ASX ANNOUNCEMENT AND MEDIA RELEASE

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ALTECH - THIRD OFFTAKE HEADS OF AGREEMENT FOR CERENERGY® GRIDPACKS

Highlights

- Strategic Heads of Agreement
- Executed with Axsol GmbH (Axsol)
- Certified supplier to NATO
- Offtake for 10MWh in first year, then rising to 30MWh in subsequent years
- Option to increase to 120MWh per subject to availability
- For the first five (5) years of production
- Exclusive Distribution Agreement for Western Defence Industries
- Cooperation for multisystem battery management system (BMS)

Altech Batteries Limited (ASX: ATC, FRA: A3Y) is pleased to announce the execution of a third offtake Heads of Agreement (HOA) between Axsol GmbH (Axsol) and Altech Batteries GmbH.

Axsol is a leading, award-winning provider of integrated renewable energy solutions and is based in Germany. Axsol leverages its expertise in diverse battery technologies and systems, alongside specialised equipment, to seamlessly integrate solar, wind, hydrogen energy and fuel cell solutions. These advanced energy systems ensure safe and reliable energy supply across multiple industries.

Altech has entered into an exclusive distribution agreement with Axsol to supply the western defence industry with CERENERGY® battery technology. As a certified supplier to NATO and select western allied forces, Axsol's involvement will streamline qualification procedures, enabling early market entry and sales of CERENERGY® batteries. These highly robust, durable and non-flammable batteries are ideally suited for defence applications and government agencies.

Additionally, Altech will collaborate with Axsol to leverage its expertise and know-how in efficiently managing and integrating various battery technologies with multiple energy supply sources using its advanced energy management system, “AXOS.” Future Battery Energy Storage Systems (BESS) are expected to incorporate multiple battery technologies tailored for different applications. As such, smart integration is essential to ensure their efficient, reliable and cost-effective operation.

Altech Batteries Limited
ASX:ATC
ABN 45 125 301 206

Suite 8, 295 Rokeby Road,
Subiaco, Western Australia
6008 Australia

Telephone: +61 8 6168 1555
e-mail: info@altechgroup.com
Website: www.altechgroup.com

Key Terms of the Agreement

- Deliveries are expected to commence in Q1 2027 at the earliest, following the commissioning of Altech's production plant.
- Technical specifications and guarantees will align with the provided data sheet.
- A confidential price per GridPack has been agreed upon.
- Minimum purchase targets are set at:
  - 10 MWh in 2027; and
  - 20 MWh in 2028; and
  - 30 MWh annually from 2029 to 2031.
- Subject to availability, maximum purchase targets are:
  - 30 MWh in 2027; and
  - 60 MWh in 2028; and
  - 120 MWh annually from 2029 to 2031.
- Axsol is the exclusive distribution partner for Altech CERENERGY® batteries to western defence industries.
- Altech and Axsol will collaborate on the development of a multisystem battery management system.

Management Comment - CEO Iggy Tan

"We are delighted to have secured such a competent partner in Axsol, enabling Altech to enter the highly attractive defence-related market segment with our CERENERGY® GridPack Battery Energy Storage System. Axsol's strong interest in our technology highlights the unique advantages of Altech's CERENERGY® Sodium Chloride Solid State Battery technology and the exceptional unique selling points we bring to the market."

Authorised by: Iggy Tan (Managing Director)

For more information, please contact:
Corporate

Iggy Tan
Managing Director
Altech Batteries Limited
Tel: +61 8 6168 1555
Email: info@altechgroup.com

Martin Stein
CFO & Company Secretary
Altech Batteries Limited
Tel: +61 8 6168 1555
Email: info@altechgroup.com

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

CERENERGY® Batteries Project

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

The joint venture is commercialising its CERENERGY® battery, with plans to construct a 120 MWh production facility on Altech's land in Saxony, Germany. The facility intends to produce CERENERGY® battery modules to provide grid storage solutions to the market.

ALTECH cerenergy®
Sodium Chloride Solid State Batteries

Silumina Anodes™ Battery Materials Project

Altech Batteries has licenced its proprietary high purity alumina coating technology to 75% owned subsidiary Altech Industries Germany GmbH (AIG), which has finalised a Definitive Feasibility Study to commercialise an 8,000tpa silicon alumina coating plant in the state of Saxony, Germany to supply its Silumina Anodes™ product to the burgeoning European electric vehicle market.

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

The Company is in the race to get its patented technology to market, and recently announced the results of a Definitive Feasibility Study for the construction of a 8,000tpa Silumina Anodes™ material plant at AIG's 14-hectare industrial site within the Schwarze Pumpe Industrial Park in Saxony, Germany. The European silicon feedstock supply partner for this plant will be Ferroglobe. The project has also received green accreditation from the independent Norwegian Centre of International Climate and Environmental Research (CICERO). To support the development, AIG has commenced construction of a pilot plant adjacent to the proposed project site to allow the qualification process for its Silumina Anodes™ product. AIG has executed NDAs with German and North American automakers and battery material supply chain companies.

Silumina Anodes™