

28 February 2025

## **ALTECH – ACQUISITION OF ADDITIONAL 18.75% CERENERGY® & 25% SILUMINA ANODES™ PROJECTS FROM ALTECH ADVANCED MATERIALS AG**

### **Highlights**

- Altech's offer to acquire Altech Advanced Materials AG (AAM) project stakes accepted by AAM
- Altech to acquire additional 18.75% stake in CERENERGY® Project and additional 25% stake in Silumina Anodes™ Project including outstanding shareholder loans to AAM
- Altech will hold 75% of CERENERGY® & 100% of Silumina Anodes™ projects post-acquisition
- Fraunhofer remains as 25% JV partner of the CERENERGY® project
- Altech will issue AAM approximately 532 million fully paid ordinary shares
- Acquisitions are valued at approximately A\$23.3 million
- AAM market capitalisation on Frankfurt Stock Exchange is approximately A\$38.7 million
- Based on DFS, and risk-adjusted AAM value, both projects valued at A\$77 million
- AAM post-acquisition will be 21% shareholder of ATC
- New simplified corporate structure serves to optimise financing options
- Potential for ATC to divest acquired interests to strategic partners for project financing
- Subject to shareholder approval by both ATC and AAM
- General Meeting to be held inclusive of Independent Expert Report

Altech Batteries Limited (ASX: ATC) is pleased to announce that it has executed a binding Term Sheet to acquire Altech Advanced Materials AG's (FRA: AMA) 25% equity interest in Altech Energy Holdings GmbH (AEH) (75% holder of CERENERGY®) and 25% equity interest in Altech Industries Germany GmbH (AIG) (100% holder of Silumina Anodes™) including all outstanding shareholder loans from AIG and AEH to AAM; together the 'Acquisitions'. In accordance with the project's ownership, the AAM equity interests to be acquired by ATC represent an additional 18.75% stake in the CERENERGY® project and an additional 25% stake in the Silumina Anodes™ project (refer Figure 1 Corporate Structure before and after Acquisitions). Fraunhofer remains as 25% JV partner of the CERENERGY® project.

As consideration for the Acquisitions, and subject to shareholder approval, Altech will issue to AAM approximately 532 million fully paid ordinary shares, resulting in AAM holding 21% of Altech's issued share

capital post Acquisitions. Based on the volume weighted average price (VWAP) of Altech shares being \$0.044 over the 15 trading days prior to this announcement, the total consideration offered is valued at A\$23.3 million. The shares proposed to be issued to AAM will be subject to a voluntary escrow period of 12 months from the date of issue. The Acquisition is still subject to several conditions precedent, including the approval of the Acquisitions by shareholders at the General Meetings of AAM and ATC.

**Valuation of Transaction**

AAM's current market capitalisation on the Frankfurt Stock Exchange A\$38.7 million (equal to EUR23.2 million), while the consideration offered for its sole assets amounts to A\$23.3 million.

The Cerenergy Project DFS has a Net Present Value (NPV) of A\$281 million, with AAM's 18.75% stake equating to A\$52 million at full financing. Applying a standard 0.23 NAV discount for financing risk, the adjusted valuation is A\$12 million. The Silumina Project DFS has an NPV of A\$1.14 billion, with AAM's 25% stake translating to A\$285 million. After applying the same 0.23 NAV discount, the adjusted valuation stands at A\$65 million. In total, the risk-adjusted value of both projects is A\$77 million, compared to the A\$23.3 million consideration offered for their acquisition.

AAM initially acquired a 25% stake in both the CERENERGY and Silumina Projects from ATC for a total consideration of A\$8 million. Following the acquisition, AAM made additional capital contributions in response to cash calls from both project entities, providing a total of A\$10.8 million to support project development, operational expenses, and financing commitments. This brings AAM's total investment in the projects to date to A\$18.8 million compared to the A\$23.3 million consideration offered for their acquisition.

**Post Acquisitions**

Post Acquisitions, Altech will own 100% of the Silumina Anodes™ Project and 75% of the CERENERGY® Battery Project, with Fraunhofer as 25% joint venture partner.

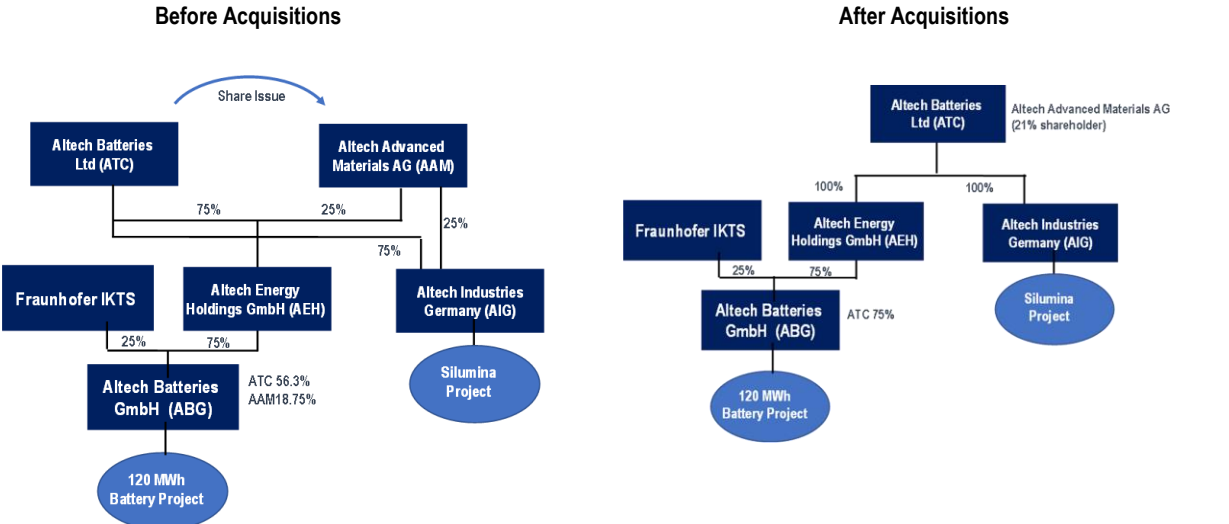


Figure 1 - Corporate Structure before and after Acquisitions

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## **Strategic Rationale and Benefits**

This transaction represents a pivotal moment for Altech's strategic growth. By acquiring 100% ownership of Silumina Anodes™ and 75% ownership of CERENERGY®, Altech is positioning itself to accelerate the development and commercialisation of these high-value projects. The Silumina Anodes™ project is a breakthrough in battery material technology, incorporating high-purity alumina in silicon anodes to improve battery performance. The CERENERGY® project, meanwhile, is at the forefront of next-generation sodium-chloride battery development, offering a sustainable alternative to conventional lithium-ion technology.

Additionally, the transaction presents a practical solution to recent funding challenges by AAM. Uncertainty among German investors regarding AAM's ownership structure has complicated AAM's fundraising efforts and hindered sustained support in Germany.

Altech will have the autonomy to make key investment and operational decisions without requiring external approvals, thereby enhancing project execution efficiency. Furthermore, the Acquisitions will provide Altech with a stronger negotiation position when engaging with potential strategic partners, customers, and financiers. Through these transactions, AAM will retain long-term upside potential through its new equity stake in Altech. This structure aligns the interests of both companies and ensures that AAM continues to benefit from future successes. AAM will remain as an investment company on the Frankfurt Stock Exchange rather than holding direct interest of both projects.

Consolidating ownership reduces the complexity of project governance and enhances Altech's ability to execute strategic initiatives with greater agility and less complexity. Additionally, the issuance of shares to AAM in lieu of cash payments preserve Altech's balance sheet strength, allowing it to deploy capital more effectively towards project development and commercialisation.

The Board of Altech believes the transaction will deliver significant strategic benefits, including:

- Consolidation of ownership in the Silumina Anodes™ and CERENERGY® projects, enabling streamlined decision-making and project execution
- Improved operational flexibility and efficiency to fast-track commercialisation efforts
- Addressing recent funding challenges faced by AAM and improving capital structure alignment

## **Conditions Precedent**

The completion of the Acquisitions is subject to:

- All necessary regulatory approvals, including:
  - ASX Listing Rule 7.1 shareholder approval for the issuance of consideration shares.
  - Shareholder approval under item 7, section 611 of the Corporations Act 2001 (Cth), to the extent that AAM, or any of its shareholders, will increase its voting power above 20% in Altech.
- Approval from the Australian Treasurer under the Foreign Acquisitions and Takeovers Act 1975 (Cth), if required.
- Approval by AAM's shareholders meeting
- Execution of an escrow deed between Altech and AAM regarding the voluntary escrow conditions.

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- Mr Uwe Ahrens continuing as Managing Director of AAM till Dec 2025.

### **Board Recommendation**

Mr Hansjoerg Plaggemars and Mr Uwe Ahren, being current Managing Directors of AAM, did not take part in any voting on the Acquisitions in their position as Board members of Altech and do not make a recommendation on the proposal. Mr Iggy Tan, being a previous Managing Director of AAM (resigned 31 December 2024) did not take part in any voting on the Acquisitions and does not make a recommendation on the proposal.

The Independent Directors of Altech, consisting of Mr Luke Atkins, Mr Dan Tenardi and Mr Peter Bailey, unanimously recommend that shareholders vote in favour of the Acquisitions, subject to the Independent Expert's Report concluding that the transaction is fair and/or reasonable to Altech shareholders. Altech's Board strongly believes that this transaction will enhance shareholder value over the long term by consolidating ownership, streamlining decision-making and ensuring that both projects progress efficiently towards commercialisation. The transaction structure ensures that AAM remains aligned with Altech's success while addressing funding constraints in a manner that benefits all stakeholders.

### **Indicative Timetable**

<b>ACTION</b>	<b>DATE</b>
AAM Supervisory Board Approval	Completed
ATC Board Approval	Completed
Binding Term Sheet	Executed
Approval from the Australian Treasurer under the Foreign Acquisitions and Takeovers Act	approx. 31 March 2025
General Meeting of Shareholders of ATC	approx. 31 May 2025
General Meeting of Shareholders of AAM	approx. 31 May 2025
Acquisitions Agreement / Closing	approx. 1 June 2025
Issue of Consideration Shares from ATC to AAM	approx. 4 June 2025

### **Next Steps**

Altech will continue working closely with AAM to finalise definitive agreements and complete all required regulatory and shareholder approvals. Shareholders will be kept informed of any significant developments, and further announcements will be made as key milestones are achieved. The Company remains committed to executing this strategic initiative in a manner that enhances shareholder value and accelerates its growth objectives. The Board looks forward to engaging with shareholders throughout the approval process and appreciates the ongoing support from its investors.

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Authorised by: Iggy Tan (Managing Director)

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## Altech Batteries Interactive Investor Hub

Altech's interactive Investor Hub is a dedicated channel where management interacts 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.



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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 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.



**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.



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