



Altech Chemicals
Limited

ASX ANNOUNCEMENT AND MEDIA RELEASE

3 May 2022

ALTECH – MAJOR SHAREHOLDERS CONVERT LISTED OPTIONS

Altech Chemicals Limited (Altech/the Company) (ASX: ATC) (FRA: A3Y) is pleased to announce that the Company's largest shareholder, Deutsche Balaton Aktiengesellschaft (Duetsche Balaton), has converted 15,000,000 listed options with an expiry date of 31 May 2022 and conversion price of \$0.08 each, for total proceeds of \$1,200,000. In addition to this, significant shareholder Delphi Unternehmensberatung Aktiengesellschaft (Delphi) has converted 11,519,296 listed options for total proceeds of \$921,543.

Altech has received total funds of \$2,121,543 from both the Duetsche Balaton and Delphi conversions.

Managing Director, Mr Iggy Tan, stated *"Altech is extremely pleased to have the support of these major shareholders at a very exciting time for the Company. Altech recently announced the outstanding preliminary feasibility study results for its Silumina Anodes™ battery materials project in Germany, which included a pre-tax NPV₍₈₎ of US\$507 million, as well as an attractive internal rate of return of 40%. To have the support of these major shareholders, both domiciled in Germany, at a time when Altech is moving forward with construction of the Silumina Anodes™ pilot plant in Germany, as well as the DFS on the 10,000tpa Silumina Anodes™, is very positive. On behalf of the Board of Directors, I would like to thank both Duetsche Balaton and Delphi for their ongoing support of Altech"*.

Further to the ASX announcement of 21 April 2022, Altech would like to take this opportunity to remind holders of listed options of their pending expiry date of 31 May 2022 and reminds holders to consider converting their options. Instructions and payment requirements on the conversion process have either been posted or emailed to the option holders. If any holders require more information in relation this, please contact Altech using the details at the end of this announcement. Payment must be received no later than 31 May 2022.

Authorised by: Iggy Tan (Managing Director)

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

Altech Chemicals ("Altech" or "Company") is a specialty battery materials technology company that is developing a 10,000 tpa silicon graphite anode plant in the state of Saxony, Germany, using its proprietary high purity alumina coating technology. The Company is positioning itself to supply battery material products to the burgeoning European electric vehicle market.

This Company recently announced its game changing technology of incorporating high-capacity silicon in 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 Annodes™.

The Company is in the race to get their patented technology to market. The Company has commenced a preliminary feasibility study (PFS) for the construction of a 10,000 tpa Silumina Anode material plant at its 100% owned 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. Altech has also received green accreditation for this project from the independent Norwegian Centre of International Climate and Environmental Research (CICERO). To support the development, the Company will also be constructing a pilot plant next door to allow the qualification process for its Silumina Anodes™ product. The Company has executed NDAs with two German automakers as well as a European based battery company.

Silumina Anodes™

HPA Project

Altech is also further aiming to become a supplier of 99.99% (4N) high purity alumina (Al₂O₃) 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.

For more information, please contact:

Corporate

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