ASX ANNOUNCEMENT AND MEDIA RELEASE

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FIRST OFFTAKE LETTER OF INTENT FOR CERENERGY® GRIDPACKS

Highlights

- Strategic Offtake Letter of Intent agreement
- Schwarze Pumpe Industrial Park Association
- Offtake for 30MWh of 1MWh CERENERGY® GridPacks per annum
- For the first five years of production
- Agreement to also collaborate to convert industrial park from coal to renewable energy
- Altech's CERENERGY® GridPack storage solution integrated
- GridPack deliveries start by mid-2027 or when plant is ready

Altech Batteries Limited (ASX: ATC, FRA: A3Y) is pleased to announce the execution of an Offtake Letter of Intent between Zweckverband Industriepark Schwarze Pumpe (ZISP) and Altech Batteries GmbH. Under this Offtake Letter of Intent (LOI), ZISP will purchase 30MWh of energy storage capacity annually, consisting of 1MWh GridPacks, for the first five years of production. The price of these batteries has been agreed and aligned to Altech's Definitive Feasibility Study assumptions. The purchase of these batteries is subject to performance tests, battery specifications and the batteries meeting customer requirements. This offtake LOI constitutes an important aspect of the financing process.

The LOI also highlights both parties' commitment to work together to change the energy landscape of the Schwarze Pumpe Industrial Park by transitioning it entirely to renewable energy. A combination of wind, solar, and Altech's CERENERGY® GridPack Battery Energy Storage System (BESS) will ensure continuous power supply, even during low energy generation or outages.

Partners and Project Overview

This initiative comes at a critical time for Lusatia, one of Germany's coal-reliant regions. ZISP, a cross-border municipal association between the states of Spremberg and Spreetal, oversees the Schwarze Pumpe Industrial Park, managing its water, waste, road infrastructure, and energy needs. Meanwhile, Altech Batteries GmbH (ABG), a subsidiary of the globally active Altech Group, specialises in advanced battery technology. ABG's 8ha site within the park intends to manufacture the CERENERGY® solid-state sodium chloride batteries, developed with the Fraunhofer Institute, for industrial grid use.

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Pioneering the Energy Transition in Lusatia

Germany's Energiewende is driving a nationwide shift from fossil fuels to renewable energy. As coal use is phased out, especially in Lusatia, new energy solutions are critical. This partnership between ZISP and Altech is a key step in replacing coal with sustainable, renewable energy solutions that align with Germany's 2020 legislative mandate for the coal phase-out. The project also supports ZISP's goal of achieving certification under the EU's "Zero Valley" initiative, making Schwarze Pumpe a model for renewable energy storage and generation.

Developing an Energy Storage Strategy

To transition fully to renewable energy, wind and solar power, combined with Altech's CERENERGY® GridPack batteries will be key to achieving this. This partnership between ZISP and Altech marks the transformation of Schwarze Pumpe from a coal-reliant industrial park to a renewable energy hub. By integrating CERENERGY® batteries, the project positions the park as a replicable model for industrial regions across Europe, fostering a new economic structure cantered on renewable energy. Altech's scalable BESS solution ensures renewable energy is stored efficiently, overcoming a key challenge in transitioning from coal.

Key Terms of the Agreement

- Start of deliveries from the 120 MWh plant from mid-2027 or later as per project development
- Technical data and guarantees according to the attached data sheet
- Price per GridPack at standard market conditions
- Purchase volume 30MWh per annum for 5 years, being 2027 through 2031
- The parties intend to develop a detailed acceptance contract subject to the performance data and warranty to be met by Altech
- An option for additional delivery volumes at a later date is negotiable
- Both parties will jointly develop a business and technical partnership to deliver scalable energy solutions, with contracts to be finalised in early 2025

Management Comment - CEO Iggy Tan

"This Letter of Intent marks a significant milestone for Altech Batteries as it represents our first offtake agreement for the CERENERGY® GridPack Battery Energy Storage System. The interest shown by the Schwarze Pumpe Industrial Park Association (ZISP) in our technology is a clear signal of growing demand for innovative energy storage solutions, particularly as industries shift toward 100% renewable energy.

It's encouraging to see potential customers like ZISP recognise the value of our scalable and reliable battery systems. This LOI not only validates the commercial potential of our CERENERGY® technology but also supports our future growth strategy, as securing such agreements strengthens Altech's position for project financing and expansion.

We're excited to continue working closely with ZISP, and we believe this partnership will pave the way for future demand as the industrial park moves toward a green energy future. With the first delivery expected mid-2027, this agreement is just the beginning of what we expect will be a significant increase in battery demand."

Authorised by: Iggy Tan (Managing Director)

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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.

ALTECH cerenergy®
Sodium Chloride Solid State Batteries

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.

Silumina Anodes™