



Altech Batteries
Ltd

SHARE PURCHASE PLAN

APRIL 2024



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SHARE PURCHASE PLAN OFFER

17 April 2024

Dear Fellow Shareholder,

It is a great pleasure to invite you to participate in Altech's April 2024 Share Purchase Plan (SPP or Plan).

Altech Batteries Limited's (ASX: ATC) ("Altech" or "Company") recently revealed outstanding outcomes from the Definitive Feasibility Study (DFS) conducted for its groundbreaking CERENERGY® project (refer to the Company's ASX announcement dated 20 March 2024). Planned for construction on Altech's land in Saxony, Germany, the project sets a new standard in sustainable energy solutions, boasting an annual capacity of 120 1MWh GridPacks.

In collaboration with joint venture partner Fraunhofer IKTS ("Fraunhofer"), a research institution affiliated with the German government, the DFS results highlight the project's compelling economic viability. With a conservative investment estimate of €156 million, the NPV₍₉₎ stands impressively at €169 million or A\$280 million, demonstrating robust returns on investment. Moreover, the project anticipates generating a substantial net cash flow of €48 million annually from operations, with an estimated Internal Rate of Return (IRR) of 19%, ensuring a rapid capital payback period of just 3.7 years.

CERENERGY® batteries, integral to the project, revolutionise energy storage with fire-proofing, double lifespan, and adaptability to various climates. Free from critical minerals, they ensure resource sustainability and minimise supply chain risks, aligning with global sustainability goals. With enhanced safety, longevity, and environmental responsibility, CERENERGY® batteries offer industries a reliable and eco-friendly solution for energy storage needs.

"The results of the Definitive Feasibility Study reinforce the economic soundness and potential of our CERENERGY® project," said Iggy Tan, CEO of Altech Batteries Limited. *"We are excited about the positive trajectory and are fully committed to advancing to the funding phase to realise this innovative venture."*

The project's economics remain compelling, with an EBITDA margin of around 47%, even at its initial production capacity. This aligns with the projected growth of the grid storage market, estimated at a remarkable 28% Compound Annual Growth Rate (CAGR). Additionally, the project offers a low lifetime levelised cost of storage at €0.06/kWh, compared to €0.149/kWh for lithium-ion batteries, further enhancing its competitive advantage."

Altech is providing all shareholders with the right to participate in a capital raising via an SPP to help fund further activities relating to the CERENERGY® battery project as well as the Silumina Anodes™ Project. Further to this, an SPP does not incur any brokerage, commission or other transaction costs for shareholders participating, and all funds received by Altech are able to be deployed directly by the Company to commercialise its technology. We encourage you to participate in this SPP and to continue the exciting journey that Altech is embarking on with its uniquely patented battery technology and battery materials.

Altech is targeting the grid storage market, which is an industry that is expected to have a compound annual growth rate of 28%, as the world transitions from a fossil fuel economy to a renewable energy economy. Massive scale up and growth of both renewable energy production, combined with grid battery storage, is required to meet the green targets implemented by governments and industry around the world. Altech believes that the grid storage market is a very lucrative niche and is racing to get the CERENERGY® battery into production.





The Company is excited about the project and has German state and federal as well as European Investment Bank grant funding applications underway, and equity and mezzanine financing discussions are in progress. In addition, offtake for 5 years production is in progress with prominent German utility providers.

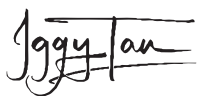
With your participation in this SPP, Altech will be funded to finish construction of 2 ABS60 60KWh prototypes of CERENERGY® battery packs for customer testing with the aim of securing offtake.

Altech will also utilise the funds to further develop its Silumina Anodes™ downstream alumina coated battery materials business which could be a game-changer for the electric vehicle battery market. Funds from this SPP will be used to finalise the construction of the pilot plant in relation to the 8,000tpa Silumina Anodes™ project, in order to provide commercial samples of the product to select potential customers that Altech has Non-disclosure Agreements in place with, including prominent North American and European automobile and supply chain companies. A DFS in relation to the Silumina Anodes™ project was completed in December 2023 that demonstrated outstanding economics including an NPV of €684 million, a payback period of 2.4 years and an Internal Rate of Return of 34%. Funds will also be used for administration costs and for general working capital purposes.

With your support, your Company will be able to continue to progress with its exciting battery technology projects in Germany.

I thank you for your ongoing support of the Company and invite you to participate in our Share Purchase Plan.

Yours sincerely



Iggy Tan
Managing Director



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