



Altech Batteries
Limited

(formerly Altech Chemicals Ltd)

ABN 45 125 301 206

INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

ALTECH BATTERIES LTD
ABN 45 125 301 206

CONTENTS	PAGE
CORPORATE DIRECTORY	3
DIRECTORS' REPORT	4
AUDITOR'S INDEPENDENCE DECLARATION	7
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	8
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	9
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	10
CONSOLIDATED STATEMENT OF CASH FLOWS	11
CONDENSED NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS	12
DIRECTORS' DECLARATION	22
INDEPENDENT AUDITOR'S REVIEW REPORT	23

ALTECH BATTERIES LTD
ABN 45 125 301 206

CORPORATE DIRECTORY

DIRECTORS

Luke Atkins	Chairman
Ignatius Tan	Managing Director
Daniel Tenardi	Non-Executive Director
Peter Bailey	Non-Executive Director
Tunku Yaacob Khyra	Non-Executive Director
Hansjoerg Plaggemars	Non-Executive Director
Uwe Ahrens	Alternate Director (for Tunku Yaacob Khyra)

CFO & COMPANY SECRETARY

Martin Stein

REGISTERED OFFICE & PRINCIPAL PLACE OF BUSINESS

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

Phone: +61 8 6168 1555
Email: info@altechgroup.com
Website: www.altechgroup.com

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
+61 2 9698 5414

STOCK EXCHANGE LISTING

Securities of the Company are quoted on the Australian Securities Exchange Limited (ASX) and its shares are also quoted on the Frankfurt Stock Exchange (Börse Frankfurt) (FWB)

Home Exchange: Perth
ASX Code: ATC (shares)

FWB Code: A3Y

ALTECH BATTERIES LTD
ABN 45 125 301 206

DIRECTORS' REPORT

The Directors present their report on Altech Batteries Ltd for the half-year ended 31 December 2023.

BOARD OF DIRECTORS

The names and details of the Altech Batteries Ltd ("Company") directors in office during the financial period and until the date of this report are as follows:

Luke Atkins	Chairman
Ignatius Tan	Managing Director
Daniel Tenardi	Non-Executive Director
Peter Bailey	Non-Executive Director
Tunku Yaacob Khyra	Non-Executive Director
Hansjoerg Plaggemars	Non-Executive Director
Uwe Ahrens	Alternate Director (for Tunku Yaacob Khyra)

Directors were in office for this entire period unless otherwise stated.

COMPANY SECRETARY

Martin Stein

REVIEW OF OPERATIONS

Altech Batteries Ltd is pleased to present a comprehensive review of its operations for the six months ending 31 December 2023. This period has been marked by significant achievements and strategic advancements across various facets of the Company.

1. CERENERGY® Salt Battery Project:

- *Definitive Feasibility Study:* Altech is pleased to announce the near completion of the Definitive Feasibility Study for the 120MWh battery plant. The product design has been completed, key suppliers have been selected, two 60KWh ABS 60 prototype batteries have commenced fabrication, and the Company has initiated crucial steps in finance and permitting for the plant construction.
- *ESG Accomplishments:* Independent testing revealed a remarkable 50% reduction in greenhouse gas emissions compared to traditional lithium-ion batteries, a testament to Altech's commitment to environmental sustainability.

2. Silumina Anodes™ Battery Materials Project:

- *Pilot Plant Progress:* Altech's pilot plant in Germany is nearing completion, showcasing the capacity to produce 120kg/day of Silumina Anodes™ product. Altech has signed Non-Disclosure Agreements with international car manufacturers and battery material supply chain companies, marking a significant step towards global partnerships.
- *Definitive Feasibility Study:* The study for an 8,000-tonne per annum full-scale Silumina Anodes™ plant reached completion, with the DFS finalised and released to the ASX on 21 December 2023. The DFS presented robust project economics, including an IRR of 34%, a payback period of 2.4 years, and NPV₍₁₀₎ of €684 million, on a capital requirement of €112 million.
- *Capacity Expansion:* Through process optimisation, Altech successfully increased project capacity from 15GWh to an impressive 120GWh, by shifting from a hybrid graphite silicon product to pure HPA-coated silicon.

The six months ending 31 December 2023 have been transformative for Altech Batteries Ltd. Our commitment to innovation, sustainability, and strategic partnership positions us as a leader in the evolving landscape of battery technology. The Company looks forward to the challenges and opportunities of 2024 with enthusiasm, confident in its ability to drive positive change in the industry.

For further details, please refer to our corporate website at www.altechgroup.com

ALTECH BATTERIES LTD
ABN 45 125 301 206

DIRECTORS' REPORT (continued)

REVIEW OF OPERATIONS (continued)

Update of High Purity Alumina Project

Stage 1 and Stage 2 construction of the Johor HPA plant is completed. The project is currently on care and maintenance.

On 31 December 2023, the longstop date in relation to the EPC Turnkey Agreement with SMS Group GmbH for the High-Purity Alumina Project in Johor, Malaysia expired.

RESULTS OF OPERATIONS

The operating loss after income tax of the Company for the half-year ended 31 December 2023 was \$19,573,532 (2022: \$3,561,194). The Company's basic loss per share for the period was 1.2 cents (2022: 0.4 cents).

No dividend has been paid during or is recommended for the financial period ended 31 December 2023.

FINANCIAL POSITION

The Company's working capital, being current assets less current liabilities at 31 December 2023, was \$5,838,871 (30 June 2023: (\$129,621)).

In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

DIRECTORS' REPORT (continued)

REVIEW OF OPERATIONS (continued)

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the company during the financial half-year.

EVENTS SINCE 31 DECEMBER 2023

There has not arisen since the end of the half-year any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect substantially the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent periods.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the half-year ended 31 December 2023 has been received and immediately follows the Directors' Report.

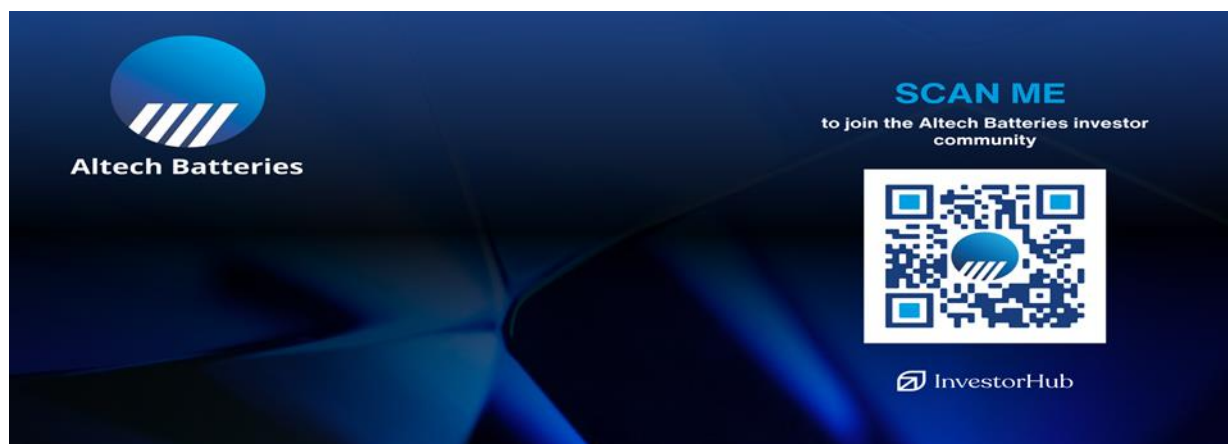
This report has been made in accordance with a resolution of the Board of Directors.



Ignatius Tan
Managing Director

Dated at Perth this 12th day of March 2024

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 below.



**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE MEMBERS OF ALTECH BATTERIES LIMITED
AND CONTROLLED ENTITIES**

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2023, there have been:

- a) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review, and
- b) no contraventions of any applicable code of professional conduct in relation to the review.



SHAUN WILLIAMS
PARTNER



MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth this 12th day of March 2024.

ALTECH BATTERIES LTD
ABN 45 125 301 206

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

For the Half-Year Ended 31 December 2023

	Notes	31-Dec-23 \$	31-Dec-22 \$
Revenue from ordinary activities			
Interest Income	3(a)	109,443	160,613
R&D tax refunds	3(a)	55,636	41,570
Other income	3(a)	9,698	34,519
Total Income		174,777	236,702
Expenses			
Employee benefit expense (incorporating director fees)		(3,644,157)	(2,128,593)
Depreciation		(196,707)	(279,570)
Other expenses	3(b)	(2,855,075)	(1,959,479)
Share-based payments		(1,600,868)	(254,803)
Share in profit/(loss) of associate - Altech Advanced Materials AG		-	(241,130)
Write-down of assets		(246,673)	-
Fair value gain / (loss) on investment in AAM AG		(7,431,276)	1,519,813
Research and development		(3,623,739)	(703,642)
Profit/Loss on disposal of assets		-	(67)
Interest expense		(101,771)	(222)
Forex gain / (loss)		(48,043)	249,797
Profit/(loss) before income tax expense		(19,573,532)	(3,561,194)
Income tax expense		-	-
Net profit/(loss) from continuing operations		(19,573,532)	(3,561,194)
Other comprehensive profit/(loss)			
<i>Items that may be reclassified subsequently to profit and loss:</i>			
Exchange differences on translating foreign controlled entities		(426,247)	(2,030,306)
Total comprehensive profit/(loss), net of tax		(19,999,779)	(5,591,500)
Profit/(loss) for the half year attributable to:			
Owners of the parent entity		(16,911,913)	(3,063,507)
Non-controlling interest		(2,661,619)	(497,687)
Total profit/(loss) for the half year, net of tax		(19,573,532)	(3,561,194)
Total comprehensive profit/(loss) for the half year attributable to:			
Owners of the parent entity		(17,338,160)	(5,093,813)
Non-controlling interest		(2,661,619)	(497,687)
Total comprehensive profit/(loss) for the half year		(19,999,779)	(5,591,500)
Earnings Per Share			
Basic profit/ (loss) per share (\$'s per share)	4	(0.012)	(0.004)
Diluted profit/(loss) loss per share (\$'s per share)	4	(0.012)	(0.004)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

ALTECH BATTERIES LTD
ABN 45 125 301 206

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2023

	Notes	31-Dec-23 \$	30-Jun-23 \$
Current Assets			
Cash and cash equivalents	5	9,293,721	3,571,159
Trade and other receivables	6	2,932,960	2,884,702
Total Current Assets		12,226,681	6,455,861
Non-Current Assets			
Property, plant and equipment	7	16,656,137	12,595,817
Right-of-use assets	8	4,242,356	4,398,139
Exploration and evaluation expenditure	9	1,111,124	981,637
Other financial assets	12	10,419,560	17,850,837
Other non-current receivables	13	-	2,596,055
Total Non-Current Assets		32,429,177	38,422,485
TOTAL ASSETS		44,655,858	44,878,346
Current Liabilities			
Lease liabilities		19,212	34,442
Trade and other payables	14	6,097,251	6,326,018
Provisions	15	271,347	225,022
Total current liabilities		6,387,810	6,585,482
Non-Current Liabilities			
Provisions	15	151,133	173,800
Loans payable	16	7,641,974	4,244,005
Total Non-Current Liabilities		7,793,107	4,417,805
TOTAL LIABILITIES		14,180,917	11,003,287
NET ASSETS		30,474,941	33,875,059
Equity			
Contributed equity	17	139,486,572	124,487,779
Reserves	18	2,988,448	1,822,560
Accumulated losses	19	(107,225,139)	(90,321,959)
Non-controlling interests		(4,774,940)	(2,113,321)
TOTAL EQUITY		30,474,941	33,875,059

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

ALTECH BATTERIES LTD
ABN 45 125 301 206

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the Half-Year Ended 31 December 2023

	Contributed Equity \$	Accumulated losses \$	Share-based payment reserves \$	Foreign currency translation reserves \$	Non- controlling equity interests \$	Total \$
At 1 July 2023	124,487,779	(90,321,959)	2,839,027	(1,016,467)	(2,113,321)	33,875,059
Profit/(loss) after income tax for the half year	-	(16,911,913)	-	-	(2,661,619)	(19,573,532)
Other comprehensive profit / (loss) for the half year (net of tax)	-	-	-	(426,247)	-	(426,247)
Total comprehensive profit/(loss) for the half year	-	(16,911,913)	-	(426,247)	(2,661,619)	(19,999,779)
Transactions with owners in their capacity as owners:						
Issue of share capital (net of issue costs)	14,998,793	-	-	-	-	14,998,793
Non-controlling interest in share capital of subsidiaries on incorporation	-	-	-	-	-	-
Share based payments (issue of performance rights)	-	-	1,592,135	-	-	1,592,135
Forfeiture of performance rights	-	8,733	-	-	-	8,733
At 31 December 2023	139,486,572	(107,225,139)	4,431,162	(1,442,714)	(4,774,940)	30,474,941
At 1 July 2022	124,487,777	(30,604,494)	1,762,369	1,964,499	(72,510)	97,537,641
Profit/(loss) after income tax for the half year	-	(3,063,507)	-	-	(497,687)	(3,561,194)
Other comprehensive profit / (loss) for the half year (net of tax)	-	-	-	(2,030,306)	-	(2,030,306)
Total comprehensive profit/(loss) for the half year	-	(3,063,507)	-	(2,030,306)	(497,687)	(5,591,500)
Transactions with owners in their capacity as owners:						
Issue of share capital (net of issue costs)	-	-	-	-	-	-
Non-controlling interest in share capital of subsidiaries on incorporation	-	-	-	-	21,597	21,597
Share based payments (issue of performance rights)	-	-	254,803	-	-	254,803
At 31 December 2022	124,487,777	(33,668,001)	2,017,172	(65,807)	(548,600)	92,222,541

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

ALTECH BATTERIES LTD
ABN 45 125 301 206

CONSOLIDATED STATEMENT OF CASH FLOWS
For the Half-Year Ended 31 December 2023

	31-Dec-23	31-Dec-22
	\$	\$
Cash Flows from Operating Activities		
Payments to suppliers, contractors and employees	(6,730,483)	(3,684,572)
Other receipts	-	34,519
R&D refund	-	306,932
Interest paid	(60,679)	(222)
Interest received	73,978	161,441
Net cash flows used in operating activities	(6,717,184)	(3,181,902)
Cash Flows from Investing Activities		
Purchase of land, property, plant and equipment	(5,245,293)	(1,609,078)
Payments for development expenditure	-	-
Payments for exploration expenditure	(129,487)	(113,192)
Payments for R&D	(3,166,532)	(703,642)
Sale of 25% Altech Industries Germany GmbH	2,596,055	-
Net cash used in investing activities	(5,945,257)	(2,425,912)
Cash Flows from Financing Activities		
Net proceeds from issue of shares	14,998,795	-
Proceeds from exercise of options	-	-
Loans from minority shareholder Altech Advanced Materials AG to subsidiaries	3,498,558	1,322,656
Lease repayments (principal)	(29,006)	(29,044)
Net cash flows from financing activities	18,468,347	1,293,613
Net increase/(decrease) in cash and cash equivalents	5,805,906	(4,314,201)
Cash and cash equivalents at the beginning of the financial period	3,571,159	10,912,939
Foreign exchange variances on cash	(83,344)	7,196
Cash and cash equivalents at the end of the financial period	9,293,721	6,605,934

The above statement of cash flows should be read in conjunction with the accompanying notes.

ALTECH BATTERIES LTD
ABN 45 125 301 206

CONDENSED NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The interim financial report of Altech Batteries Ltd (the Company) for the half-year ended 31 December 2023 was authorised for issue in accordance with a resolution of the directors on 12th March 2024. Altech Batteries Ltd is a public company incorporated in Australia and its shares are publicly traded on the Australian Securities Exchange.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

These general purpose interim financial statements for the half-year reporting period ended 31 December 2023 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: Interim Financial Reporting. The Company is a for-profit entity for financial reporting purposes under the Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Altech Batteries Ltd and its controlled entities (referred to as the consolidated group or the Company). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Company. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended 30 June 2023, together with any public announcements made during the following half-year.

Accounting Policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements, except in relation to the matters discussed below.

Critical Accounting Estimates and Judgments

The critical estimates and judgments are consistent with those applied and disclosed in the 30 June 2023 annual report.

Going concern

This report has been prepared on the going concern basis, which contemplates the continuation of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The Company has incurred net cash outflow from operating and investing activities for the half-year ended 31 December 2023 of \$12,662,441 (2022: \$5,607,814). Notwithstanding this, as at 31 December 2023, the consolidated entity had net current assets of \$5,838,871 (30 June 2023: net current deficit of \$129,621).

The Directors will continue to monitor the capital requirements of the Group, and this includes additional capital raisings in future periods as required.

Should the Group be unable to obtain funding, there is a material uncertainty as to whether the Group will be able to continue as a going concern, and therefore, whether it will be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different from those stated in the interim financial report. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that may be necessary should the Group be unable to continue as a going concern.

New and amended Accounting Standards and Interpretations adopted by the Company

The consolidated entity has considered the implications of new or amended Accounting Standards which have become applicable for the current financial reporting period.

New or amended accounting standards applicable to future periods are not expected to significantly impact the Company.

ALTECH BATTERIES LTD
ABN 45 125 301 206

CONDENSED NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS

3. Loss for the year includes the following specific income and expenses

	31-Dec-23	31-Dec-22
	\$	\$
(a) Revenue		
Interest income	109,443	160,613
R&D tax refunds	55,636	41,570
Other Income	9,698	34,519
	174,777	236,702
(b) Other expenses		
Accounting and audit fees	(39,404)	(19,508)
ASX and share registry fees	(133,948)	(82,228)
Corporate & consulting	(240,943)	(426,290)
Insurance expense	(268,500)	(273,942)
Occupancy	(407,787)	(253,993)
Legal fees	(422,593)	(224,748)
Investor relations and marketing	(354,899)	(362,072)
Office & administration	(987,001)	(316,698)
	(2,855,075)	(1,959,479)

4. Earnings per share

	31-Dec-23	31-Dec-22
	\$	\$
Basic profit / (loss) per share	(0.012)	(0.004)
Diluted profit / (loss) per share	(0.012)	(0.004)
	Number	Number
The weighted average number of ordinary shares used in the calculation of basic earnings per share was	1,653,325,887	1,426,765,869

5. Cash and cash equivalents

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	31-Dec-23	30-Jun-23
	\$	\$
Cash at bank and on hand	9,293,721	3,571,159

6. Trade and other receivables

	31-Dec-23	30-Jun-23
	\$	\$
CURRENT RECEIVABLES		
Research and development tax rebate	-	519,295
Prepayments	370,054	-
GST and VAT receivable	2,481,499	1,950,323
Deposits paid	48,739	49,376
Altech Advanced Materials AG	16,057	26,628
Other receivables	16,611	339,080
	2,932,960	2,884,702

ALTECH BATTERIES LTD
ABN 45 125 301 206

CONDENSED NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS

7. Property, Plant and Equipment

	31-Dec-23	30-Jun-23
	\$	\$
OFFICE EQUIPMENT		
At cost	382,305	382,418
Less: accumulated depreciation	(273,432)	(252,711)
Total office equipment	108,873	129,707
LAND		
At cost	3,831,072	3,779,406
Total land	3,831,072	3,779,406
PLANT AND EQUIPMENT		
At cost	277,011	224,897
Less: accumulated depreciation	(143,751)	(108,136)
Total plant and equipment	133,260	116,761
MALAYSIAN HPA PLANT (work in progress)		
At cost	26,441,736	26,777,563
Less: Provision for impairment	(25,983,371)	(26,313,376)
Total HPA Plant	458,365	464,187
SILUMINA PILOT PLANT - GERMANY (work in progress)		
At cost	8,670,737	6,185,191
Total German Pilot Plant	8,670,737	6,185,191
CERENERGY BATTERY PLANT - GERMANY (work in progress)		
At cost	3,453,830	1,920,565
Total German CERENERGY Plant	3,453,830	1,920,565
Total Property, Plant and Equipment	16,656,137	12,595,817

Reconciliation

Reconciliation of the carrying amounts for each class of property, plant and equipment are set out below:

	31-Dec-23	30-Jun-23
	\$	\$
OFFICE EQUIPMENT		
Carrying amount at the beginning of the year	129,707	69,951
Additions / foreign exchange revaluation	113	111,363
Disposals	-	(67)
Depreciation expense	(20,947)	(51,540)
Carrying amount at the end of the year	108,873	129,707
LAND		
Carrying amount at the beginning of the year	3,779,406	3,578,359
Additions / foreign exchange revaluation	51,666	201,047
Carrying amount at the end of the year	3,831,072	3,779,406

ALTECH BATTERIES LTD
ABN 45 125 301 206

CONDENSED NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS

7. Property, Plant and Equipment (continued)

	31-Dec-23	30-Jun-23
	\$	\$
PLANT AND EQUIPMENT		
Carrying amount at the beginning of the year	116,761	168,879
Additions / foreign exchange revaluation	52,114	19,123
Less: depreciation	(35,615)	(71,241)
Carrying amount at the end of the year	133,260	116,761
MALAYSIAN HPA PLANT (work in progress)		
Carrying amount at the beginning of the year	464,187	27,367,758
Additions	-	-
Provision for impairment of assets	-	(26,313,376)
Foreign currency translation	(5,822)	(590,195)
Carrying amount at the end of the period	458,365	464,187

The Malaysian HPA plant is part way constructed, and is currently on care and maintenance. The Company requires further capital in order to complete the plant. Due to uncertainties surrounding the prospect of obtaining funding for this plant, the Company has taken the prudent approach to provide for impairment of the Malaysian HPA Plant to its fair value less costs of disposal. A valuation of the HPA plant conducted by a licenced professional valuer formed the basis of the impairment.

SILUMINA PILOT PLANT - GERMANY (work in progress)

Carrying amount at the beginning of the year	6,185,191	814,852
Additions / foreign exchange revaluation	2,485,546	5,370,339
Carrying amount at the end of the period	8,670,737	6,185,191

CERENERGY BATTERY PLANT - GERMANY (work in progress)

Carrying amount at the beginning of the year	1,920,565	-
Additions	1,533,265	1,920,565
Carrying amount at the end of the year	3,453,830	1,920,565

8. Right-of-use Assets

	31-Dec-23	30-Jun-23
	\$	\$
At cost	5,229,333	5,310,736
Accumulated depreciation	(986,977)	(912,597)
Net carrying amount at the end of the period	4,242,356	4,398,139

Reconciliation

Reconciliation of the carrying amount of right-of-use assets at the beginning and end of the current and prior periods are set out below:

Right-of-use assets

At beginning of the year net of accumulated depreciation	4,398,139	5,950,181
Impairment / foreign exchange revaluation	(81,403)	(1,366,617)
Depreciation charge for the year	(74,380)	(185,425)
Net carrying amount at the end of the year	4,242,356	4,398,139

ALTECH BATTERIES LTD
ABN 45 125 301 206

CONDENSED NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS

9. Exploration and Evaluation Expenditure

	31-Dec-23	30-Jun-23
	\$	\$
Carrying amount at the beginning of period	981,637	782,659
Exploration and evaluation expenditure incurred during the period (at cost)	129,487	198,978
Carrying amount at the end of the period	1,111,124	981,637

10. Development Expenditure

	31-Dec-23	30-Jun-23
	\$	\$
Carrying amount at the beginning of the period	-	37,679,490
Development expenditure incurred during the year (at cost) including foreign exchange movements	-	(1,179,979)
Provision for impairment of assets - development	-	(36,499,511)
Carrying amount at the end of the period	-	-

The Malaysian HPA plant is part way constructed and is currently on care and maintenance. The Company requires further capital in order to complete the plant. Due to uncertainties surrounding the prospect of obtaining funding for this plant, the Company has taken the prudent approach to provide for impairment of these development costs. A valuation of the HPA plant conducted by a licenced professional valuer formed the basis of the impairment.

11. Investment in Associate (Altech Advanced Materials AG)

	31-Dec-23	30-Jun-23
	\$	\$
Carrying amount at the beginning of the period	-	3,351,214
Acquisition of shares in Altech Advanced Materials AG (AAM AG)	-	-
Share of associate's loss for the period	-	(241,130)
Reclassification to Investments ¹	-	(3,110,084)
Carrying amount at the end of the period	-	-

¹ The Company's ownership in AAM decreased from 27.1% as at 30 June 2022 to 10.86% as at 31 December 2022 as a result of a share issue conducted by AAM. The Company is no longer deemed to have significant influence over AAM and, as such, the Company now accounts for its ownership in AAM as Other Financial Assets. Refer to note 12.

12. Other Financial Assets

	31-Dec-23	30-Jun-23
	\$	\$
Carrying amount at the beginning of the period	17,850,837	-
Reclassification from Investment in Associate (AAM AG) ¹	-	3,110,084
Fair value gain / (loss) on investment	(7,431,277)	14,740,753
Carrying amount at the end of the period	10,419,560	17,850,837

¹ The Company's ownership in AAM decreased from 27.1% as at 30 June 2022 to 10.86% as at 31 December 2022 as a result of a share issue conducted by AAM. The Company is no longer deemed to have significant influence over AAM and, as such, the Company now accounts for its ownership in AAM as Other Financial Assets. Refer to note 11.

Altech has agreed that it shall not directly or indirectly, sell, offer, transfer, encumber, dispose of, give notice of, assign or grant options over or take any other action economically equivalent to a sale of its shares in AAM for a period of 24 months from 25 November 2022.

ALTECH BATTERIES LTD
ABN 45 125 301 206

CONDENSED NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS

13. Other non-current receivables

	31-Dec-23	30-Jun-23
	\$	\$
Deferred consideration sale of 25% AIG to AAM	-	2,596,055

The deferred consideration was owed to the Company in three instalments of Euro 1,583,333 in relation to the sale of 25% equity held by AAM in Altech Industries Germany GmbH. All deferred consideration has now been received by the Company.

14. Trade and other payables

	31-Dec-23	30-Jun-23
	\$	\$
CURRENT PAYABLES (Unsecured)		
Trade creditors	4,404,161	5,671,831
Accrued expenses	1,520,716	502,939
Payroll tax	12,157	13,628
Other creditors and accruals	160,217	137,620
Total trade and other payables	6,097,251	6,326,018

15. Provisions

	31-Dec-23	30-Jun-23
	\$	\$
CURRENT		
Provision for annual leave	271,347	225,022
NON-CURRENT		
Provision for long service leave	151,133	173,800
Total provisions	422,480	398,822

16. Loans Payable

	31-Dec-23	30-Jun-23
	\$	\$
Altech Advanced Materials AG	7,641,974	4,244,005

Altech Advanced Materials AG is the holder of 25% of the share capital in subsidiary Altech Energy Holdings GmbH and 25% of the share capital in subsidiary Altech Industries Germany GmbH. Pursuant to Shareholder Agreements, Altech Batteries Ltd and Altech Advanced Materials AG provide shareholder loans to each subsidiary in the same proportion to their shareholding proportion. The loans are unsecured, bear simple interest and are repayable on terms unanimously agreed by all shareholders or upon the lending shareholder ceasing to hold any shares.

Interest payable by AIG and AEH to AAM is 3.25% per annum on the outstanding loan amount.

17. Contributed Equity

	31-Dec-23	30-Jun-23
	\$	\$
(a) Ordinary shares		
Contributed equity at the beginning of the period	124,487,779	124,487,779
Shares issued during the period	15,859,204	-
Options conversion	-	-
Transfer of historical share-based payment reserve to share capital	-	-
Transaction costs relating to shares issued	(860,411)	-
Contributed Equity at the end of the reporting period	139,486,572	124,487,779

CONDENSED NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS

17. Contributed Equity (continued)

	31-Dec-23	30-Jun-23
	\$	\$
Movements in ordinary share capital		
Ordinary shares on issue at the beginning of reporting period	1,426,765,869	1,426,765,869
Shares issued during the period:		
21 July 2023 at \$0.07	42,857,142	-
11 August 2023 at \$0.07	147,145,801	-
18 August 2023 at \$0.07	29,414,218	-
30 October 2023 at \$0.07	7,142,857	-
Ordinary shares on issue at the end of the reporting period	1,653,325,887	1,426,765,869

(b) Performance Rights

At 31 December 2023, the Company had the following unlisted performance rights on issue:

performance rights - Managing Director (exercise price: nil)	15,000,000
performance rights - Employees (exercise price: nil)	60,250,000
performance rights - Non-Executive Directors (exercise price: nil)	48,000,000

Total performance rights on issue at 31 December 2023	123,250,000
--	--------------------

At 30 June 2023, the Company had the following unlisted performance rights on issue:

performance rights - Managing Director (exercise price: nil)	30,000,000
performance rights - Employees (exercise price: nil)	57,850,000
performance rights - Non-Executive Directors (exercise price: nil)	33,000,000

Total performance rights on issue at 30 June 2023	120,850,000
--	--------------------

(c) Listed Options

The Company did not issue any listed options during the reporting period (2022: Nil). At 31 December 2023, the Company did not have any listed options on issue (30 June 2023: Nil).

(d) Unlisted Options

The Company did not issue any unlisted options during the reporting period (2022: Nil). At 31 December 2023, the Company did not have any listed options on issue (30 June 2023: Nil).

18. Reserves

	31-Dec-23	30-Jun-23
	\$	\$
Share based payments reserve	4,431,162	2,839,027
Foreign currency translation reserve	(1,442,714)	(1,016,467)
Carrying amount at the end of the year	2,988,448	1,822,560

Movements:

Share based payments reserve

Balance at the beginning of the period	2,839,027	1,762,369
Fair value of performance rights issued	1,600,868	1,285,407
Expiration / forfeiture of performance rights	(8,733)	(208,749)
Balance at end of period	4,431,162	2,839,027

CONDENSED NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS

18. Reserves (continued)

	31-Dec-23	30-Jun-23
	\$	\$
<hr/>		
Foreign currency translation reserve		
Balance at the beginning of the period	(1,016,467)	1,964,499
Foreign exchange movements on translation of subsidiary financial statements	(426,247)	(2,980,966)
Balance at end of period	(1,442,714)	(1,016,467)

19. Accumulated losses

Carrying amount at the beginning of the period	(90,321,959)	(30,604,494)
Profit (loss) for the period	(16,911,913)	(59,717,465)
Expiration of performance rights	8,733	-
Carrying amount at the end of the period	(107,225,139)	(90,321,959)

20. Events subsequent to balance date

There has not arisen, since the end of the financial period, any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company to affect substantially the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

21. Expenditure commitments

(a) Exploration

The Company has certain obligations to perform minimum exploration work on the various mineral leases that it holds. These obligations may vary over time, depending on the Company's exploration programs and priorities. As at 31 December 2023, total exploration expenditure commitments on tenements held by the Company have not been provided for in the financial statements and those which cover the following twelve month period amount to \$228,000 (30 June 2023: \$228,000). These obligations are also subject to variations, may be subject to farm-out arrangements, sale of relevant tenements or via application for expenditure exemptions from prior-year commitments from the relevant government department.

(b) Loan Commitments

On 1 May 2015, the Company entered into an Intercompany Loan Agreement (Agreement) with its 100% owned subsidiary Altech Chemicals Sdn Bhd (ATCSB).

Under the terms of the Agreement:

- The Company extends a loan facility up to the amount of \$100,000,000 to provide funding to enable ATCSB to advance the development of a high purity alumina manufacturing facility in Malaysia.
- Interest payable is nil for the period up to and preceding the date at which ATCSB commences commercial production from its proposed high purity alumina manufacturing facility.
- From the date at which ATCSB commences commercial production from its proposed high purity alumina manufacturing facility, interest shall be charged on the loan at an arms-length commercial rate of interest.

On 1 April 2020, the Company entered into a Shareholder Loan Agreement with its 75% owned subsidiary Altech Industries Germany GmbH (AIG). On 29 December 2020, the Shareholder Loan Agreement was amended to include the party Altech Advanced Materials AG (AAM), the holder of the remaining 25% in AIG.

CONDENSED NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS

21. Expenditure commitments (continued)

(b) Loan Commitments (continued)

Under the terms of the Shareholder Loan Agreement and as amended on 29 December 2020:

- The Company extends a loan facility up to the amount of €50,000,000 to provide funding to enable AIG to advance the development of its operations in Germany.
- AIG simultaneously and proportionally (75% to 25%) utilises the facility made available under the AAM Shareholder Loan Agreement. That is, funding to be provided to AIG is allocated in the proportions of 75% by the Company and 25% by AAM.
- Under this agreement, interest payable is nil for the period up to and preceding the date at which AIG commences commercial production from its proposed battery materials manufacturing facility.
- An Amendment Agreement was entered into by both parties on 11 November 2022, following which interest is payable by AIG at 3.25% on outstanding loan amount.

On 22 November 2022, the Company entered into a Shareholder Loan Agreement with its 75% owned subsidiary Altech Energy Holdings GmbH (AEH) and AAM, the holder of the remaining 25% in AEH.

Under the terms of the Shareholder Loan Agreement:

- The Company and AAM provides financing up to the amount of €15,000,000 to AEH proportionally (75% to 25%) to enable AEH to on-lend the funds to its 75% owned subsidiary, Altech Batteries GmbH (ABG) for the development of a 120MWh battery production plant in Saxony, Germany.
- Interest payable by AEH is 3.25% per annum on outstanding loan amount.

On 6 December 2022, the Company's 75% owned subsidiary, AEH entered into a Shareholder Loan Agreement with its 75% owned subsidiary Altech Batteries GmbH (ABG).

Under the terms of the Shareholder Loan Agreement:

- AEH extends a loan facility up to the amount of €15,000,000 to enable ABG to advance the development of a 120MWh battery production plant in Saxony, Germany.
- Interest payable by ABG is 3.25% per annum on outstanding loan amount.

On 7 December 2022, the Company's subsidiary ABG entered into a Research and Development Agreement with Fraunhofer-Institut Fur Keramische Technologien Und Systeme IKTS ("Fraunhofer") to develop battery systems for stationary energy storage based on sodium nickel chloride technology. The aim is to bring the technology to commercial production through the development of a 100MWh battery production plant in Saxony, Germany. Under the terms of the Research and Development Agreement:

- The project starts on 13 September 2022 and has an expected period of performance of 4 years.
- ABG makes quarterly payments up to a total combined amount of €13,600,000 for services performed by Fraunhofer, in accordance with an R&D Payment Plan, over a period of 4 years commencing on 13 December 2022:

Payment Instalment (€ 'mil)	0.360	0.360	0.560	0.660	1.020	1.020	1.370	0.700	1.150	0.900	0.700	0.700	0.550	0.550	1.500	1.500
Payment Date	13.12 .2022	13.03 .2023	13.06 .2023	13.09 .2023	13.12 .2023	13.03 .2024	13.06 .2024	13.09 .2024	13.12 .2024	13.03 .2025	13.06 .2025	13.09 .2025	13.12 .2025	13.03 .2026	13.06 .2026	13.09 .2026
Payment	P1	P2	P3	P4	P5	P6	P7	P8	P9	P10	P11	P12	P13	P14	P15	P16

- By mutual agreement, the timeline has been pushed back by one month, with the first payment being made in January 2023.
- In the event that ABG fails to provide timely payment, Fraunhofer may terminate the R&D contract.
- If commercialisation becomes unviable through outcome of a Definitive Feasibility Study, ABH may terminate the R&D contract.

Within 1 month from the complete performance of the project and full payment of the €13,600,000, Fraunhofer shall transfer the ownership of the foreground IP in relation to the project to ABG.

ALTECH BATTERIES LTD
ABN 45 125 301 206

CONDENSED NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS

21. Expenditure commitments (continued)

(b) Loan Commitments (continued)

On 14 December 2023, with the transformation of the CERENERGY® battery pack into a substantial 60kWh unit specifically designed for the grid storage market and the re-design of the pilot plant at Fraunhofer IKTS, an amendment to the Research & Development Agreement was executed. The revised R&D Payment Plan is as shown below:

Payment Instalment (€ 'mil)	0.360	0.360	0.560	0.660	0.600	0.600	0.600	0.800	1.660	1.500	1.300	1.300	0.650	0.650	1.100	0.900
Payment Date	13.12.2022	13.03.2023	13.06.2023	13.09.2023	13.12.2023	13.03.2024	13.06.2024	13.09.2024	13.12.2024	13.03.2025	13.06.2025	13.09.2025	13.12.2025	13.03.2026	13.06.2026	13.09.2026
Payment	P1	P2	P3	P4	P5	P6	P7	P8	P9	P10	P11	P12	P13	P14	P15	P16

(c) Capital commitments

EPC contracts for the construction of the Malaysian HPA plant and the Australian kaolin loading facility have been executed with SMS group GmbH and Simulus Engineering Pty Ltd for prices of US\$280 million and US\$2.5 million respectively. Commitment to the contracted expenditure is subject to a number of conditions being met including the securing of the total targeted project funding. As at 31 December 2023, the Company had no capital commitments in relation to either contract (30 June 2023: Nil). All works completed as stage 1 or stage 2 early works construction under the US\$280 million SMS group GmbH contract had been billed to the Company and paid as at 31 December 2023. As at 31 December 2023, no early works had been completed under the Simulus Engineering Pty Ltd contract.

On 9 August 2022, the Company's 75%-owned subsidiary, Altech Industries Germany GmbH entered into a Contract for Supplies and Services with Hatch Kuttner GmbH (formerly Kuttner GmbH & Co) for the development of a battery materials pilot plant in Saxony Germany, for the price of €2,981,146. The contract sum was subsequently varied to €5,230,376. As at 31 December 2023, the Group had capital commitments of €2,045,745. It is currently anticipated that all of the commitment amounts will become payable during the subsequent financial year (2024/25).

ALTECH BATTERIES LTD
ABN 45 125 301 206

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Altech Batteries Ltd, I state that:

In the opinion of the directors:

- (a) the financial statements and notes of the Company are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position as at 31 December 2023 and of the performance for the half-year ended on that date of the Company; and
 - (ii) complying with Accounting Standards AASB 134: "Interim Financial Reporting" and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board.



Ignatius Tan
Managing Director

Perth, Western Australia
12 March 2024

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF ALTECH BATTERIES LIMITED AND CONTROLLED ENTITIES

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Altech Batteries Limited (the company) and its controlled entities (the consolidated entity or group), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of comprehensive income, consolidated statement of changes in equity, the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the company is not in accordance with the *Corporations Act 2001*, including:

- i. giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- ii. complying with Accounting Standard *AASB 134: Interim Financial Reporting and the Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with Auditing Standards on Review Engagements *ASRE 2410: Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the Directors for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF ALTECH BATTERIES LIMITED
AND CONTROLLED ENTITIES (CONTINUED)**

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the financial report based on our review. ASRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the financial report is not in accordance with the *Corporations Act 2001* including:

- i. giving a true and fair view of the Company's financial position as at 31 December 2023 and its performance for the half-year ended on that date; and
- ii. complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



SHAUN WILLIAMS
PARTNER



MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth this 12th day of March 2024.