responsible for the content of this Prospectus. The Company declares that, to the best of its knowledge, the information contained in this Prospectus is in accordance with the facts and that the Prospectus makes no omission likely to affect its import.

Where a claim relating to the information contained in this prospectus is brought before a court, the plaintiff investor might, under the national law of the Member states, have to bear the costs of translating the Prospectus before the legal proceedings are initiated.

2. Forward-looking Statements

This Prospectus includes forward-looking statements. Forward-looking statements are all those statements which are not based on historical or current facts and events. That includes statements in the Sections "III. Risk Factors", "VII. Business Overview" and "Business Performance and Outlook" (G-1) and any information in the Prospectus regarding future financial earning capacity, plans and expectations in relation to AAM AG's business, growth and profitability and the economic conditions which AAM AG is subject to. Forward-looking statements are based on a current assessment which is made to the best of the Company's knowledge. Such forward-looking statements are based on assumptions and influencing factors and are therefore subject to risks and uncertainties. That is why the Sections "III. Risk Factors", "VII. Business Overview" and "Business Performance and Outlook" (G-1), which outline in detail the factors which could exert an influence on the business development of AAM AG, and the segments in which AAM AG is active should be read carefully.

The forward-looking statements are based on current plans, estimates, forecasts and expectations of AAM AG and also on certain assumptions which, although reasonable at the current time in the opinion of the Company, may subsequently prove to be false. Countless factors that are explicitly or implicitly assumed in the forward-looking statements could result in the Company's actual development or its profit or performance deviating significantly from the development, profits or performance.

These factors include, i.a.:

- changes to the general economic, commercial or legal conditions,
- political or regulatory changes,
- changes in the competitive environment of the Company,
- other factors, which are explained in greater detail in the Section "III. Risk Factors"; and
- factors which are not known to the Company at the current time.

If risks or uncertainties arise in one or more instances as a result of these factors or if the underlying assumptions made by the Company prove to be false, it cannot be ruled out that the actual results may differ significantly from those which are assumed, believed, estimated or expected in this Prospectus. As a result, the Company could be inhibited in achieving its financial and strategic goals.

Beyond its statutory obligations, the Company does not intend to update these kinds of forward-looking statements and/or to adapt them in light of future events or developments. Pursuant to Art. 23 of the Prospectus Regulation, the Company is obliged to produce and publish a supplement to the Prospectus if a significant new factor, a material mistake or a material inaccuracy relating to the information included in the Prospectus which may affect the assessment of the securities and which arises or is noted between the time when the Prospectus is approved and the Closing of the offer period or the time when trading on a regulated market begins, whichever occurs later.

3. Source of Market Data, Third Party Reports and Technical Terms

Information in this Prospectus which is derived from third party studies on the market environment, market developments, growth rates, market trends and competitive situation has not been verified by AAM AG. The Company has accurately reproduced any such third party information and, as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. The third party sources cited by the Issuer in this Prospectus are as follows:

- Information on Listed Areas (areas of perceived anhanced risks) by the Joint War Committee; accessed at http://www.lmalloyds.com/lma/jointwar.
- CRU Consulting: CRU Global HPA Outlook 2019.
- Deutsche Bank’s Capital Markets Outlook 2019.
- Commerzbank Economic Research, „Konjunktur und Finanzmärkte“.
- Bain & Company, Global Private Equity Report 2019.
- PricewaterhouseCoopers GmbH, Private Equity Trend Report 2019.
- Deutsche Bank Market Research; *“Welcome to the Lithium-ion Age”*.
- Persistance Market Research; High Purity Alumina Market Global Industry Analysis and Forecast, 2018-2026.
- CRU Consulting: “*High-purity alumina market outlook A report for Altech Chemicals Ltd*”.
- CRU Consulting: “*High-purity alumina market outlook for mezzanine financing*”.
- Data and figures prepared by Altech Chemicals Ltd.

Moreover, information on market environment, market developments, growth rates, market trends and the competitive situation in the segments in which AAM AG is active is based on estimates by the Company.

Any information derived as a result does not come from impartial sources and could therefore deviate from assessments by competitors of AAM AG or future inquiries by independent sources.

Technical terms used in this Prospectus are explained in a glossary at the end of this Prospectus.

4. Statutory Auditor

The Company's financial statements as of 31 December 2019 were audited by MSW GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Straße des 17. Juni 106-108, 10623 Berlin, Germany ("**MSW**") and given an unqualified auditor's report.

MSW is member of the German Chamber of Financial Auditors (*Wirtschaftsprüferkammer*).

5. Presentation of certain Financial Information and of Currency Data

The financial data contained in this Prospectus are mainly taken from the Company's audited financial statements in accordance with HGB.

This Prospectus contains currency information in Euro and US-Dollar. Currency information in euros is identified with the abbreviation "EUR" and currency information in thousands of Euro is identified with "kEUR" before the amount. Currency information in US-Dollar is identified with the abbreviation "USD" and currency information in thousands of Dollar is identified with "kUSD" before the amount. Individual figures in this Prospectus (including percentages) have been rounded in accordance with standard commercial practice. In tables, such figures which are rounded in accordance with standard commercial practice may in some circumstances not add up exactly to the relevant total amounts also specified in the tables.

6. Documents available for Inspection

For the duration of validity of this Prospectus, the following documents may be inspected on the website of the Issuer at www.altechadvancedmaterials.com:

(i) the up to date articles of association of the Issuer

(ii) this Securities Prospectus;

(iii) the Issuer's audited HGB financial statements for the financial year ending 31 December 2019.

7. Statements regarding the Prospectus

This Prospectus has been approved by the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht - „BaFin")* as competent authority under Regulation (EU) 2017/1129. The BaFin only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129. Such approval should neither be considered as an endorsement of the Issuer nor of the securities that are the subject of this prospectus. Investors should make their own assessment as to the suitability of investing in the securities. This prospectus has been drawn up as part of a simplified prospectus in accordance with Article 14 of Regulation (EU) 2017/1129.

V. THE OFFER AND THE ADMISSION TO TRADING

1. Subject of the Offer

This offering relates to the 63,102,080 shares, being registered shares with no-par value (*Stückaktien*) of the Company from a capital increase against contribution in cash resolved by the General Meeting on 12 March 2020, each representing a proportionate amount of EUR 1.00 of the share capital and with full dividend rights as from 1 January 2019 if, upon delivery of the New Shares, a resolution on the appropriation of profits for the financial year 2019 has not yet been passed and, if a corresponding resolution on the appropriation of profits for the financial year 2019 has already been passed, as from 1 January 2020 (the "**New Shares**").

The New Shares will be offered to the public in Germany by way of a subscription rights offering.

The New Shares will be offered to the Company's shareholders for subscription at a ratio of 1:40 (1 existing share entitles to subscribe for 40 New Shares) at a subscription price of EUR 1.10 per New Share (the "**Subscription Offer**"). The company grants its shareholders an oversubscription right at subscription price of EUR 1.10 per new share. Shares which are not to be allocated to the shareholders on the basis of the subscription right or oversubscription right ("**Placement Shares**") may be freely disposed of by the Management Board, in this context a placement price of EUR 1.20 per share is targeted (but not mandatory). The New Shares have not been and will not be registered under Regulation S of the U.S. Securities Act 1933 and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. BankM AG, Mainzer Landstraße 61, D-60329 Frankfurt am Main acts as paying agent (*Zahlstelle*) (the "**Paying Agent**").

Subscribers or purchasers will not be charged any expenses and taxes by the Issuer in connection with the offer.

2. Admission to Trading

In addition to the public offering of 63,102,080 New Shares, the New Shares shall be admitted to trading on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) (General Standard).

Each New Share is a registered share with no-par value (*Stückaktien*) representing a proportionate amount of EUR 1.00 of the share capital and carrying full dividend rights as from 1 January 2019 if, upon delivery of the New Shares, a resolution on the appropriation of profits for the financial year 2019 has not yet been passed and, if a corresponding resolution on the appropriation of profits for the financial year 2019 has already been passed, as from 1 January 2020.

futurum bank AG, Hochstraße 35-37, 60313 Frankfurt am Main, Germany, acts as Sole Bookrunner Runner (the "**Sole Bookrunner**").

3. Expected Timetable

The anticipated timetable for the offering of the New Shares and listing of these is as follows:

19 May 2020	Approval of the Prospectus by the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*, "**BaFin**")
	Publication of the Prospectus on the Company's website
21 May 2020	Publication of Subscription Offer in the German Federal Gazette (*Bundesanzeiger*)
22 May 2020	Commencement of the subscription period
25 May 2020	Book-entry delivery of the subscription rights of the Company's share holders
5 June 2020	End of the subscription period
	Last date for payment of the Subscription Price
6 June 2020 to 28 August 2020	Placement of the New Shares not subscribed for during the subscription period including the oversubscription.
31 August 2020	Announcement of the results of the offer on the Company's website
10 September 2020	Registration of the consummation of the capital increase with the Commercial Register
14 September 2020	Book-entry delivery of the New Shares
	Admission of the New Shares to the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) segment General Standard
15 September 2020	First day of trading for the New Shares at the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) segment General Standard

The Prospectus will be published on the Company's website www.altechadvancedmaterials.com.

4. Offer price and offer period

The offer period within which purchase offers may be submitted begins on 22 May 2020 and ends on 5 June 2020. Investors may submit purchase offers via their custodian bank within this period. Purchase offers are freely revocable until the end of the offer period and may be increased or reduced. In the event of a reduction, any amounts already paid which exceed the amount of the reduced subscription will be repaid without undue delay. The same applies in the event of a revocation of the offers. Multiple subscriptions are permitted. There is no minimum subscription amount. The subscription price per New Share is EUR 1.10 (the "**Subscription Price**"). The company grants its shareholders an oversubscription right at Subscription Price. Any unsubscribed New Shares can be placed in the market. The treatment of the subscriptions and the allotment of New Shares to third parties does not depend on the Company by or through which they are made. There are no conditions for closing the Offer. The earliest date on which the Offer may be closed is the end of the subscription period on 5 June 2020.

The subscription price and issue price, if applicable, must be paid upon exercise of the subscription right, at the latest by 5 June 2020. Any unsubscribed New Shares can be placed in the market, in this context a placement price of EUR 1.20 per share is targeted (but not mandatory).

Investors subscribing within the Subscription Offer may subscribe for New Shares in the manner described in Section 5 below within the Subscription Period specified also in Section 5.

Subscribers who subscribe within the scope of the Subscription Offer will be informed about the result of the subscription via their custodian bank on 8 June 2020. It is not possible to commence trading prior to the announcement. In the event of an oversubscription, the Company will refund to the investors the payments on their subscriptions for which they do not receive any shares within five banking days in Frankfurt am Main after completion of the allotment. There are no other repayment options.

The results of the offer will be announced on the Company's website on 31 August 2020.

The New Shares are expected to be delivered on 14 September 2020. It is however possible, that the Company may decide (in the event that this results in a faster delivery to subscribers) to deliver existing shares provided by existing shareholders by way of a securities lending instead of the shares from the capital increase which is subject of this Prospectus. In this event, an accompanying bank will take over and subscribe for New Shares from the capital increase to the extent that subscription orders and payments have been received and will return the New Shares to the existing shareholders instead of the shares provided by the existing shareholders under the securities lending agreement. However, the Company has not yet made any decision in this regard. A decision will in particular be made on the basis whether the Company can enter into a securities lending agreement with one or several existing shareholders and whether the shares from such securities lending agreement would be sufficient for delivering the shares to all shareholders who have subscribed for New Shares (excluding existing shareholders who would agree that they will not be receiving shares from the securities lending). Therefore it is unclear whether such early delivery with existing shares will take place at all and also when it will take place. To the extent such decision has been made and to the extent this is legally inquired, the Company will issue a supplement to this Prospectus providing details in this regard.

5. Subscription Offer

Set forth below is an English translation of the Subscription Offer. The German-language version materially in line with this draft is expected to be published in the German Federal Gazette (*Bundesanzeiger*) on 21 May 2020.

This Subscription Offer is directed exclusively at existing shareholders of Altech Advanced Materials AG (Not for distribution in the USA, Canada, Japan and Australia).

Altech Advanced Materials AG, Frankfurt am Main
Germany
(ISIN DE000A2LQUJ6 / WKN A2LQUJ)

The General Meeting of Altech Advanced Materials AG (the "**Company**") resolved on 12 March 2020 to increase the Company's share capital from EUR 1,577,552.00 by up to EUR 63,102,080.00 to up to EUR 64,679,632.00 against contributions in cash by issuing up to 63,102,080 new ordinary registered shares, each representing a proportionate amount of EUR 1.00 of the share capital (the "**New Shares**"). The New Shares carry full dividend rights as from 1 January 2019 if, upon delivery of the New Shares, a resolution on the appropriation of profits for the financial year 2019 has not yet been passed and, if a corresponding resolution on the appropriation of profits for the financial year 2019 has already been passed, as from 1 January 2020. They participate in any liquidation surplus in proportion to their arithmetical proportion of the share capital.

futurum bank AG, Hochstraße 35-37, 60313 Frankfurt am Main, Germany ("**futurum**" or the "**Sole Bookrunner**") has agreed pursuant to the underwriting agreement dated 9 March 2020 between the Company and the Sole Bookrunner (the "**Underwriting Agreement**") to offer the New Shares to the shareholders of the Company for indirect subscription at a ratio of 1:40 (1 existing share entitles to subscribe for 40 New Shares) at a subscription price of EUR 1.10 per New Share (the "**Subscription Price**"), subject to the terms set forth below under "- *Important Notice*". The company grants its shareholders an oversubscription right at Subscription Price. Thereafter, any unsubscribed New Shares can be placed in the market, in this context a placement price of EUR 1.20 per share is targeted (but not mandatory).

The consummation of the capital increase is expected to be registered with the Commercial Register on or around 10 September 2020. The consummation of the capital increase may also be registered with the Commercial Register in several tranches.

Subscription of New Shares (Subscription Offer)

The subscription rights (ISIN: DE000A289AZ6 / WKN: A289AZ) for the New Shares (ISIN: DE000A2LQUJ6 / WKN A2LQUJ) are going to be held in a collective deposit account with Clearstream Banking AG, Eschborn and will be booked with effect of 26 May 2020 (the "**Payment Date**") automatically via Clearstream into the deposit accounts of member banks. Relevant for the calculation of the respective subscription rights of shareholders is the number of shares held by the end of 23 May 2020 (the "**Record Date**"). From the beginning of the subscription period on, old shares will be traded "ex subscription right".

To avoid exclusion from the exercise of their subscription rights, shareholders are requested to exercise their subscription rights to purchase New Shares

from 22 May 2020 to 5 June 2020 (each including) (the "Subscription Period")

through their custodian bank during regular business hours (the "**Subscription Period**"). Subscription rights lapse and are of no value if they are not exercised within the stipulated period. No compensation will be payable for subscription rights not exercised. There are no conditions for the closing of the offer. The date on which the offer may be closed at the earliest, is the end of the Subscription Period.

Oversubscription Right

In addition to the exercise of their subscription rights, the Company grants its shareholders an oversubscription right at Subscription Price, which can be exercised during the Subscription Period.

Payment of Subscription Price

The Subscription Price as well as the price of any oversubscription must be paid no later than 5 June 2020.

Trading in Subscription Rights

The subscription rights are transferable. Neither the Company nor the Sole Bookrunner will apply for trading in subscription rights with respect to the New Shares. Since stock market trading is not intended for the subscription rights, there will be most likely no market price for the subscription rights.

Form and Delivery of the New Shares

The New Shares (ISIN DE000A2LQUJ6 / WKN A2LQUJ) will be (alone or together with existing shares of the Company) represented by a global share certificate, which is expected to be deposited for collective custody with Clearstream Banking AG, Mergenthalerallee 61, 65760 Eschborn, Germany on 14 September 2020. Pursuant to the Company's articles of association, shareholders are not entitled to have their shares evidenced by individual share certificates. New Shares purchased in connection with the offering will be delivered in book-entry form after the registration of the consummation of the capital increase, which is expected to occur on 10 September 2020, unless the Subscription Period is extended. The Company may decide (in the event that this results in a faster delivery to subscribers) to deliver existing shares provided by existing shareholders by way of a securities lending instead of the shares from the capital increase which is subject of this Subscription Offer. In this event, an accompanying bank will take over and subscribe for New Shares from the capital increase to the extent that subscription orders and payments have been received and will return the New Shares to the existing shareholders instead of the shares provided by the existing shareholders under the securities lending agreement. However, the Company has not yet made any decision in this regard. A decision will in particular be made on the basis whether the Company can enter into a securities lending agreement with one or several existing shareholders and whether the shares from such securities lending agreement would be sufficient for delivering the shares to all shareholders who have subscribed for New Shares (excluding existing shareholders who would agree that they will not be receiving shares from the securities lending). Therefore it is unclear whether such early delivery with existing shares will take place at all and also when it will take place. To the extent such decision has been made and to the extent this is legally inquired, the Company will issue a supplement to the securities prospectus providing details in this regard. The New Shares hold the same rights as all other shares of the Company (including full dividend rights as from 1 January 2019 if, upon delivery of the New Shares, a resolution on the appropriation of profits for the financial year 2019 has not yet been passed and, if a corresponding resolution on the appropriation of profits for the financial year 2019 has already been passed, as from 1 January 2020) and do not convey any additional rights or advantages.

Shareholders can obtain information about the actual delivery of the New Shares from their respective custodian bank. Trading in New Shares is not available before the crediting of such shares to the shareholders' account.

Commissions

The custodian banks may charge a customary bank commission in connection with the purchase of New Shares. The Company will not charge any commission or fees to subscribers.

Admission to Trading and Listing of the New Shares

The application for admission to trading of the New Shares on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) (General Standard) is expected to be submitted on 8 September 2020, and is expected to be approved on 14 September 2020. The New Shares are expected to be included in the existing listing of the Company's shares as from 15 September 2020.

Placement of Unsubscribed New Shares

Any New Shares that are not subscribed for in the Subscription Offer or within the scope of the oversubscription right will be offered to retail investors and qualified investors by way of a private placement (the "**Private Placement**") in certain jurisdictions other than the United States of America in accordance with the exemptions under Regulation S of the U.S. Securities Act 1933, as amended, ("**U.S. Securities Act**"), Canada, Australia and Japan, in this context a placement price of EUR 1.20 per share is targeted (but not mandatory). The New Shares have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except pursuant to available exemptions from the registration requirements under the Securities Act.

Important Notice

Prior to making a decision to exercise subscription rights for the New Shares, shareholders and investors are advised to carefully read the securities prospectus dated 18 May 2020, for

the public offering and admission of the New Shares ("Prospectus") and to take particular note of the risks described in the "Risk Factors" section of the Prospectus and to consider such information when making their decision. In light of the current high volatility of equity prices and the market environment, shareholders should inform themselves of the Company's current share price before exercising their subscription rights for the New Shares at the Subscription Price.

The Sole Bookrunner is entitled to terminate the Underwriting Agreement or to decide, together with the Company, to extend the period of the Subscription Offer under certain circumstances.

If the Sole Bookrunner terminates the Underwriting Agreement or the Company withdraws from the Subscription Offer before the implementation of the capital increase has been registered with the Commercial Register, shareholders' subscription rights will lapse without compensation.

Accordingly, investors who have acquired subscription rights would suffer a complete loss in such case. However, if the Sole Bookrunner terminates the Underwriting Agreement after the registration of the capital increase in the Commercial Register, shareholders and purchasers of subscription rights who have exercised their subscription rights may be forced to acquire New Shares at the Subscription Price, a withdrawal of the shareholders and those acquiring subscription rights is no longer possible in such case.

Allotment criteria

First, New Shares will be allotted in accordance with exercised subscription rights. Thereafter, New Shares will be allotted to existing shareholders who exercise the oversubscription right. Any remaining New Shares thereafter will be allotted to investors who subscribed in the course of the Private Placement on the basis of the quality of the individual investors and individual orders and other important allotment criteria to be determined by the Company.

The allocation to private investors will be compatible with the "Principles for the Allotment of Share Issues to Private Investors" published by the Commission of Stock Exchange Experts (*Börsensachverständigenkommission*). "Qualified Investors" (*qualifizierte Anleger*) under the German Securities Prospectus Act (*Wertpapierprospektgesetz*), as well as "professional clients" (*professionelle Kunden*) and "suitable counterparties" (*geeignete Gegenparteien*) as defined under the German Securities Trading Act (*Wertpapierhandelsgesetz - WpHG*), are not viewed as ''private investors'' within the meaning of the allocation rules. Multiple subscriptions by the same investors are permitted.

Selling Restrictions

The distribution of this document and the sale of the New Shares may be restricted by law in certain jurisdictions. No action has been or will be taken by the Company to permit a public offering of the New Shares anywhere other than Germany or the possession or distribution of this document in any other jurisdiction, where action for that purpose may be required.

The New Shares are not and will not be registered pursuant to the provisions of the Securities Act or with the securities regulators of the individual states of the United States. The New Shares may not be offered, sold or delivered, directly or indirectly, in or into the United States except pursuant to an exemption from the registration and reporting requirements of the United States securities laws and in compliance with all other applicable United States legal regulations.

The Company does not intend to register either the offering or any portion of the offering in the United States or to conduct a public offering of shares in the United States.

Availability of Prospectus
The Prospectus has been published on the Company's website www.altechadvancedmaterials.com. The approval of the Prospectus by BaFin is not to be understood as an endorsement of the securities offered. Potential investors should read the Prospectus before making any investment decision in order to completely understand the potential risks and chances of the decision to invest in the securities.

Altech Advanced Materials AG
The Management

6. Existing listing

At the date of the Prospectus all of the existing shares of the Company's existing share capital consisting of 1,577,552 registered shares, each representing a proportionate amount of EUR 1.00 of the share capital are listed in the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) (General Standard). The New Shares shall be admitted to trading on regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) (General Standard).

7. ISIN/WKN/Ticker Symbol

Existing shares and New Shares:

International Securities Identification Number (ISIN):	DE000A2LQUJ6
German Securities Code (WKN):	A2LQUJ
Ticker Symbol:	AMA1

8. Form and securitization

The New Shares are registered and have no par value (no-par value shares). The form of the share certificates is determined by the Management Board. A certificate (global certificate) may be issued for several shares of a shareholder. Only global certificates will be issued for all shares of the Company. In accordance with the Articles of Association, shareholders are not entitled to individual or multiple share certificates, to the extent permitted by law. However, the Company is entitled to issue share certificates representing one or more shares against reimbursement of costs. All shares of the Company shall be represented by one or more global certificates deposited with Clearstream Banking AG, Mergenthalerallee 61, 65760 Eschborn, Germany. The investors will receive a credit entry for their shares in their collective custody account.

9. Dividend rights, Share of liquidation surplus, voting rights

The New Shares have full dividend rights as from 1 January 2019 if, upon delivery of the New Shares, a resolution on the appropriation of profits for the financial year 2019 has not yet been passed and, if a corresponding resolution on the appropriation of profits for the financial year 2019 has already been passed, as from 1 January 2020. Each New Share grants one vote at the General Meeting. They participate in any liquidation surplus in proportion to their arithmetical proportion of the share capital.

10. Dilution

If and as far existing shareholders do not exercise their subscription rights in regards to the present offer to the full extent, their percentage of the capital stock of the Issuer will decrease and thus also the weight of their voting rights. In case of a complete placement of the Placement Shares offered with third parties who are not shareholders so far, the proportion of the capital / voting rights of the existing shareholders will be reduced by a total of 97.6% to 2.4% of the capital.

The net book value per share on 31 December 2019 calculated on the basis of the Issuer's financial statements was EUR 0.31. The net book value per share is calculated by deducting the amount of liabilities (on 31 December 2019 EUR 849,032.89) from the amount of total assets (on 31 December 2019 EUR 1,334,712.00) and dividing this by the number of outstanding shares (on 31 December 2019 1.577.552). The amount of the net issue proceeds depends on the placement price determined for the New Shares. If a placement price of EUR 1.10 is accepted and the New Shares are placed in full, and on the basis of the estimated issue costs, the Issuer would receive net issue proceeds of EUR 65 million. If the New Shares had already been issued on 31 December 2019 and the Issuer would have received this amount on 31 December 2019, the net book value per share would have been approximately EUR 1.02 (calculated on the basis of the maximum increased number of shares after placement of the New Shares). This would have meant an immediate increase in the book value of the balance sheet equity of approximately EUR 0.71 per share of the existing shareholders and a dilution for the subscribers of the Placement Shares of EUR 0.08 per share.

11. Commissions

The custodian banks charge the usual bank commission for the subscription of the securities offered, the amount of which shall be determined by the bank of the respective subscriber.

12. Consent for the use of the prospectus by financial intermediaries

For as long as this prospectus is valid, the Issuer gives its consent to the use of the Prospectus by all credit institutions licensed in accordance with Art 4 number 1 of Directive 2006/48/EC to trade securities (each a "**Financial Intermediary**") for final placement in Germany and accept responsibility for the content of the Prospectus also with respect to the subsequent resale or final placement of securities by and Financial Intermediary which was given consent to use the Prospectus. There are no other clear and objective conditions which apply to the authorisation or which are relevant to the use of the prospectus. The offer period, during which the subsequent resale or final placement can take place, starts at 6 June 2020 and ends at 28 August 2020.

Should any possible new information be available with regard to financial intermediaries, which was not known at the time of approval, this will be announced immediately on the website www.altechadvancedmaterials.com.

In the event of an offer being made by a financial intermediary, the financial intermediary will provide information to investors on the terms and conditions of the offer at the time the offer is made.

Any financial intermediary using the prospectus has to state on its website that it uses the prospectus in accordance with the consent and conditions attached thereto.

13. Selling restrictions

The distribution of this prospectus and the sale of the New Shares may be restricted by law in certain jurisdictions. No action has been or will be taken by the Company to permit a public offering of the New Shares anywhere other than Germany or the possession or distribution of this document in any other jurisdiction, where action for that purpose may be required.

The New Shares are not and will not be registered pursuant to the provisions of the Securities Act or with the securities regulators of the individual states of the United States. The New Shares may not be offered, sold or delivered, directly or indirectly, in or into the United States except pursuant to an exemption from the registration and reporting requirements of the United States securities laws and in compliance with all other applicable United States legal regulations.

The Company does not intend to register either the offering or any portion of the offering in the United States or to conduct a public offering of shares in the United States. This prospectus has been approved solely by the BaFin.

Accordingly, neither this document nor any advertisement or any other offering material may be distributed or published in any jurisdiction other than Germany except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this prospectus comes are required to inform themselves about and observe any such restrictions, including those set out in the preceding paragraphs. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

14. Costs of the Offer

The total costs of the Offer depend on how many shareholders exercise their subscription rights/oversubscription rights and how many shares may be placed otherwise. The estimated total cost of the issue/offer is approximately EUR 4.0 million assuming complete placement.

15. Underwriting Agreement

a. Subject

The Company and the Sole Bookrunner concluded an underwriting agreement on 9 March 2020 (the "**Underwriting Agreement**"). In the Underwriting Agreement, the Sole Bookrunner undertook to subscribe for the New Shares in accordance with the Underwriting Agreement and subject to the fulfilment of certain conditions. The Sole Bookrunner will transfer the proceeds from the placement of the New Shares after deduction of agreed commissions to the Company at the time of delivery of the New Shares.

b. Withdrawal

The Underwriting Agreement provides that the Sole Bookrunner, under certain circumstances, may withdraw from the Underwriting Agreement and from its obligations to assume the New Shares as stipulated therein. If there is a withdrawal from the Underwriting Agreement, which may occur until the entry of the implementation of the capital increase into the Commercial Register, the Offer will not take place, allocations already made to investors will be invalid and the investors will have no claim to delivery of the New Shares. Any claims with respect to subscription fees already paid and any costs incurred by an investor in connection with the subscription shall be governed solely by the legal relationship between the investor and the institution to which it has submitted its subscription offer. If investors have sold New Shares before they have been delivered to them in book-entry form and their delivery obligations under the respective purchase agreement can no longer be fulfilled after the Sole Bookrunner withdraws from the Underwriting Agreement, the relevant legal consequences will arise solely from the relationship between the investor and its purchaser.

c. Indemnification

In the Underwriting Agreement, the Company has undertaken to indemnify the Sole Bookrunner against certain liabilities that may arise in connection with the Offer.

VI. GENERAL INFORMATION ON THE COMPANY

1. Registered Office, Financial Year, duration of the Company, Corporate Purpose

Altech Advanced Materials AG is a public limited company under German law having its registered seat in Frankfurt am Main, Germany. The Company's address is Ziegelhäuser Landstraße 3, 69120 Heidelberg, Germany, telephone number +49 6221 649 240. The Issuer's website is www.altechadvancedmaterials.com. Information on the website does not form part of the Prospectus unless it is incorporated by reference into the Prospectus.

Following a transfer of the registered office to Heidelberg, Altech Advanced Materials AG was registered with the commercial register of the District Court of Mannheim under HRB 731927 on 16 November 2018. On 12 March 2020, the Extraordinary General Meeting of the Company resolved to transfer the registered office to Frankfurt am Main. The transfer of the registered office has been entered in the commercial register of the District Court of Frankfurt am Main under HRB 118874 on 16 April 2020. The financial year of Altech Advanced Materials AG runs from 1 January to 31 December of the same year. The duration of the Company is not limited to any predetermined period. The Issuer's legal entity identifier (LEI) is 529900PVUKFVG9GDEQ03.

According to Clause 2 of the Company's Articles of Association, the statutory purpose of the Company is the management of companies and the administration of investments in companies which are able to act in the following areas of business in particular: extraction and processing of raw materials, chemicals, manufacturing and distribution of all types of packaging and paper products. In particular, the object of the company includes the acquisition, holding, administration and sale of investments in companies, their consolidation under uniform management and their support and advice, including the provision of services for these companies. The activities of the companies do not include any transactions or services requiring approval. The Company may also operate itself in the business segments mentioned. The Company is entitled to carry out all transactions and to take all measures which are related to the purpose of the Company or which appear directly or indirectly necessary for its fulfilment. The Company may also set up secondary branches in Germany and abroad, establish or acquire other companies or participate in such companies.

The Company's legal and commercial name is "Altech Advanced Materials AG". Other commercial names are not used.

2. The Creation and historical Development of the Issuer

Altech Advanced Materials AG (former: Youbisheng Green Paper AG) was incorporated on 4 March 2011 with its registered office in Cologne, Germany, and was registered with the commercial register of the District Court of Cologne under HRB 72130.

On 20 April 2011, the Company acquired all shares in GUI XIANG Industry & Co. Ltd. with registered office in Hong Kong which were brought into the Company by way of a post-formation (*Nachgründung*) from the following companies:

a) Hong Kong Kai Yuan International Investment Holdings Limited with registered office in Hong Kong,
b) Yong Chang International Holdings Limited with registered office in Tortola, British Virgin Islands,
c) Zhong Guan Investments Limited with registered office in Tortola, British Virgin Islands,
d) Hachinger Investments Limited with registered office in Hong Kong and
e) Asia Paper Group Limited with registered office in Singapore.

The Issuer's General Meeting on 21 April 2011 approved this agreement and also resolved to increase the share capital by EUR 9,950,000.00 from EUR 50,000.00 to EUR 10,000,000.00. The post-formation agreement was entered into the commercial register on 18 May 2011. As of this date, the Issuer served as the holding company of in GUI XIANG Industry & Co. Ltd., a Chinese manufacturer of environment-friendly paper which is called Linerboard. The operational business was conducted by GUI XIANG Industry & Co. Ltd.'s subsidiaries Quanzhou Guige Paper Co. Ltd. located in Quanzhou City, Fujian Province, China and Hubei Guige Paper Co. Ltd. located in Huanggang City, Hubei Province, China. Youbisheng Green Paper AG held a majority indirect interest in these companies. At that time, the business purpose of the Company was the management of companies and the administration of investments in companies which are active in the following business segments in particular: Production of all types of packaging and paper products, as well as their distribution. The Issuer itself did not conduct any operational business.

The Issuer's Initial Public Offering took place in July 2011 and the shares were admitted to trading on the Regulated Market (*regulierter Markt*) (Prime Standard) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*).

In 2014, the Issuer lost control over its Chinese subsidiaries. It turned out that the Issuer had no means of influencing its operating subsidiaries, so that neither profit transfers were made nor the liquidity required for the Issuer was provided by its subsidiaries. Profit transfer agreements with the subsidiaries did not exist, with the result that it was not possible to enforce them. As a result, the company had to file for insolvency. By resolution of the District Court of Cologne dated 13 August 2014, Dr. Christoph Niering was appointed provisional insolvency administrator for the assets of the Issuer.

The Issuer's subsidiary Youbisheng UG (haftungsbeschränkt) with a share capital of EUR 1.00 was founded during insolvency proceedings and was entered in the Commercial Register of the District Court of Cologne under HRB 82568 on 20 October 2014. It merely acted as a vehicle for exercising the management function at the level of Gui Xiang Industry Co. Limited, Hong Kong.

At the request of the provisional insolvency administrator, the listing was changed from Prime Standard to General Standard on 29 December 2014.

On base of the opinion and report of the provisional insolvency administrator dated 22 December 2016, the opening of insolvency proceedings concerning the assets of the Issuer took place by resolution of the District Court of Cologne dated 3 January 2017. On 17 October 2017, an insolvency plan concerning the assets of the Issuer was submitted to the competent court.

By resolution of the District Court of Cologne dated 22 February 2018, the insolvency proceedings concerning the assets of the Issuer were rescinded after the confirmation of the insolvency plan dated 17 October 2017 had become legally binding (Sec. 258 (1) German Insolvency Act) (*Insolvenzordnung - InsO*)).

On 30 August 2018, Youbisheng UG (haftungsbeschränkt) was cancelled ex officio due to lack of assets.

On 14 September 2018 the General Meeting decided to transfer the head office from Cologne, Germany to Heidelberg, Germany. On 16 November 2018 the Company was registered with the commercial register of the District Court of Mannheim under HRB 731927.

The shareholding in Gui Xiang Industry Co Limited, and thus the indirect shareholdings in Quanzhou Guige Paper Co. Ltd. and Hubei Guige Paper Co. Ltd., were sold by way of an auction on 15 May 2019.

On 12 March 2020 the General Meeting decided to transfer its registered seat from Heidelberg, Germany to Frankfurt am Main, Germany. On 16 April 2020 the Company was registered with the commercial register of the District Court of Frankfurt am Main under HRB 118874.

3. Group structure

The Issuer is not part of a group and does not have any subsidiaries, only very small minority shareholdings. Former subsidiaries of the Issuer have all been sold as of the date of this Prospectus (cf. Section VI. GENERAL INFORMATION ON THE COMPANY 2. The Creation and historical Development of the Issuer). After its insolvency proceedings the Issuer just started its business as a holding company with its statutory purpose, the management of companies and the administration of investments in companies.

VII. BUSINESS OVERVIEW

1. Key Markets and Market Factors

Introduction

AAM AG is a holding company, making investments into private and / or listed companies in which the Company assumes a good risk / return ratio. The Issuer's focus hereby is on companies in the following sectors: raw material extraction and processing, chemicals, manufacture of all types of packaging and paper products and their distribution. AAM has no geographical focus and is open to minority and / or majority investments. Currently, the Issuer has the unsecured opportunity to acquire up to 49% of the shares in the 4N HPA Company currently 100% held by Altech for up to USD 100 million. However, the Issuer is also interested in additional or alternative investments.

The Capital Markets

As a holding company, AAM AG is exposed to market factors on the capital market. The Issuer expects, negative political stress factors in particular to result in greater capital market fluctuations.

"Stock market volatility is likely to increase and stock selection will become more important, as global uncertainty continues and the US bull market shows early signs of exhaustion." is the summary of Schroders Outlook 2020 on Global equities[3]. Political tensions, such as the US-China trade war and Brexit will remain in the forefront, with poor sentiment undermining global capital spending and growth. The Coronavirus has now added huge uncertainty to global economic outlook and the global equity markets have turned into bear markets as a result global equities loosing over 30% in valuation from their highs in a matter of just three weeks. Uncertainty is currently the main aspect as the global economic effect of the Coronavirus can currently not be predicted. There was already in the beginning of 2020 a wider than average disparity between sectors offering perceived safety and stability (such as utilities, real estate and consumer staples), and those exposed to global trade. However, global themes such as climate change, energy transition, sustainability, disruption and innovative healthcare are expected to become more prevalent, which is also the current focus of AAM AG.

Global growth in 2019 has been slowing and this was expected to likely continue in 2020 as trade wars and political turmoil persist. Economic data had worsened significantly in many countries around the world. In January 2020 the International Monetary Fund[4] projected global growth to rise from an estimated 2.9 percent in 2019 to 3.3 percent in 2020 and 3.4 percent for 2021—a downward revision of 0.1 percentage point for 2019 and 2020 and 0.2 for 2021 compared to the projections in the October 2019 World Economic Outlook ("**WEO**"). The downward revision primarily reflected negative surprises to economic activity in a few emerging market economies, notably India, which led to a reassessment of growth prospects over the next two years. In a few cases, this reassessment also reflected the impact of increased social unrest. On the positive side, market sentiment had been boosted by tentative signs that manufacturing activity and global trade were bottoming out, a broad-based shift toward accommodative monetary policy, intermittent favorable news on US-China trade negotiations,

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[3] https://www.schroders.com/de/ch/asset-management/insights/markets/outlook-2020-global-equities/

[4] World Economic Outlook Update, January 2020

and diminished fears of a no-deal Brexit, leading to some retreat from the risk-off environment[5] that had set in at the time of the October 2019 WEO. However, few signs of turning points are yet visible in global macroeconomic data.

In the OECD ECONOMIC OUTLOOK Interim Report March 2020 [6]it was concluded that the coronavirus (COVID-19) outbreak has already brought considerable human suffering and major economic disruption. Growth prospects though remain highly uncertain.

Based on the economic outlook and the current market valuations, with the average P/E-Ratio (calculated as share price divided by earnings) for the S&P500 being 18.6, and hence still notably over its long-term average of a P/E-Ratio of 14.8. Management of the Company expects the capital markets will remain with considerable volatility. There is also considerable risk, given the effects of the outbreak of the coronavirus and the duration, and even the effect, thereof on global economy and, hence, capital markets is currently too early to predict. However, management currently assumes that capital markets will bottom out over the next three to six months with a very fair potential to re-bounce over the coming twelve to eighteen months, not last due to the amount of liquidity that most likely will be put into the market and the increasing delta between bond and dividend yields.

The Private Equity Markets

According to Schroders Outlook 2020 for Private Equity[7] large buyouts and “unicorns” look expensive, but segments with high barriers to entry - especially at the smaller end of the market - look more compelling. Also investors’ emphasis on environmental, social and governance (ESG) is expected to increase further in 2020, which aligns well with private equity’s long timeframes and higher engagement but also with the Issuers intentions to acquire a stake in Altech Australia.

Private Equity is starting 2020 with USD 1.5 trillion in unspent capital and hence with more cash than ever before according to an article from Bloomberg[8]. Low interest rates, the rise of index-tracking funds and years of lackluster hedge fund performance have pushed investors to private equity in search of higher returns. While deal activity was down slightly on 2018, 2019’s figures were still strong with about USD 450 billion worth of PE deals in 2019, as firms continued to eye larger targets. Obviously the amount of unspent capital has driven valuations upwards in the need of the funds to deploy their capital. However, smaller and medium size businesses remain to look more attractive from a valuation perspective according to the Schroders report[9].

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[5] An environment in which investors avoid taking risks.

[6] OECD ECONOMIC OUTLOOK Interim Report March 2020

[7] https://www.schroders.com/de/ch/asset-management/insights/markets/outlook-2020-private-equity/Bain & Company, Global Private Equity Report 2019, p. 3. Market outlook 2020: Private equity - Asset management – Schroders, p. 1

[8] https://www.bloomberg.com/news/articles/2020-01-02/private-equity-is-starting-2020-with-more-cash-than-ever-before, p. 1

[9] Market outlook 2020: Private equity - Asset management – Schroders p.

Turning attention to the European PE Market in particular, the market grew further in 2019 by 16%. With about USD 260 billion worth of PE deals according to the Private Equity Trend report 2020 by PWC.[10] and the majority of the industry participants (55%) remain optimistic also for 2020.

Based on this environment the Company expects that considerable investment opportunities will arise over the foreseeable future, however that finding investments with a good risk / reward ratio, such as the 4N HPA Company, will remain to be difficult given the rising asset prices due to the availability of capital.

2. Key Activities

The Issuer just started its business activities as a holding company with its focus on companies in the following sectors: raw material extraction and processing, chemicals, manufacture of all types of packaging and paper products and their distribution.

3. Material contracts outside the ordinary course of business

The Issuer did not enter into any material contract outside its ordinary course of business within the two years immediately preceding the date of the Prospectus.

4. Material contracts inside the ordinary course of business

Option agreement to subscribe up to 49% of the shares in the 4N HPA Company

On 17 July 2019 the Issuer signed a Subscription, Sell-Back and Sell-Back Put Option Deed (the "**Deed**") with Altech and the 4N HPA Company, providing the Issuer with the right (option) to acquire up to a 49% of the shares in the 4N HPA Company for up to USD 100 million. For this right, the Company paid Altech a fee of EUR 500,000.00 in cash. The option is available to be exercised by the Company at the earlier of project financial close (which is defined within the Deed as the date on which Altech's wholly owned Malaysian subsidiary Altech Chemicals Sdn Bhd may draw down the KfW IPEX Bank loans of USD 190 million from a separate financing agreement in connection with the project financing of the HPA plant but in any event no later than 1 January 2021). The Option is to be exercised using liquidity which the Issuer intends to raise as part of the capital increase subject to this Prospectus as well as further financing in an amount of up to EUR 28.5 million that the Issuer currently is searching for.

The Issuer has the right to acquire a minimum of 10% (for a pro-rata amount of USD 20.4 million) up to a maximum of 49% of the Shares in the 4N HPA Company (for the full amount of USD 100 million). Should the Issuer not have sufficient funds available to subscribe to the minimum amount of shares in the 4N HPA Company (USD 20.4 million), then the Issuer may elect to subscribe to shares in Altech Chemicals Ltd., subject to the approval of the shareholders of Altech Chemicals Ltd. Such shares are

[10] PricewaterhouseCoopers GmbH, Private Equity Trend Report 2020, p. 18 and p. 44

to be priced at a 15% discount to the 10 day volume weighted average price of the shares as traded on the Australian Securities Exchange.

At the end of a six-year period after project financial close, the Issuer must sell-back to Altech all acquired shares in the 4N HPA Company for a price that would deliver the Issuer a return of 15% p.a. on its initial acquisition cost (the sell-back). Altech is obliged to repurchase the shares in the 4N HPA Company. Altech has the option to trigger the Issuer to sell-back its shares in the 4N HPA Company at any time prior to the 6th anniversary of project financial close at a purchase price that would deliver the same annual return of 15%. The Issuer may cancel its sell-back obligation at any time by paying a cancellation fee of USD 10,000.00 to Altech, thereby retaining its shares in the 4N HPA Company and not selling-back.

5. Investments

On 17 July 2019, the Issuer signed an option agreement with Altech Chemicals Limited and the 4N HPA Company, allowing it to acquire up to 49% of the shares in the 4N HPA Company for up to USD 100 million. For this option, the Issuer had to pay a fee in the amount of EUR 500,000.00 in cash after closing. The Issuer intends to use the proceeds of the issue from the capital increase subject of this Prospectus as well as further sources of financing to fund the acquisition of the Shares in the 4N HPA Company.

Currently there are no concrete plans for any further investments.

6. Legal and Arbitration Proceedings

From time to time, the Issuer is affected by claims and lawsuits in connection with its ordinary business activities. During the previous twelve months the Issuer has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) which may have, or have had in the recent past significant effects on the Issuer’s financial position or profitability.

7. Additional Information on Start-Ups

Business plan

For the next two financial years, the Issuer's business plan envisages acquiring a minority shareholding in the 4N HPA Company. The precise percentage of the acquired shareholding depends on the amount of proceeds from the capital increase subject to this Prospectus as well as from the acquisition of additional sources of financing. The Issuer aims to acquire a 49% of the shares in the 4N HPA Company which would require a total financing for the purchase price of USD 100 million. In addition, no further concrete acquisition of shares is planned in the next two financial years, although this is not ruled out in the event of corresponding opportunities. To implement this business plan, the Issuer assumes that EUR 62 million of the proceeds from the capital increase will be used for the acquisition and that the remaining amount required to acquire the full 49% of the shares in the 4N HPA Company (up to EUR 28.5 million) will be obtained from further financing sources. The Issuer is currently in discussions with potential financing partners regarding further financing sources (in particular regarding loans and mezzanine financing forms, like subordinated loans with variable interest rates). Currently, there is no secured financing for the acquisition costs exceeding the net proceeds of the offering.

Sensitivity analysis

If the proceeds plus additional financing the Issuer searches are not sufficient to acquire the entire 49% of the shares in the 4N HPA Company, the Issuer may use the proceeds to acquire a correspondingly smaller interest of the shares in the 4N HPA Company. If the proceeds are not sufficient to acquire 10% of the shares in the 4N HPA Company, the Issuer may use the proceeds to acquire shares in Altech Chemicals Ltd., such shares to be priced at a 15% discount to the 10 day volume weighted average price of the shares as traded on the Australian Securities Exchange, subject to the approval of Altech Chemicals Ltd shareholders. If this is not attractive from the Issuer’s perspective, the Issuer might consider other investment opportunities in this sector.

Key persons

The Issuer's business does not depend on certain key persons.

Current and expected market competitors

To the Issuer's knowledge, there are no current competitors with a focus on investments in sectors raw material extraction and processing, chemicals, manufacture of all types of packaging and paper products and their distribution. In the opinion of the Issuer, there are no concrete indications that such competitors may emerge in the future.

Dependence on a limited number of customers / suppliers

The Issuer does not depend on a limited number of customers or suppliers.

Assets required for production that are not owned by the Issuer.

The Issuer does not require any assets for production that are not owned by the Issuer.

VIII. THE 4N HPA Company

As described in chapter *"XIV. 2. Reasons for the Offer and Use of Proceeds"* the Issuer is currently i.a. interested in purchasing an interest in the 4N HPA Company. Therefore the Issuer entered into an option agreement allowing it to purchase a minority interest (up to 49%) in the 4N HPA Company. The following section therefore provides information on the key markets and the key activities of the 4N HPA Company.

1. Key Markets and Market Factors of the 4N HPA Company

Introduction

The 4N HPA Company intends to become a cost efficient supplier of HPA through the construction and operation of a 4,500tpa high purity alumina processing plant at Tanjung Langsat, Johor, Malaysia through its wholly-owned subsidiary, Altech Chemicals Snd Bhd in Malaysia ("**Altech Malaysia**"). Feedstock for the HPA plant will be sourced from the kaolin deposit at Meckering, Western Australia owned by the 4N HPA Company's 100%-subsidiary Altech Meckering Pty Ltd. ("**Altech Meckering**") in Australia and shipped to the HPA processing plant in Malaysia.

HPA Market

Through the planned investment in the 4N HPA Company, the market factors of the HPA market also affect the Issuer indirectly.

About High Purity Alumina (HPA)

High purity alumina is the purest form of the commercially-produced aluminium oxide with a minimum purity level of 99.99% (4N). HPA is white in appearance and typically granular in form; its value is significantly higher than aluminium oxides of less than 4N purity.

HPA Market and Demand

HPA is a high-value, high margin and highly demanded product as it is the critical ingredient required for the production of synthetic sapphire. Synthetic sapphire is used in the manufacture of substrates for LED lights, semiconductor wafers used in the electronics industry, and scratch-resistant sapphire glass used for wristwatch faces, optical windows and smartphone components. Currently, there is no substitute for HPA in the manufacture of synthetic sapphire.

The primary demand for synthetic sapphire is in its use in the manufacture of substrates for LED lights, where a synthetic sapphire wafer is used as the host upon which the LED's electronics are placed

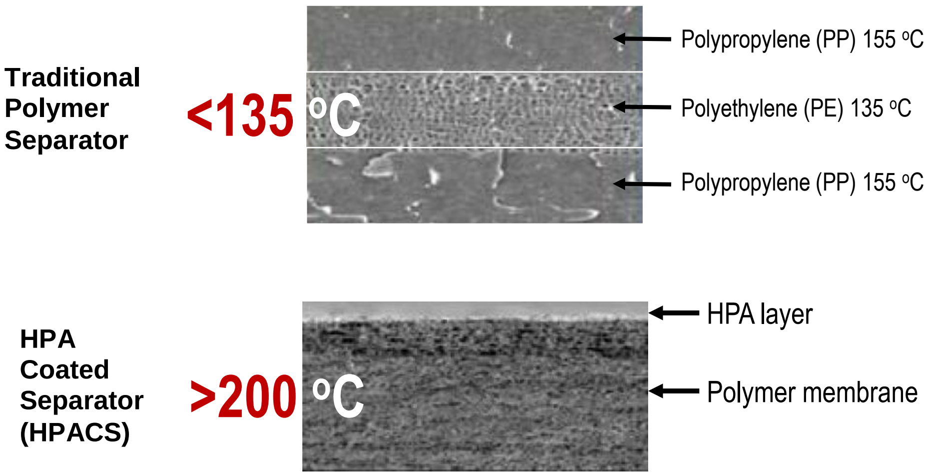
Sapphire is second only to diamond when it comes to hardness; this attribute combined with its scratch-resistance has seen conventional uses of synthetic sapphire glass for applications such as wristwatch faces and camera lenses, optical windows and components for smartphones and other handheld devices.

The manufacture of synthetic sapphire glass requires the production of large single crystal boules made from melting 4N HPA; the synthetic sapphire wafers are then cut and shaped in various sized diameters depending on their target end-use; there is no substitute for HPA in the manufacture of these sapphire crystal boules and therefore synthetic sapphire.

Recently, HPA consumption has witnessed growth from other applications, such as the lithium-ion battery ("**LIB**") sector, where HPA is increasingly used as the material for the coating of the separator within a LIB.

HPA is applied to the polymer separator sheets that separate the battery anode and cathode. Traditionally, the majority of LIB separators are based on polyethylene ("**EP**") or polypropylene ("**PP**") which have been adequate for incumbent cathodes such as lithium-ion phosphate ("**LPF**"), lithium manganese oxide ("**LMO**") and lithium cobalt oxide ("**LCO**"). However, with electronic devices and electric vehicle demanding ever smaller batteries and increased energy density, the trend is towards nickel manganese cobalt ("**NMC**") cathodes to accommodate the higher energy density. One of the trade-offs for a smaller, compact and more energy intense battery is higher batter operating temperature, and this is where HPA becomes extremely important. The particle size of HPA used as the coating for this application is ultra-fine, less than 1 micron, which Altech's HPA plant production aims to achieve.

Figure 1 – LIB separator sheets



Source: Altech Chemicals Ltd.

Lithium-ion batteries using separator sheets coated with HPA consume between 40-120g of HPA per kilowatt-hour ("**kWh**"). With a forecast rapid expansion of the LIB market driven by the demand for electric vehicles and green energy power storage (solar and wind), HPA consumption in the LIB sector alone is forecast to rise significantly. According to a LIB market research report published by Deutsche Bank (2016), LIB usage is forecast to rise more than 7-fold, from 70GWh per year in 2015 to 535GWh per year by 2025.[11]

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[11] Deutsche Bank Market Research; *"Welcome to the Lithium-ion Age"*; published on 9 May 2016; introduction.

HPA Pricing, Supply and Market Dynamics

The most common variants of alumina and HPA, with associated indicative prices are:

- Smelter Grade Alumina (SGA) (99.5% Al2O3 purity): USD 400/t
- 3N HPA (99.9% Al2O3 purity): USD 6,000/t
- 4N HPA* (99.99% Al2O3 purity): USD 15,000/t – USD 40,000/t (or USD 15/kg to USD 40/kg)
- 5N HPA (99.999% Al2O3 purity): USD 50,000/t

*Altech's target HPA product grade

Current HPA supply

There are a small number of HPA producers globally. The seven largest HPA producers supply around 63% of the global HPA market according to Persistence, Sumitomo Chemicals of Japan is estimated to dominate global high purity alumina market in terms of volume by 2016 end. Its share in overall HPA market volume is estimated at 16,6% by 2016 end[12].

Current market standard for the production of HPA is using highly processed feedstock such as aluminium metal or aluminium sulphate; on which then one of four re-processing methods for HPA production is being applied; hydrolysis of aluminium; choline hydrolysis of aluminium; thermal decomposition of ammonium aluminium sulphate; or thermal decompression of ammonium aluminium carbonate hydroxide.

Because established HPA producers use a refined aluminium metal product as feedstock, current HPA production costs have been estimated to be significantly higher than those for Altech's HPA project. Altech has the advantage of using kaolin (ore) feedstock that is very low in both sodium (Na) and iron (Fe), impurities that are not ideal for HPA processing. Aluminium metal typically has higher levels of sodium and iron, which are known to impact the processing of HPA, and can increase processing costs.

Overall:

- Existing supply of global HPA is dominated by large diversified chemicals companies and is highly concentrated in the Asia Pacific region (>80%);
- Major HPA producers tend to be business conglomerates that derive a low proportion of total revenue from HPA production (e.g. less than 5% for Sumitomo Chemicals);
- Significant opportunity exists for specialty HPA producers to bridge the looming HPA supply shortage, in particular those HPA producers with lower processing costs because of the use of alternative feedstock materials such as kaolin clay;
- There is significant advantage to be derived from a large scale, lower cost HPA producer and being first to market, because of long development lead times, substantial capital outlay, product qualification periods and the customer relationship building required.

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[12] Persistance Market Research; High Purity Alumina Market Global Industry Analysis and Forecast, 2018-2026 (Revision Oct 2018) p. 139

HPA Market outlook

In the Issuer's opinion, the HPA market is both opaque and dynamic – as it adjusts to the rapidly evolving change in demand being imposed by the LIB sector. A HPA market outlook report was prepared for Altech by CRU Consulting ("**CRU**"), a London headquartered independent commodity analyst. The forecast concluded:

Strong 4N+ HPA Demand Growth Forecast

The unconstrained demand forecast for 4N+ (99.99% or greater) HPA, the market segment that Altech's plant is designed to supply, is significantly stronger than CRU had forecast in its previous market report, completed in 2018. The previous 4N HPA demand was estimated at 92,900 tonnes by 2025.[13] In its recent market report, CRU estimated 4N+ HPA could in theory grow at 30% p.a. from 19,000 tonnes p.a. (2018) to 272,000 tonnes (2028), but that this growth will be constrained by limited supply availability and that a spike in HPA prices would likely result from a large-scale deficit.[14]

CRU estimates that the market for HPA in powder form used in LIB separators could reach 187,000 tons p.a. by 2028 if sufficient supply were available – Altech's planned 4,500 tons p.a. of production would only be small part of this. Meanwhile, HPA in the pellet/bead form used in light emitting diodes ("**LEDs**") is forecast to reach 85,000 tonnes p.a. by 2028, and is expected to exhibit greater price inelasticity, since synthetic sapphire is by far the most widespread substrate material used in the solid-state lighting industry.

In explaining its 4N+ HPA market growth forecast, CRU stated that:

- the demand for ceramic coated separators ("**CCS**") in LIB applications is genuine and will rapidly proliferate, as more energy-dense batteries arrive to serve the surging electric vehicle market;

- manufacturing trends in LED production – which itself has an excellent growth trend – have recently moved in favour of larger sapphire wafers, which will have profound (positive) consequences for the 4N+ HPA market – the push for defect-free 6" and 8" wafers will drive demand for higher purity HPA feedstock; and

- CRU commented positively on Altech's plan to produce HPA in either pellet or powder form, stating that Altech "*should be able to adapt its product mix to meet developments in the market, allowing it to maximise its ability to place all of its output once it begins operating, and to target the industry offering the highest purchase prices*".

HPA – Consistent Quality is Key

In its quality commentary, CRU reported that historically the major suppliers of 4N+ HPA have been *Sumitomo* and *Nippon Light Metal* in Japan, *Baikowski* in France and the US, and *Sasol* in the US and Germany. In recent years, Chinese production has increased markedly, but product quality is variable

[13] CRU Consulting: "High-purity alumina market outlook A report for Altech Chemicals Ltd" (14 June 2018) p. 10
[14] CRU Consulting: "High-purity alumina market outlook for mezzanine financing" (25 June 2019) p. 39

and much of it is below that of the established producers – typically at the 99.9-99.99% level, and thereby falling into the “cost-conscious” segment of the HPA market (smaller LED wafers and sub-optimal LIB separators).

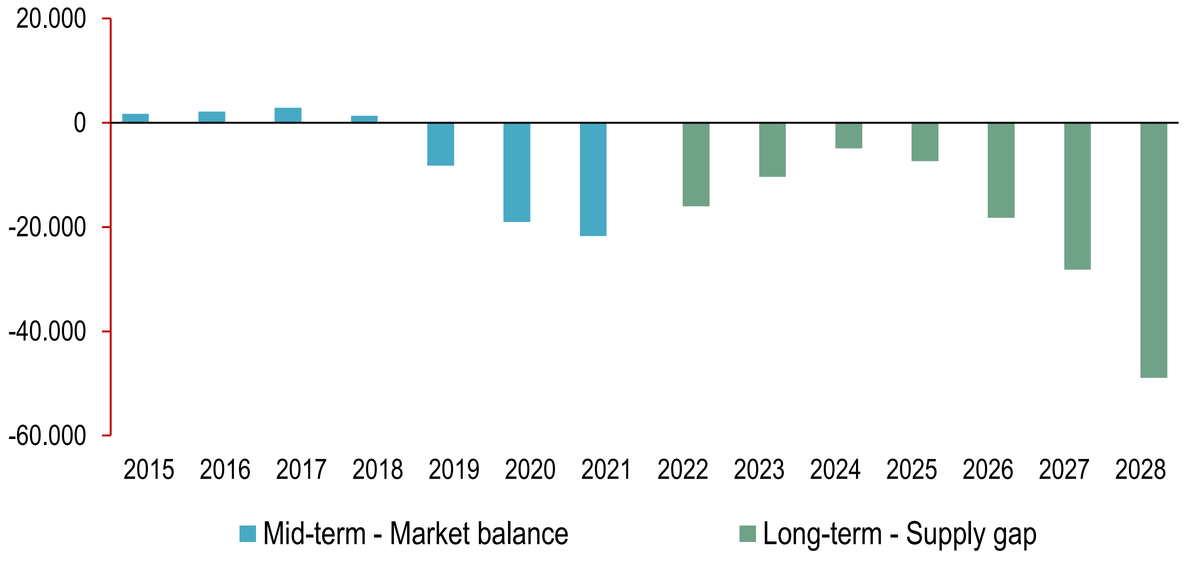
The CRU report cites anecdotal evidence from numerous market participants that separator manufacturers are actively seeking out high quality HPA for their coatings, although much lower-cost HPA (i.e. 3N) is also supplied into the CCS market. CRU’s analyst team accept the rationale that increased HPA purity has a number of positive effects – greater potential life cycle of the LIB cell, and a reduced chance to build up dendrites that compromise the safety the cell (which is of special concern to EVs). In LIB CCS applications, any sodium and iron impurities carried through to finished product HPA are particularly concerning to consumers, since the former interferes with the uptake of lithium ions, and the latter is magnetic and contributes to the build-up of dendrites.

Significant HPA Supply Shortfall

In estimating the future 4N+ HPA demand and supply balance, CRU took into account all projects approaching or at pre-feasibility stage, as well as announcements for any planned changes in production from existing producers. CRU noted the expected capacities put forth by these companies and filtered them through their standardised Project Gateway Methodology, to arrive at reasonable assumptions for the ultimate volumes of HPA supplied to the market by the new entrants and existing producers, as well as the timing of such supply.

Even after constraining the modelled demand profile to reflect a forced move towards 99.9% alumina in the LIB CCS market (for all but the most demanding EVs) because of the forecast shortfall of 4N+ HPA supply, the report concluded an impending significant market deficit, where supply – even in a very optimistic scenario – could not keep pace with the level of 4N+ HPA demand. The results of the constrained analysis show a large apparent 4N+ HPA short term deficit (blue bars in Figure 2) that is briefly alleviated by Altech and a number of announced HPA hopefuls in the 2022-24 period, before the supply gap begins to increase again in 2025f (green bars in Figure 2, below), reaching ~50,000 tonnes p.a. of shortfall by the end of the forecast period (2028).

Figure 2 - CRU base case market balance and supply gap for 4N+ HPA, 2015-2028, tons



Source: CRU Global HPA Outlook 2019

Impact of CRU Forecasts on Altech's Final Investment Decision Study

In its market outlook report, CRU provided a long term price forecast (2022-2028), which is higher than what had been adopted by Altech in its Financial Investment Decision Study ("**FIDS**") model. CRU's prices begin to rise from 2020 due to the expected market deficit, further supported by anticipated increases in production costs.

Adopting CRU's price forecast, Altech has calculated that the average annual sales revenue for its 4,500tpa HPA project would increase from USD 120 million to USD 144 million p.a. The discounted cash flow or net present value (NPV) would increase by 32% from USD 505 million to USD 669 million and the EBITDA at the full production rate would increase by 31%, from USD 76 million to USD 100 million p.a.

HPA Sales and Off-take

In April 2016 Altech announced that it had signed an off-take sales agreement for all HPA production with Mitsubishi. The agreement appoints Mitsubishi as the exclusive buyer of Altech's HPA production and the agreement will commence on the date of the first shipment of final HPA product and be for an initial period of 10 years. Under the terms of the Agreement, Altech must sell its HPA only to Mitsubishi and Mitsubishi may only purchase HPA from Altech, and both parties (Altech and Mitsubishi) have set specific off-take target sales quantities, with sales price to be at the prevailing market price for HPA. Mitsubishi will receive a fee of 5% on the final sale price of HPA.

2. Key Activities of the 4N HPA Company

The 4N HPA Company - Altech Chemicals Australia Pty Ltd.

The 4N HPA Company is aiming to become an in its opinion cost efficient supplier of 99.99% (4N) high purity alumina (Al_2O_3) through the construction and operation of a 4,500tpa HPA plant in Johor, Malaysia. Feedstock for the HPA plant will be sourced from the 4N HPA Company's 100%-owned kaolin deposit at Meckering, Western Australia and shipped to the HPA processing plant in Malaysia.

The 4N HPA Company holds a 100% interest in Altech Chemicals Snd Bhd, Malaysia, which has commenced the construction of, and intends to operate the 4,500tpa high purity alumina processing plant at Johor, Malaysia. The 4N HPA Company also holds a 100% interest in Altech Meckering Pty Ltd., Australia, which holds the mining licence for the kaolin deposit at Meckering, Western Australia.

Project Net Present Value (NPV) is estimated at USD 505 million applying a discount rate of 7.5%. Payback of the 4N HPA Company is 4.5 years calculated as the time until the cumulative free cash flow of the 4N HPA Company reaches nil after the investment phase. The 4N HPA Company's financial forecast shows a gross margin on sales of 63%, being revenues less cost of goods sold, and an annual EBITDA of USD 76 million at full production, with EBITDA being calculated as the net income adding back taxes, interest and depreciation / amortization charges. The internal rate of return (IRR) is 22% based on the 4N HPA Company's free cash flow forecast. A summary of the key financial metrics and key assumptions is set in the tables below.

Key Financial Metrics and Assumptions of the 4N HPA Company (all figures unaudited and established by the Issuer)

	USD	
Project Capex	**297.6**	million
Corporate Costs	**7.7**	million
Opex p.a.*	**44.6**	million
NPV	**505.6**	million
Revenue p.a.	**120.3**	million
EBITDA p.a.	**75.7**	million

HPA Selling Price	**USD 26.90**	per kg
Cost of production^	**USD 9.90**	per kg
Gross Margin	**63**	%
Discount Rate	**7.5**	%
Payback	**4.5**	years
IRR	**21.9**	%

* Includes ramp-up working capital costs of approximately USD 2.1 million p.a.

^ Includes selling costs of approximately USD 1.35 per kg, and overhead costs of USD 0.47 per kg.

The project estimates were made by Altech as follows and relate to 100% of the 4N HPA Company:

Capex: Comprises, USD 280 million fixed-price lump-sum engineering, procurement and construction ("**EPC**") contract value for the construction of the Malaysian HPA plant by German engineering firm SMS group GmbH ("**SMS**"); AUD 3.345 million (USD 2.5 million) fixed-price lump-sum EPC contract value for construction of the Meckering kaolin container loading facility by Perth based Simulus Engineering Pty Ltd.; USD 5.25 million for the purchase of land for the HPA site in Malaysia and land covering the Meckering Mining Lease; Insurance during construction USD 2.9 million; and working capital the initial kaolin mining campaign of USD 6.95 million.

Corporate Costs: Are the estimated pre-operating working capital costs during the 24-month estimated 4N HPA Company construction period.
Opex p.a.: Is the estimated annual cost to operate the 4N HPA Company including overhead costs, at the assumed 4,500 tpa production rate. Operating cost estimates include all labour, electricity, gas, hydrogen chloride and other reagents, spare parts, insurance, kaolin mining and transportation costs, the costs to sell and ship the finished HPA, and all other consumables and incidental costs that are estimated to be incurred each year.
NPV (Net Present Value): All of the future 4N HPA Company cash flows (including pre-operating working capital costs) over the assumed 30-year project life, were discounted to present value using a discount rate of 7.5%.
Revenue p.a.: Is the estimated annual revenue (gross) from the estimated sales of HPA, once full production of 4,500 tpa is achieved.
Cost of production: Is the estimated cost of producing one kilogram of HPA (including overhead costs and selling costs) at the HPA plant's full production rate of 4,500 tpa.
Payback: Is the period of time in years, that the before tax un-discounted cash flows generated from the 4N HPA Company (including pre-operating working capital costs) will be equal to the total capex cost of USD 297.6 million.
Discount rate: is the estimated weighted average cost of capital for the 4N HPA Company.
Internal rate of return: The discount rate, that if applied to the future estimated cash flows from the 4N HPA Company (including pre-operating working capital costs) for the 30-year project life, would result in a NPV of zero.
EBITDA: Is the revenue minus all costs but excluding interest, taxes and depreciation.

HPA plant capacity is 4,500tpa and assumptions for operating costs, HPA selling price, HPA plant production ramp-up, exchange rates, total envisaged debt, and the confirmed German government export credit finance amount reflect current conditions and outlooks.

The scope of the Meckering facility is minor compared to the HPA plant and the associated capital costs are a relatively small fraction of the total project costs. For the HPA plant in Malaysia, significant engineering and test work has been conducted by Altech in order to reduce the risk of product contaminations (for example, roasting tests, special linings in the ACH roaster and HPA calciner). All major capital costs expected for Johor HPA plant in Malaysia are covered by the SMS EPC contract. The final fixed-price lump-sum EPC with SMS contract includes completion, throughput and process/quality guarantees.

Altech group of companies

Altech, the current 100% owner of the 4N HPA Company, is an Australian public company with in excess of 2,500 shareholders. Its shares are listed in the ASX. It has no other business than its high purity alumina project.

Some of the various companies that comprise the Group are:

Altech Chemicals Australia Pty Ltd. is the holding company for Altech's HPA project, currently 100% owned by Altech. The 4N HPA Company owns 100% of the shares of Altech Meckering and

100% of the shares of Altech Malaysia, it also owns all of the patents, patent applications, trademarks and trademark applications for the HPA process that will be employed by Altech Malaysia.

Altech Meckering Pty Ltd. is 100% owned by the 4N HPA Company and this company 100% owns the Meckering kaolin deposit, the Meckering Mining Lease and the freehold land within which the Mecking Mining Lease sits. Altech Meckering will supply all of the kaolin required by Altech Malaysia for its HPA plant; Altech Malaysia will be its sole customer.

Altech Chemicals Snd Bhd Malaysia is 100% owned by the 4N HPA Company and this will 100% own the HPA plant that is currently under construction in Johor, Malaysia.

<u>HPA Project Background</u>
In October 2017, Altech published its FIDS for the development of a 4,500tpa HPA plant in Malaysia, sourcing feedstock from its 100% owned Western Australia kaolin quarry.

The FIDS was a comprehensive and detailed study of the technical and commercial viability for the construction and operation of a 4,500tpa HPA processing plant at Tanjung Langsat Industrial Complex, Johor, Malaysia, and the associated development of a campaign quarrying and container loading operation at the Company's 100%-owned kaolin deposit at Meckering, Western Australia to provide feedstock for the HPA plant.

The FIDS identified the preferred chemical processing method and associated design for the HPA plant; the preferred mining method for the Meckering kaolin deposit; and other infrastructure requirements and capacities for the 4N HPA Company. Detailed capital cost and operating cost estimates were obtained from prospective suppliers, contractors, or expert consultants, enabling detailed financial modelling of the proposed development.

Overall, Altech anticipates that its proposed HPA plant will be in the bottom quartile of the production cost curve for the world's HPA producers.

The FIDS established that Altech's HPA project is a financially robust business case; and that the 4N HPA Company is a high margin, high value proposition. Considering the technical and commercial analysis presented in the FIDS, the Company proceeded to the funding phase of the 4N HPA Company, and concurrently the finalisation of permitting and approvals; and in early 2019 commenced plant construction.

HPA from Kaolin
The production of alumina or aluminium oxide from kaolin (or "**aluminous clay**") is not a new concept. Compared to the Bayer refining and Hall-Heroult smelting techniques, which are process technologies widely used for the industrial scale production of SGA from bauxite ores, the chlorination (or acid processing) of alumina containing clays (such as kaolin) promised many advantages historically and as a result industry spent many years perfecting technologies for the extraction of alumina from clays.

During the 1980's the United States of America's Bureau of Statistics conducted pilot plant trials to determine other feedstock materials' capability for producing smelter grade alumina (>99.5% $Al2O3$), given the depleting availability of proximate bauxite resources in the US. Kaolin, "aluminous clay" or alumina-bearing clays combined with hydrochloric (HCl) acid-based processing was demonstrated to be ideal for producing aluminium oxide, however, aluminium oxide of very high purity (>99.99% $Al2O3$). This was primarily due to the absence of sodium ions in the kaolin/clay feedstock (the presence of sodium irons in refined alumina feedstock such as aluminium metal or aluminium sulphate causes processing complexities). However, due to the limited demand at the time for an aluminium oxide product of such high purity the HCl processing technology for extracting alumina from clays did not commercialize. Instead, the Bayer/Hall-Heroult process, which was unable to economically produce HPA, continued as the only processing technology for large-scale commercial production of SGA using bauxite ore as feedstock.

HPA plant construction

Altech officially signed the USD 280 million fixed-price lump-sum turn-key EPC contract for construction of the HPA plant with SMS group GmbH on 20 November 2018, in Dusseldorf, Germany and Stage-1 of HPA plant construction activities commenced in February 2019 following the grant of requisite permits from local authorities. As at 31 December 2019 Altech had spent approximately AUD 27.6 million (~USD 18.5 million) on Stage 1 and 2 construction activities.

Status of the Altech HPA Project

Since start, Altech Australia's HPA project has completed the following key milestones:

- securing USD 190 million of senior project finance debt with KfW IPEX-Bank (achieved in December 2017):
- finalizing and executing the HPA plant construction contract with SMS group GmbH (achieved in November 2018);
- finalizing and executing the construction contract with Simulus Engineering Pty Ltd for the Meckering container loading facility (achieved in December 2018); and
- commencing construction of the Malaysian HPA plant (commenced February 2019).

Altech's HCl Process Development

Since 2011 Altech has undertaken test work to confirm and refine the application of HCl processing of kaolin sourced from its Meckering kaolin deposit in Western Australia for the production of HPA. Successful laboratory scale test work was initially conducted in Perth, Western Australia by forensic and analytical chemists TSW Analytical Pty Ltd ("**TSW**"). By early 2014 larger scale batch processing of kaolin sourced from a bulk-trial test pit at Meckering commenced, being undertaken by the Simulus Engineering Pty Ltd; a Perth-based hydrometallurgical and mineral process services group; TSW continued to provide analytical services during the large scale batch processing trials.

Batch processing included the bulk wet processing of representative samples of future run-of-mine ("**ROM**") kaolin from Meckering to optimize and confirm the beneficiation flow sheet. Beneficiated kaolin was then subjected to HCl processing, which involved calcination; acid leaching to produce aluminium chloride; crystallization of aluminium chloride; two stages of purification; roasting for acid recovery; and final calcination for the production of finished product HPA.

Results enabled the optimization of Altech's HCl process flow sheet as well as the simplification of the final HPA plant design. Significantly, the batch processing results confirmed that the HCl "kaolin to HPA direct route" was valid for the kaolin sourced from Altech Australia's Meckering deposit. The process flow sheet has been further refined during the final detailed engineering and design phase, predominantly at the back-end of the HPA plant after roasting.

Altech Australia is patenting its HPA production process and has lodged 7 patent applications in Australia, the first of which was granted during 2018, the other patent applications are pending. Altech Australia has also lodged patent applications in Malaysia and Europe for its method of HPA processing and manufacture, these patents are also pending.

In Altech's opinion, its HPA production process is not dependent on the award of any of the Patents that it has applied for. The purpose of the Patent applications is to afford Altech Australia the exclusive right to the use of the HPA production process that it developed for the patent protection period within the jurisdictions where the patents applications were made, which in the case of a standard patent is for a period of 20 years (Australia, Europe, Malaysia), and for an Innovation Patent for a period of 8 years (Australia).

Meckering Kaolin Deposit

The 4N HPA Company's Meckering kaolin deposit contains high-quality primary kaolin that is extremely low in impurities (sodium and iron) and is therefore in the Issuer's opinion an ideal feedstock for the 4N HPA Company's HPA processing plant.

The Meckering deposit is located approximately 130km east of Perth in Western Australia. The deposit is easily accessible by road via the Great Eastern Highway, which is a well-maintained all weather national highway linking Perth with Kalgoorlie; the Great Eastern Highway is the western portion of the main road link between Perth and the eastern states of Australia.

Mining lease M70/1334 was granted over the Meckering deposit on 19 May 2016 by the Western Australian Department of Mines and Petroleum ("**DMP**") and is approximately 86 hectares in size; Altech Australia's wholly-owned subsidiary Altech Meckering Pty Ltd is the registered tenement holder and the Altech Australia holds a 100% interest.

In October 2017 Altech Meckering Pty Ltd exercised its option to purchase the freehold land (a portion of Lot 1 on Deposited Plan 33289 approximately 92.9575 hectares) over the boundaries of its ML M70/1334, as per a pre-negotiated purchase agreement executed with the freehold landowner.

Ore Reserve

In October 2016 a maiden Ore Reserve estimation (JORC 2012) was published for the Meckering kaolin deposit (over granted mining lease M70/1334). JORC refers to the Australasian mining industry's official code for reporting exploration results, mineral resources and ore reserves, and is managed by the Australasian Joint Ore Reserves Committee. The mine plan and pit design delineated the Ore Reserve estimation, which supports the kaolin feedstock requirements for a HPA processing operation for a 30-year mine-life. The mineral resources estimation would support a HPA processing operation for over 250 years.

The designs were based on the Measured and Indicated materials of the JORC 2012 Resource provided by the Altech's independent geological consultants Geos Mining in August 2016.

Mining schedule

The feedstock for Altech Australia's HPA plant in Malaysia will be supplied from the Altech Meckering Pty Ltd's open-cut kaolin mine at Meckering, Western Australia. The proposed processing rate will involve a kaolin ore delivery rate of approximately 43,500 tpa for a target production rate of 4,500 tpa by the Malaysian HPA plant. At this rate of production, the Meckering kaolin deposit is capable of satisfying the plant's kaolin requirements well beyond the plant-life.

The proposed mining schedule will provide a planned processing plant feed for the initial three years at a delivery rate of approximately 20,750 wet tpa of ore, before increasing to the steady rate of 43,500 wet tpa over the balance of the initial 30 year operation. The mining of each stage will be by a mining contractor extracting approximately 136,000 wet tons of ore over a two to three month period. Mining will take place during the summer to avoid wet conditions. The ore will be stockpiled on the Run of Mine stockpile on site and from there the annual loading/screening of mined kaolin into containers will take place, with approximately 37 containers moved per week each with a 22t capacity; transported approximately 130km by road to the port of Fremantle. During the mining campaign phase, the contractor staff numbers will be in the region of seven people consisting of six operators and one shift supervisor with a Restricted Quarry Manager qualification to take up the statutory duties associated with the mining activities. Maintenance personnel will present on-site on an as required basis.

Raw kaolin will be supplied by Altech Meckering Pty Ltd to Altech Chemicals Sdn Bhd (Altech's Malaysian subsidiary) under a supply agreement (executed 1 March 2017).

Altech Australia has selected a mining contractor (the "**Contractor**") to undertake the Meckering campaign mining operations on a contract basis. Mining fleet for the 4N HPA Company will include an excavator, articulated dump trucks, a tracked dozer, water truck, road rollers and a front-end loader. By Western Australian standards, the kaolin mining operation that will be undertaken by the Contractor is small in terms of the volume of the material to be moved and the equipment deployed. The mine is located in established farm-land with no nearby residents.

Approximately 1.36Mt of ore will be mined over 30 years in 10 mining campaigns or stages. The mining contractor will conduct the mining campaigns at three-yearly intervals and the mine will therefore be a simple quarry-style operation. Of the 1.36Mt to be mined, the first mining campaign is planned in construction Year-2 for 140,500t of kaolin, and 147,800t of waste to be extracted; the campaign will last between two and three months and the resultant kaolin will be stockpiled on the ROM stockpile.

Logistics/Freight

Altech Australia's Meckering kaolin project is located approximately 8km south of the wheatbelt town of Meckering. Access to the site is via the Great Eastern Highway followed by several route options via both sealed and unsealed roads that provide direct access to the site.

Haulage of the approximately 43,500tpa of kaolin product from the site will be undertaken by Altech Australia's freight partners with approximately 37 containers per week transported by road (approximately 130km) to the port of Fremantle, Western Australia.

From Fremantle port, the weekly consignment of approximately 37 containers will be transported by sea directly to the Malaysian container port of Tanjung Pelepas, and finally by road (approx. 90km) to the HPA plant at the Tanjung Langsat Industrial Complex.

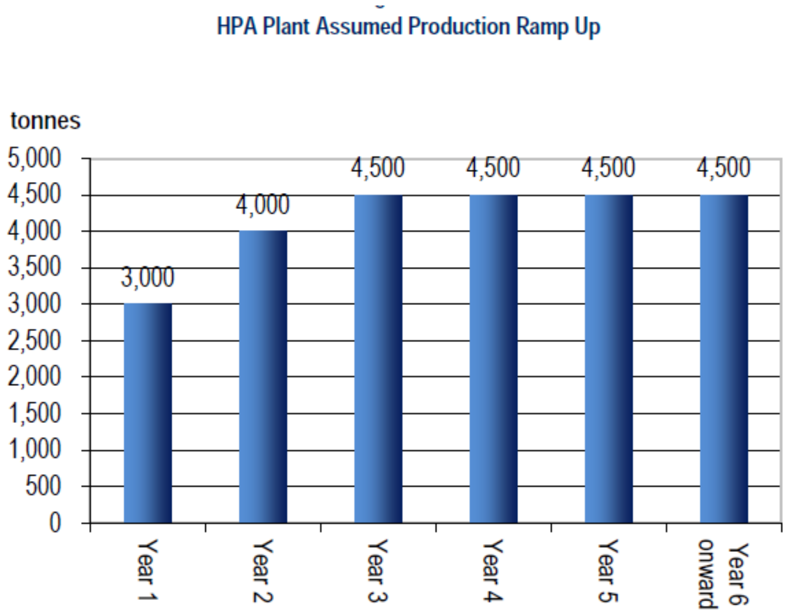
Customs import clearance in Malaysia will be arranged by a Malaysian agent. A supply of at least 20 filled containers will be maintained at the HPA plant. Storage capacity will be up to 40 filled containers and 20 empty containers. Empty containers will be returned to the port by the delivery truck.

Production ramp-up

Altech Malaysia's HPA production ramp-up schedule provides for three (3) years until full capacity and steady state production are attained. The maximum capacity of the plant is planned to be 4,500tpa HPA production. To meet the ramp-up schedule all equipment is appropriately sized and unit processes tested to qualify.

Construction of the Malaysian HPA plant commenced in January 2019. Initial site establishment works were completed by mid-February 2019, with the transition to Stage 1 construction activities completed during the month. Stage 1 construction works includes bulk earthworks; extensive foundation piling; the construction of retaining walls; underground storm water/process discharge tanks ("**OSD tanks**"); construction of the site electrical sub-station structure; and construction of a maintenance workshop. In May 2019, first steel was raised for the maintenance workshop and in mid-July 2019, Altech reported that structural steel erection for the maintenance workshop frame and roof was complete, along with cladding of the roof and canopy; retaining wall construction at the site was 90% complete and that development of the OSD tanks was proceeding to plan. Assuming that site construction activities transition as planned from Stage-1, to Stage-2 and then to the balance of construction works, it is currently anticipated that HPA plant commissioning would commence in the fourth quarter of 2021, and that towards the end of this period the first production of HPA would be forthcoming.

Figure 3 – HPA Plant Assumed Production Ramp Up



Source: Altech Chemicals Ltd

IX. CAPITALISATION AND INDEBTEDNESS; WORKING CAPITAL

1. Capitalisation and indebtedness

The following table provides an overview of the capitalisation and indebtedness of the Issuer as at 31 March 2020 (unaudited data from the Issuer's accounting department). The information was compiled in accordance with the accounting regulations of the HGB.

	31 March 2020 HGB (unaudited) kEUR
Total current debt	160
of which guaranteed	0
of which secured	0
of which unguaranteed/unsecured	160
Total non-current debt (excluding current portion of long- term debt)	108
of which guaranteed	0
of which secured	0
of which unguaranteed/unsecured	108
Shareholder's equity	374
Share capital	1,578
Legal reserve	0
Other reserves	-1,204
Capitalization (total)	**642**

2. Liquidity and Net Financial Debt

The following table shows the Issuer's liquidity and net financial debt as of 31 March 2020. This data is unaudited and has been prepared in accordance with HGB.

	31 March 2020 HGB (unaudited) kEUR
A. Cash	134
B. Cash equivalent	0

C. Trading securities	0
D. Liquidity (A)+(B)+(C)*	**134**
E. Current financial receivables	**0**
F. Current bank debt	0
G. Current portion of non-current debt	0
H. Other current financial debt	160
I. Current financial debt (F)+(G)+(H)	**160**
J. Net current financial indebtedness (I)-(E)-D	**26**
K. Non-current bank loans	0
L. Bonds issued	0
M. Other non-current loans	0
N. Non-current financial indebtedness (K)+(L)+(M)	**0**
O. Net financial indebtedness (J)+(N)	**26**

3. Indirect liabilities and contingent liabilities

The Issuer did not have any indirect liabilities or contingent liabilities as of 31 March 2020.

4. Working Capital Statement

The Issuer is of the opinion that it is in a position to meet its payment obligations that become due within at least the next twelve months from the date of this Prospectus.

X. DIVIDEND POLICY, EARNINGS AND DIVIDEND PER SHARE

The share of the Company's profits to be distributed to/received by shareholders is based on the shares they hold in the share capital, unless otherwise resolved by the General Meeting. The resolution concerning the distribution of dividends for a given financial year with respect to shares of the Company is adopted by the ordinary General Meeting of the subsequent financial year on a proposal submitted by the Management Board and the Supervisory Board. There are no preferential rights for the Company. The dividend becomes immediately due unless the General Meeting decides otherwise in a profit appropriation resolution in certain cases or amendments to the statutes in general. The right to receive payment of a dividend lapses after three years, with the three-year period commencing as of the close of the year in which the relevant resolution in the appropriation of profits was adopted. Dividends which have lapsed are retained by the Company.

Dividends may only be paid from the balance sheet profit recorded in the financial statements of the Company prepared in accordance with the German Commercial Code (*HGB*). All shares to which this Prospectus refers bear full dividend entitlement as from 1 January 2019 if, upon delivery of the New Shares, a resolution on the appropriation of profits for the financial year 2019 has not yet been passed and, if a corresponding resolution on the appropriation of profits for the financial year 2019 has already been passed, from 1 January 2020. When determining the amount available for distribution, the result for the financial year (annual net profit loss) must be adjusted for profit/loss carry-forwards of the previous year and releases of or allocations to reserves. Certain reserves are required to be set up by law. When the Management Board and the Supervisory Board are adopting the annual financial statements, they may transfer an amount equivalent to up to 50% of the profit for the financial year to the other revenue reserves within the meaning of section 266 para. 3 A No. III.4 HGB; in addition, they are authorised to transfer a further amount of up to 50% of the remaining profit for the year to other retained earnings provided that the other retained earnings do not exceed half of the Company's share capital and provided that they would not exceed half of its share capital after these amounts had been transferred. In calculating the portion of the net profit to be allocated to other revenue reserves, the amounts required to be allocated to the statutory reserve and any carried-forward loss must be deducted from the net income first. There are no dividend restrictions and procedures for non-resident holders.

The Issuer has not distributed any dividends during the period of historical financial information.

In the future, the Company is striving towards a dividend policy which considers the interests of both shareholders and the Company's general situation. Future dividend payments will be dependent on the Company's profit situation, financial situation, liquidity requirements, the business situation of the markets in which the Issuer is active, as well as the tax and regulatory environment.

XI. ORGANS

1. Management Board

The Company's Management Board is currently composed of the following members:

Hansjörg Plaggemars, resident in Stuttgart, Germany, US citizen

Mr Plaggemars studied business administration at the University of Bamberg from 1990 to 1995. Mr Plaggemars has been a freelance management consultant since June 2017 and is a board member of various companies within the scope of projects. Until April 2018, he was a member of the board of Delphi Unternehmensberatung AG and previously a member of the board of Deutsche Balaton AG.

The following overview shows the functions Mr Plaggemars has performed in the last five years as a member of an administrative, management or supervisory body or as a partner (i.e. shareholder of a partnership) in companies outside the Issuer:

Company	Function	From - to
BCT bio Cleantec AG	Management Board	January 2020 - present
Ming Le Sports AG	Management Board	July 2019 - present
Decheng Technology AG	Management Board	May 2019 - present
Snowbird AG	Management Board	September 2018 - present
MARNA Beteiligungen AG	Management Board	May 2018 - present
S&O Agrar AG	Management Board	December 2017 - present
Alpha Cleantec AG	Management Board	August 2017 - present
Balaton Agro Invest AG	Management Board	June 2017 - present
Strawtec Group AG	Management Board	December 2016 - present
OOC CTV Verwaltungs GmbH	Managing Director	January 2016 - present
Delphi Unternehmensberatung AG	Management Board	June 2017 - April 2018
Deutsche Balaton AG	Management Board	October 2014 - May 2017
KIN Mining NL	Non-Executive Director	July 2019 - present
4basebio AG	Supervisory Board	July 2019 - present
Nordic SSW 1000 Verwaltungs AG	Supervisory Board	January 2016 - present
Carus AG	Supervisory Board	June 2015 - present
Deutsche Balaton Immobilien I AG	Supervisory Board	October 2014 - present
Ming Le Sports AG	Supervisory Board	July 2016 - June 2019
Youbisheng Green Paper AG	Supervisory Board	April 2015 - September 2018
Biofrontera AG	Supervisory Board	May 2016 - March 2019
Eurohaus Frankfurt AG	Supervisory Board	June 2017 - October 2018
HW Verwaltungs AG	Supervisory Board	April 2020 - present

The Grounds Real Estate Development AG	Supervisory Board	April 2020 - present
Stellar Diamonds plc.	Non-Executive Director	November 2015 - May 2018
Azure Minerals Limited	Non-Executive Director	November 2019 - present
Davenport Resources Limited	Non-Executive Director	October 2019 - present

In the last five years, Mr Plaggemars has not been subject to any sanctions for violation of domestic or foreign provisions of criminal or capital market law; in particular, he has not been found guilty of fraudulent crimes. In the last five years, Mr Plaggemars has been involved in bankruptcies, insolvency proceedings or liquidations in the context of corporate restructurings. He has been involved in implementing an insolvency plan for the Issuer as well as for S&O Agrar and is currently involved in the creation of insolvency plans for Snowbird AG and Decheng Technology AG. He has not been the subject of any public allegations and/or sanctions by any governmental or regulatory authority (including designated professional associations), nor has he ever been held unfit to serve on any court of law as a member of any administrative, managerial or supervisory body of a company, or as a member of the management or of the affairs of a company.

In detail, Mr Plaggemars has been involved in the following insolvency proceedings in the past five years:

Youbisheng Green Paper AG

Mr Plaggemars has been appointed to the supervisory board in September 2016 and moved from the supervisory board to the management board in September 2018. The in 2014 acting supervisory board of Youbisheng Green Paper AG had filed for insolvency 12 August 2014 and the preliminary insolvency proceedings started by court order on 13 August 2018. Mr Plaggemars joined the supervisory board of Youbisheng Green Paper AG to assist in the creation and implementation of an insolvency plan. The insolvency plan was filed with the competent court 17 October 2017, approved by the creditors on 24 November 2017 and became legally binding on 15 January 2018. The insolvency was rescinded by court order dated 22 February 2018.

S&O Agrar AG

Mr Plaggemars has been appointed to the management board in December 2017. The insolvency proceedings were opened on 2 August 2016. Mr Plaggemars joined the management board of S&O Agrar AG to rescue the company by means of an insolvency plan. The insolvency plan was filed with the competent courts on 19 November 2018, approved by the creditors on 17 January 2019 and by the competent on 10 May 2019. The insolvency was rescinded by court resolution dated 14 June 2019.

Snowbird AG

Mr Plaggemars has been appointed to the management board on 5 September 2018. After having investigated the economic situation of the company, especially what the assets and liabilities of the company were, Mr Plaggemars found that the Company was insolvent as well as over indebted and therefore filed for insolvency on 10 October 2018. The insolvency proceedings were opened by court resolution on 1 January 2019. It is the objective to rescue the company by implementation of an insolvency plan which is currently still being worked on together with the insolvency administrator.

Decheng Technology AG
Mr Plaggemars has been appointed to the management board on 10 April 2019 and accepted the appointment on 2 May 2019. After having investigated the economic situation of the company, especially what the assets and liabilities of the company were, Mr Plaggemars found that the Company was insolvent as well as over indebted and therefore filed for insolvency on 27 May 2019. The insolvency proceedings were opened by court resolution on 10 October 2019. It is the objective to rescue the company by implementation of an insolvency plan which is currently still being worked on together with the insolvency administrator.

No loans were granted to Mr Plaggemars in the past financial year.

Mr Plaggemars' shareholding in AAM AG (direct and indirect) is 500 shares.

There are no potential conflicts of interest between Mr Plaggemars' private interests or other obligations with respect to his obligations to the Company.

There are no family relationships between Mr Plaggemars and the members of the Management Board or the members of the Supervisory Board.

Ignatius (Iggy) Tan, resident in Perth Australia, Australian citizen:

Mr Tan has a Bachelor of Science degree from the University of Western Australia. He also has a Master of Business Administration from the University of Southern Cross, New South Wales and is a Graduate from the Australian Institute of Company Directors.

Mr Tan is a highly experienced mining and chemical executive with a number of significant achievements in commercial mining projects such as capital raisings, funding, construction, start-ups and operations. Mr Tan has over 30 years' chemical and mining experience and been an executive director of a number of ASX-listed companies.

Mr Tan is Altech Chemicals Limited managing director since August 2014. He is responsible for managing and implementing the next stage of the Company's strategic business objectives, which includes the commercialisation of the high purity alumina (HPA) project. Having been involved in the commissioning and start-up of seven resource projects in Australia and overseas, including high purity technology projects, Mr Tan is an accomplished project builder and developer. Mr Tan previously held the positions of managing director of Nickelore Limited, Galaxy Resources Limited and Kogi Iron Limited.

The following overview shows the functions Mr Tan has performed in the last five years as a member of an administrative, management or supervisory body or as a partner (i.e. shareholder of a partnership) in companies outside the Issuer:

Company	Function	From - to
Altech Chemicals Limited	Managing Director	Aug 2014 - present
Kogi Iron Limited	Managing Director	Aug 2013 – May 2014
Galaxy Resources Limited	Managing Director	Sep 2008 – June 2013

In the last five years, Mr Tan has not been subject to any sanctions for violation of domestic or foreign provisions of criminal or capital market law; in particular, he has not been found guilty of fraudulent crimes. Mr Tan has not been involved in bankruptcies, insolvency proceedings or liquidations in the last five years. He has not been the subject of any public allegations and/or sanctions by any governmental or regulatory authority (including designated professional associations), nor has he ever been found unfit to serve on any court of law as a member of any administrative, managerial or supervisory body of any company, or as a member of the management or of the affairs of any company.

No loans were granted to Mr Tan in the past financial year.

Mr Tan's shareholding in AAM AG (direct and indirect) is nil.

As Managing Director of Altech Chemicals Limited, which is a 29.03% shareholder of the Issuer and the 100% shareholder of the 4N HPA Company, Mr Tan is subject to potential conflicts of interest. His interests as Managing Director of a shareholder of the Issuer could, for example, diverge from the Issuer's interests when it comes to capital measures under exclusion of subscription rights or when profits are to be retained. With regard to the 4N HPA Company, a potential conflict of interest could arise from the fact that Mr Tan, on the one hand, has to ensure the financing of the 4N HPA Company (in particular through the acquisition by the Issuer of preferably 49% of the shares in the 4N HPA Company) and, on the other hand, it is conceivable that the Issuer may find investment opportunities which could objectively be preferable to the acquisition of the shares in the 4N HPA Company.

There are no further potential conflicts of interest between Mr Tan's private interests or other obligations with respect to his obligations to the Company.

There are no family relationships between Mr Tan and the members of the Management Board or the members of the Supervisory Board.

Uwe Ahrens, resident in Malaysia, German citizen

Mr Uwe Ahrens is executive director of Malaysian domiciled companies Melewar Industrial Group Berhad and is the Managing Director of Melewar Integrated Engineering Sdn Bhd. He also sits on the board of several other private limited companies. Mr Ahrens holds Masters degrees in both Mechanical Engineering and Business Administration from the Technical University Darmstadt, Germany. Upon graduation, Mr Ahrens joined the international engineering and industrial plant supplier, KOCH Transporttechnik GmbH in Germany, now belonging to FLSmidth Group, where he held a senior management position for 12 years, working predominantly in Germany, USA, South Africa and South East Asia.

Since 2003 Mr Uwe Ahrens joined MELWAR GOUP in Malaysia and principally was involved in its industrial business development and diversification.

The following overview shows the functions Mr Ahrens has performed in the last five years as a member of an administrative, management or supervisory body or as a partner (i.e. shareholder of a partnership) in companies outside the Issuer:

Company	Function	From - to
Melewar Integrated Engineering Sdn Bhd	Managing Director	2003 to present
Maegma Minerals Sdn Bhd	Chief Executive Officer	2007 to present
Khyra Legacy Holding	Member of Management Board	2012 to present
Melewar Industrial Group Berhad	Chief Technical Officer, Director	2010 to 2018
M3energy Berhad, Maverik Ltd.	Director, Chairman	2011 to 2015
Melewar Ecology Sdn Bhd	Director	2012 to present
Melewar MycroSmelt Technology Ltd.	Director	2007 to present

In the last five years, Mr Ahrens has not been subject to any sanctions for violation of domestic or foreign provisions of criminal or capital market law; in particular, he has not been found guilty of fraudulent crimes. Mr Ahrens has not been involved in bankruptcies, insolvency proceedings or liquidations in the last five years. He has not been the subject of any public allegations and/or sanctions by any governmental or regulatory authority (including designated professional associations), nor has he ever been found unfit to serve on any court of law as a member of any administrative, managerial or supervisory body of any company, or as a member of the management or of the affairs of any company.

No loans were granted to Mr Ahrens in the past financial year.

Mr Ahrens's shareholding in AAM AG (direct and indirect) is nil.

There are no potential conflicts of interest between Mr Ahrens's private interests or other obligations with respect to his obligations to the Company.

There are no family relationships between Mr Ahrens and the members of the Management Board or the members of the Supervisory Board.

The members of the Management Board can be contacted at the Company's business address, at Ziegelhäuser Landstraße 3, 69120 Heidelberg, Germany. The members of the Management Board do not have separate responsibilities within the Issuer. The Management Board does not have a chairman.

2. Supervisory Board

The names and primary activities of the current members of the Issuer's Supervisory Board are as follows:

Name	Primary activities outside the Issuer
Dr. Burkhard Schäfer (chairman)	Consultant at Management Institut Dr. Schäfer, Mannheim
Gerrit Kaufhold	Auditor and Tax Consultant at HRG Hansische Revisions-Gesellschaft mbH, Hamburg
Dieter Rosenthal	Member of the Supervisory Board of SMS group GmbH, Niederfischbach
Wilko Stark	Management Consultant, Gerlingen
Werner E. Klatten	Chairman of the Supervisory Board at Deutsche Sporthilfe, Frankfurt am Main

Gerrit Kaufhold, resident in Hamburg, Germany, German citizen

Mr Kaufhold studied from 1992 to 1997 at the University of Würzburg and at the EBMS in Swansea, Wales. After his studies he worked for Arthur Andersen Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft mbH, Düsseldorf (until 2000) and ESC Esche Schümann Commichau, Rechtsanwälte, Steuerberater Wirtschaftsprüfer, Hamburg (until 2005). Mr Kaufhold is a tax consultant (since 2002) and an auditor (since 2004). Since 2005 he has been a partner and managing director at DSP Dr. Schmitz und Partner Nachfolger mbB Steuerberater Wirtschaftsprüfer/ HRG Hansische Revisions-Gesellschaft mbH Wirtschaftsprüfungsgesellschaft, Hamburg. Mr Kaufhold's activities focus on the preparation and auditing of annual and consolidated financial statements and transaction consulting.

The following overview shows the functions Mr Kaufhold has performed in the last five years as a member of an administrative, management or supervisory body or as a partner (i.e. shareholder of a partnership) in companies outside the Issuer:

Company	Function	From - to
DSP Dr. Schmitz und Partner Nachfolger mbB Steuerberater Wirtschaftsprüfer, Hamburg	Partner	2005 - present
HRG Hansische Revisions-Gesellschaft mbH Wirtschaftsprüfungsgesellschaft, Hamburg	Managing Partner	2005 - present
DVP Audit GmbH Wirtschaftsprüfungsgesellschaft, Hamburg	Managing Director	February 2019 - present

In the last five years, Mr Kaufhold has not been subject to any sanctions for violation of domestic or foreign provisions of criminal or capital market law, in particular no convictions for fraudulent crimes. He has not been involved in bankruptcies, insolvency proceedings (apart from his membership of the Issuer's Supervisory Board during its insolvency proceedings) or liquidations in the last five years. No public charges have been brought against him and/or sanctions imposed by any legal authority or regulatory body (including designated professional associations), nor has he ever been considered unfit for membership of any administrative, managerial or supervisory body of any company or for his activity in the management or conduct of the business of any company.

No loans were granted to Mr Kaufhold in the past financial year.

Mr Kaufhold holds 5,011 shares in the Issuer (4,911 shares directly and 100 shares indirectly through his minor child).

There are no potential conflicts of interest between his private interests or other obligations with respect to his obligations to the Company.

There are no family relationships between Mr Kaufhold and the members of the Management Board or the members of the Supervisory Board.

Dr. Burkhard Schäfer, resident in Mannheim, Germany, German citizen

Dr. Schäfer studied business administration at the University of Mannheim from 1985 to 1991. In 1995 he received his doctorate in Berlin. Since 1999 he has worked as Business Angel and Venture Capital consultant. Since 2000 he is author of specialist books. In 1993, he founded PROBUY, the largest European purchasing service provider association with over 100 agencies, and was active in its management until 2002. The focus of Dr. Schäfer's activities is on expansion and financing.

The following overview shows the functions Dr. Schäfer has performed in the last five years as a member of an administrative, management or supervisory body or as a partner (i.e. shareholder of a partnership) in companies outside the Issuer:

Company	Function	From - to
ApartInn Vermietungen GmbH	Managing Director	2012 - present
Management Institut Dr. Schäfer	Associate	1992 - present
i-TEC	Associate	2002 - present
Deutsche Balaton AG	Supervisory Board	2007 - present
VV Beteiligungen AG	Supervisory Board	2008 - present
Delphi Unternehmensberatung	Supervisory Board	2008 - present
Mistral Media AG	Supervisory Board	2011 - present
Alpha Cleantec AG	Supervisory Board	2016 - present
Marna-Beteiligungen AG	Supervisory Board	2018 - present

In the last five years, Dr. Schäfer has not been subject to any sanctions for violation of domestic or foreign provisions of criminal or capital market law, in particular no convictions for fraudulent crimes. He has not been involved in bankruptcies, insolvency proceedings (apart from his membership of the Issuer's Supervisory Board during its insolvency proceedings) or liquidations in the last five years. He has not been charged with any public offences and/or sanctioned by any governmental or regulatory authority (including designated professional associations), nor has he ever been considered unfit for membership of any administrative, managerial or supervisory body of any company, or for his activities in the management or conduct of business of any company.

No loans were granted to Dr. Schäfer in the past financial year.

Dr. Schäfer’s shareholding in AAM AG (direct and indirect) is nil.

As a member of the supervisory boards of Deutsche Balaton AG, VV Beteiligungen AG and Delphi Unternehmensberatung Dr. Schäfer is subject to potential conflicts of interest. His interests as a member of the supervisory boards of several companies which directly and indirectly hold an interest in the Issuer could, for example, diverge from the Issuer's interests when it comes to capital measures under exclusion of subscription rights or when profits are to be retained.

There are no further potential conflicts of interest between Dr Schäfer’s private interests or other obligations with respect to his obligations to the Company.

There are no family relationships between Dr. Schäfer and the members of the Management Board or the members of the Supervisory Board.

Dieter Rosenthal, resident in Niederfischbach, Germany, German citizen

Mr Rosenthal studied from 1975 to 1979 mechanical engineering at the University of Siegen. After his studies he worked for SMS group. Mr Rosenthal’s activities focus were in the areas of development and sales/implementation of large-scale projects for the aluminum and steel industry.

The following overview shows the functions he has performed in the last five years as a member of an administrative, management or supervisory body or as a partner (i.e. shareholder of a partnership) in companies outside the Issuer:

Company	Function	From - to
SMS group GmbH	Managing Director	Until May 2016
SMS group GmbH	Supervisory board member	June 2016 - present
SMS GmbH	Supervisory board member	June 2016 - present

In the last five years, Mr Rosenthal has not been subject to any sanctions for violation of domestic or foreign provisions of criminal or capital market law, in particular no convictions for fraudulent crimes. He has not been involved in bankruptcies, insolvency proceedings or liquidations in the last five years. He has not been charged with any public offences and/or sanctioned by any governmental or regulatory authority (including designated professional associations), nor has he ever been considered unfit for membership of any administrative, managerial or supervisory body of any company, or for his activities in the management or conduct of business of any company.

No loans were granted to Mr Rosenthal in the past financial year.

Mr Rosenthal's shareholding in AAM AG (direct and indirect) is nil.

There are no potential conflicts of interest between his private interests or other obligations with respect to his obligations to the Company.

There are no family relationships between Mr Rosenthal and the members of the Management Board or the members of the Supervisory Board.

Wilko Stark, resident in Gerlingen, Germany, German citizen.

Wilko Stark studied mechanical engineering at University of Stuttgart from 1993 to 1998. After his studies he worked as a management consultant for Boston Consulting Group and held a number of key positions in the automotive industry with the Volkswagen Group and Daimler AG. Most recently, Mr Stark was divisional director "Mercedes-Benz Cars Einkauf und Lieferantenqualität" and CEO CASE (Connectivity, Autonomous Driving, Shared mobility, Electromobility) and product group electric vehicles Mercedes-Benz EQ.

The following overview shows the functions Mr Stark has performed in the last five years as a member of an administrative, management or supervisory body or as a partner (i.e. shareholder of a partnership) in companies outside the Issuer:

Company	Function	From - to
Daimler AG	Managing Director	November 2012 – April 2019
Volkswagen AG	Manager Product Seat S.A. and Product Planning Volkswagen Group and Volkswagen Passenger Cars	October 2007 – July 2012
The Boston Consulting Group	Principal	October 1998 – July 2007

In the last five years, Mr Stark has not been subject to any sanctions for violation of domestic or foreign provisions of criminal or capital market law, in particular no convictions for fraudulent crimes. He has not been involved in bankruptcies, insolvency proceedings or liquidations in the last five years. No public charges have been brought against him and/or sanctions imposed by any legal or regulatory authority, nor has he ever been held unfit to serve in any court as a member of an administrative, managerial or supervisory body of a company, or as a member of a management or supervisory body of a company, or to conduct the business of a company.

No loans were granted to Mr Stark in the past financial year.

Mr Stark's shareholding in the AAM Company (direct and indirect) is nil.

There are no potential conflicts of interest between his private interests or other obligations with respect to his obligations to the Company.

There are no family relationships between Mr Stark and the members of the Management Board or the members of the Supervisory Board.

Werner E. Klatten, resident in Munich, Germany, German citizen

Mr Klatten studied Law from 1966 to 1973 at the Universities of Hamburg and Berlin. After his studies he worked as a lawyer and held a number of important positions in the German media industry, e.g. at Sat.1 GmbH and EMTV AG. Most recently, Mr Klatten was Chairman of the Management Board of Deutsche Sporthilfe, moving to the Supervisory Board as Chairman in March 2010. Mr Klatten is also Chairman of the Advisory Board of teNeues Media GmbH & Co. KG, Chairman of the real estate company Puma Brandenburg Ltd. and Chairman of the Advisory Board of Tamara Comolli Fine Jewelry GmbH.

The following overview shows the functions Mr Klatten has performed in the last five years as a member of an administrative, management or supervisory body or as a partner (i.e. shareholder of a partnership) in companies outside the Issuer:

Company	Function	From - to
teNeues Media GmbH & Co. KG	Chairman of Advisory Board	2006 - present
Deutsche Sporthilfe	Chairman Supervisory Board	2010 - present
Puma Brandenburg Ltd	Chairman	2015 - present
Tamara Comolli Fine Jewelry GmbH	Chairman of Advisory Board	2017 - present

In the last five years, Mr Klatten has not been subject to any sanctions for violation of domestic or foreign provisions of criminal or capital market law, in particular no convictions for fraudulent crimes. He has not been involved in bankruptcies, insolvency proceedings or liquidations in the last five years. No public charges have been brought against him and/or sanctions imposed by any legal authority or regulatory body (including designated professional associations), nor has he ever been considered unfit for membership of any administrative, managerial or supervisory body of any company or for his activity in the management or conduct of the business of any company.

No loans were granted to Mr Klatten in the past financial year.

Mr Klatten's shareholding in AAM AG (direct and indirect) is nil.

There are no potential conflicts of interest between his private interests or other obligations with respect to his obligations to the Company.

There are no family relationships between Mr Klatten and the members of the Management Board or the members of the Supervisory Board.

The members of the Supervisory Board can be contacted at the Company's business address, at Ziegelhäuser Landstraße 3, 69120 Heidelberg, Germany.

XII. MAJOR SHAREHOLDERS, RELATED PARTY TRANSACTIONS

1. Shareholder Structure

As far as the Issuer knows from voting notifications, at the date of the Prospectus the following shareholders hold interests or voting rights in the Issuer's capital:

Name	Number of shares	in %
Deutsche Balaton AG (indirect: Wilhelm Konrad Thomas Zours)	904,463	57.33
Altech Chemicals Ltd.	458,000	29.03
Freefloat[15]	215,089	13.60
Total	**1,577,552**	**100.00**

Due to its holding of more than 50% of the voting rights in the Issuer, Deutsche Balaton AG is able to exercise direct control over the Issuer. Deutsche Balaton AG is controlled by Mr Wilhelm K. T. Zours, who holds an indirect majority participation in Deutsche Balaton AG and thus indirectly controls the Issuer. Mr Zours holds his participation through a majority participation in DELPHI Unternehmensberatung Aktiengesellschaft which holds its participation through a majority participation in VV Beteiligungen Aktiengesellschaft.[16] Currently there are no measures in place to ensure that such control is not abused.

DELPHI Unternehmensberatung AG holds 53,384,800 (6.60%) and Deutsche Balaton AG holds 74,308,004 (9.18%) shares in Altech Chemicals Ltd. DELPHI Unternehmensberatung AG's and Deutsche Balaton AG's interests in Altech Chemicals Ltd. (jointly 127,692,804 shares or 15.78%) are attributed to Mr Zours.

Mr Zours is attributed a total of 904,463 shares in the Issuer (57.33%) via the participation of Deutsche Balaton AG in the Issuer. No shares in the Issuer are attributed to Mr Zours via Altech Chemicals Ltd. as DELPHI Unternehmensberatung AG and Deutsche Balaton AG only hold minority interests in Altech Chemicals Ltd.

The Issuer's major shareholders do not have different voting rights. There are no different voting rights for individual shares in the Issuer.

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[15] The other shareholders each hold less than 3% of the shares in the Issuer.

[16] The exact amounts of such participations in DELPHI Unternehmensberatung Aktiengesellschaft, VV Beteiligungen Aktiengesellschaft and Deutsche Balaton AG are not disclosed to the Issuer.

As a result of the execution of the capital increase subject to this Prospectus, the participation of existing shareholders could decrease to the extent that existing shareholders do not exercise their subscription rights.

2. Related Party Transactions

On 17 July 2019, the Issuer signed an option agreement with Altech Chemicals Limited and the 4N HPA Company, allowing it to acquire up to 49% of the shares in the 4N HPA Company for up to USD 100 million (cf. Section VII. Business Overview, 4. Material contracts inside the ordinary course of business).

Since 31 December 2019, the Issuer has not entered into any further transactions with related parties.

XIII. INFORMATION ABOUT THE ISSUER'S SHARE CAPITAL AND APPLICABLE REGULATIONS

1. Current Share Capital

The Issuer's share capital is currently EUR 1,577,552.00 It is divided into 1,577,552 registered shares with no-par value ("**no-par-value shares**") with a calculated EUR 1.00 proportion of the share capital per share. All shares were created and have been fully paid up in accordance with the provisions of the German Stock Corporation Act (*Aktiengesetz - AktG*).

Each share grants the holder one vote in the General Meeting. There are no restrictions on the voting rights.

The current shares carry full dividend rights as from 1 January 2019 if, upon delivery of the New Shares, a resolution on the appropriation of profits for the financial year 2019 has not yet been passed and, if a corresponding resolution on the appropriation of profits for the financial year 2019 has already been passed, from 1 January 2020.

In the event of the dissolution of the Company, any assets remaining after the discharge of the Company's liabilities shall be distributed among the shares in proportion to the share of each share in the share capital.

2. Development of the Share Capital since 1 January 2016

As at 1 January 2016, the Company had a share capital of EUR 10,217,705.00. By resolution of the General Meeting of 7 September 2016, the share capital of Altech Advanced Material's AG of EUR 10,217,705.00 was decreased by EUR 7,705.00 to EUR 10,210,000.00, by way of a capital decrease through the cancellation of shares in accordance with the provisions of Sec. 237 AktG. By resolution of the General Meeting of the same day, the Issuer's share capital of EUR 10,210,000.00 was decreased by EUR 10,208,979.00 to EUR 1,021.00 in accordance with the provisions of Sec. 229 et seq. AktG, in a simplified manner in the ratio of 10.000:1. The resolutions have been entered into the commercial register on 13 December 2016.

On 7 September 2016, the General Meeting resolved to increase the Company's share capital by up to EUR 1,702,951.00 from EUR 1,021.00 to up to EUR 1,703,972.00 against cash contributions by issuing up to 1,702,951 new no-par value bearer shares, each with the proportionate amount of the share capital of EUR 1.00 per no-par value share, against cash contributions. The new shares participate in the Company's profits since the beginning of the financial year 2016. The capital increase was carried out in the amount of EUR 294,770.00. The resolution has been entered into the commercial register on 13 December 2016.

On the basis of the insolvency plan confirmed by the District Court of Cologne (75 IN 321/14) on 28 November 2017 and approved by creditors and shareholders on 24 November 2017, the increase of the Company's share capital by up to EUR 1,281,761.00 to up to EUR 1,577,552.00 by issuing up to 1,281,761 registered shares each representing a proportionate amount of EUR 1.00 of the share capital has been determined. The capital increase was carried out in the amount of EUR 1,281,761. The capital increase has been entered into the commercial register on 24 May 2018.

3. Authorised Capital

By resolution of the General Meeting of Altech Advanced Material's AG on 12 March 2020, the Management Board is authorised to increase the Company's share capital in the period up to 1 March 2025, with the approval of the Supervisory Board, by a total of up to EUR 10,000,000.00, by means of a single, or multiple, issue(s) of new no-par-value shares in return for cash (Authorised Capital 2020). In doing so, it was authorised to decide on an exclusion of the subscription right of shareholders with the approval of the Supervisory Board. Such exclusion is permissible only in certain cases.

The respective amendment of the Company's Articles of Association shall only be entered into the commercial register if the capital increase subject to this Prospectus is carried out in an amount of at least EUR 18.5 million.

4. Conditional Capital and Stock Option Plans

On 12 March 2020, the Issuer's General Meeting resolved to conditionally increase the Company's share capital by a total of up to EUR 785,000.00 by means of an issue of 785,000 new no-par-value registered shares (Conditional Capital 2020).

5. Authorization to issue bonds with warrants or convertible bonds, profit participation rights or participating bonds (or combinations of these instruments) and to exclude subscription rights

On 12 March 2020, the General Meeting resolved to authorise the Management Board to issue with the approval of the Supervisory Board until 1 March 2025 once or multiple times bonds with warrants or convertible bonds, profit participation rights or participating bonds (or combinations of these instruments) (jointly **"Bonds**") in the total nominal amount of up to EUR 10,000,000.00 and to grant the holders of Bonds option or conversion rights to up to 785,000.00 no-par value registered shares of the Company with a proportionate amount of the share capital of up to EUR 785,000.00 in total in accordance with the terms and conditions of the bonds (hereinafter the **"Bond Terms and Conditions"**) and/or to provide for corresponding conversion rights for the Company.

The Management Board is authorised to exclude the subscription right of the shareholders with the approval of the Supervisory Board in certain cases.

6. General Provisions relating to an Increase of the Share Capital

In accordance with the German Stock Corporation Act, the share capital of a company may be increased by a resolution of the General Meeting, with a majority of at least three quarters of the share capital represented at the vote, unless the articles of association stipulate other majority requirements.

The General Meeting can also create authorised capital. The creation of authorised capital requires a resolution by a majority of three quarters of the share capital represented at the vote, by which the board of directors is entitled to issue new shares for a particular amount within a period of not more than five years. The nominal amount of the authorised capital must not exceed the value of half of the share capital in the company at the time when the authorization is made.

Furthermore, the General Meeting may, for the purpose of the issuance

- of shares to holders of convertible bonds or other securities which grant the right to subscribe for shares,
- of shares which serve as a consideration in the event of a merger with another company, or
- of shares which are granted to executives and employees in the way of granting subscription rights,

create a conditional capital, wherefore a resolution by a majority of three quarters of the company's share capital represented at the vote is required. If the conditional capital is being created for the purpose of issuing shares to executives and employees, the par value of the conditional capital must not exceed 10%, or, in all other cases, half of the share capital existing at the time that the resolution was passed.

7. Treasury Shares

The Company currently holds no treasury shares. There is no authorization by the General meeting to purchase or sell treasury shares.

8. General Provisions relating to Subscription Rights

According to the German Stock Corporation Act, subscription rights are in principle available to any shareholder, in the case of a capital increase as well as in the cases of newly issued convertible bonds, option bonds, profit participation rights or profit participating bonds. Subscription rights are, in principle, freely transferable. During a specified period of time prior to the end of the reference period, the trading of subscription rights on the German stock exchanges is permitted. The company is not obliged to organize such a trade of subscription rights and is not responsible for ensuring that such trading takes place. Subscription rights not exercised during the exercise period expire and lead to the loss of the claim to subscription rights. The company may freely dispose of the unsubscribed shares, option bonds, convertible bonds, profit participation rights or participating bonds, by offering them to third parties; the offer must not result in more favorable conditions than the offer to the shareholders.

The General meetings may, by resolution of the majority of votes and, at the same time, a majority of at least three quarters of the share capital represented at the vote, exclude the statutory subscription right of the shareholders. For an exclusion of subscription rights to be made, a report of the board of directors is required detailing the reasons to justify the exclusion of subscription rights, in which it must be stated that the interest of the company in having the subscription rights excluded outweighs the interest of the shareholders in exercising their subscription rights. The exclusion of the subscription right in the case of the issuance of new shares is allowed, in particular if the company increases its capital against cash contributions, if the amount of the capital increase does not exceed 10% of the share capital and if the value of the issuance of the new shares does not significantly fall short of the stock market price.

The subscription right serves to enable the shareholder to maintain its previous percentage share in the share capital and to maintain its voting power (protection against dilution). If the subscription right of shareholders is excluded, the legal barriers of Sec. 255 Subs. 2 AktG have to be considered, i.e. it has to be ensured that the fixed issue price of the new shares must not be “unreasonably low”. The new shares may only be issued at a price that fully compensates the shareholder that has been deprived of its subscription rights for the loss of the shareholder’s substance of assets resulting from its membership. For this to happen, the issue price of the new shares must always be based on the true value of the company.

In the event of a conditional capital increase, a general subscription right of shareholders is excluded because of the very nature of the matter. In order to protect shareholders, the nominal amount of conditional capital must not exceed half, or in certain circumstances 10%, of the share capital, irrespective of its intended purpose. If the conditional capital is used for the granting of subscription rights to a specific group of addressees, the nominal amount must not exceed 10% of the share capital.

9. Shareholder Notification Requirements; Managers' Transactions; Mandatory Takeover Bids

The articles of association do not contain any provision regarding shareholder notification requirements.

In accordance with the provisions of the German Stock Corporation Act, a company must notify the Company if its share in the Company’s share capital exceeds 25% or its share in the Company’s share capital or its voting rights exceed 50%. The Company is obliged to publish this notification immediately in the publication media of the Company (*Gesellschaftsblätter*). The German Stock Corporation Act contains various provisions whereby voting rights or capital holdings of shares, which are the property of third parties, are allocated to other companies. This is to ensure that the company which actually controls the ownership of the shares performs the notification of voting rights. If the party under an obligation to make notifications fails in its duty to do so, it may no longer exercise the rights accruing from its shareholdings.

Moreover, due to shares in the Company being traded on a regulated market, the regulations of the provisions of the German Securities Trading Act on disclosure requirements for share ownership apply to the Company and to its shareholders. The German Securities Trading Act provides that any shareholder, who, by means of a purchase, sale or by any other manner, acquires, exceeds or whose ownership falls below 3%, 5%, 10%, 15%, 20%, 25%, 30%, 50% or 75% of the voting rights in a listed company, must notify the respective company and the German Federal Financial Supervisory Authority (*BaFin*) without delay, but at the latest within four trading days, of this fact and with details of his actual share of the voting rights. The respective company must publish this notification immediately, and at the latest within three trading days after receipt of this notification. In connection with this requirement, the German Securities Trading Act includes various regulations designed to ensure that the allocation of share ownership is made to the person who actually controls the voting rights associated with the shares. For example, shares which belong to a third party company were assigned to a company which controls the other company, or, in the same way, shares which were bought by one company on behalf of the first company or of another company controlled by this company are also assigned to it. If the notification is not made, the shareholder is excluded for the duration of the failure to do so, from the rights attached to such shares (including the right to vote and the right to obtain dividends). In so far as the proportion of voting rights is affected, in cases of deliberate or grossly negligent violation of the notification obligations, the loss of rights is extended by six months. Moreover, in the case of non-compliance with the obligation to notify the authorities, a fine may be imposed. BaFin will publish actions taken and fines imposed on its webpage.

In addition, the German Securities Trading Act also obliges those who directly or indirectly hold (financial) instruments which give the holder an unconditional or discretionary right to acquire shares/voting rights or which relate to shares/voting rights and have a similar economic effect (physical settlement is not required) to disclose their influence on voting rights. This results in reporting obligations towards the company and towards BaFin if such instruments reach, exceed or fall below the thresholds of 5%, 10%, 15%, 20%, 25%, 30%, 50% or 75% of the total voting rights in the company. The relevant number of shares/voting rights is equivalent to the full nominal number of shares underlying the instrument. If the instrument provides for a cash settlement only, the number of voting rights is calculated on a delta-adjusted basis.

Moreover the notifying party has to notify the company and BaFin if the aggregate of shares/voting rights and instruments it holds reaches, exceeds or falls below the thresholds of 5%, 10%, 15%, 20%, 25%, 30%, 50% or 75% of the total voting rights in the company.

Anyone who reaches the threshold of 10%, or a higher threshold, of the voting rights must inform the Company (as an issuer, who originates from the Federal Republic of Germany), of his/her objectives in purchasing the shares with associated voting rights and of the origin of the funds used for the purchase, within 20 trading days after reaching or exceeding these thresholds. A change in the objectives must be notified within 20 trading days (Sec. 43 WpHG).

The Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse ("**Market Abuse Regulation**" or "**MAR**") obliges persons discharging managerial responsibilities in a company (as defined in Art. 3 para. 1 No. 25 MAR, hereinafter referred to as "Managers") and persons closely associated with Managers (as defined in Art. 3 para. 1 No. 26 MAR) to notify details of their own transactions relating to shares in the company or related financial instruments, in particular derivatives, to the company and to BaFin ("**Managers' Transactions**"). Such a notification shall be made promptly and no later than three business days after the date of the transaction. The company is obliged to publish such a notification no later than three business days after the transaction and to send a copy of the publication to the BaFin. The obligation only applies to any subsequent transaction once a total amount of EUR 5,000.00 has been reached within a calendar year. (The threshold of EUR 5,000.00 shall be calculated by adding without netting all transactions referred to in Art. 19 para. 1 MAR in accordance with Art. 19 para. 8 MAR). In the event of an infringement of the disclosure requirements for Managers' Transactions, multiple sanctions, e.g. a fine and publication of the violation, may be imposed.

Managers are the members of the management, administrative or supervisory body of the Company and other senior executives who regularly have access to insider information (within the meaning of the MAR) relating directly or indirectly to that entity and who have the power to take managerial decisions affecting the future developments and business prospects of that entity.
The following persons are deemed to be closely associated with a Manager: (a) spouses and registered civil partners, (b) dependent children, (c) other relatives, who, at the time of the reportable transaction, shared the same household for at least one year and (d) legal persons, trusts or partnerships, the managerial responsibilities of which are discharged by a person discharging managerial responsibilities or by a person referred to in point (a), (b) or (c), which is directly or indirectly controlled by such a person, which is set up for the benefit of such a person, or the economic interests of which are substantially equivalent to those of such a person.

Furthermore, according to the German Securities Acquisition and Takeover Act, anyone whose voting shares in the company reach or exceed 30% of the total voting shares in the company, is obliged to communicate this fact immediately, including notification of his/her percentage of voting rights held, at the latest within a period of seven calendar days, via the internet or through an electronically operated system for the publication of financial information and then, in so far as they have not received any form of exemption from this obligation, they must make a public mandatory take over bid directly to all the shareholders in the company.

In accordance with Art. 5 et seq of the Statutory Ordinance on Short Selling and Certain Aspects of Credit Default Swaps (VO (EU) 236/2012) in conjunction with Sec. 53 WpHG, significant net short positions, which either reach, exceed or fall below the threshold of 0.2% of the issued shares in a company licenced for regulated trading on a German stock exchange and each 0.1% above that must be reported by the owner to BaFin by 3.30 p.m. on the following trading day at the latest. Net short positions, which either reach, exceed or fall below the threshold of 0.5% must additionally be published by the owner in the German Federal Gazette. For the purposes of assessing whether a threshold value is affected, only the exact unrounded values will be taken into account. Following this, however, the values rounded to two decimal places must also be notified or published.

XIV. THIRD PARTY INTERESTS, REASONS FOR THE OFFER AND USE OF PROCEEDS

1. Interests of natural and legal persons involved in the Issue/Offer

The major shareholders (Deutsche Balaton AG and Altech Chemicals Ltd.) have an interest in the successful offer of the New Shares. A successful placement of the New Shares would improve the Issuer's equity situation and would enable the Issuer to start its business activities again after the conclusion of the insolvency proceedings. Furthermore, the implementation of the capital increase in a certain amount is conditional for the acquisition of the participation in the 4N HPA Company, which would improve the competitive situation of the Issuer. As a result, the value of the major shareholders' shareholdings in the Issuer would increase.

Hansjörg Plaggemars, member of the Issuer's Management Board, and Gerrit Kaufhold, member of the Issuer's Supervisory Board, both hold shares in the Issuer. Therefore they have an interest in the successful offer and in the admission to trading on the regulated market of the New Shares. Admission to trading on the regulated market enables more liquidity in trading in the Issuer's shares, which means that it is easier to sell or buy shares when opportunities arise. An improvement of the Issuer's competitive situation and thus of its earning position would improve the probability of the Issuer paying dividends to its shareholders in the future.

Further interests of natural and legal persons involved in the issue or the offer are not known. There are no further conflicts of interest that are material to the issue/offer.

2. Reasons for the Offer and Use of Proceeds

The Company will receive the proceeds from the offer of the 63,102,080 New Shares issued in the course of the capital increase reduced by the issue costs to be carried by the Company (net issue proceeds). In the event of a complete placement, the Issuer expects to receive gross proceeds of at least EUR 69,412,288.00 (complete placement of the New Shares solely within the scope of the subscription offer for EUR 1.10 per New Share) up to a maximum of EUR 75,722,496.00 (complete placement of the New Shares solely within the scope of the private placement for EUR 1.20 per New Share).

The proceeds will be used firstly to cover the costs relating to the offer of approximately EUR 4 million, consisting mainly of brokerage and legal fees. EUR 3 million shall be used next for general working capital of the Issuer and the remaining approximately EUR 62 million to EUR 69 million shall be used to acquire shares in the 4N HPA Company. At a conversion rate of EUR 1.00 = USD 1.10, this would correspond to a stake of approximately 34% to 37% in the 4N HPA Company. If the net proceeds are not sufficient to acquire 10% (approximately USD 20.4 million) of the shares of the 4N HPA Company, the Issuer intends to use the proceeds to acquire shares of Altech Chemicals Ltd., which is today the 100% parent company of the 4N HPA Company, at a discount of 15% on the volume weighted average share price of the preceding 10 trading days. The acquisition of shares in Altech Chemicals Ltd. is subject to the approval of the shareholders of Altech Chemicals Ltd. The prioritization of the use of proceeds shall be in the order the different uses are mentioned in this paragraph.

However, it is not certain whether the Issuer will make use of the option and invest in the 4N HPA Company. One condition of the Issuer to exercise the option and invest in the 4N HPA Company, is that the 4N HPA Company obtains sufficient financing to get its business up and running for the first time. The 4N HPA Company is currently still in the financing stage. While the 4N HPA Company will operate an already capital-intensive business in the future, it currently requires capital to get this business up and running for the first time (e.g. for the construction of the HPA plant). The investment volume for the 4N HPA Company is approx. USD 300 million for capital expenditure. In addition, financing costs, various cash reserve accounts (debt service, construction cost over-run, spare parts) and working capital are required to be pre-funded. A funding requirement of approximately USD 390 million is currently estimated, which takes into account the estimated capital spend of Altech on Stage-1 and Stage-2 construction. KfW IPEX-Bank has already committed USD 190 million senior debt to the 4N HPA Company under certain conditions, the most important condition being an equity or subordinated debt contribution of USD 223.6 million from another financing source. Taking into consideration the amounts already contributed by Altech to the 4N HPA Company thus far (which fall within the USD 223.6 million), which include the purchase of that HPA site and Stage-1 and Stage-2 construction contributions, a further USD 200 million of funding is currently estimated to be required, of which USD 10 million is assumed as equity investment from SMS group GmbH (either via Altech or via the Issuer), USD 90 million is assumed as mezzanine finance via Macquarie Bank (currently under due diligence) and the balance of USD 100 million via the Issuer's investment into the 4N HPA Company.

If the Issuer does not invest in the 4N HPA Company because the 4N HPA Company fails to obtain sufficient funds to get its business up and running for the first time or, in case of the intended acquisition of shares Altech Chemicals Ltd. shares, the shareholders of Altech Chemicals Ltd. do not grant the required approval for such acquisition, the Issuer intends to use the proceeds for the acquisition of shares in one or more alternative investment opportunities which in the opinion of the Issuer have a good risk / return ratio, in case such opportunities, e. g. from its network, arise for the Issuer. The Issuer intends to invest remaining proceeds in liquid securities. However, currently the Issuer does not have any concrete plans for any of these alternative investments. Therefore neither a concrete indication of amounts nor a percentage of distribution can currently be indicated by the Issuer for the scenario that the Issuer uses the proceeds for an investment in alternative investment opportunities and/or liquid securities. The Issuer intends, in accordance with its corporate purpose, in the event of an investment in such an alternative investment opportunity and/or in liquid securities, to invest in companies which are active in particular in the business fields of raw material extraction and processing, chemicals, production of all types of packaging and paper products and their distribution. The prioritization of the alternative use of proceeds shall be in the order the different uses are mentioned in this paragraph.

However, the Issuer is also looking to attract further finance over and above the proceeds from the offer subject to this Prospectus to allow it to raise total net proceeds of at least USD 100 million in order to be able to acquire 49% of the 4N HPA Company. The Issuer is currently in discussions with potential financing partners regarding further financing sources (in particular regarding loans and mezzanine financing forms, like subordinated loans with variable interest rates). Currently, there is no secured financing for the acquisition costs exceeding the net proceeds of the offering.

XV. REGULATORY DISCLOSURES

Hereinafter, the information disclosed under MAR over the last 12 months which is relevant to the date of the prospectus is summarized.

Ad-hoc-disclosures according to Art. 17 MAR:

Preliminary figures for the first half of 2019

On 11 July 2019 the Issuer published an ad-hoc disclosure regarding its preliminary figures for the first half of the 2019 financial year. The Issuer has closed its first half of financial year 2019 (1 January 2019 to 30 June 2019) with an anticipated net loss of around kEUR 102.

Option agreement to purchase up to 49% of the shares in the Altech Chemicals Australia PTY LTD. - HPA 4N HPA Company

On 17 July 2019 the Issuer published an ad-hoc disclosure regarding the option agreement to purchase up to 49% of the shares in the 4N HPA Company (cf. Section VII. Business Overview, 4. Material contracts inside the ordinary course of business).

Two further board members nominated by Altech appointed

On 18 July 2019 the Issuer published an ad-hoc disclosure regarding the appointment of Mr Iggy Tan and Mr Uwe Ahrens as members of the Issuer's Management Board.

It was also published, that the Issuer's extraordinary General meeting on 17 July 2019 passed a resolution to change the Issuer's name from Youbisheng Green Paper AG to Altech Advanced Materials AG, increase its share capital by up to EUR 63,102,080.00 and expand the supervisory board to five members. Already one nominee of Altech, Mr Dieter Rosenthal, was elected to the Issuers Supervisory Board of the by the General meeting. It is planned to add two more Altech candidates to the Issuers Supervisory Board in due course.

Closing of the Option Agreement to purchase up to 49% of the shares in Altech Chemicals Australia Pty Ltd.

On 13 August 2019 the Issuer published an ad-hoc disclosure regarding the fulfillment of the remaining conditions precedent to the option agreement as of 17 July 2019 with Altech and the 4N HPA Company.

Result of the rights offering which expired on 10 January 2020

On 13 January 2020 the Issuer published an ad-hoc disclosure regarding the amount of subscription certificates and payments received due to the rights offering which expired on 10 January 2020. The

Company has received subscriptions of approximately EUR 2 million. The company's share capital will amount to around EUR 3.4 million after registration.

Altech Advanced Materials AG does not implement capital increase

On 17 January 2020 the Issuer published an ad-hoc disclosure regarding the capital increase that was resolved by the Annual General Meeting on 17 July 2019. Altech Advanced Materials AG will not implement the cash capital increase because the capital increase was not registered by the competent registration court within the period set by the general meeting.

Preliminary annual result as of 31 December 2019

On 31 January 2020 the Issuer published an ad-hoc disclosure regarding the preliminary annual result as of 31 December 2020. The Issuer has closed its 2019 financial year with an expected net loss of approximately kEUR 408 (previous year: kEUR 186).

Extraordinary General Meeting on 12 March 2020 to resolve capital increase

On 3 February 2020 the Issuer published an ad-hoc disclosure regarding an Extraordinary General Meeting on 12 March 2020. At the Extraordinary General Meeting a new capital increase resolution is to be adopted. The capital increase resolution, which will be proposed to the Extraordinary General Meeting, provides for an increase of the Company's share capital by up to EUR 63,102,080.00 by issuing up to 63,102,080 new shares. This is essentially a repetition of the capital increase resolved at the Extraordinary General Meeting on 17 July 2019, which could not be implemented.

Listing of the Issuer's registered shares

On 13 March 2020 the Issuer published an ad-hoc disclosure on the admission of its previously not admitted registered shares to the regulated market segment of Frankfurt Stock Exchange as of 16 March 2020.

XVI. WARNING ON TAX LEGISLATION

The tax legislation of the investor's Member State and of the issuer's country of incorporation (Germany) may have an impact on the income received from the securities.

XVII. INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The following information is included by reference in the section "Financial Information" and is considered part of this Prospectus:

the Issuer's audited HGB financial statements for the financial year from 1 January 2019 to 31 December 2019 by reference on pages 26 to 45 (inclusive) of the Document "Jahresabschluss zum 31. Dezember 2019"; in detail:

Page	**Section**	**Reference**
F-2	Financial Information	Balance Sheet (page 26)
F-2	Financial Information	Profit and Loss Account (page 27)
F-2	Financial Information	Cash Flow Statement (page 28)
F-2	Financial Information	Equity Statement (page 29)
F-2	Financial Information	Annex (pages 30-39)
F-2	Financial Information	Auditor's Report (pages 40-45)

This information is available on the Issuer's website at https://www.altechadvancedmaterials.com/de/annual_report.

XVIII. GLOSSARY

6" and 8" wafers	A circular wafer of synthetic sapphire of either 6 inches or 8 inches in diameter, that is the direct starting point for the entire light emitting diode (LED) manufacturing process. The substrate allows the heat from the LED to dissipate away from the diode, but does not interfere with the electrical circuitry within the diode. Carefully grown synthetic sapphire with a closely matching crystal lattice is ideally suitable for this purpose.
ACH roaster	The vessel (roaster) used to heat Aluminium Chlorohydrate (ACH)
Acid leaching	Metallurgical process for dissolution of metals by means of acid solution.
Add-on deals	Add-ons are additional shares issued by a company that has already gone public.
AktG	German Stock Corporation Act (*Aktiengesetz*)
Alumina	The common name given to aluminium oxide (Al_2O_3).
Aluminium dissolution	Dissolution (chemistry), in chemistry, the process of dissolving a solute into a solvent to make a solution, here referring to the chemical element Aluminium.
Aluminium metal	Aluminium (aluminium in American and Canadian English) is a chemical element with the symbol Al and atomic number 13. It is a silvery-white, soft, non-magnetic and ductile metal in the boron group.
Aluminium oxide (Al_2O_3)	Aluminium oxide (IUPAC name) or aluminium oxide (American English) is a chemical compound of aluminium and oxygen with the chemical formula Al_2O_3.
Aluminium sulphate	The most widely used aluminium coagulant. It is available in a number of solid forms such as block, kibbled or ground and is also available as a solution. In waterworks practice aluminium sulphate is frequently but incorrectly referred to as 'alum'.
Articulated dump trucks	Very large heavy duty type of dump truck used to transport loads over rough terrain, and occasionally public roads.

Australian Securities Exchange	Australia's primary securities exchange
BaFin	German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*)
Batch processing	Batch processing is a general term used for frequently used programs that are executed with minimum human interaction. Batch process jobs can run without any end-user interaction or can be scheduled to start up on their own as resources permit.
Batter operating temperature	Temperature that the battery reaches when operating. The Temperature the battery reaches depends on the size of the battery.
Battery anode	Negative side of a battery.
Battery cathode	Positive side of a battery.
Bauxite	A sedimentary rock with relatively high aluminium content and aluminium’s chief ore.
Bauxite ores	Bauxite ore is the world’s primary source of aluminium.
Bayer/Hall-Heroult process	The Hall-Héroult process is the major industrial process for smelting aluminium. It involves dissolving aluminium oxide (obtained most often from bauxite, through the Bayer process) in molten cryolite, and electrolysing the molten salt bath, typically in a purpose-built cell.
Book value	An asset's book value is equal to its carrying value on the balance sheet, and companies calculate it netting the asset against its accumulated depreciation. Book value is also the net asset value of a company calculated as total assets minus intangible assets (patents, goodwill) and liabilities. For the initial outlay of an investment, book value may be net or gross of expenses such as trading costs, sales taxes, service charges and so on.
Brexit	The withdrawal of the United Kingdom (UK) from the European Union (EU). Following a referendum held on 23 June 2016 in which 51.9 percent of those voting supported leaving the EU, the Government invoked Article 50 of the Treaty on European Union, starting a two-year process which was due to conclude

with the UK's exit on 29 March 2019. That deadline has since been extended to 31 October 2019.

Bulk wet processing	Bulk material is a powdery, granular or even lumpy mixture that is present in a pourable form. The bulk is processed in a way that includes the use of fluids.
By-product	a secondary product derived from a production process, manufacturing process or chemical reaction
CAGR	Compound annual growth rate (CAGR) is a business and investing specific term for the geometric progression ratio that provides a constant rate of return over the time period.
Calcination	A thermal treatment process in the absence or limited supply of air or oxygen applied to ores and other solid materials to bring about a thermal decomposition.
CCS market	Market for ceramic coated separators (CCS).
Ceramic coated separators (CCS)	A separator which is based on a very fine non-woven fabric, which has a ceramic coating. This provides high safety through flexibility and temperature resistance, especially for use in traction batteries for electric cars and hybrid vehicles.
Chlorination	A carbothermic method for preparing aluminium chloride comprises the step of contacting a suitable aluminium source with a suitable chlorinating agent in the presence of a suitable carbonaceous reducing agent at an elevated temperature.
Choline hydrolysis of aluminium	The reaction of choline and pure aluminium to produce aluminium cholinide, hydrolyzing cholinide to produce aluminium hydroxide and choline.
CRU	CRU Group is a privately owned business intelligence company. The company focuses on the global mining, metals and fertilizers markets. It provides consultancy, market analysis, business analysis, news, data and conferences services.
Deferral agreement	An agreement in which, the due date of a claim or of individual repayment dates is postponed while maintaining the ability to perform.
Department of Mines and Pe-	The DMP was a department of the Government of Western

troleum (DMP)	Australia until it was superseded by the Department of Mines, Industry Regulation and Safety on 1 July 2017.
Depreciation of fixed assets	Depreciation is the portion of a fixed asset's cost recorded as an expense during the current accounting period.
EBIT	Earnings before Interests and Taxes
EBITDA	Earnings before Interests, Taxes, Depreciation and Amortisation
EBT	Earnings before Taxes
Electric vehicle ("EV")	An electric vehicle is a means of transportation that is powered by electrical energy.
Electronic automotive	Industrial sector that concentrates on automotives driven by electricity.
Emerging markets	An emerging market is a country that has some characteristics of a developed market, but does not satisfy standards to be termed a developed market.
Energy density	Energy density is the amount of energy stored in a given system or region of space per unit volume. Colloquially it may also be used for energy per unit mass, though the accurate term for this is specific energy.
Energy-dense batteries	Batteries that have a higher capacity to hold energy.
EU	European Union
EUR	Euro
Eurozone	a monetary union of 19 of the 28 European Union member states
Ex officio	By means of the authorities motion.
Exploration tenements	If a firm undergoes some form of mining exploration, it needs to work within the legislative guidelines of the respective state. As such it needs to file for an exploration licence, also known as a tenement, which provides permission to perform certain activities on the land in which the firm operates.

Financial Investment Decision Study (FIDS)	Study for the final investment decision as part of the long term corporate finance decisions based on key criteria to manage company's assets and capital structure.
Forward-looking statements	Statements that are not based on historical or current facts and events.
Free Cash Flow	represents the cash a company generates after cash outflows to support operations and maintain its capital assets
Freefloat	represents the portion of shares of a corporation that are in the hands of public investors
FSMA	Financial Services and Markets Act 2000 is an Act of the Parliament of the United Kingdom that created the Financial Services Authority (FSA) as a regulator for insurance, investment business and banking, and the Financial Ombudsman Service to resolve disputes as a free alternative to the courts.
GDP	Gross Domestic Product (GDP) is the total monetary or market value of all the finished goods and services produced within a country's borders in a specific time period
Geochemical, geophysical, geological or geotechnical investigations	a series of scientific studies which typically involve the taking of shallow cores of sediment and underlying rock from a site to establish sub-surface geological and physical conditions prior to the design of a buildings foundations and support structures.
Global trade dispute	A trade dispute between two countries that affects the global economy or has global effects because of the economical impact the participating countries have
Grade of mineralization	Quality and strength of the mined kaolin.
Green energy power storage (solar and wind)	Storage for electricity, that is being procuded environmental friendly (green) through solar and wind.
Gigawatt-hour (gWh)	A unit of energy that equals to 3,600,000 megajoules.
Hall-Heroult smelting techniques	A major industrial process for smelting aluminium.
HGB	German Commercial Code (*Handelsgesetzbuch*)

High Purity Alumina (Al_2O_3, "HPA")	The purest form of the commercially-produced aluminium oxide with a minimum purity level of 99.99%
High-tech industries	Industries within the scope of high-technology, the cutting edge to the highest level of general development, as of a device, technique, or scientific field achieved at a particular time.
HPA calciner	A steel cylinder that rotates inside a heated furnace and performs indirect high-temperature processing (550–1150 °C, or 1000–2100 °F) within a controlled atmosphere to process HPA.
Hydrochloric (HCl) acid-based processing	A process for leaching of metal (aluminium) from a base material ore (kaolin), comprising the step of leaching the ore with hydrochloric acid, within which the aluminium metal disolves.
Hydrochloric acid	Hydrochloric acid or muriatic acid is a colorless inorganic chemical system with the formula H_2O:HCl.
Impurities	Impurities are chemical substances inside a confined amount of liquid, gas, or solid, which differ from the chemical composition of the material or compound.
Insolvency plan	Plan implemented to restructure the business of companies in insolvency proceedings.
Internal rate of return (IRR)	A metric used in capital budgeting to estimate the profitability of potential investments. The internal rate of return is a discount rate that makes the net present value (NPV) of all cash flows from a particular project equal to zero. IRR calculations rely on the same formula as NPV does.
Iron (Fe)	Iron is a chemical element with symbol Fe (from Latin: ferrum) and atomic number 26. It is a metal that belongs to the first transition series and group 8 of the periodic table. It is by mass the most common element on Earth, forming much of Earth's outer and inner core. It is the fourth most common element in the Earth's crust.
Joint War Committee ("JWC")	The JWC comprises underwriting representatives from the Lloyd's and IUA company markets, representing the interests of those who write marine hull war business in the London market.

KAGB	German Capital Investment Code (*Kapitalanlagegesetzbuch*)
Kaolin	Kaolinite is a clay mineral, part of the group of industrial minerals It is a layered silicate mineral, with one tetrahedral sheet of silica (SiO4) linked through oxygen atoms to one octahedral sheet of alumina (AlO6) octahedra. Rocks that are rich in kaolinite are known as kaolin /ˈkeɪəlɪn/ or china clay
Kaolin clay	Rocks that are rich in kaolinite are known as kaolin clay.
Kaolin container	A container is any receptacle or enclosure for holding a product used in storage, packaging, and shipping. Things kept inside of a container are protected by being inside of its structure. Here the container holds Kaolin.
Kaolin deposit	An ore deposit is an accumulation of ore. This is distinct from a mineral resource as defined by the mineral resource classification criteria. An ore deposit is one occurrence of a particular ore type.
Kaolin mining campaign	A short period of mining activity, typically less than two months, during which time a volume of kaolin equivalent to approximately 3-years of requirement for the 4N HPA Company's HPA plant is mined and placed on a stockpile (ROM) for storage and later loading into shipping containers for transport to Malaysia.
kEUR	EUR 1,000.00
Kilowatt-hour (kWh)	A unit of energy that equals to 3.6 megajoules.
LEI	Legal entity identifier
Light emitting diodes (LEDs)	A semiconductor light source that emits light when current flows through it.
Linerboard	A type of paperboard specially manufactured for the production of corrugated board.
Lithium cobalt oxide (LCO)	A chemical compound with formula LiCoO. The cobalt atoms are formally in the +3 oxidation state, hence the IUPAC name lithium cobalt (III) oxide.

Lithium manganese oxide (LMO)
A Lithium ion manganese oxide battery (LMO) is a lithium ion cell that uses manganese dioxide, MnO, as the cathode material. They function through the same intercalation/de-intercalation mechanism as other commercialized secondary battery technologies, such as LiCoO. Cathodes based on manganese-oxide components are earth-abundant, inexpensive, non-toxic, and provide better thermal stability

Lithium-ion batteries (LIB)
A type of rechargeable battery commonly used for portable electronics and electric vehicles.

Lithium-ion battery market
Global market for Lithium-ion batteries.

Lithium-ion battery sector
A segment of the re-chargable battery market that supplies re-chargable batteries with lithium-oxide used as an active material.

Lithium-ion battery separator sheets
A length “or sheet” of Lithium-ion battery separator material.

Lithium-ion battery separators
A thin microporous, monolayer or trilayer of polyolefins material typically in the range of 20-30 µm, this physical barrier is positioned between the two electrodes (annode and cathode) within a lithium-ion battery to prevent the electrodes coming into contact, thereby preventing an internal short circuit to safeguard battery stability against a thermal runaway.

Lithium-ion phosphate (LPF)
Lithium iron phosphate is as the cathode material used in is a type of rechargeable lithium-ion battery in combination with a graphitic carbon electrode with a metallic backing as the anode (LiFePO).

Lump-sum engineering, procurement and construction (“EPC”) contract value
The SMS EPC contract.

MAR
Regulation (EU) No 596/2014 (*Market Abuse Regulation*)

Meckering deposit
Kaolin deposit in Meckering, Western Australia owned by Altech Meckering.

Meckering facility
Altech Meckering facility in Meckering, Western Australia, containing the Meckering kaolin deposit, the Meckering Mining

	Lease and the freehold land within which the Mecking Mining Lease sits.
Meckering Mining Lease	Lease for the kaolin mining in Meckering owned by Altech Meckering.
Micron	An derived unit of length equalling 1×10^{-6} metre; that is, one millionth of a metre (or one thousandth of a millimetre, 0.001 mm, or about 0.000039 inch).
Mineral mining	Mining is the extraction of valuable minerals or other geological materials from the Earth, usually from an ore body, lode, vein, seam, reef or placer deposit.
Mineral resources	Natural resources of minerals that exist without actions of humankind.
Mining lease (ML)	Lease to mine kaolin in the Meckering deposit granted by the DMP.
Mining method	Method of mineral extraction, for example underground mining, open surface mining and underground mining.
Net income	A measure of the profitability of a venture. It is an entity's income minus cost of goods sold, expenses, depreciation and amortization, interest, and taxes for an accounting period.
Nickel manganese cobalt (NMC) cathodes	Is a widely used class of layered cathode electrode material (lithium, nickel manganese cobalt oxide (LiNixMnyCozO2) used in high energy density lithium-ion batteries.
Non-ferrous metals	Is a metal, including alloys, that does not contain iron (ferrite) in appreciable amounts.
No-par value registered shares	Term for a share that is not denominated in a fixed monetary amount but only in a share in the Company without determining its nominal or proportional size - no-par value share - or a quota of the Company's share capital - quota share.
OECD	An intergovernmental economic organization with 36 member countries, founded in 1961 to stimulate economic progress and world trade.
Operating Cash Flow	The amount of cash a company generates from the revenues it

brings in.

Opex p.a. An ongoing cost for running a product, business, or system per year.

Optical windows Piece of transparent optical material that allows light into an optical instrument.

Option agreement A promise which meets the requirements for the formation of a contract and limits the promisor's power to revoke an offer.

Ore Reserve estimation (JORC 2012) The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ('the JORC Code') is a professional code of practice that sets minimum standards for Public Reporting of minerals Exploration Results, Mineral Resources and Ore Reserves.

Ore reserves Ore reserves are valuable and legally, economically, and technically feasible to extract. In common mining terminology, an "ore deposit" by definition must have an "ore reserve", and may or may not have additional resources.

P/E-Ratio Price-to-Earnings Ratio, the ratio of a company's share (stock) price to the company's earnings per share.

Packaging industry Companies within the scope of packaging, the science, art and technology of enclosing or protecting products for distribution, storage, sale, and use.

Paper processing industry The paper processing industry comprises companies that use wood as raw material and produce paper and other cellulose-based products.

Pellet/bead form Shaped in form of a pellet/bead, reminiscent of an hourglass or a diabolo.

Polyethylene (EP) Polyethylene or polythene (abbreviated PE; IUPAC name polyethene or poly(methylene)) is the most common plastic.

Polymer separator sheets A lithium ion accumulator is the generic term for accumulators based on lithium compounds in all three phases of the electrochemical cell.

Here, microporous membranes are used to facilitate the passage of ions. These are mostly polymer films, which can also

	consist of several layers. Since these films have very good electrochemical properties, but only low temperature resistance (about 120 °C), heat-resistant microporous ceramic separators are also used.
Polypropylene (PP)	Polypropylene (PP), also known as polypropene, is a thermoplastic polymer. It is produced via chain-growth polymerization from the monomer propylene.
Post-formation agreement	Describes contracts which a stock corporation concludes with a certain group of persons in the first two years after its formation, namely founders or shareholders who hold more than ten percent of the shares in the company, and on the basis of which the company is to acquire investments or other assets at a remuneration exceeding ten percent of its share capital.
Powder form	Shaped in a dry, bulk solid composed way of many very fine particles that may flow freely when shaken or tilted.
Priority claims	A priority claim is a debt that is entitled to special treatment and will get paid before nonpriority claims.
Private equity (PE)	Refers to investment funds, generally organized as limited partnerships that buy and restructure companies that are not publicly traded.
Processing plant	a factory where raw materials are treated or prepared by a special method, especially one where food is treated in order to preserve it
Project financial close	Financial close occurs when all the project and financing agreements have been signed and all the required conditions contained in them have been met. It enables funds (e.g. loans, equity, grants) to start flowing so that project implementation can actually start.
Project Gateway Methodology	Standardised structured evaluation method for strategic business decisions.
Project Net Present Value (NPV)	Net present value (NPV) is the difference between the present value of cash inflows and the present value of cash outflows over a period of time. NPV is used in capital budgeting and investment planning to analyze the profitability of a projected investment or project.

Purity level	Measurement for the grade of absence of contaminants in a substance.
Re-processing methods	A method to extract high purity alumina (HPA) from aluminium metal, which typically involves the removal of sodium and other impurities from the aluminium, using one or more chemical and/or other processes.
Roasting	A heating method that uses dry heat where hot air envelops the material, heating it evenly on all sides at high temperatures.
Roasting tests	Testing of the roasting to reduce the risk of product contaminations.
Run of Mine (ROM)	This is the name given to the ore that is mined and can then be further processed without further comminution.
S&P500	A stock market index that measures the stock performance of 500 large companies listed on stock exchanges in the United States.
Sapphire crystal boules	A single crystal ingot of sapphire glass produced by synthetic means shaped in cylindrical sticks.
Sapphire glass	A synthetically produced crystal second only to diamond in its hardness, making it extremely durable and therefore slow, expensive and energy-intensive to produce.
Scratch-resistant sapphire glass	Sapphire glass that is not easily damaged by scratching.
Sell-Back Put Option	On 17 July 2019 the Issuer signed a Subscription, Sell-Back and Sell-Back Put Option Deed (the “Deed”) with Altech and the 4N HPA Company, providing the Issuer with the right (option) to acquire up to a 49% of the shares in the 4N HPA Company for up to USD 100 million.
Semiconductor wafers	A semiconductor wafer is a thin slice of semiconductor substance, like crystalline silicon, used in electronics for the making of integrated circuits. In the electronics jargon, a thin slice of semiconductor material is called as a wafer. It could be a silicon crystal which is used in the making of integrated circuits

	and other micro devices.
Separator	Separator (electricity), a porous or ion-conducting barrier used to separate anode and cathode in electrochemical systems.
Silica	Silica or silicon dioxide is a chemical compound.
SMS EPC contract	A contract between a consortium consisting of SMS group GmbH, Metix Malaysia Snd Bhd and Metix Pty Ltd.; and Altech Chemicals Ltd. and Altech Chemicals Sdn Bhd for the design, engineering, procurement and construction of a 4,500 tpa high purity alumina (HPA) plant in Johor, Malaysia on a turn-key, fixed price, lump sum basis for USD 280 million.
Sodium (Na)	Sodium is a chemical element with the symbol Na.
Solid-state lighting industry	Solid-state lighting (SSL) is a type of lighting that uses semi-conductor light-emitting diodes (LEDs), organic light-emitting diodes (OLED), or polymer light-emitting diodes (PLED) as sources of illumination rather than electrical filaments, plasma (used in arc lamps such as fluorescent lamps), or gas.
Stripping ratio	In mining, stripping ratio or strip ratio refers to the ratio of the volume of overburden (or waste material) required to be handled in order to extract some tonnage of ore.
Synthetic sapphire	Artificial sapphire material produced in a chemical process.
Synthetic sapphire wafers	In electronics, a wafer (also called a slice or substrate) is a thin slice of semiconductor, such as a crystalline silicon (c-Si), used for the fabrication of integrated circuits and, in photovoltaics, to manufacture solar cells. The wafer serves as the substrate for microelectronic devices built in and upon the wafer.
Tanjung Langsat Industrial Complex	A main industrial area and port in Pasir Gudang, Johor Bahru District, Johor, Malaysia.
Technavio Research	TechNavio is a market research company with a key focus on emerging technology market trends.
TEUR	EUR 1,000.00
The raw materials market	Raw materials are materials or substances used in the primary production or manufacturing of goods. Raw materials are

	commodities that are bought and sold on commodities exchanges worldwide. Raw materials market means the worldwide market for these materials.
Thermal decomposition of ammonium aluminium carbonate hydroxide	A process to decomposite ammonium aluminum carbonate hydroxide (AACH) by heating to produce alumina and gases (NH_3, H_2O and CO_2)
Thermal decompression ammonium aluminium sulphate	A process to recomposite ammonium aluminum sulphate(also called ammonium alum) by heating to produce alumina and gases (NH3 and SO2).
Underground storm water/process discharge tanks (OSD tanks)	Pre-fabricated concrete tanks with traffic-able roofs. Installed individually or grouped together.
US	United States
USD	United States Dollar
WpHG	German Securities Trading Act (*Wertpapierhandelsgesetz)*
WTO	The World Trade Organization (WTO) is an intergovernmental organization that is concerned with the regulation of international trade between nations.

XIX. FINANCIAL INFORMATION

Altech Advanced Materials AG's audited HGB financial statements for the financial year ending 31 December 2019

Incorporation by reference

Altech Advanced Materials AG's audited HGB financial statements for the financial year from 1 January 2019 to 31 December 2019 consisting of Balance Sheet (page 26), Profit and Loss Account (page 27), Cash Flow Statement (page 28), Equity Statement (page 29), Annex (pages 30 to 39) and Auditor's Report (pages 40 to 45) are incorporated by reference on the document "Jahresabschluss zum 31. Dezember 2019" in the section "Financial Information" of this Prospectus. The non-incorporated parts of the aforementioned document are either not relevant for the investor or covered elsewhere in the Prospectus.

XX. BUSINESS PERFORMANCE AND OUTLOOK

On 17 July 2019, the Issuer signed an option agreement with Altech Chemicals Limited ("**Altech**") and Altech Chemicals Australia Pty Ltd (the "**4N HPA Company**"), providing it with the right (option) to acquire up to 49% of the shares in the 4N HPA Company for up to USD 100 million. For this option, AAM paid Altech a fee of kEUR 500. The option can be exercised until 1 January 2021. The Issuer intends to exercise the option using liquidity which the Issuer intends to raise as part of the capital increase subject to this Prospectus of up to EUR 75 million by issuing up to 63,102,080 shares at a subscription price of EUR 1.10 per share or at least EUR 1.20 per share as part of a private placement.

For 2020, AAM expects additional costs relating to this transaction, consisting of costs for the Prospectus, roadshow, capital increase etc., of up to EUR 4 million, in case the proposed capital increase is placed in full, thus raising EUR 75 million. The option fee of kEUR 500 has been capitalized and the investment into the 4N HPA Company will be capitalized, however, management expects that the transaction expenses of expected EUR 4 million would impact the net income largely in 2020.The capital increase with gross issue proceeds of up to EUR 76 million, if placed fully at a placement price of 1.20 EUR per share, would most likely allow for an investment into the 4N HPA Company in the magnitude of USD 75.6 million, after paying the transaction costs and setting aside some funds for ongoing expenses of AAM, holding approximately 37.0% of the 4N HPA Company. Hence, further funds required to exercise the full USD 100 million option to acquire the 49% stake in the 4N HPA Company would be expected to be raised either through a further capital increase or by issuing alternative debt products such as a convertible bond. However, whilst an engagement letter with a large international bank has been signed to assist in raising the capital, no plans have currently been made for obtaining such additional funds.

Material trends after 31 December 2019 relating to the business outlook of the Company do not exist. Due to the company's liquidity requirements until the completion of the capital increase that is subject to this prospectus, in January 2020 most of the securities held by the Issuer in its trading portfolio were sold for a purchase price after bank fees of approximately EUR 228,000. There have been no significant changes in the financial position of the Issuer which have occurred since the end of the last financial period for which audited financial statements have been published, i.e. since 31 December 2019.

Other trends, uncertainties, demands, commitments or events that are expected to materially affect the Issuer's prospects, at least for the current financial year, are not known beyond the circumstances described in this section Business Performance and Outlook. There has been no material adverse change in the prospects of the Company since the date of the financial statements dated 31 December 2019.