



Advanced Materials
AG

ALTECH - PARTICIPATION OF AAM IN ALTECH INDUSTRIES GERMANY GMBH

Altech Advanced Materials AG ("AAM / the Company",) (pta005/26.10.2020710:40; FRA: AMA1) today signed a Memorandum of Understanding with Altech Chemicals Limited's ("ATC") under which AAM will acquire a 25.0% interest in Altech Chemicals Limited's wholly owned German subsidiary Altech Industries Germany GmbH ("AIG"), Dresden, for a purchase price of EUR 5 million.

ATC has started the development of a high purity alumina (HPA) specifically for anode applications in lithium ion batteries. This initiative is a response to the development trends in anode development for lithium ion batteries identified by ATC in Europe through its collaboration with potential HPA users and through its work with research organizations such as the internationally renowned Fraunhofer-Gesellschaft, Fraunhofer Institute for Ceramic Technologies and Systems (IKTS) in Dresden, Germany. The new product line will be referred to as "Anode Grade APC01" and "Anode Grade ALC01", together hereinafter referred to as "Anode Grade". It is intended that Anode Grade will (also) be manufactured at AIG.

ATC also intends to build a second facility for the production of high purity alumina (4N HPA) through its subsidiary AIG, for which a feasibility study is currently underway. AIG will obtain rights to use patents held by ATC and/or Altech Chemicals Australia Pty Ltd in relation to the production of HPA and Anode Grade.

Under the terms of the Memorandum of Understanding, AAM will pay the purchase price to ATC in four installments over a three-year period, and AAM agrees to participate pro rata in AIG's capital measures to finance the two projects to be implemented there, namely the production of anode grade HPA-coated graphite for the anodes of lithium ion batteries and the production of high purity alumina based on the patented ATC process. For the construction of an HPA plant in Saxony, the Saxon State Ministry of Economics, Labour and Transport has already committed EUR 7.38 million to AIG.

It is planned to produce the anode quality product range developed by ATC already before construction of the HPA factory with purchased HPA at the planned site and to sell it to European customers in the lithium ion battery industry.

The Board of Directors

Contact:

Altech Advanced Materials AG
Board member Hansjörg Plaggemars
Brick houses Landstraße 3
69120 Heidelberg

E-mail: info@altechadvancedmaterials.com
phone: +49 6221 64924-0

More information at www.altechadvancedmaterials.com.

ISIN(s): DE000A2LQUJ6 (share)

Exchanges: Regulated market in Frankfurt; Free market in Dusseldorf; Free market in Berlin

Altech Advanced Materials AG
FRA: AMA1

Brick houses Landstraße 3
69120 Heidelberg, Germany
Telephone: + 49 (6221) 649 24 0
Fax: + 49 (6221) 649 24 72

Board of directors: Hansjörg Plaggemars, Iggy Tan,
Uwe Ahrens
Chairman of the Supervisory Board: Dr. Burkhard
Schäfer
Seat of the company: Frankfurt
Register court: Local Court Frankfurt, HRB 118874