



Altech Batteries
Limited

ASX ANNOUNCEMENT AND MEDIA RELEASE

17 July 2023

ALTECH –SHARE PLACEMENT & ENTITLEMENT OFFER TO ADVANCE BATTERY PROJECTS

Highlights

- Altech to raise \$3 million through a placement to sophisticated and professional investors
- Followed by \$12.8 million via a pro-rata entitlement offer to existing eligible shareholders
- Total capital raising of up to approximately \$15.8 million
- Proposed entitlement offer to be partially underwritten for \$6,700,000 by Altech's largest shareholders, Deutsche Balaton Aktiengesellschaft and Delphi Unternehmensberatung Aktiengesellschaft.
- Funds will be used to further progress the CERENERGY® and Silumina Anodes™ Projects

Altech Batteries Limited (Altech/Company) (ASX: ATC) (FRA: A3Y) is pleased to announce a total capital raising of up to approximately \$15.8 million, comprising the issue of up to 226,560,014 fully paid ordinary shares in the capital of the Company (Shares) at an issue price of \$0.07 per Share ("Capital Raising").

Managing Director Mr Iggy Tan stated "We are delighted with the outcome of the capital raising. Altech's major shareholders, Deutsche Balaton Aktiengesellschaft and Delphi Unternehmensberatung Aktiengesellschaft, have agreed to partially underwrite the Entitlement Offer for \$6,700,000. Having the support of these German shareholders is very pleasing. The capital raising has come at an exciting time for Altech, as we progress with the commercialisation of the 100MWh CERENERGY® battery project, as well as near completion of our Silumina Anodes™ pilot plant".

Capital Raising

The Capital Raising comprises:

- a single tranche placement of 42,857,142 Shares to sophisticated and professional investors at an issue price of \$0.07 per Share to raise \$3 million ("Placement"); and
- a proposed partially underwritten non-renounceable entitlement offer of 1 Share for every 8 Shares held by Eligible Shareholders (defined below) at the same issue price as the Placement of \$0.07, to raise up to approximately \$12.8 million ("Entitlement Offer").

It is proposed that the Shares under the Placement will be issued prior to the record date of the Entitlement Offer on 5.00pm (AWST) Friday, 21 July 2023 and will be issued out of the Company's available capacity under Listing Rules 7.1.

Full details of the Entitlement Offer (including the record date and eligibility requirements) will be set out in the Prospectus expected to be lodged with ASIC in accordance with the timetable set out below.

Underwriting

Altech's substantial shareholders, Deutsche Balaton Aktiengesellschaft and Delphi Unternehmensberatung Aktiengesellschaft (together "DB"), have agreed to partially underwrite the Entitlement Offer for \$6,700,000 (95,714,286 Shares which includes DB taking up their entitlement under the Entitlement Offer), being a combined total of 52% of the maximum amount to be raised under the Entitlement Offer.

Under the terms of the underwriting agreement with DB, the Company will pay DB a fee of 6% of the amount underwritten by DB.

Eligible Shareholders and applying for Shares under the Entitlement Offer

The Entitlement Offer is open to all eligible shareholders who have a registered address within Australia, New Zealand, Germany, Malaysia, Switzerland and Singapore and who hold shares on Friday, 21 July 2023 (Eligible Shareholders), and will close on Friday, 4 August 2023 (unless otherwise extended by the Board).

All Shares issued will rank equally with existing Shares on issue and the Company will apply for quotation of the new Shares issued pursuant to the Entitlement Offer. A personalised Entitlement and Acceptance Form will be sent to eligible shareholders shortly after the record date of Friday, 21 July 2023.

Shortfall

The Entitlement Offer includes a shortfall facility under which Eligible Shareholders that have taken up their full entitlement under the Entitlement Offer can apply to take up additional Shares ("Shortfall Shares") in excess of their pro rata entitlement ("Shortfall Entitlement Offer"). The Shortfall Entitlement Offer may also be offered to third parties introduced by the Company. The Shortfall Entitlement Offer is a separate offer made pursuant to the Prospectus and will remain open for up to three (3) months following the Closing Date (as outlined below). The securities issued under the Shortfall Entitlement Offer will have the same terms as those issued under the Entitlement Offer.

All decisions regarding the allocation of Shortfall Shares will be at the sole-discretion of the directors in and will be final and binding on all applications under the Shortfall Entitlement Offer. As such, there is no guarantee that any Shortfall Shares will be issued to applicants.

Intended Use of Funds

The funds raised under the Entitlement Offer will be used for:

- CERENERGY® project Definitive Feasibility Study, fabrication of two 60kWh battery prototypes and Fraunhofer joint venture payments.
- Finalise construction and commissioning of the Silumina Anodes™ pilot plant and the Definitive Feasibility Study for this project.
- Corporate costs and working capital.

Key Dates

Event	Date
Company requests trading halt from ASX	Pre-market open on Thursday, 13 July 2023
Announcement of Placement, Entitlement Offer and Appendix 3B lodged with ASX	Pre-market open on Monday, 17 July 2023
Trading halt lifted	Monday, 17 July 2023
Lodgement of Prospectus with the ASIC & ASX	Monday, 17 July 2023
Ex date	Thursday, 20 July 2023
Settlement of Shares under Placement	Thursday, 20 July 2023
Issue of Shares under Placement	Friday, 21 July 2023
Record Date for determining Entitlements	5.00pm (AWST) on Friday, 21 July 2023
Quotation of Shares issued under Placement	Monday, 24 July 2023
Entitlement Offer opening date, Prospectus sent out to Shareholders and Company announces this has been completed	Wednesday, 26 July 2023
Last day to extend the Closing Date under Entitlement Offer	Tuesday, 1 August 2023
Closing Date of the Entitlement Offer as at 5:00pm*	Friday, 4 August 2023
ASX and Underwriter notified of under subscriptions under Entitlement Offer	Monday, 7 August 2023
Underwriter subscribes for Shortfall under terms of Underwriting	Wednesday, 9 August 2023
Issue date and lodgement of Appendix 2A with ASX applying for quotation of the Shares issued under the Entitlement Offer	Friday, 11 August 2023
Quotation of Shares issued under the Entitlement Offer	Monday, 14 August 2023

Altech Batteries Interactive Investor Hub

Engage with Altech directly by asking questions, watching video summaries and seeing what other shareholders have to say about this, as well as past announcements, at our Investor Hub <https://investorhub.altechgroup.com>

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About Altech Batteries Ltd (ASX:ATC) (FRA:A3Y)

CERENERGY® Batteries Project

Altech Batteries Ltd is a specialty battery technology company that has a joint venture agreement with world leading German battery institute Fraunhofer IKTS ("Fraunhofer") to commercialise the revolutionary CERENERGY® Sodium Alumina Solid State (SAS) Battery. CERENERGY® batteries are the game-changing alternative to lithium-ion batteries. CERENERGY® batteries are fire and explosion-proof; have a life span of more than 15 years and operate in extreme cold and desert climates. The battery technology uses table salt and is lithium-free; cobalt-free; graphite-free; and copper-free, eliminating exposure to critical metal price rises and supply chain concerns.

The joint venture is commercialising its CERENERGY® battery, with plans to construct a 100MWh production facility on Altech's land in Saxony, Germany. The facility intends to produce CERENERGY® battery modules to provide grid storage solutions to the market.



Silumina Anodes™ Battery Materials Project

Altech Batteries has licenced its proprietary high purity alumina coating technology to 75% owned subsidiary Altech Industries Germany GmbH (AIG), which has commenced a definitive feasibility study for the development of a 10,000tpa silicon/graphite alumina coating plant in the state of Saxony, Germany to supply its Silumina Anodes™ product to the burgeoning European electric vehicle market.

This Company recently announced its game changing technology of incorporating high-capacity silicon into lithium-ion batteries. Through in house R&D, the Company has cracked the "silicon code" and successfully achieved a 30% higher energy battery with improved cyclability or battery life. Higher density batteries result in smaller, lighter batteries and substantially less greenhouse gases, and is the future for the EV market. The Company's proprietary silicon graphite product is registered as Silumina Anodes™.

The Company is in the race to get its patented technology to market, and recently announced the results of a preliminary feasibility study (PFS) for the construction of a 10,000tpa Silumina Anode™ material plant at AIG's 14-hectare industrial site within the Schwarze Pumpe Industrial Park in Saxony, Germany. The European graphite and silicon feedstock supply partners for this plant will be SGL Carbon and Ferroglobe. The project has also received green accreditation from the independent Norwegian Centre of International Climate and Environmental Research (CICERO). To support the development, AIG has commenced construction of a pilot plant adjacent to the proposed project site to allow the qualification process for its Silumina Anodes™ product. AIG has executed NDAs with two German automakers as well as a European based battery company.



HPA Production Project

Altech is also further aiming to become a supplier of 99.99% (4N) high purity alumina (Al_2O_3) through the construction and operation of a 4,500tpa high purity alumina (HPA) processing plant at Johor, Malaysia, and has finalised Stage 1 and Stage 2 construction of its HPA plant in Johor, Malaysia. Feedstock for the plant will be sourced from the Company's 100%-owned near surface kaolin deposit at Meckering, Western Australia and shipped to Malaysia. The HPA project is significantly de-risked with a bankable feasibility study completed, senior lender project finance from German government owned KfW IPEX-Bank approved, and a German EPC contractor appointed – with initial construction works at the site completed. In addition to the senior debt, conservative (bank case) cash flow modelling of the HPA plant shows a pre-tax net present value of USD 505.6million at a discount rate of 7.5%. The project generates annual average net free cash of ~USD76million at full production. Altech is in the final stages of project finance with a potential raising of US\$100m of secondary debt via the listed green bond market. In addition, US\$100m of project equity is being sought through potential project joint venture partners.