

ALTECH BATTERIES LTD
ACN 125 301 206

ENTITLEMENT OFFER PROSPECTUS

For a pro-rata non-renounceable entitlement issue of one (1) Share for every eight (8) Shares held by those Shareholders registered at the Record Date at an issue price of \$0.07 per Share to raise up to \$12,859,201 (based on the number of Shares on issue as at the date of this Prospectus together with the Shares issued under the Placement) (**Entitlement Offer**).

This Entitlement Offer is partially underwritten by Deutsche Balaton Aktiengesellschaft and Delphi Unternehmensberatung Aktiengesellschaft (companies incorporated under the laws of Germany) (together, the **Underwriters**). Refer to Section 6.4.1 for details regarding the terms of the underwriting.

IMPORTANT NOTICE

This document is important and should be read in its entirety. If, after reading this Prospectus you have any questions about the Shares being offered under this Prospectus or any other matter, then you should consult your professional advisers without delay.

The Shares offered by this Prospectus should be considered as highly speculative.

IMPORTANT NOTICE

This Prospectus is dated 18 July 2023 and was lodged with the ASIC on that date. The ASIC, ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Shares may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Shares offered by this Prospectus should be considered as highly speculative.

Applications for Shares offered pursuant to this Prospectus can only be made by an original Entitlement and Acceptance Form or Shortfall Application Form.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus and is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

Representations contained in this Prospectus are made taking into account that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters are publicly available information or may reasonably be expected to be known to investors and professional advisers whom prospective investors may consult.

No Investment Advice

The information contained in this Prospectus is not financial product advice or investment advice and does not take into account your financial or investment objectives,

financial situation or particular needs (including financial or taxation issues). You should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding to subscribe for Shares under this Prospectus to determine whether it meets your objectives, financial situation and needs.

Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the Company's management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward-looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 5.

Overseas shareholders

This Entitlement Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Entitlement Offer is not being extended and Shares will not be issued to Shareholders with a registered address which is outside Australia New Zealand, Germany, Malaysia, Singapore or Switzerland.

For further information on overseas Shareholders please refer to Section 2.10.

Continuous disclosure obligations

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Shares.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the three months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Please refer to Section 6.2 for further details.

Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the

Company at
www.altechgroup.com.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus, or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company by phone on + 61 8 6168 1555 during office hours or by emailing the Company at martins@altechgroup.com.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

Company Website

No documents or other information available on the Company's website is incorporated into this Prospectus by reference.

Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will apply to participate in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale

and purchase procedures under CHES and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation. Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses the Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

Definitions and Time

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 7.

All references to time in this Prospectus are references to Australian Western Standard Time.

Privacy statement

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the share registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the share registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note

that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

Enquiries

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult with your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Entitlement Offer or how to accept the Entitlement Offer please call the Company Secretary on +61 8 6168 1555.

CORPORATE DIRECTORY

Directors

Mr Luke Atkins
Non-Executive Chairman

Mr Ignatius Tan
Managing Director

Mr Peter Bailey
Non-Executive Director

Mr Daniel Tenardi
Non-Executive Director

Mr Tunku Yaacob
Non-Executive Director

Mr Uwe Ahrens
Alternate Non-Executive Director

Mr Hansjoerg Plaggemars
Non-Executive Director

Company Secretary

Mr Martin Stein

Registered Office

Suite 8
295 Rokeby Road
SUBIACO WA 6008

Telephone: + 61 8 6168 1555

Email: info@altechgroup.com

Website: www.altechgroup.com

Interactive Investor Hub:
<https://investorhub.altechgroup.com>

Entitlement Offer Online Information:
<https://nreo.altechgroup.com/>

Underwriters

Deutsche Balaton Aktiengesellschaft and
Delphi Unternehmensberatung
Aktiengesellschaft
Ziegelhaeuser Landstrasse 1, 69120
Heidelberg, Germany

Legal Advisers

Steinepreis Paganin

Lawyers and Consultants
Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

Auditor*

Moore Australia Audit (WA)
Level 15, 'Exchange Tower'
2 The Esplanade
PERTH WA 6000

Share Registry*

Automic Pty Ltd
Level 5
191 St Georges Terrace
PERTH WA 6000

Telephone: 1300 288 664

*This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus.

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For personal use only

1. KEY OFFER INFORMATION

1.1 Timetable

| 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 | Pre-market open, Monday, 18 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 | Tuesday, 1 August 2023 |
| Closing Date as at 5:00pm* | Friday, 4 August 2023 |
| ASX and Underwriters notified of under subscriptions | Monday, 7 August 2023 |
| Underwriters subscribe 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 |

*The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date. Accordingly, the date the Shares are expected to commence trading on ASX may vary.

1.2 Key statistics of the Entitlement Offer

| | Full Subscription |
|--|----------------------|
| Entitlement Offer Price per Share | \$0.07 |
| Entitlement Ratio (based on existing Shares) | 1 for 8 |
| Shares currently on issue ² | 1,426,765,869 |
| Shares to be issued under the Placement | 42,857,143 |
| Shares to be issued under the Entitlement Offer ^{1,2} | 183,702,876 |
| Gross proceeds of the issue of Shares under the Entitlement Offer and Placement | \$15,859,201 |
| Shares on issue following completion of the Entitlement Offer¹ | 1,653,325,888 |

Notes:

1. Assuming the Maximum Subscription of \$12,859,201 is achieved under the Entitlement Offer.
2. Refer to Section 4 for the terms of the Shares.

1.3 Key Risk Factors

Prospective investors should be aware that subscribing for Shares involves a number of risks and an investment in the Company should be considered as highly speculative. The future performance of the Company and the value of the Shares may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are set out in Section 5.

1.4 Directors' Interests in Shares

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set out in the table below:

| Director | Shares | Performance Rights | Entitlement | \$ |
|-------------------------|------------|--------------------|-------------|-----------|
| Mr Luke Atkins | 10,857,438 | 4,000,000 | 1,357,179 | \$95,002 |
| Mr Ignatius Tan | 7,940,000 | 30,000,000 | 992,500 | \$69,475 |
| Mr Daniel Tenardi | 5,594,915 | 4,000,000 | 699,364 | \$48,955 |
| Mr Peter Bailey | 3,774,710 | 3,000,000 | 471,838 | \$33,028 |
| Mr Tunku Yaacob | 92,655,251 | 3,000,000 | 11,581,903 | \$810,733 |
| Mr Uwe Ahrens | 1,000,000 | 13,000,000 | 125,000 | \$8,750 |
| Mr Hansjoerg Plaggemars | - | 4,000,000 | - | - |

The Board recommends all Shareholders take up their Entitlements. The Directors reserve the right to take up their respective Entitlement in whole or in part at their discretion.

1.5 Details of Substantial Holders

Based on publicly available information as at the date of this Prospectus, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue as at the date of this Prospectus are set out below:

| Shareholder | Shares | % |
|---|-------------|--------|
| Deutsche Balaton Aktiengesellschaft/ Delphi Unternehmensberatung Aktiengesellschaft | 233,933,950 | 16.40% |
| Melewar Equities (BVI) Limited & MAA Group Berhad | 105,663,348 | 7.41% |

In the event all Entitlements are accepted there will be no change to the substantial holders on completion of the Entitlement Offer.

If all Eligible Shareholders take up their Entitlements, the issue of Shares under the Offer will have no effect on the control of the Company and all Shareholders will hold the same percentage interest in the Company, subject only to changes resulting from Ineligible Shareholders being unable to participate in the Offer.

However, if not all Shareholders take up their Entitlements then changes to the ownership interests of the Company could occur as a result of Eligible Shareholders applying for any Shortfall or the Underwriter being required to subscribe for that Shortfall Shares. Refer to Sections 1.7 and 1.8 for further details.

1.6 Underwriting

The Entitlement Offer is partially underwritten by the Company's major shareholders, Deutsche Balaton Aktiengesellschaft and Delphi Unternehmensberatung Aktiengesellschaft (companies incorporated under the laws of Germany who are associates of one another for the purposes of section 606 of the Corporations Act) (together, the **Underwriters** or **DB&D**), up to \$6,700,000 (which includes taking up their Entitlement under the Entitlement Offer).

Refer to Section 6.4.1 for details of the terms of the underwriting.

1.7 Effect on Control

DB&D are presently the Company's major shareholder and are not a related party of the Company for the purposes of the Corporations Act. However, as DB&D's current voting power exceeds 10% and they have nominated a Director to the Board (Mr Hansjoerg Plaggemars), they fall under Listing Rule 10.11.3. As a result, the Company cannot ordinarily issue securities to DB&D without Shareholder approval. In this instance, there are exceptions available under ASX Listing Rule 10.12 that permit DB&D to take up of its Entitlement (Exception 1 of ASX Listing Rule 10.12) and subscribe for Shortfall Shares pursuant to its underwriting commitment (Exception 2 of ASX Listing Rule 10.12).

The table below sets out the DB&B's voting power in the Company as at the Record Date and the potential increase to its voting power under several scenarios relating to the percentage acceptance of Entitlements under the Entitlement Offer.

| Event | Number of Shares held by the Underwriter and its associates ¹ | Voting power of the Underwriter |
|--|--|---------------------------------|
| As at the Record Date | 233,933,950 | 15.92% |
| 100% take up | 263,175,694 | 15.92% |
| 75% take up (including the Underwriters taking up their full Entitlement) | 309,101,413 | 18.70% |
| 50% take up (including the Underwriters taking up their full Entitlement) | 329,648,236 | 20.25% |
| 25% take up (including the Underwriters taking up their full Entitlement) | 329,648,236 | 20.84% |
| 15.92% take up from Eligible Shareholders (being the Underwriters Entitlement) | 329,648,236 | 21.06% |

The underwriting obligation and therefore voting power of the DB&D will reduce for the amount of Entitlements accepted under the Entitlement Offer and Shortfall Shares allocated to parties other than the DB&D. As set out in this Prospectus, Eligible Shareholders are invited to apply for any Shortfall. It is therefore not expected that DB&D would achieve the maximum voting power described above.

Despite having a representative on the Company's Board, there is no scenario by which DB&D would be able to exercise effective control over the Company as a result of underwriting the Offer.

The Company, in consultation with the Underwriters, will ensure that the Entitlement Offer (including the equitable dispersion of any Shortfall Shares) complies with the provisions of Chapter 6 of the *Corporations Act 2001* (Cth) and is otherwise consistent with the policy guidelines contained in ASIC Regulatory Guide 6 and Takeovers Panel Guidance Note 17.

To the extent that the Underwriters' voting power would increase beyond 20% as a result of its partial underwriting of the Offer, such Shares will be issued pursuant to the "underwriting exception" in item 13 section 611 of the Corporations Act.

1.8 Potential dilution on non-participating Shareholders

In addition to potential control impacts set out in Section 1.7, Shareholders should note that if they do not participate in the Entitlement Offer, their holdings are likely to be diluted by approximately 11.11% (as compared to their holdings and number of Shares on issue as at the date of this Prospectus).

For illustrative purposes, the table below shows how the dilution may impact the holdings of Shareholders:

| Holder | Holding as at Record date | % at Record Date | Entitlements under the Entitlement Offer | Holdings if Entitlement Offer not taken Up | % post Entitlement Offer |
|--------|---------------------------|------------------|--|--|--------------------------|
|--------|---------------------------|------------------|--|--|--------------------------|

| | | | | | |
|---------------|------------|--------|-----------|------------|--------|
| Shareholder 1 | 10,000,000 | 0.67% | 1,250,000 | 10,000,000 | 0.60% |
| Shareholder 2 | 5,000,000 | 0.33% | 500,000 | 5,000,000 | 0.30% |
| Shareholder 3 | 1,500,000 | 0.10% | 150,000 | 1,500,000 | 0.09% |
| Shareholder 4 | 400,000 | 0.03% | 40,000 | 400,000 | 0.02% |
| Shareholder 5 | 50,000 | 0.003% | 5,000 | 50,000 | 0.003% |

Notes:

1. This is based on 1,426,765,869 Shares currently on issue plus 42,857,143 Shares issued under the Placement prior to the Record Date and assumes no other Shares are issued.
2. The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted by Eligible Shareholders are placed under the Shortfall Entitlement Offer. In the event all Entitlements are not accepted and some or all of the resulting Shortfall was not subsequently placed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

1.9 Electing to receive electronic communications

Altech strongly encourages shareholder to elect to receive electronic communications from the Company. You can elect to receive electronic communications from the Company by registering for an online account with Automic by using the instructions at <https://investor.automic.com.au/#/home>.

Shareholders who have any questions in relation to the Entitlement Offer should submit questions via Altech's interactive investor hub here: <https://investorhub.altechgroup.com>. The management team will be monitoring the hub daily to provide responses to your questions at their earliest convenience.

2. DETAILS OF THE OFFER

2.1 Background to the Entitlement Offer

On 17 July 2023, the Company announced that it had received firm commitments to raise \$3,000,000 via a placement of 42,857,143 Shares at an issue price of \$0.07 per Share to sophisticated and professional investors (**Placement**). The Company intends to issue the Shares under the Placement on Thursday, 21 July 2023.

Based on the capital structure of the Company as at the date of this Prospectus and all Shares under the Placement are issued prior to the Record Date, approximately 183,702,876 Shares may be issued under the Entitlement Offer to raise up to \$12,859,201.

All of the Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 4 for further information regarding the rights and liabilities attaching to the Shares.

The Entitlement Offer is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their Entitlement.

The purpose of the Entitlement Offer and the intended use of funds raised are set out in Section 3.

Please navigate to Altech's Entitlement Offer page at <https://neo.altechgroup.com/> or scan the QR code below. This page has all information on the offer, as well as FAQs and easy apply.



2.2 Eligibility to participate in the Entitlement Offer

An Eligible Shareholder is a Shareholder who:

- (a) is entered on the Company's Share register at 5:00pm (WST) on the Record Date; and
- (b) has a registered address in Australia or any of the Permitted Jurisdictions; and
- (c) are eligible under all applicable securities laws to receive an offer under the Entitlement Offer.

Any Shareholders who are not Eligible Shareholders are '**Ineligible Shareholders**'. The Company reserves the right to determine whether a Shareholder is an Eligible Shareholder or an Ineligible Shareholder.

2.3 What Eligible Shareholders may do

The number of Shares to which Eligible Shareholders are entitled is shown on the personalised Entitlement and Acceptance Form which can be accessed at www.investor.automic.com.au. Eligible Shareholders may choose any of the options set out in the table below.

| Option | Key Considerations | For more information |
|--|---|------------------------------|
| Take up all of your Entitlement | <ul style="list-style-type: none"> Should you wish to accept all of your Entitlement, then your application for Shares under this Prospectus must be made by following the instructions on the personalised Entitlement and Acceptance Form which can be accessed at investor.automic.com.au. Please read the instructions carefully. Payment can be made by the methods set out in Section 2.4. As set out in Section 2.4, if you pay by BPAY or EFT, you do not need to return the Entitlement and Acceptance Form. | Section 2.4 and Section 2.5. |
| Take up all of your Entitlement and also apply for Shortfall Shares | <ul style="list-style-type: none"> Should you wish to accept all of your Entitlement and apply for Shortfall Shares, then your application for your Entitlement and additional Shortfall Shares under this Prospectus must be made by following the instructions on your personalised Entitlement and Acceptance Form which can be accessed at www.investor.automic.com.au. Please read the instructions carefully. Payment can be made by the methods set out in Section 2.4. Payment should be made for your Entitlement and the amount of the Shortfall for which you are applying. If you apply for Shortfall Shares beyond your Entitlement you are deemed to have accepted your Entitlement in full. You should note that the allocation of Shortfall Shares is at the as per the allocation policy set out in Section 2.7. Accordingly, your application for additional Shortfall Shares may be scaled-back. The Company's decision on the number of Shortfall Shares to be allocated to you will be final. | Sections 2.4, 2.5 and 2.7. |
| Take up a proportion of your Entitlement and allow the balance to lapse | <ul style="list-style-type: none"> If you wish to take up only part of your Entitlement and allow the balance to lapse, your application must be made by completing the personalised Entitlement and Acceptance Form which can be accessed at www.investor.automic.com.au for the number of Shares you wish to take up and making payment using the methods set out in Section 2.4 below. As set out in Section 2.4, if you pay by BPAY or EFT, you do not need to return the Entitlement and Acceptance Form. | Section 2.4 and Section 2.5 |
| Allow all or part of your Entitlement to lapse | <ul style="list-style-type: none"> If you do not wish to accept any part of your Entitlement, you are not obliged to do anything. If you do not take up your Entitlement by the Closing Date, the | N/A |

| Option | Key Considerations | For more information |
|--------|--------------------------------------|----------------------|
| | Entitlement Offer to you will lapse. | |

The Entitlement Offer is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their Entitlement.

2.4 Payment options

(a) By BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (i) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form;
- (ii) It is your responsibility to ensure your CRN is quoted, as per the instructions in Section 3 of the Entitlement and Acceptance Form. If you fail to quote your CRN, Automic Group may be unable to allocate or refund your payment.
- (iii) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your Application monies; and
- (iv) if you pay more than is required to subscribe for your Entitlement, you will be taken to have applied for Retail Shortfall Shares (if any) under the Retail Shortfall Offer, to the extent of the excess.

You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment. **It is your responsibility to ensure that funds submitted through BPAY® are received by 5:00pm (WST) on the Closing Date. The Company shall not be responsible for any delay in the receipt of the BPAY® payment.**

Guidance where you have more than one CRN (Shareholding of Shares)

If you have more than one shareholding of Shares and consequently receive more than one Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those Shareholdings only use the CRN specific to that Shareholding as set out in the applicable Entitlement and Acceptance Form. **Do not use the same CRN for more than one of your Shareholdings.** This can result in your Application monies being applied to only one of your Shareholdings (with the result that any Application in respect of your remaining Shareholdings will not be valid).

(b) By Electronic Funds Transfer

For payment by Electronic Funds Transfer (EFT) for Eligible Retail Shareholders, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via EFT if you are the

holder of an account with an Australian financial institution that supports EFT transactions.

- (i) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form;
- (ii) It is your responsibility to ensure your Payment Reference is quoted in your transaction description, as per the instructions in Section 3 of the Entitlement and Acceptance Form. If you fail to quote your Payment Reference, Automic Group may be unable to allocate or refund your payment.
- (iii) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your Application monies; and
- (iv) if you pay more than is required to subscribe for your Entitlement, you will be taken to have applied for Retail Shortfall Shares (if any) under the Retail Shortfall Offer, to the extent of the excess.

You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment. **It is your responsibility to ensure that funds submitted through EFT are received by 5:00pm (WST) on the Closing Date. The Company shall not be responsible for any delay in the receipt of the EFT payment.**

Guidance where you have more than one Payment Reference (Shareholding of Shares)

If you have more than one shareholding of Shares and consequently receive more than one Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those Shareholdings only use the Payment Reference specific to that Shareholding as set out in the applicable Entitlement and Acceptance Form. **Do not use the same Payment Reference for more than one of your Shareholdings.** This can result in your Application monies being applied to only one of your Shareholdings (with the result that any Application in respect of your remaining Shareholdings will not be valid).

(c) **By Cheque**

Payment by cheque or cash will not be accepted.

2.5 Implications of an acceptance

Returning a completed Entitlement and Acceptance Form or paying any Application monies by BPAY® or EFT will be taken to constitute a representation by you that:

- (a) you have received a copy of this Prospectus and the accompanying Entitlement and Acceptance Form, and read them both in their entirety;
- (b) you acknowledge that once the Entitlement and Acceptance Form is returned, or a BPAY® or EFT payment instruction is given in relation to any Application monies, the application may not be varied or withdrawn except as required by law.

2.6 Minimum subscription

The minimum subscription in respect of the Entitlement Offer is \$6,700,000, being the partially underwritten amount of the Entitlement Offer.

No Shares will be issued until the minimum subscription has been received. If the minimum subscription is not achieved within 4 months after the date of issue of this Prospectus, the Company will either repay the Application monies to the Applicants or issue a supplementary prospectus or replacement prospectus and allow Applicants one month to withdraw their Application and be repaid their Application monies.

2.7 Shortfall Offer

Any Entitlement not taken up pursuant to the Entitlement Offer will form the Shortfall Offer. (**Shortfall Shares**). The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date. The issue price for each Share to be issued under the Shortfall Offer shall be \$0.07 being the price at which Shares have been offered under the Entitlement Offer.

If you do not wish to take up any part of your Entitlement you are not required to take any action. That part of your Entitlement not taken up will form part of the Shortfall Offer and potentially be allocated to other Eligible Shareholders or other third parties as part of the Shortfall Offer. The Shortfall Offer will only be available where there is a Shortfall between applications received from Eligible Shareholders and the number of Shares proposed to be issued under the Entitlement Offer.

Eligible Shareholders who wish to subscribe for Shares above their Entitlement are invited to apply for Shortfall Shares under the Shortfall Offer by completing the appropriate section on their Entitlement and Acceptance Form or by making payment for such Shortfall Shares in accordance with Section 2.4.

Allocation of the Shortfall Shares will be at the discretion of the Board in conjunction with the Underwriters and will otherwise be subject to the terms of the Underwriting Agreement, details of which are set out in Section 6.4.1. If the Offer is oversubscribed (by take up of Entitlements and applications for Shortfall Shares by Eligible Shareholders), scale back will be applied to applications under the Shortfall Offer on a pro-rata basis to the respective shareholdings of Eligible Shareholders (having regard to the amount of Entitlement subscribed for by each Eligible Shareholder). There is no guarantee that Eligible Shareholders will receive Shares applied for under the Shortfall Offer.

No Securities will be issued to an applicant (including to the Underwriters) under this Prospectus or via the Shortfall Offer if the issue of Securities would contravene the takeover prohibition in section 606 of the Corporations Act (unless an applicable exception applies). Similarly, no Securities will be issued via the Shortfall Offer to any related parties of the Company. To the extent that the Underwriters' voting power would increase beyond 20% as a result of its partial underwriting of the Offer, such Shares will be issued pursuant to the "underwriting exception" in item 13 section 611 of the Corporations Act.

2.8 ASX listing

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the

expiration of three months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Shares and will repay all Application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

2.9 Issue of Shares

Shares issued pursuant to the Entitlement Offer will be issued in accordance with the ASX Listing Rules and timetable set out at Section 1.

Shares issued pursuant to the Shortfall Offer will be issued on a progressive basis. Where the number of Shares issued is less than the number applied for, or where no issue is made surplus Application monies will be refunded without any interest to the Applicant as soon as practicable after the closing date of the Shortfall Offer.

Pending the issue of the Shares or payment of refunds pursuant to this Prospectus, all Application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for Shares issued under the Entitlement Offer will be mailed as soon as practicable after the issue of Shares and for Shortfall Shares issued under the Shortfall Offer as soon as practicable after their issue.

2.10 Overseas shareholders

This Entitlement Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Entitlement Offer is not being extended and Shares will not be issued to Shareholders with a registered address which is outside the Permitted Jurisdictions set out below.

New Zealand

The Securities are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021 (New Zealand).

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Germany

This document has not been, and will not be, registered with or approved by any securities regulator in Germany or elsewhere in the European Union. Accordingly, this document may not be made available, nor may the new Shares be offered for sale, in Germany except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "**Prospectus Regulation**").

In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of new Shares in Germany is limited to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation).

Malaysia

No approval from, or recognition by, the Securities Commission of Malaysia has been or will be obtained in relation to the offer of Shares. The Shares under the entitlement offer may not be offered, sold or issued in Malaysia except to existing shareholders of the Company. Any Shares not taken up under the entitlement offer may not be offered, sold or issued in Malaysia except pursuant to, and to persons prescribed under, pursuant to Part I of Schedule 6 and Schedule 7 of the Malaysian Capital Markets and Services Act.

Singapore

This document and any other materials relating to the Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document relating to the Shares may not be issued, circulated or distributed, nor may the Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are an existing holder of the Company's shares. If you are not such a shareholder, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Switzerland

The Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or on any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the Shares constitutes a prospectus or a similar notice as such terms are understood pursuant to art. 35 of the Swiss Financial Services Act (FinSA) or the listing rules of any stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material

relating to the Shares or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the offering, the Company or the Shares have been or will be filed with or approved by any Swiss regulatory authority or authorized review body. In particular, this document will not be filed with, and the offer of Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

This document may be distributed in Switzerland only to existing shareholders of the Company and is not for general circulation in Switzerland.

Nominees and custodians

Nominees and custodians may not submit an Entitlement and Acceptance Form on behalf of any Shareholder resident outside the Permitted Jurisdictions without the prior consent of the Company, taking into account relevant securities law restrictions. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

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3. PURPOSE AND EFFECT OF THE OFFER

3.1 Purpose of the Entitlement Offer

The purpose of the Entitlement Offer, together with the Placement, is to raise up to \$15,859,201 before costs.

The funds raised from the Entitlement Offer, together with the Placement, are intended to be applied in accordance with the table set out below:

| Item | Proceeds of the Entitlement Offer | Minimum Subscription (\$) | % of Minimum Subscription | Full Subscription (\$) | % of Full Subscription |
|------|---|---------------------------|---------------------------|------------------------|------------------------|
| 1. | CERENERGY Project (DFS, Fraunhofer JV Payments and Prototype Fabrication) | \$2,113,763 | 31.6% | \$5,300,000 | 33.4% |
| 2. | Silumina Anodes Project (DFS and Finalise Pilot Plant Construction) | \$1,355,999 | 20.2% | \$3,400,000 | 21.4% |
| 3. | Corporate, working capital ¹ | \$2,755,255 | 41.1 | \$6,673,389 | 42.1% |
| 4. | Costs of the Entitlement Offer and Placement ² | \$474,983 | 7.1 | \$485,812 | 3.1% |
| | Total | \$6,700,000 | 100% | \$15,859,201 | 100% |

Notes:

1. Comprising employee benefits, consultant expenses, office costs and administration, rental expenses, marketing costs and other working capital.
2. Refer to Section 6.8 for further details relating to the estimated expenses of the Entitlement Offer.

In the event that more than the minimum subscription amount but less than the full subscription amount is raised, the Company proposes to apply excess funds firstly, towards meeting any additional costs of the Entitlement Offer, and then proportionally across the other line items from the use of funds table.

On completion of the Entitlement Offer, the Board believes the Company will have sufficient working capital to achieve its stated objectives. In the event the Entitlement Offer is not fully subscribed, operational objectives are likely to be modified, which may result in delay or substantial changes to the Company's future plans.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

3.2 Effect of the Entitlement Offer

The principal effect of the Entitlement Offer, assuming all Entitlements are accepted and no Shares are issued including on exercise or conversion of other Shares on issue prior to the Record Date, will be to:

- (a) increase the cash reserves by a maximum of \$12,379,389 (after deducting the estimated expenses of the Entitlement Offer) immediately after completion of the Entitlement Offer; and
- (a) together with the Placement, increase the number of Shares on issue from 1,426,765,869 as at the date of this Prospectus to 1,653,325,888 Shares.

3.3 Effect on capital structure

The effect of the Entitlement Offer on the capital structure of the Company, assuming all Entitlements are accepted and no Shares are issued including on exercise or conversion of other Shares on issue prior to the Record Date, is set out below.

Shares

| | Number |
|--|----------------------|
| Shares currently on issue | 1,426,765,869 |
| Shares to be issued under the Placement | 42,857,143 |
| Shares offered pursuant to the Entitlement Offer | 183,702,876 |
| Total Shares on issue after completion of the Entitlement Offer | 1,653,325,888 |

Performance Rights

| | Number |
|--|--------------------------|
| Performance Rights currently on issue | 120,850,000 ¹ |
| Performance Rights offered pursuant to the Entitlement Offers | Nil |
| Performance Rights to be issued under the Placement | Nil |
| Total Performance Rights on issue after completion of the Entitlement Offer | 120,850,000 |

1. Vest and convert into shares subject to the satisfaction of certain performance milestones.

The capital structure on a fully diluted basis as at the date of this Prospectus would be 1,547,615,869 Shares and on completion of the Entitlement Offer and Placement (assuming all Entitlements are accepted and no further Shares are issued prior to the Record Date) would be 1,774,175,888 Shares.

No Shares or Performance Rights on issue are subject to escrow restrictions, either voluntary or ASX imposed.

3.4 Pro-forma balance sheet

The unaudited balance sheet as at 31 March 2023 and the unaudited pro-forma balance sheet as at 31 March 2023 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared assuming the Shares under the Placement are issued, all Entitlements are accepted, and no other Shares are issued prior to the Record Date and including expenses of the Entitlement Offer.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

| | UNAUDITED 31 March 2023 | PROFORMA Maximum Raise | PROFORMA Minimum Raise |
|---|----------------------------|------------------------------|---------------------------|
| | \$ | \$ | \$ |
| CURRENT ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 7,380,805 | 22,760,194 | 13,611,822 |
| Trade and other receivables | 2,220,976 | 2,220,976 | 2,220,976 |
| TOTAL CURRENT ASSETS | 9,601,781 | 24,981,170 | 15,832,798 |
| | | | |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment ^{1, 2} | 36,676,380 | 36,676,380 | 36,676,380 |
| Right-of-use assets ^{1, 2} | 4,671,438 | 4,671,438 | 4,671,438 |
| Exploration and evaluation expenditure | 971,529 | 971,529 | 971,529 |
| Development expenditure ^{1, 2} | 37,390,690 | 37,390,690 | 37,390,690 |
| Investments | 4,629,897 | 4,629,897 | 4,629,897 |
| Other non-current receivable | 2,489,910 | 2,489,910 | 2,489,910 |
| TOTAL NON-CURRENT ASSETS | 86,829,844 | 86,829,844 | 86,829,844 |
| | | | |
| TOTAL ASSETS | 96,431,625 | 111,811,014 | 102,662,642 |
| | | | |
| CURRENT LIABILITIES | | | |
| Lease liabilities | 47,502 | 47,502 | 47,502 |
| Trade and other payables | 2,866,500 | 2,866,500 | 2,866,500 |
| Provisions | 199,902 | 199,902 | 199,902 |
| TOTAL CURRENT LIABILITIES | 3,113,904 | 3,113,904 | 3,113,904 |
| | | | |
| NON-CURRENT LIABILITIES | | | |
| Lease liabilities | 15,180 | 15,180 | 15,180 |
| Provisions | 154,391 | 154,391 | 154,391 |

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| | UNAUDITED 31 March 2023 | PROFORMA Maximum Raise | PROFORMA Minimum Raise |
|----------------------------------|----------------------------|------------------------------|---------------------------|
| | \$ | \$ | \$ |
| Financial liabilities | 3,170,848 | 3,170,848 | 3,170,848 |
| TOTAL CURRENT LIABILITIES | 3,340,419 | 3,340,419 | 3,340,419 |
| | | | |
| TOTAL LIABILITIES | 6,454,323 | 6,454,323 | 6,454,323 |
| | | | |
| NET ASSETS (LIABILITIES) | 89,977,302 | 105,356,691 | 96,208,319 |
| | | | |
| EQUITY | | | |
| Contributed equity | 124,487,777 | 139,867,166 | 130,718,794 |
| Reserves | 2,686,749 | 2,686,749 | 2,686,749 |
| Accumulated losses | (36,133,839) | (36,133,839) | (36,133,839) |
| Non-controlling interests | (1,063,385) | (1,063,385) | (1,063,385) |
| TOTAL EQUITY | 89,977,302 | 105,356,691 | 96,208,319 |

Notes:

1. A portion of the carrying value shown for 'Property, plant and equipment' as well as 'Right-of-use assets', and the entire carrying value shown for 'Development Expenditure', relates to the Group's Malaysian HPA Plant that is part way constructed, and currently on care and maintenance. The Company requires further capital in order to complete the plant. Should the Company not be successful in raising sufficient additional capital, the plant will not be constructed in full. Should this occur, the carrying value shown will not be realised.
2. A portion of the carrying value shown for 'Property, plant and equipment' as well as 'Right-of-use assets', and the entire carrying value shown for 'Development Expenditure', relates to the Group's Malaysian HPA Plant. The Board of Directors, as part of the Group's audited financial report for the year ended 30 June 2023, is required to assess these assets for impairment. As part of this process, the Group has undertaken a professional independent valuation of the land and buildings that comprise the Malaysian HPA Plant, and the valuation provided is materially less than the carrying value shown. The Board will consider the independent valuation as part of its assessment for impairment. Should the Board determine that the assets in relation to the Malaysian HPA Plant are impaired for the purposes of the audited financial report for the year ended 30 June 2023, a provision for impairment or permanent writedown in the carrying value of the assets will be required. Should this occur, the carrying value shown will not be realised.

4. RIGHTS AND LIABILITIES ATTACHING TO SHARES

The following is a summary of the more significant rights and liabilities attaching to the Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) **General meetings**

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

(b) **Voting rights**

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) **Dividend rights**

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be

applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

(e) **Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

(g) **Future increase in capital**

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) **Variation of rights**

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) **Alteration of constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

5. RISK FACTORS

5.1 Introduction

The Shares offered under this Prospectus should be considered as highly speculative and an investment in the Company is not risk free.

The Directors strongly recommend that prospective investors consider the risk factors set out in this Section 5, together with all other information contained in this Prospectus.

The future performance of the Company and the value of the Securities may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are described below.

The risks factors set out in this Section 5, or other risk factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Shares. This Section 5 is not intended to provide an exhaustive list of the risk factors to which the Company is exposed.

Before determining whether to invest in the Company you should ensure that you have a sufficient understanding of the risks described in this Section 5 and all of the other information set out in this Prospectus and consider whether an investment in the Company is suitable for you, taking into account your objectives, financial situation and needs.

If you do not understand any matters contained in this Prospectus or have any queries about whether to invest in the Company, you should consult your accountant, financial adviser, stockbroker, lawyer or other professional adviser.

5.2 Company specific

| Risk Category | Risk |
|------------------------|--|
| Potential for dilution | <p>Upon implementation of the Entitlement Offer, assuming all Entitlements are accepted and no Performance Rights converted, the number of Shares in the Company will increase from 1,426,765,869 currently on issue to 1,656,723,981. This means that immediately after the Entitlement Offer each Share will represent a significantly lower proportion of the ownership of the Company.</p> <p>It is not possible to predict what the value of the Company or a Share will be following the completion of the Entitlement Offer being implemented and the Directors do not make any representation as to such matters.</p> <p>The last trading price of Shares on ASX on the last day that the Company's shares traded on the ASX prior to the date of this Prospectus being lodged of \$0.078 is not a reliable indicator as to the potential trading price of Shares after implementation of the Entitlement Offer.</p> |

| Risk Category | Risk |
|--|---|
| Operational risks | <p>The Company will be exposed to various construction and operational risks should it advance its projects through the construction phase and into operations, including unanticipated financial, operational or political events, cost overruns, changes in the prices and demand of commodities relevant to the Company's business, equipment and labour shortages, equipment failure, technical concerns including possible reserves and deliverability difficulties, environmental impacts, increases in operating cost structures, community or industrial actions, natural disasters, interruptions to the supply of power, water, chemicals or fuel, or other circumstances which may result in the delay, suspension or termination of the Project, the total or partial loss of the investment and a material adverse effect on the Company's results of operations and financial condition. In addition, construction, commissioning and operational ramp up of operational assets can be subject to unexpected problems or delays in schedule.</p> |
| Processing risks | <p>Should the Company be successful in its development and operation of its projects, the Company's operations will be subject the operating risks, including the related risks associated with storage and transportation of materials, products and wastes. These operating risks have the potential to cause personal injury, property damage or environmental contamination, and may result in the shutdown of affected facilities, business interruption, or the imposition of civil or criminal penalties, which may impact the Company's standing in the public eye.</p> <p>There are potential hazards associated with the Company's proposed processing operations and the related storage and transportation of products and wastes. Examples of such hazards that may arise from the Company's proposed operations could include:</p> <ul style="list-style-type: none"> (a) pipeline and storage tank leaks and ruptures; (b) explosions and fires; (c) mechanical failures; and (d) chemical spills and other discharges or releases of toxic or hazardous substances or gases. <p>These hazards may cause personal injury and loss of life, damage to property or contamination of the environment, which may result in suspension of operations or the imposition of civil or criminal penalties, including fines, expenses for remediation or claims by governmental entities or third parties. Although the Company maintains various insurance type and amounts that it believes is customary for its business activities, the Company may not fully insure against all potential hazards incidental to its operations.</p> |
| Supply chain | <p>The Company may be dependent on contractors and suppliers to supply vital goods and services to its operations, should operations commence. The Company may therefore be exposed to the possibility of adverse developments in the business environments of its contractors and suppliers. Any disruption to services or supplies may have an adverse effect on the financial performance of the Company.</p> |
| Failure to scale up and commercialise | <p>There is a risk that the Company will be unable to achieve sufficient scale in the commercialisation of its products across</p> |

| Risk Category | Risk |
|---|---|
| | <p>all target customer segments, which could potentially result in reduced or negative growth.</p> <p>There is also a risk that the Company's products launched and developed to the market may be unprofitable because they are not supported by sufficient market interest or otherwise not adequately marketed and fail to sell. There is also a risk that the products waste operating costs or incur operating costs earlier than necessary or greater than forecast.</p> <p>In relation to the CERENERGY battery project, the product has not been produced at scale, at designed product size and at commercial quantities. There is a risk that the product may fail to be commercialised due to the risk involved with scaling up and scaling up to the designed size.</p> |
| <p>Market demand and price risks</p> | <p>If the Company progresses to become a producer and seller of its products, the Company's business will rely primarily on the production and sale of its products to a variety of buyers. Fluctuations in the global market may materially affect the future financial performance of the Company.</p> <p>Demand for, and pricing of, the Company's products may be sensitive to external economic and political factors, including:</p> <ul style="list-style-type: none"> (a) worldwide supply and demand; (b) the level of economic activity in the markets the Company may serve; (c) the price and availability of new technology; and (d) the availability and cost of potential substitutes. <p>It is impossible to predict future price movements with certainty. Any sustained low prices or further declines in the price may adversely affect the Company's proposed business, results of operations or its ability to finance the development of its projects.</p> |
| <p>Access to capital risk</p> | <p>The Company' business and, in particular, its development of a large-scale project, relies on access to debt and equity financing. There is a risk that the Company may not be able to access capital from these markets, which would impact the ability to develop its projects and achieve its business objectives.</p> <p>Further, the Company, in the ordinary course of its operations and developments, is required to issue financial assurances, particularly insurances and bond/bank guarantee instruments to secure statutory and environmental performance undertakings and commercial arrangements. The Company's ability to provide such assurances is subject to external financial and credit market assessments, and its own financial position.</p> <p>Loan agreements and other financing rearrangements such as debt facilities, convertible note issue and finance leases (and any related guarantee and security) that may be entered into by the Company may contain covenants, undertakings and other provisions which, if breached, may entitle lenders to accelerate repayment of loans and there is no assurance that the Company would be able to repay such loans in the event of an acceleration. Enforcement of any security granted by the Company or default under a finance lease could also result in the loss of assets.</p> |

| Risk Category | Risk |
|--|---|
| | <p>The Company is exposed to risks associated with its financial instruments (consisting of cash, receivables, accounts payable and accrued liabilities due to third parties from time to time). This includes the risk that a third party to a financial instrument fails to meet its contractual obligations; the risk that the Company will not be able to meet its financial obligations as they fall due; and the risk that market prices may vary which will affect the Company's income.</p> |
| <p>General regulatory risks</p> | <p>The Company' business is subject to, in each of the countries in which the Company operates, or may operate, various national and local laws and regulations relating to the mining, production, marketing, pricing, transportation and storage of the Company's products and/or residues. Permits from a variety of regulatory authorities may be required for aspects of the Company's operations. Many of those permits may be subject to conditions, and a change in the conditions attaching to those permits, or the imposition of new conditions, that could have a material adverse effect on the Company's proposed business and financial condition. A change in the laws which apply to the Company's business or the way in which it is regulated could also have a material adverse effect on the Company's business and financial condition. Other changes in the regulatory environment (including applicable accounting standards) may have a material adverse effect on the carrying value of material assets or otherwise have a material adverse effect on the Company's business and/or financial condition.</p> |
| <p>Environmental risks</p> | <p>The Company's possible future mine development and processing program will, in general, be subject to approval by governmental authorities. Development of any of the Company's properties will be dependent on the Project meeting environmental guidelines and, where required, being approved by governmental authorities and the possible future activities of the Company may be subject to extensive laws and regulations controlling not only the mining of, exploration for and processing of mineral properties, but also the possible effects of such activities upon the environment and interests of local communities. In the context of obtaining environmental permits, including the approval of reclamation plans, the Company must comply with known standards, existing laws and regulations which may entail greater or lesser costs and delays depending on the nature of the activity to be permitted and how stringently the regulations are implemented by the permitting authority. With increasingly heightened government and public sensitivity to environmental sustainability, environmental regulation is becoming more stringent, and the Company could be subject to increasing environmental responsibility and liability, including laws and regulations dealing with air quality, water and noise pollution or other discharges of materials into the environment, plant and wildlife protection, the reclamation and restoration of certain of its properties, greenhouse gas emissions, the storage, treatment and disposal of wastes or the effects of its business on the water table and groundwater quality.</p> <p>Sanctions for non-compliance with these laws and regulations may include administrative, civil and criminal penalties, revocation of permits and corrective action orders. These laws sometimes apply retroactively. In addition, a party can be liable for environmental damage without regard to that party's negligence or fault.</p> |

| Risk Category | Risk |
|--|---|
| Economic risks | Economic factors beyond the control of the Company, such as changes in commodity prices, interest rates, inflation, exchange rates and taxation, may negatively impact on the revenue and profitability of the Company. |
| Additional requirements for capital | The Company's capital requirements depend on numerous factors. The Company will require further financing in addition to amounts raised under this Entitlement Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its planned construction and development programs as the case may be. |
| Political (Malaysia) risk | <p>The Company's HPA plant operates in Malaysia.</p> <p>The fragility of the incumbent Malaysian federal coalition government has not, as yet, transpired into radical policy or regulation change, however risks remain that a change in political leadership could bring about policy and regulatory changes in the future, that may affect the Company and its planned HPA plant. Hence, there is no assurance that any unfavourable developments or change in the political and economic situation in Malaysia would not adversely affect the Company's ability to conduct business in the country.</p> |
| Climate risk | <p>There are a number of climate-related factors that may affect the operations and proposed activities of the Company. The climate change risks particularly attributable to the Company include:</p> <ul style="list-style-type: none"> (a) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and (b) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates. |

5.3 Industry specific

| Risk Category | Risk |
|--|--|
| Customer and market acceptance | Many customers have long term supply agreements in place with their battery supplier. It is probable that a potential customer would require time to test new batteries in their end-user products, negotiate new agreements, machine up to manufacture new batteries, potentially adapt their products to work with the new battery and utilise their current battery stock. As a result, despite the Company's battery design being successful there may be a considerable period of time before the Company generates revenues and cash inflows. |
| Specific design risk | The Company is researching and developing the use of HPA as a protective layer for lithium batteries, along with its Sodium Chloride Solid State battery (R&D Products). The use of the R&D products are not yet comprehensively tested and verified and the Company may not be able to develop a commercial lithium-sulphur battery that is more competitive to other existing batteries in use. |
| Competitors | Many potential competitors operate their own manufacturing facilities, have a long history of operations, presence in key markets, large customer bases, brand recognition, significant resources dedicated to research and technology and product development and access to financial resources. These customers may be able to adapt more quickly to new or emerging technologies, changes in customer requirements and may have greater resources committed to the research sales and marketing of their technologies and products. They may have or may establish financial or strategic relationships with existing customers, resellers or other third parties. As a result, competitors may develop new technologies or better position themselves to compete resulting in pricing pressures, decreased gross margins and loss of market share which could materially adversely affect the Company's business, financial condition and the results of its operations. |
| Patent applications | <p>The Company holds a combination of granted patents as well as pending applications and acknowledges that its prospect of obtaining patent protection for products and the technology such as those proposed under the patent applications is uncertain and involves complex and continually evolving factual and legal questions with such questions potentially impacted by legislative and judicial changes, or changes to examination guidelines in relevant jurisdictions.</p> <p>There is a risk provisional patent applications may not proceed to granted patents or may not afford the Company adequate protection from competing products. Even if the Company succeeds in obtaining patent protection for its products, its patents could be wholly or partially invalidated following challenges by third parties.</p> |
| Operating and development risks | <p>The Company's ability to achieve production, development, operating cost and capital expenditure estimates on a timely basis cannot be assured.</p> <p>The Company's business involves many risks and may be impacted by factors including the overall availability of free cash to fund continuing development activities, labour force disruptions, cost overruns, changes in the regulatory environment and other unforeseen contingencies. Such occurrences could result in damage to, or destruction of, production facilities,</p> |

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| Risk Category | Risk |
|--|--|
| | <p>personal injury or death, environmental damage, delays in production, increased production costs and other monetary losses and possible legal liability to the owner or operator of the project.</p> <p>In addition, the Company's profitability could be adversely affected if for any reason its production and processing of or project development is unexpectedly interrupted or slowed. Examples of events which could have such an impact include unscheduled plant shutdowns or other processing problems, mechanical failures, the unavailability of materials and equipment, unusual or unexpected rock formations, poor or unexpected geological or metallurgical conditions, poor water condition, interruptions to electricity supplies, human error and adverse weather conditions.</p> |
| Extraterritorial risks | <p>The Company has interests in assets overseas, namely Germany and Malaysia, and in that respect such assets are subject to risks particular to their extraterritoriality such as changes in laws, practices and policies in the relevant jurisdictions, including laws that deal with overseas investors. In particular, logistical difficulties may arise due to the assets being located overseas including the incurring of additional costs with respect to overseeing and managing the projects, including costs associated with taking advice in relation to the application of local laws as well as the cost of establishing a local presence in Germany and Malaysia.</p> <p>Changes to Germany or Malaysia's mining or investment policies and legislation or a shift in political attitude may adversely affect the Company's operations and profitability. It is not possible for the Company to accurately predict any developments or changes in laws or policy or to what extent any such developments or changes may have a material adverse effect on the Company's operations.</p> |
| Project development | <p>Possible future development of the Company's projects are dependent on a number of factors including but not limited to, receiving the necessary approvals from all relevant authorities and parties, unanticipated technical and operational difficulties, mechanical failure of equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.</p> |
| Fluctuation in commodity prices | <p>International factors such as inflation, exchange rates, supply and demand and political and economic events, amongst other things, impact on lithium prices, particularly in the current global economic market. As the Company is currently not in production, future revenue that may come from the sale of these mineral products and the Company's future profits are related to and influenced by the market price of lithium products.</p> <p>If the price of Sodium Chloride Solid State batteries or HPA seriously declines in the future, this will materially impact on the Company's ability to continue with its projects and the Company may be forced to discontinue some or all of its operations.</p> <p>The Company gives no assurance that the fluctuations in the commodity prices will not affect timing and viability of the projects</p> |

5.4 General risks

| Risk Category | Risk |
|--------------------------|---|
| Market conditions | <p>Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:</p> <ul style="list-style-type: none"> (a) general economic outlook; (b) introduction of tax reform or other new legislation; (c) interest rates and inflation rates; (d) changes in investor sentiment toward particular market sectors; (e) the demand for, and supply of, capital; and (f) terrorism or other hostilities. <p>The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration and mining stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.</p> <p>In addition, the extent of the effects of COVID-19 is at this stage uncertain and continuing to evolve. The COVID-19 pandemic is having, and is expected to continue to have, a significant influence on the volatility of equity markets generally and may continue to impact and influence the value of the Company's quoted securities.</p> |
| Liquidity risk | <p>There can be no guarantee that there will always be an active market for the Company's shares or that the price of Shares will be maintained or increase. There may be relatively few buyers or sellers of shares on the ASX at any given time and the demand for the Company shares specifically is subject to various factors, many of which are beyond the Company's control. This may affect the volatility of the market price of Shares. It may also affect the prevailing market price at which the Company shareholders are able to sell their Shares. This may result in the Company's shareholders receiving a market price for their Shares that is less or more than the price paid pursuant to the Entitlement Offer (as applicable).</p> |
| Funding | <p>The Company's ability to effectively implement its business and operations plans in the future, to take advantage of opportunities for acquisitions, joint ventures or other business opportunities and to meet any unanticipated liabilities or expenses which the Company may incur may depend in part on its ability to raise additional funds. The Company may seek to raise further funds through equity or debt financing, joint ventures, production sharing arrangements or other means.</p> <p>Further, the Company, in the ordinary course of its operations and developments, is required to issue financial assurances, particularly insurances and bond/bank guarantee instruments to secure statutory and environmental performance undertakings and commercial arrangements. The Company's ability to provide such assurances is subject to external financial and credit market assessments, and its own financial position.</p> <p>Loan agreements and other financing rearrangements such as debt facilities, convertible note issue and finance leases (and any related guarantee and security) that may be entered into by the Company may contain covenants, undertakings and</p> |

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| Risk Category | Risk |
|----------------------------------|---|
| | <p>other provisions which, if breached, may entitle lenders to accelerate repayment of loans and there is no assurance that the Company would be able to repay such loans in the event of an acceleration. Enforcement of any security granted by the Company or default under a finance lease could also result in the loss of assets.</p> <p>The Company is exposed to risks associated with its financial instruments (consisting of cash, receivables, accounts payable and accrued liabilities due to third parties from time to time). This includes the risk that a third party to a financial instrument fails to meet its contractual obligations; the risk that the Company will not be able to meet its financial obligations as they fall due; and the risk that market prices may vary which will affect the Company's income.</p> |
| Litigation risks | <p>The Company may be exposed to possible litigation risks including intellectual property claims, contractual disputes, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.</p> |
| Taxation | <p>The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All prospective investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.</p> <p>To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.</p> |
| Reliance on key personnel | <p>The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.</p> |

5.5 Speculative investment

The risk factors described above, and other risks factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Shares.

Prospective investors should consider that an investment in the Company is highly speculative.

There is no guarantee that the Shares offered under this Prospectus will provide a return on capital, payment of dividends or increases in the market value of those Shares.

Before deciding whether to subscribe for Shares under this Prospectus you should read this Prospectus in its entirety and consider all factors, taking into account your objectives, financial situation and needs.

6. ADDITIONAL INFORMATION

6.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

6.2 Continuous disclosure obligations

As set out in the Important Notes Section of this Prospectus, the Company is a disclosing entity for the purposes of section 713 of the Corporations Act. Accordingly, information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;
 - (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
 - (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

| Date | Description of Announcement |
|--------------|---|
| 17 July 2023 | Proposed issue of securities - ATC |
| 17 July 2023 | Proposed issue of securities - ATC |
| 17 July 2023 | Placement & Entitlement Offer to Advance Battery Projects |
| 13 July 2023 | Trading Halt |

| Date | Description of Announcement |
|------------------|--|
| 13 July 2023 | Pause in Trading |
| 11 July 2023 | Altech – CERENERGY 50% Greenhouse Gases of Lithium Battery |
| 3 July 2023 | Altech – CERENERGY Battery Project Suppliers Confirmed |
| 29 June 2023 | Notification of cessation of securities - ATC |
| 13 June 2023 | Altech – CERENERGY Proposed Battery Specifications |
| 12 May 2023 | Appendix 3Y – Ahrens |
| 12 May 2023 | Appendix 3Y – Tunku Yaacob |
| 12 May 2023 | Appendix 3Y – Bailey |
| 12 May 2023 | Appendix 3Y – Atkins |
| 12 May 2023 | Appendix 3Y – Plaggemars |
| 12 May 2023 | Appendix 3Y – Tan |
| 12 May 2023 | Appendix 3Y – Tenardi |
| 12 May 2023 | Notification regarding unquoted securities – ATC |
| 9 May 2023 | Altech – Two 60KWh Battery Pack prototypes in Production |
| 28 April 2023 | Quarterly Activities/Appendix 5B Cash Flow Report |
| 17 April 2023 | Altech – Investor Presentation by CEO Singapore Conference |
| 14 April 2023 | Altech – Progress Update Silumina Anodes Pilot Plant |
| 6 April 2023 | Altech – Presentation Future Facing Commodities Conference |
| 4 April 2023 | Change of Director's Interest Notice |
| 4 April 2023 | Altech – Singapore Investor Presentation Livestream |
| 29 March 2023 | Altech – Launch of CERENERGY 1.0MWh GridPack Design |
| 29 March 2023 | Pause in Trading |
| 17 March 2023 | Appendix 3Y |
| 13 March 2023 | Appendix 3Y |
| 13 March 2023 | Receipt of A\$5 Million from AAM |
| 7 March 2023 | Appendix 3Y |
| 3 March 2023 | Latest Company Presentation – Cerenergy Project |
| 1 March 2023 | Appendix 3Y Amended |
| 28 February 2023 | Appendix 3Y |
| 24 February 2023 | ASIC Registers Company Name as Altech Batteries Ltd |
| 23 February 2023 | Half Year Accounts |
| 22 February 2023 | Appendix 3Y – Iggy Tan |
| 22 February 2023 | Appendix 3Y – Prince Yaacob Khyra |
| 21 February 2023 | Results of Meeting |
| 14 February 2023 | Change in substantial holding |
| 14 February 2023 | Appendix 3Y |

| Date | Description of Announcement |
|------------------|--|
| 9 February 2023 | Appendix 3Y |
| 7 February 2023 | Altech – Update of Silumina Anodes Project |
| 31 January 2023 | Quarterly Activities/Appendix 5B Cash Flow Report |
| 27 January 2023 | Interview with MD Iggy Tan Update CERENERGY Battery Project |
| 25 January 2023 | Altech – Update of CERENERGY Battery Project |
| 17 January 2023 | Appendix 3Y |
| 12 January 2023 | Notice of General Meeting/Proxy Form |
| 15 December 2022 | Interview with Fraunhofer's Professor Alexander Michaelis |
| 9 December 2022 | Appendix 3Y |
| 8 December 2022 | Appendix 3Y |
| 1 December 2022 | Appendix 3Y |
| 1 December 2022 | Results of Meeting |
| 30 November 2022 | Change in substantial holding |
| 30 November 2022 | Appendix 3Y |
| 25 November 2022 | Appendix 3Y |
| 25 November 2022 | Withdrawal of Resolution 19 at 2022 AGM |
| 23 November 2022 | Interview with Chief Financial Officer Martin Stein |
| 22 November 2022 | Appendix 3Y Amended |
| 22 November 2022 | Proposed Change of Company Name to Altech Batteries Limited |
| 21 November 2022 | Appendix 3Y |
| 8 November 2022 | Presentation CERENERGY Batteries |
| 7 November 2022 | Altech Launches CERENERGY 60KWh (ABS60) Battery Pack Design |
| 31 October 2022 | Quarterly Activities/Appendix 5B Cash Flow Report |
| 26 October 2022 | Notice of Annual General Meeting/Proxy Form |
| 26 October 2022 | AGM Letter to Shareholders |
| 26 October 2022 | Appointment of Leadec as Lead Engineer for CERENERGY Project |
| 19 October 2022 | Appendix 4G |
| 19 October 2022 | Annual Report to shareholders |

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website www.altechgroup.com.

6.3 Market price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

| | (\$) | Date |
|---------|----------|--------------------|
| Highest | \$0.1175 | 28/04/23, 18/04/23 |
| Lowest | \$0.085 | 08/06/23 |
| Last | \$0.078 | 14/07/23 |

6.4 Material Contracts

6.4.1 Underwriting Agreement

The Company has entered into an underwriting agreement (**Underwriting Agreement**) with DB&D, pursuant to which DB&D have agreed to underwrite the Entitlement Offer up to a value of \$6,700,000, which is inclusive of any portion of DB&B's Entitlement taken up under the Entitlement Offer (the **Underwritten Amount**) (being 52.10% of the funds proposed to be raised and equal to 95,714,285 Shares).

The material terms and conditions of the Underwriting Agreement are summarised below:

| | |
|---------------------------|---|
| Fees | The Company has agreed to pay the Underwriters a fee equal to 6% of the Underwritten Amount (\$402,000). |
| Sub-underwriters | The Underwriting Agreement allows DB&D to enter into sub-underwriting agreements to pass on some or all of its obligations to subscribe for shortfall under the Underwriting Agreement. |
| Termination Events | <p>The obligation of DB&D to underwrite the Offer is subject to certain events of termination. DB&D may terminate its obligations under the DB&D Underwriting Agreements if:</p> <p>(a) (events not qualified by materiality):</p> <p>(i) the All 200 Index as published by ASX falls 10% or more below its level as at close of business prior to the date of the DB&D Underwriting Agreement;</p> <p>(ii) hostilities, political or civil unrest not presently existing commence (whether war has been declared or not) or a major escalation in existing hostilities, political or civil unrest occurs (whether war has been declared or not) involving any one or more of Australia, New Zealand, the United States of America, the United Kingdom, any member state of the European Union, Japan, Indonesia, North Korea or the Peoples Republic of China, or a terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political</p> |

establishment of any of those countries anywhere in the world;

- (iii) there is:
 - (A) introduced into the Parliament of the Commonwealth of Australia or an Australian State or Territory a law intended to come into effect within 12 months; or
 - (B) any official announcement on behalf of the Government of the Commonwealth of Australia or of the Government of an Australian State or Territory that a law will be introduced or policy adopted (as the case may be) with effect from the date of the announcement or within 3 months afterwards,

which has altered adversely or could reasonably be expected to alter adversely:

- (C) any condition or circumstances relating to the Issue or the Prospectus existing at the time of execution of DB&D Underwriting Agreement; or
- (D) the income tax position of the Company;
- (iv) the Company chooses to or comes under an obligation, (including in accordance with the Corporations Act), to issue a supplementary or replacement prospectus or to repay any moneys received by the Company from any applicant, and fails to do so;
- (v) ASIC gives notice of intention to hold a hearing in relation to the Prospectus under section 739(2) of the Corporations Act or makes an order under sections 739(1), 739(3) or 739(4) of the Corporations Act;
- (vi) ASIC gives notice of intention to hold a hearing examination, inspection, investigation, or it requires information to be disclosed, in connection with the Company, the Prospectus or the Issue;
- (vii) an order is made in connection with the Prospectus or the Issue, including under sections 1324 and 1325 of the Corporations Act;
- (viii) any director or general manager of the Company is prosecuted for a criminal offence;
- (ix) there is an omission from, or a statement which is, or has become, false or misleading in the Prospectus and such omission or statement is or

is likely to be materially adverse from the point of view of an investor;

- (x) any person, other than DB&D, who has previously consented to being named in the Prospectus, withdraws that consent whether publicly or not;
- (xi) the Prospectus is withdrawn by the Company at any time prior to all the Securities having been allotted;
- (xii) ASIC gives notice of an intention to prosecute the Company, any director or employee of the Company (or any related party of the Company), unless it withdraws that intention in writing on or before the closing date of the Entitlement Offer; and
- (xiii) ASX does not or indicates to the Company or DB&D that it will not permit official quotation of the Securities comprised in the Issue to commence;

(b) **(events qualified by materiality):**

- (i) the Company or any of its related parties fail to comply with:
 - (A) a clause of its Constitution;
 - (B) a statute; or
 - (C) any policy or guideline of ASIC or any other requirement, order or request made by or on behalf of ASIC or any governmental agency;
- (ii) the Company or any of its related parties charges or agrees to charge (or grant any other form of security) over the whole or a substantial part of its business or property to any third party;
- (iii) there is a delay in any date specified in the timetable which is greater than 5 Business Days;
- (iv) the Company or any of its related parties:
 - (A) disposes or agree to dispose of the whole or a substantial part of its business or property; Or
 - (B) ceases or threatens to carry on business,

in either case, without the prior written consent of the Underwriters; or

- (v) if a new circumstance has arisen since the Prospectus was lodged and would have been required under Chapter 6D of the Corporations Act to be included in the Prospectus if it had

arisen before the Prospectus was lodged and is, or is likely to be, materially adverse from the point of view of an investor.

The Underwriting Agreement otherwise contains provisions considered standard for an agreement of its nature.

6.5 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Entitlement Offer; or
- (c) the Entitlement Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (i) the Entitlement Offer.

Security holdings

The relevant interest of each of the Directors in the Securities as at the date of this Prospectus, together with their respective Entitlement, is set in Section 1.4.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$500,000 per annum.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and

other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive Directors.

| Director | Anticipated FY ending 30 June 2024 | Anticipated FY ended 30 June 2023 | FY ended 30 June 2022 |
|----------------------|------------------------------------|-----------------------------------|-----------------------|
| Luke Atkins | \$126,086 | \$125,600 ¹ | \$116,985 |
| Ignatius Tan | \$944,921 | \$1,038,827 ² | \$947,410 |
| Daniel Tenardi | \$97,642 | \$97,284 ³ | \$89,485 |
| Peter Bailey | \$89,750 | \$89,750 ⁴ | \$82,485 |
| Tunku Khyra | \$89,750 | \$89,750 ⁵ | \$82,485 |
| Uwe Ahrens | \$79,500 ⁶ | \$129,500 ⁶ | \$127,845 |
| Hansjoerg Plaggemars | \$89,750 | \$89,750 ⁷ | \$82,485 |

Notes:

1. Comprising director salary of \$97,375, superannuation payments of \$10,225 and share based payments of \$18,000.
2. Comprising director salary of \$445,875, short term incentives of \$87,000 superannuation payments of \$55,952 and share based payments of \$450,000.
3. Comprising director salary of \$71,750, superannuation payments of \$7,534 and share based payments of \$18,000.
4. Comprising director salary of \$71,750 and share based payments of \$18,000.
5. Comprising director salary of \$71,750 and share based payments of \$18,000.
6. Comprising, director salary of \$61,500, short term incentives of \$50,000 and share based payments of \$18,000.
7. Comprising director salary of \$71,750 and share based payments of \$18,000.

6.6 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or

- (ii) the Entitlement Offer; or
- (f) the Entitlement Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of the Company; or
- (h) the Entitlement Offer.

Deutsche Balaton Aktiengesellschaft and Delphi Unternehmensberatung Aktiengesellschaft (companies incorporated under the laws of Germany) will act as underwriters the Entitlement Offer. The Company estimates it will pay the Underwriters \$402,000 (excluding GST and disbursements) for these services.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Entitlement Offer. The Company estimates it will pay Steinepreis Paganin \$30,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$39,549.50 (excluding GST and disbursements) for legal services provided to the Company.

6.7 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the securities), the Directors, the persons named in the Prospectus with their consent as Proposed Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section; and
- (c) has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Deutsche Balaton Aktiengesellschaft/ Delphi Unternehmensberatung Aktiengesellschaft has given its written consent to being named as the underwriter to the Entitlement Offer in this Prospectus.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus.

6.8 Expenses of the offer

In the event that all Entitlements are accepted, the total expenses of the Entitlement Offer and Placement are estimated to be approximately \$479,812 (excluding GST) and are expected to be applied towards the items set out in the table below:

| | \$ |
|--------------------------------------|------------------|
| ASIC fees | 3,206 |
| ASX fees | 29,606 |
| Legal fees | 30,000 |
| Printing, postage and administration | 10,000 |
| Share registry fees | 5,000 |
| Underwriting fees | 402,000 |
| Total | \$479,812 |

6.9 Directors' Authorisation

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

7. GLOSSARY

\$ means the lawful currency of the Commonwealth of Australia.

Application Form means an Entitlement and Acceptance Form or Shortfall Application Form as the context requires.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHESS.

Board means the board of Directors unless the context indicates otherwise.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

Closing Date means the date specified in the timetable set out at Section 1 (unless extended).

Company means Altech Batteries Ltd (ACN 125 301 206).

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means the *Corporations Act 2001* (Cth).

CRN means Customer Reference Number in relation to BPAY®.

Directors means the directors of the Company as at the date of this Prospectus.

Eligible Shareholder means a Shareholder as at the Record Date who is eligible to participate in the Entitlement Offer.

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Entitlement Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form either attached to or accompanying this Prospectus.

Entitlement Offer means the non-renounceable entitlement issue the subject of this Prospectus.

Ineligible Shareholder means a Shareholder as at the Record Date whose registered address is not situated in the Permitted Jurisdictions.

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share.

Permitted Jurisdiction means any of the following:

- (a) Australia;
- (b) Germany;
- (c) Malaysia;
- (d) New Zealand;
- (e) Singapore; and
- (f) Switzerland.

Prospectus means this prospectus.

Record Date means the date specified in the timetable set out at Section 1.

Section means a section of this Prospectus.

Securities means Shares and/or Performance Rights as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Shortfall means the Securities not applied for under the Entitlement Offer (if any).

Shortfall Application Form means the Shortfall Entitlement Offer application form either attached to or accompanying this Prospectus.

Shortfall Offer means the offer of the Shortfall Securities on the terms and conditions set out in Section 2.7.

Shortfall Shares means those Shares not applied for under the Entitlement Offer (if any) and offered pursuant to the Shortfall Entitlement Offer.

Underwriters means Deutsche Balaton Aktiengesellschaft and Delphi Unternehmensberatung Aktiengesellschaft (companies incorporated under the laws of Germany).

WST means Western Standard Time as observed in Perth, Western Australia.