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ALTECH – CERENERGY® PERMIT AND LICENCE APPLICATION COMMENCED AND TO BE STREAMLINED

Highlights

- Commenced permitting and licensing application process
- License for construction/operation 100 MWh CERENERGY® battery project
- Normal federal approval required (German Federal Immission Control Act, BimSchG)
- Project has low environmental and community impact - manufacturing
- Inter-ministerial decision that project comes under Saxony state approval
- Expected to significantly streamline and expedite the licence process
- DFS and finance continue to progress
- Proactive approach by commencing permit and license process early

Altech Batteries Limited (Altech/the Company) (ASX: ATC) (FRA: A3Y) is pleased to announce that its joint venture German subsidiary Altech Batteries GmbH (ABG) has commenced the permitting and licensing application process for the CERENERGY® battery project in Schwarze Pumpe, Saxony, Germany. The Company is in joint venture with Fraunhofer IKTS ("Fraunhofer") to commercialise a 100 MWh battery plant on Altech's land in Saxony, Germany, specifically focussed on the grid (stationary) energy storage market.

Altech, in collaboration with its engineering subcontractor LEADEC and its architecture and balance of plant subcontractor ARIKON, has successfully submitted an application to the authorities for a permit and license for the proposed construction and operation of a 100 MWh CERENERGY® battery plant. In Germany, the approval process for construction and operation is determined by the environmental risk impacts, with most projects falling under the jurisdiction of the German Federal Immission Control Act (known as BimSchG) for federal approval.

Altech has diligently provided all the necessary documentation, including drawings and explanations, required for the permitting and licensing application. During the weekly inter-ministerial meeting, due to minimal environmental and community impact, a decision was reached that the CERENERGY® battery project is a manufacturing installation. Consequently, it will be approved under the state approval process, rather than the more complex federal BimSchG process. This adjustment in the approval process is expected to streamline and expedite the overall process significantly.

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The Company has been fortunate to receive exceptional support from various ministries and regulatory bodies in the State of Saxony. Remarkably, the Saxony state government has established an inter-ministerial task force dedicated to assisting Altech in expediting the approval process, demonstrating their commitment to facilitating a streamlined path for the project.

As the Definitive Feasibility Study (DFS) for the CERENERGY® battery project and project finance continues to progress, the Company is taking a proactive approach by initiating the project's permit and license process in parallel. This strategic decision aims to prevent any potential delays in project execution once financing is secured. Furthermore, obtaining an operating license provides financial institutions with a higher degree of confidence.

Group Managing Director Iggy Tan said "*We are pleased to have initiated the licensing application for our 100 MWh CERENERGY® battery project so early. Considering that we only executed the joint venture agreements with Fraunhofer IKTS about 12 months ago, this is a tremendous achievement. Our approach of being dynamic, quick moving and to run things concurrently, puts Altech in good stead to complete the DFS and continue the financing process. We appreciate the authorities' recognition of our professional and responsible approach, and we're thankful for their exceptional support*".

Background

CERENERGY® batteries are the game-changing grid storage 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. Since the CERENERGY® batteries can operate at a very wide temperature range of minus (-) 40 deg C to plus (+) 60 deg C, the battery pack will be ideal for the cold European climates. The GHG footprint being at least 50% lower than that of lithium-ion batteries.

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

CERENERGY® Batteries Project

Altech Batteries Ltd is a specialty battery technology company that has a joint venture agreement with world leading German battery institute Fraunhofer IKTS ("Fraunhofer") to commercialise the revolutionary CERENERGY® Sodium 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 100MWh production facility on Altech's land in Saxony, Germany. The facility intends to produce CERENERGY® battery modules to provide grid storage solutions to the market.

ALTECH cerenergy®
Sodium Alumina 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 commenced a definitive feasibility study for the development of a 10,000tpa silicon/graphite alumina coating plant in the state of Saxony, Germany to supply its Silumina Anodes™ product to the burgeoning European electric vehicle market.

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

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

Silumina Anodes™

HPA Production Project

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