

Altech Advanced Materials AG

Altech Advanced Materials AG: Transfer of shareholdings in exchange for shares in Altech Batteries Ltd

Ad-hoc | 27 February 2025 15:37

Altech Advanced Materials AG / Key word(s): Strategic Company Decision

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27-Feb-2025 / 15:37 CET/CEST

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- Altech Advanced Materials plans to transfer the minority interests in the project companies for the battery products CERENERGY and Silumina Anodes to its partner Altech Batteries Ltd.
 - In return, Altech Advanced Materials is to receive around 21% of the shares in Altech Batteries Ltd.
 - New corporate structure serves to optimize financing options and accelerate the implementation of production facilities and commercialization of products

Altech Advanced Materials AG ("AAM" or the "Company"; ISIN: DE000A31C3Y4) has today signed a term sheet according to which it is planned to transfer its shares in the two investments Altech Industries GmbH ("AIG") for the Silumina Anodes project and Altech Energy Holdings GmbH ("AEH") for the CERENERGY project to Altech Batteries Ltd ("ATC"). In return, AAM is to receive shares in ATC, which will give AAM a total stake of around 21% in ATC once the transaction has been implemented. Following the planned transaction, ATC will hold all shares in AIG. Following the transfer of the AEH shares from AAM, ATC will hold 75% of the CERENERGY project via AEH. The previous project partner Fraunhofer Gesellschaft zur Förderung der Angewandten Forschung e.V. will retain a stake of 25% in the CERENERGY project.

The primary objective of this transaction is to secure financing for the production facilities on the already acquired site in the industrial area Schwarze Pumpe for the

Silumina Anodes and CERENERGY projects and thus to commercialize them as quickly as possible in order to increase the value of the stake that AAM then holds in ATC.

Based on the current market price of Altech Batteries Ltd (ASX:ATC), AAM will receive a premium of around 25% for the investments made in AIG and AEH, which would correspond to a return of around EUR 3.0 million.

The transaction is still subject to various conditions, primarily the drafting of the contracts underlying the transaction and the approval of the Annual General Meeting of AAM on the one hand and ATC on the other, and is therefore still subject to a certain degree of uncertainty.

Altech Advanced Materials AG

The Management Board

End of Inside Information

Information and Explanation of the Issuer to this announcement:

Explanatory part

With the planned transaction, Altech Advanced Materials AG would significantly simplify its corporate structure and thus increase the attractiveness for financing by external investors. In future, 100% of the shares in Silumina Anodes and 75% of the shares in the CERENERGY project would be held by a listed company. It is expected that this greatly simplified shareholding structure will open up further financing opportunities for the commercialization of the two battery products and that the targeted commercialization can thus be implemented by starting production on an industrial scale. Corresponding feasibility studies with the necessary profitability calculations and detailed system configurations for both projects have been prepared and are available.

This greatly simplified shareholding structure with only one main owner in the operating project companies releases Altech Advanced Materials AG from all further contractual co-financing obligations for the further implementation of the two battery projects Silumina Anodes and CERENERGY. This is of particular importance for the shareholders of Altech Advanced Materials AG, as the last capital increase in October 2024 (see announcement dated October 31, 2024) did not raise the planned EUR 3.5 million, but only EUR 0.9 million. This was not sufficient to meet AAM's existing payment obligations from the minority interests in the project companies. As a result, there was a risk of extensive dilution of the stakes in the two projects. With the new

structure, Altech Advanced Materials AG and its shareholders will continue to participate in the future success of the two battery projects via the investment in ATC.

About CERENERGY

CERENERGY is a new type of sodium chloride solid-state battery for stationary operation that combines unique properties, making it an efficient and resource-saving alternative to current lithium-ion batteries. The battery, which consists of common salt, nickel and ceramics, does not require critical materials such as graphite, lithium and cobalt, which fluctuate greatly in price. All materials can be sourced from Europe, minimising dependencies in the supply chain. The battery has a service life of over 15 years. It is non-flammable and can be operated outdoors in all climatic conditions without separate cooling or heating and is completely recyclable. Considering full costs and daily charging cycles, it promises a cost advantage of around 50 % compared to conventional lithium-ion batteries in stationary operation. A first production plant is currently being planned in Schwarze Pumpe, Saxony. The relevant building applications have been submitted, the land acquired, and the production design drawn up. The battery chemistry is based on a proven technology that the Fraunhofer Institute IKTS has been successfully testing and operating as various prototypes for more than 8 years. An industrial prototype of the 60kWh BatteryPack was put into operation for potential customers to test and most recently, three letters of intent for the purchase of the 120 MWh CERENERGY Batteries to be produced annually have been secured.

About Silumina Anodes

The Altech Group has developed a wet-technology method for coating the anode material of a battery with high-purity aluminium oxide in the nanometre range in a cost-effective and high-quality industrial standard. By coating silicon with high-purity aluminium oxide and adding the material to the usual graphite anode material, the performance of the battery can be increased. With an admixture of 10 %, an increase in performance of approximately 55 % has been confirmed in laboratory tests, as silicon has ten times the energy storage capacity of graphite. Until now, however, silicon could not be used in commercial lithium-ion batteries because silicon particles swell by up to 300% during the battery charging process. This leads to partial failure of the battery. At the same time, lithium ions are deposited on the anode as a separating layer and are therefore deactivated and no longer available for the energy flow. This leads to an initial charging loss of up to 50 % of the theoretical battery capacity. Until now, these undesirable side effects have cancelled out the potential benefits of adding silicon. The Altech Group has succeeded in coating silicon in the nanometre range and thus largely overcoming the problems described. Corresponding battery material is already being produced in a pre-industrial test facility.

About Altech Batteries Ltd

Altech Batteries Ltd (ISIN: AU000000ATC9) is a speciality battery technology company listed on the Australian Stock Exchange (ASX). Altech Batteries is characterised in particular by the basic research and technological development of the joint Silumina Anodes project within the Altech Group. Altech Batteries laid the technological foundation for Silumina Anodes in its own laboratory in Perth back in 2021. Since then, the research team at Altech Batteries Ltd has been continuously developing Silumina Anodes, ensuring that the energy density of the material is constantly improved. Altech Batteries also holds a 75% stake in the CERENERGY project following the realisation of the transaction. Further information on Altech Batteries can be found here on the company website <https://www.altechgroup.com/>.

About Altech Advanced Materials AG

Altech Advanced Materials AG (ISIN: DE000A31C3Y4), based in Frankfurt am Main, is a holding company listed on the regulated market of the Frankfurt Stock Exchange. The company's aim is to participate in the solid-state battery market for stationary battery applications with CERENERGY.

Another focus is on lithium-ion batteries. An innovative anode material based on high-purity aluminium oxide (HPA) - Silumina Anodes - is intended to significantly increase the performance of this battery for electromobility.

Further information at: www.altechadvancedmaterials.com

Altech Advanced Materials AG

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27-Feb-2025 CET/CEST The EQS Distribution Services include Regulatory Announcements, Financial/Corporate News and Press Releases.
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Language:

English

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ISIN: DE000A31C3Y4

WKN: A31C3Y

Listed: Regulated Market in Frankfurt (General Standard); Regulated Unofficial Market in Berlin, Dusseldorf, Munich, Tradegate Exchange

EQS News ID: 2090487

End of Announcement

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2090487 27-Feb-2025 CET/CEST