



20 December 2021

ALTECH – SHARE PURCHASE PLAN RAISES \$2.2 MILLION

Highlights

- \$2.2 million raised via Share Purchase Plan
- In excess of 250 shareholders participated

Altech Chemicals Limited (Altech/the Company) (ASX: ATC) (FRA: A3Y) is pleased to announce that it received applications from existing shareholders for \$2.2 million of new shares, at an offer price of \$0.107 per share, under its Share Purchase Plan (SPP), which closed on Friday 17 December 2021.

The response to the SPP from shareholders is extremely positive. The Company is pleased to advise that all applications will be accepted in full and that the new shares are expected to be allotted on Thursday 23 December 2021.

Altech managing director Iggy Tan stated “*The Company is extremely pleased with the number of applications for new shares that it received from shareholders under the SPP. In excess of 250 shareholders participated, which is an excellent outcome, especially considering the timing of the SPP just prior to the Christmas and New Year period. The funds raised from the SPP is in addition to the \$8.1 million share placement announced on 2 December 2021. Altech is well funded to advance its battery materials development. On behalf of the Board of Directors, I would like to express gratitude to shareholders for their support of the SPP.*”

Proceeds from the SPP, together with the funds raised from the recent placement, will be applied to funding the construction of a battery materials coating plant in Germany by the Company’s 75% owned subsidiary Altech Industries Germany GmbH; purchase of land at the Schwarze Pumpe Industrial Park in Saxony, Germany; completion of the preliminary feasibility study in relation to the construction of a 10,000tpa battery materials plant; a definitive feasibility study for construction of a battery materials plant; and for working capital purposes.

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Authorised by: Iggy Tan (Managing Director)

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About Altech Chemicals (ASX:ATC) (FRA:A3Y)

Altech Chemicals Limited (ASX: ATC, "Altech" or "Company") is a specialty alumina technology and production company that has finalised Stage 1 and Stage 2 construction of its high purity alumina (HPA) plant in Johor, Malaysia, and continues with innovative research and development of its downstream alumina coating technology used to improve the battery life and performance in lithium-ion batteries. Altech's alumina coating technology is successful on both silicon and graphite particles, typical of those used in the anode of lithium-ion batteries, particularly within the burgeoning electric vehicle industry.

The Company has commenced a preliminary feasibility study (PFS) for the construction of a high purity alumina (HPA) battery materials coating plant in Saxony, Germany. The PFS is being undertaken by Altech's 75% owned German subsidiary, Altech Industries Germany GmbH (AIG). Work on the preliminary engineering design for the 10,000 tpa battery materials plant is in the final stages of completion. Altech has also commenced the green accreditation of the environmental credentials of the battery materials process.



Altech is further aiming to become one of the world's leading suppliers of 99.99% (4N) high purity alumina (Al_2O_3) through the construction and operation of a 4,500tpa high purity alumina (HPA) processing plant at Johor, Malaysia. Feedstock for the plant will be sourced from the Company's 100%-owned near surface kaolin deposit at Meckering, Western Australia and shipped to Malaysia.

HPA is a high-value, high-margin and highly demanded product as it is the critical ingredient required for the production of synthetic sapphire. Synthetic sapphire is used in the manufacture of substrates for LED lights, semiconductor wafers used in the electronics industry, and scratch-resistant sapphire glass used for wristwatch faces, optical windows and smartphone components. Increasingly, HPA is used by lithium-ion battery manufacturers as the coating on the battery's separator, which improves performance, longevity and safety of the battery. With global HPA demand approximately 19,000t (2018), it is estimated that this demand will grow at a compound annual growth rate (CAGR) of 30% (2018-2028); by 2028 HPA market demand is forecast to be approximately 272,000t, driven by the increasing adoption of LEDs worldwide as well as the demand for HPA by lithium-ion battery manufacturers to serve the surging electric vehicle market.

German engineering firm SMS group GmbH (SMS) is the appointed EPC contractor for construction of Altech's Malaysian HPA plant. SMS has provided a USD280 million fixed price turnkey contract and has proposed clear and concise guarantees to Altech for plant throughput and completion. Altech has executed an off-take sales arrangement with Mitsubishi Corporation's Australian subsidiary, Mitsubishi Australia Ltd (Mitsubishi) covering the first 10-years of HPA production from the plant.

Conservative (bank case) cash flow modelling of the HPA plant shows a pre-tax net present value of USD505.6million at a discount rate of 7.5%. The project generates annual average net free cash of ~USD76million at full production (allowing for sustaining capital and before debt servicing and tax), with an attractive margin on HPA sales of ~63%. (Refer to ASX Announcement "Positive Final Investment Decision Study for 4,500TPA HPA project" dated 23 October 2017 for complete details. The Company confirms that as at the date of this announcement there are no material changes to the key assumptions adopted in the study).

The Company has been successful in securing senior project debt finance of USD190 million from German government owned KfW IPEX-Bank as senior lender. Stage 1 and Stage 2 early works construction has been completed on time and on budget.

Forward-looking Statements

This announcement contains forward-looking statements which are identified by words such as 'anticipates', 'forecasts', 'may', 'will', 'could', 'believes', 'estimates', 'targets', 'expects', 'plan' or 'intends' and other similar words that involve risks and uncertainties. Indications of, and guidelines or outlook on, future earnings, distributions or financial position or performance and targets, estimates and assumptions in respect of production, prices, operating costs, results, capital expenditures, reserves and resources are also forward-looking statements. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions and estimates regarding future events and actions that, while considered reasonable as at the date of this announcement and are expected to take place, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the directors and management. We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur and readers are cautioned not to place undue reliance on these forward-looking statements. These forward-looking statements are subject to various risk factors that could cause actual events or results to differ materially from the events or results estimated, expressed or anticipated in these statements.