



Corporate Governance Statement for the Financial Year 2023

The corporate governance statement pursuant to section 289f of the German Commercial Code comprises the declaration of compliance pursuant to section 161 of the German Stock Corporation Act, relevant disclosures on corporate governance practices, a description of the working methods of the Management board and Supervisory Board as well as the composition and working methods of their committees, the stipulations pursuant to section 76 (4) and section 111 (5) of the German Stock Corporation Act.

The annual financial statements, like the corporate governance statement, the remuneration report on the last financial year and the auditor's report pursuant to section 162 of the German Stock Corporation Act, the applicable remuneration system pursuant to section 87a paragraph 1 and 2 sentence 1 of the German Stock Corporation Act and the last remuneration resolution pursuant to section 113 paragraph 3 of the German Stock Corporation Act are available for download on the company's website at <https://www.altechadvancedmaterials.com>. The audit of the disclosures pursuant to § 289f paragraph shall be limited to whether the disclosures have been made (see § 317 paragraph 2 sentence 6 HGB).

Declaration pursuant to § 161 AktG (§ 289f para. 2 no. 1 HGB)

The Management Board and Supervisory Board of Altech Advanced Materials AG last declared in a resolution dated 10 March 2023 that they would no longer apply the recommendations of the Government Commission on the German Corporate Governance Code. The Management Board and Supervisory Board continue to hold this view. By resolution of 8 March 2024, the Management Board and Supervisory Board again determined not to comply with the recommendations of the Government Commission on the German Corporate Governance Code, which presented an amended version of the German Corporate Governance Code on 28 April 2022, published in the Federal Gazette on 27 June 2022.

The Company is of the opinion that the recommendations of the Government Commission on the German Corporate Governance Code were designed for large public companies but are inappropriate for companies of the size of Altech Advanced Materials AG. Therefore, the recommendations of the Government Commission on the German Corporate Governance Code will not be complied with in the future. The size and economic importance of the company do not require orientation towards the recommendations of the Government Commission on the German Corporate Governance Code, which are essentially designed for large listed companies. In all other respects, proper corporate governance is possible by observing the statutory provisions.

The declarations of compliance are available for download at <https://www.altechadvancedmaterials.com>.

Publication of remuneration report and remuneration system (§ 289f para. 2 no. 1a HGB)

At <https://www.altechadvancedmaterials.com/investoren/vergotungsbericht/>, the applicable remuneration systems for the members of the Management Board, pursuant to §87a (1) and (2) sentence 1 AktG, and of the Supervisory Board, which were approved by the Annual General Meeting on 20 May 2021, are made publicly available. At the same internet address, the remuneration report and the auditor's report pursuant to §162 AktG are made publicly available.

Corporate governance practices that go beyond the legal requirements (section 289f (2) no. 2 HGB)

No other corporate governance practices are applied beyond the legal requirements and the working practices described in this statement.

Working methods of the Management Board and supervisory board (§ 289f para. 2 no. 3 HGB)

The dual management system of the AG with the Management Board and the supervisory board, both of which have independent competences, is a fundamental principle of German company law. In the spirit of responsible corporate governance, the Management Board and the supervisory board work together closely and in a spirit of trust in controlling and monitoring and for the good of the company.

The working methods of the Management Board and Supervisory Board of Altech Advanced Materials AG are based on the relevant laws, the Articles of Association of Altech Advanced Materials AG, the resolutions of the Annual General Meeting of Altech Advanced Materials AG, the rules of procedure for the Supervisory Board and the rules of procedure for the Management Board.

According to the Companies Act, the Supervisory Board appoints the members of the Management Board. The supervisory board advises and supervises the Management Board in its management of the company and, according to § 7 of the articles of association, decides how many members the Management Board should have (according to the articles of association, the Management Board consists of one or more members). It may appoint a member of the Management Board as Chairman of the Management Board. The representation regulation in § 9 of the Articles of Association provides that, in deviation from joint representation, the Supervisory Board may grant each Management Board member individual representation authority or exemption from the restrictions of § 181 of the German Civil Code (BGB). Mr Hansjörg Plaggemars was appointed to the Management Board of the Company with sole power of representation at all times by resolution of 18 September 2018. By resolution of 17 July 2019, Mr Ignatius Tan and Mr Uwe Ahrens were appointed as further members of the Management Board, representing the Company in accordance with the Articles of Association. Since the Management Board extension resolution of 9 October 2019, Mr Plaggemars also represented the Company in accordance with the Articles of Association. By resolution of the Supervisory Board of 15 July 2020, all Management Board members were each granted individual power of representation. Most recently, by resolution of the Supervisory Board of 13 November 2023, the appointment of all Management Board members was extended until the end of 31 December 2024.

Pursuant to Article 8 of the Articles of Association, the Supervisory Board last issued rules of procedure for the Management Board on 12 March 2020. The rules of procedure contain a catalogue of transactions that require the approval of the Supervisory Board.

The Management Board shall manage the Company, strategically orientate the Company, manage its business, plan and set the budget and control the business areas. It shall ensure an appropriate risk management and control system in the company. Systematic risk management within the framework of value-oriented corporate management shall ensure that risks are recognised, analysed and evaluated at an early stage and that risk positions are optimised.

The Supervisory Board has not established rules of procedure for its own activities. Since the company does not currently have any operating business of its own, but rather acts as an investment company, the Supervisory Board is of the opinion that the statutory provisions and the provisions of the Articles of Association are sufficient.

The Management Board and the Supervisory Board maintained a constant exchange of information and ideas during the 2023 financial year. The Management Board members Hansjörg Plaggemars, Ignatius Tan and Uwe Ahrens informed the Supervisory Board promptly and comprehensively about the developments of the company, the current situation of the company, existing risks and their development.

The activities of the Supervisory Board are reported on each year in the Report of the Supervisory Board, which is explained by the Chairman of the Supervisory Board at the Annual General Meeting.

By resolution of the Annual General Meeting of 17 July 2019, the Supervisory Board of the Company, which now consists of five persons, has established two committees, namely an Industry Committee and an Audit Committee, which make the knowledge gained in the committees available to the full Supervisory Board and on which resolutions are passed there if necessary. This mainly concerns the audit of the semi-annual and annual financial statements as well as capital measures, strategy regarding the joint construction of a pilot plant for an anode battery coating material plant at the AIG shareholding as well as the solid-state battery project CERNERGY at ABG and personnel matters of the Management Board.

There was no D&O insurance for the Management Board and Supervisory Board members for the 2023 financial year.

Disclosures on significant corporate governance practices

The sustainable increase of the company's value is the guiding principle of the actions of the members of the Management Board and Supervisory Board of Altech Advanced Materials AG. The confidence of shareholders and other stakeholders in effective and transparent corporate governance is of paramount importance. The aim of investor relations work at Altech Advanced Materials AG is to meet the expectations of the capital markets for transparency and to provide shareholders with an accurate picture of the company.

The Supervisory Board and the Management Board are constantly striving to optimise communication in order to achieve a sustainable and appropriate valuation of the share and to manage and utilise the assets of the company in the best possible way.

Altech Advanced Materials AG has had two employees since November 2018. Due to the small number of employees reporting directly to the Board of Directors, there are currently no separate standards, such as ethical standards, labour standards and social standards.

Determinations pursuant to section 76, paragraph 4 and section 111, paragraph 5 of the German Stock Corporation Act (section 289f, paragraph 2, no. 4 of the German Commercial Code)

Pursuant to section 289f (2) no. 4 of the German Commercial Code (HGB), listed stock corporations must set targets for the proportion of women and deadlines for achieving them, must prepare a corporate governance statement with the stipulations and information accordingly as to whether the stipulated targets have been achieved during the reference period and, if not, for what reasons.

The Management Board and the Supervisory Board declare in this regard:

Pursuant to section 111 (5) of the German Stock Corporation Act (AktG), the supervisory board is obliged to set a target for the proportion of women on the supervisory board and a deadline for achieving this target.

The Supervisory Board of Altech Advanced Materials AG currently has five members, all of whom are male. The Chairman of the Supervisory Board, Dr Burkhard Schäfer, was appointed by the Annual General Meeting on 14 September 2018, the member of the Supervisory Board, Mr Dieter Rosenthal, was appointed by the Annual General Meeting on 17 July 2019, the member of the Supervisory Board, Mr Werner Klatten, was appointed by court order on 31 October 2019 and by the Annual General Meeting on 15 January 2020. January 2020, the Deputy Chairman of the Supervisory Board, Mr Wilko Stark, has been elected by the Annual General Meeting of 12 March 2020 and the member of the Supervisory Board, Mr Nikolaus Graf Lambsdorff, has been elected by the Annual General Meeting of 8 September 2020, in each case until the end of the Annual General Meeting that resolves on the discharge for the 2022 financial year, the appointments were extended for all Supervisory Board members at the Annual General Meeting on 8 August 2023 until the end of the Annual General Meeting that approves the actions of the Supervisory Board for the 2028 financial year. There are no plans to increase the size of the Supervisory Board, which operates extremely efficiently with five members.

By resolution of 11 March 2023, the Supervisory Board set a target of 0% for the proportion of women on the Supervisory Board for the period until 31 December 2025. This target has been reached so far.

Due to the reappointment of the Supervisory Board in its existing composition at the Annual General Meeting on 8 August 2023 until the end of the Annual General Meeting that decides on the discharge for the 2028 financial year, the Supervisory Board set a target of 0% for the proportion of women on the Supervisory Board for the period until 31 August 2029 in a resolution dated 08 March 2024.

At the end of the target achievement period, but also in the event that Supervisory Board elections become necessary before then, the Supervisory Board will, however, again deal with the target quota and - as in the past - will always be open to the participation of women in the Supervisory Board of the company.

Pursuant to section 111 (5) of the German Stock Corporation Act (AktG), the supervisory board is also obliged to set a target for the proportion of women on the Management Board and a deadline for achieving this target. The supervisory board had set 31 December 2022 as the end of the target achievement period.

At present, the Management Board consists exclusively of male members, Mr Hansjörg Plaggemars, Mr Ignatius Tan and Mr Uwe Ahrens, and therefore has a female quota of 0 %. The appointment of Mr Hansjörg Plaggemars, Mr Ignatius Tan and Mr Uwe Ahrens runs until 31 December 2024.

By resolution of 11 March 2023, the Supervisory Board set a target of 0% for the proportion of women on the Management Board for the period until 31 December 2025. This target was achieved so far. A personnel change in the Management Board or an increase in the number of Management Board members is currently not foreseeable.

However, in the event that personnel changes in the Management Board become necessary before then, the Supervisory Board will again deal with the target quota and - as in the past - will always be open to the participation of women in the Management Board of the company.

Pursuant to § 76 para. 4 AktG, the Management Board of Altech Advanced Materials AG is obliged to set targets for the proportion of women in the two management levels below the Management Board as well as a target achievement period. According to § 76 para. 4 sentence 4 AktG, the target achievement periods may not be longer than five years. The Management Board has set 31 December 2025 as the end of the target achievement period.

Altech Advanced Materials AG has no management levels below the Management Board. The Board currently does not intend to make any personnel changes until 31 December 2025. Therefore, as a precautionary measure, the Board can only set a target of 0% for the proportion of women in the first and second management levels.

At the end of the target achievement period, but also in the event of any personnel changes in the two management levels below the Management Board that may become necessary before then, the Management Board will, however, deal with the target quota again and - as in the past - will always be open to the participation of women in the management of the company.

Objectives for the composition, competence profile and diversity concept for the Supervisory Board

The objectives for the composition including competence profile and diversity concept for the Supervisory Board were adopted by the Supervisory Board on 11 March 2023:

"The Supervisory Board of Altech Advanced Materials AG shall be composed in such a way that the Supervisory Board ensures qualified control and advice of the Management Board. In this respect, a complementary interaction of members with different personal and professional backgrounds as well as a diversity with regard to internationality, age and gender is considered helpful".

In addition, the following criteria apply to the composition of the representative bodies and the supervisory board from the point of view of the company:

Competence profile

The aim is to ensure that the Supervisory Board as a whole has all the knowledge and experience that is considered essential in view of Altech Advanced Materials' activities. This includes, among others, knowledge and experience in the areas of electromobility, plant engineering as well as finance, risk management and law (including compliance).

Internationality

With a view to the international orientation of the company, care shall be taken to ensure that the supervisory board includes a sufficient number of members with many years of international experience.

Diversity

In the composition of the supervisory board, sufficient diversity shall be taken into account. In addition to an appropriate consideration of women, this also includes diversity with regard to cultural backgrounds as well as differences in educational and professional backgrounds, experiences and ways of thinking.

Independence

The supervisory board shall include an appropriate number of independent members on the shareholder side according to the assessment of the shareholder representatives on the supervisory board.

Without age limit and length of membership

There is no general age limit for members of the supervisory board, as competence should be the primary deciding factor.

Implementation of the objectives for the composition including competence profile and diversity concept for the Supervisory Board in the past financial year:

Qualification matrix

Shareholder representative	Dr Burkhard Schäfer	Wilko Stark	Nikolaus Count Lambsdorff	Werner E. Klatten	Dieter Rosenthal
Duration of membership (Tenant since)	14.09.2018	12.03.2020	08.09.2020	31.10.2019	17.07.2019
<i>Personal suitability</i>					
Independence	X	X	X	X	X
No overboarding	X	X	X	X	X
<i>Diversity</i>					
Date of birth					
Gender	Male	Male	Male	Male	Male
Nationality	German	German	German	German	German
<i>International experience</i>					
Europe	X	X	X	X	X
North / South / Latin America		X	X	X	X
China		X	X		X
Asia/Pacific		X	X		X
<i>Professional aptitude</i>					
Leadership experience	X	X	X	X	X
Technology	X	X			X
Finance	X		X		
Financial expert 1	X		X X		
Risk management	X		X	X	X
Law/Compliance	X			X X	
Business field/sector familiarity		X			X

1 I.S.d. §100 para. 5 AktG

X Criterion met, based on self-assessment by the Board.

Heidelberg, March 2024

The Board of Directors:
signed Ignatius Tan

signed Uwe Ahrens

signed Hansjörg Plaggemars

For the Supervisory Board:
signed Dr Burkhard Schäfer