



Altech Batteries
Limited

QUARTERLY REPORT

September 2024

HIGHLIGHTS

CERENERGY® 60kWh Prototype Completed

- CERENERGY® 60kWh prototype completed and operating
- Undergoing daily testing with battery test station at Dresden
- Outperformed early expectations
- Exhibiting exceptional efficiency and robust performance
- Maintains safe, optimal operating temperatures
- Ongoing testing providing critical data for off-take parties
- Strong commercial potential for large-scale production
- Demonstrates performance to published specifications

First Offtake Letter of Intent for CERENERGY®

- Strategic Offtake Letter of Intent agreement
- Schwarze Pumpe Industrial Park Association
- Offtake for 30MWh of 1MWh CERENERGY® GridPacks per annum
- For the first five years of production
- Agreement to also collaborate to convert industrial park from coal to renewable energy
- Altech's CERENERGY® GridPack storage solution integrated
- GridPack deliveries start by mid-2027 or when plant is ready

Entitlement Offer and Share Placement

- Launched \$8.5 million pro-rata Entitlement Offer to existing eligible shareholders
- Entitlement Offer partially underwritten for \$5 million by existing shareholder MAA Group Berhad, an entirely related to Altech director Tunku Yaacob Khyra
- Altech additionally raised \$405,000 through a placement to sophisticated and professional investors
- Participants in placement and Entitlement Offer received free attaching options on the basis of 1 option for every 2 shares held with exercise price of \$0.06 and expiry 31 December 2025
- Application was made to ASX for listing of shares and options and both are now quoted

- Funds will be used to further progress the CERENERGY® and Silumina Anodes™ Projects

Full Year Statutory Accounts

- Audited Annual Financial Report was released to the ASX on 27 September 2024

CERENERGY® 60kWh Prototype Completed

Altech Batteries announced that its first CERENERGY® ABS60 battery prototype is online and operating successfully. The completed battery unit has passed all physical tests with flying colours. The prototype was installed at Altech's joint venture partner Fraunhofer IKTS' test laboratory in Dresden, Germany, and integrated into a specially designed battery test station. This setup enables continuous daily charging and discharging cycles to assess the battery's efficiency, stability, and overall performance under real-world conditions.



Photo: Ms Daniela Herold (Fraunhofer IKTS Battery Development Leader) taking CERENERGY® ABS60 through its paces

Quarterly Report

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Altech's CEO and MD Iggy Tan stated *"We are extremely pleased that the first CERENERGY® 60kWh battery prototype is now up and running and operating better than expected, reconfirming our confidence in the sodium-chloride solid-state battery technology developed by the world-leading Fraunhofer Institute in Germany. Using common table salt technology and without the requirement for lithium, copper, cobalt, graphite and manganese, the CERENERGY® battery can operate in a wide range of temperatures and has a life of 15 years, around double that of lithium-ion batteries."*

The prototype can now be demonstrated under real-world conditions, providing critical data for off-take parties. This will be invaluable as Altech pushes forward with sales and finance to construct the first 120MWh plant. With the first Letter of Intent for 30MWh of offtake with Schwarze Pumpe Industrial Park recently announced, we envisage that having the CERENERGY® 60kWh battery prototype up and running and exceeding expectations, will further assist in the offtake process".

Initial results from the testing are extremely promising. The ABS60 battery has outperformed early expectations, exhibiting exceptional efficiency and robust performance across all key metrics. Notably, the battery has maintained excellent thermal stability, a crucial factor in high-capacity energy storage systems. Throughout rigorous testing, it has operated within safe temperature limits, with no signs of overheating. This highlights the effectiveness of the battery's thermal management system, which plays a vital role in enhancing both the safety and longevity of the battery. These early findings confirm the battery's design integrity and bolster confidence in its commercial viability. The ABS60 prototype is expected to continue undergoing further testing and refinement, providing critical data for potential off-take parties.

The success of this prototype positions Altech Batteries at the forefront of advanced battery technology, offering a reliable and efficient energy storage solution.

Comment from Mr Uwe Ahrens,
Managing Director
Altech Batteries GmbH



You Tube <https://youtu.be/BLrh0bHutclink>

Individual Cell Testing

An individual cell testing program has also been conducted by the Fraunhofer team at Hermsdorf, Germany. Separate battery cells underwent extensive testing, highlighting their performance and stability. A total of 497 individual battery cells were produced. The cells were tested at an operational temperature of 300°C. Key results from over 500 cycles

demonstrated stable performance, including a consistent discharge capacity of 80 Ah and an efficiency of up to 91%. The discharge energy and capacity remained stable without any indication of degradation occurring across the 500 cycles, and the average discharge voltage held steady throughout the tests.

Discharge and overcharge stress and abuse tests were conducted without any cell failures, confirming the cells' durability. These findings demonstrate the cells' potential for long-term stability, high energy capacity, and reliability in high-temperature applications.



Photos: Prototype 60kWh battery being assembled and tested at Fraunhofer IKTS laboratory



About the ABS60 Battery Pack

The ABS60 CERENERGY® battery pack is a high-performance energy storage system designed for demanding applications. It has a total capacity of 60kWh. The battery pack is composed of 240 CERENERGY® cells, each rated at 2.58V. These cells are organized in 4 rows, each comprising 12 cells, and stacked 5 modules high. The dimensional specifications of the battery packs are 2.6 meters in height, 0.4 meters in length, and 1.0 meter in width. Ensuring adherence to the Ingress Protection (IP) 65 standard, the packs are designed to be dust and weatherproof, reflecting high levels of sealing effectiveness for electrical enclosures. Each cell is constructed with solid electrolyte (ceramic tube) technology, offering enhanced safety and thermal stability, even at high operating temperatures of up to 300°C. The pack's cells are rated at 100Ah, with an impressive efficiency of up to 91%. Designed for durability, the battery can withstand over-discharge conditions without failure, making it a reliable solution for long-term, high-temperature operations. The ABS60 CERENERGY® battery is ideal for applications requiring consistent performance and reliability in challenging environments.



First Offtake Letter of Intent for CERENERGY®

Altech Batteries announced the execution of an Offtake Letter of Intent between Zweckverband Industriepark Schwarze Pumpe (ZISP) and Altech Batteries GmbH. Under this Offtake Letter of Intent (LOI), ZISP will purchase 30MWh of energy storage capacity annually, consisting of 1MWh GridPacks, for the first five years of production. The price of these batteries has been agreed and aligned to Altech's Definitive Feasibility Study assumptions. The purchase of these batteries is subject to performance tests, battery specifications and the batteries meeting customer requirements. This offtake LOI constitutes an important aspect of the financing process.

The LOI also highlights both parties' commitment to work together to change the energy landscape of the Schwarze Pumpe Industrial Park by transitioning it entirely to renewable energy. A combination of wind, solar, and Altech's CERENERGY® GridPack Battery Energy Storage System (BESS) will ensure continuous power supply, even during low energy generation or outages.

Partners and Project Overview

This initiative comes at a critical time for Lusatia, one of Germany's coal-reliant regions. ZISP, a cross-border municipal association between the states of Spremberg and Spreetal, oversees the Schwarze Pumpe Industrial Park, managing its water, waste, road infrastructure, and energy needs. Meanwhile, Altech Batteries GmbH (ABG), a subsidiary of the globally active Altech Group, specialises in advanced battery technology. ABG's 8ha site within the park intends to manufacture the CERENERGY® solid-state sodium chloride batteries, developed with the Fraunhofer Institute, for industrial grid use.

Pioneering the Energy Transition in Lusatia

Germany's Energiewende is driving a nationwide shift from fossil fuels to renewable energy. As coal use is phased out, especially in Lusatia, new energy solutions are critical. This partnership between ZISP and Altech is a key step in replacing coal with sustainable, renewable energy solutions that align with Germany's 2020 legislative mandate for the coal phase-out. The project also supports ZISP's goal of achieving certification under the EU's "Zero Valley" initiative, making Schwarze Pumpe a model for renewable energy storage and generation.

Developing an Energy Storage Strategy

To transition fully to renewable energy, wind and solar power, combined with Altech's CERENERGY® GridPack batteries will be key to achieving this. This partnership between ZISP and Altech marks the transformation of Schwarze Pumpe from a coal-reliant industrial park to a renewable energy hub. By integrating CERENERGY® batteries, the project positions the park as a replicable model for industrial regions across Europe, fostering a new economic structure centered on renewable energy. Altech's scalable BESS solution ensures renewable energy is stored efficiently, overcoming a key challenge in transitioning from coal.

Key Terms of the Agreement

- Start of deliveries from the 120 MWh plant from mid-2027 or later as per project development
- Technical data and guarantees according to the attached data sheet
- Price per GridPack at standard market conditions
- Purchase volume 30MWh per annum for 5 years, being 2027 through 2031
- The parties intend to develop a detailed acceptance contract subject to the performance data and warranty to be met by Altech
- An option for additional delivery volumes at a later date is negotiable
- Both parties will jointly develop a business and technical partnership to deliver scalable energy solutions, with contracts to be finalised in early 2025

Management Comment - CEO Iggy Tan

"This Letter of Intent marks a significant milestone for Altech Batteries as it represents our first offtake agreement for the CERENERGY® GridPack Battery Energy Storage System. The interest shown by the Schwarze Pumpe Industrial Park Association (ZISP) in our technology is a clear signal of growing demand for innovative energy storage solutions, particularly as industries shift toward 100% renewable energy.

It's encouraging to see potential customers like ZISP recognise the value of our scalable and reliable battery systems. This LOI not only validates the commercial potential of our CERENERGY® technology but also supports our future growth strategy, as securing such agreements strengthens Altech's position for project financing and expansion.

We're excited to continue working closely with ZISP, and we believe this partnership will pave the way for future demand as the industrial park moves toward a green energy future. With the first delivery expected mid-2027, this agreement is just the beginning of what we expect will be a significant increase in battery demand."



ENTITLEMENT OFFER AND SHARE PLACEMENT

Altech Batteries announced a total capital raising of \$8.9 million, comprising the issue of 223,946,491 fully paid ordinary shares in the capital of the Company (Shares) at an issue price of \$0.04 per Share (“Capital Raising”). Participants in the placement and Entitlement Offer also receive free attaching options on the basis of one (1) option for every two (2) shares held, with each option having an exercise price of \$0.06 and expiry date of 31 December 2025.

Managing Director Mr Iggy Tan stated *“We are pleased with the outcome of the capital raise, and to have Altech director and Malaysian Prince Tunku Yaacob Khyra's related entity, major shareholder MAA Group Berhad, partially underwrite the Entitlement Offer for \$5.0 million, is very pleasing. The capital raising has come at an exciting time for Altech, as we progress with the commercialisation of the 120MWh CERENERGY® battery project, as well as commissioning of our Silumina Anodes™ pilot plant”*.

Capital Raising

The Capital Raising comprised of:

- a single tranche placement of 10,125,000 Shares to sophisticated and professional investors at an issue price of \$0.04 per Share to raise \$405,000 (“Placement”). Participants in the Placement also received free attaching options on the basis of one (1) option for every two (2) shares held, with each option having an exercise price of \$0.06 and expiry date of 31 December 2025; and
- a partially underwritten non-renounceable Entitlement Offer of 1 Share for every 8 Shares held by Eligible Shareholders (defined below) at the same issue price as the Placement of \$0.04, to raise up to approximately \$8.5 million (“Entitlement Offer”). Participants in the entitlement offer also received free attaching options on the basis of one (1) option for every two (2) shares held, with each option having an exercise price of \$0.06 and expiry date of 31 December 2025.

Underwriting

Altech Director Tunku Yaacob Khyra's related entity, MAA Group Berhad, agreed to partially underwrite the Entitlement Offer for \$5,000,000 (125,000,000 Shares which includes MAA Group Berhad taking up its entitlement under the Entitlement Offer), being a total of 58% of the maximum amount to be raised under the Entitlement Offer.

Intended Use of Funds

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

- Furthering process of securing plant finance and offtake for CERENERGY® project.
- Completion of fabrication of two 60kWh battery prototypes for CERENERGY® project.
- Finalise commissioning of the Silumina Anodes™ pilot plant.
- Corporate costs and working capital.

Altech's interactive Investor Hub is a dedicated channel where we interact regularly with shareholders and investors who wish to stay up-to-date and to connect with the Altech Batteries leadership team. Sign on at our Investor Hub <https://investorhub.altechgroup.com> or alternatively, scan the QR code on the following page.



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QUARTERLY REPORT

September 2024

Company Snapshot

Altech Batteries Limited (ASX:ATC) (FRA:A3Y)
ABN 45 125 301 206

FINANCIAL INFORMATION

(as at 30 September 2024)

Share Price:	\$0.038
Shares:	1,710.5m
Options:	28.6M
Performance Rights:	119.2m
Market Cap:	\$65.0m
Cash:	\$5.5m

DIRECTORS

Luke Atkins	Non-executive Chairman
Iggy Tan	Managing Director
Peter Bailey	Non-executive Director
Dan Tenardi	Non-executive Director
Tunku Yaacob Khyra	Non-executive Director
Uwe Ahrens	Alternate Director
Hansjoerg Plaggemars	Non-executive Director

CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

Martin Stein

HEAD OFFICE

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SCAN ME

to join the
Altech Batteries
Investor Community
and interact
with Shareholders
& Investors



FORWARD-LOOKING STATEMENTS

Same as June 24 Quarter

COMPETENT PERSON

Same as June 24 Quarter

SCHEDULE OF TENEMENTS

Same as June 24 Quarter

RELATED PARTY TRANSACTIONS (APPENDIX 5B – ITEM 6.1)

The amount shown in the item is for the payment of directors' fees (inclusive of superannuation, where applicable), to the Company's Managing Director, Non-Executive Directors and Alternate Director, during the quarter.

Authorised by: Iggy Tan (Managing Director)

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

ALTECH BATTERIES LTD

ABN

45 125 301 206

Quarter ended ("current quarter")

30 September 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(1,109)	(1,109)
(e) admin and corporate costs	(92)	(92)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(1,201)	(1,201)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(555)	(555)
(d) exploration & evaluation	(10)	(10)
(e) investment in Altech Advanced Materials AG	-	-
(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments (deferred consideration from 25% sale of subsidiary Altech Industries Germany GmbH)	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received	-	-
2.5	Payments for research and development including on CERENERGY® battery	(1,129)	(1,129)
2.6	Net cash from / (used in) investing activities	(1,694)	(1,694)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	6,879	6,879
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(554)	(554)
3.5	Proceeds from borrowings (funding received for subsidiary companies from minority shareholders)	57	57
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other - Lease repayments	(14)	(14)
3.10	Net cash from / (used in) financing activities	6,368	6,368
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,117	2,117
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,201)	(1,201)

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,694)	(1,694)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	6,368	6,368
4.5	Effect of movement in exchange rates on cash held	(29)	(29)
4.6	Cash and cash equivalents at end of period	5,561	5,561

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	5,529	2,085
5.2	Call deposits	32	32
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	5,561	2,117

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(237)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,251)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(10)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(1,261)
8.4 Cash and cash equivalents at quarter end (item 4.6)	5,561
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	5,561
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	4.4
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer:	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer:	
8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer:	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 25 October 2024



Authorised by: MARTIN STEIN – CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

On behalf of the Board of Directors

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.