

# Altech Chemicals Ltd

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## Altech Chemicals aligns with strong European push for cleaner and greener energy

Altech Chemicals Ltd (ASX:ATC) (FRA:A3Y) is aligning itself with Europe's strengthening push for cleaner and greener energy which will incorporate electric vehicles (EVs).

The company's managing director Iggy Tan recently spoke to Proactive about the company's plans to capitalise on the European Union's strategy.

Not only will the company's high purity alumina (HPA) plant in Johor Bahru, Malaysia, where stage two of construction has been completed, be ready to cater for increased demand, but a potential second site in Germany could be on the cards.

### Alignment "makes sense"

Tan told Proactive's Andrew Scott that there was such a positive demand coming from the sector in Europe that it made sense to think about the company's long-term ability to meet that demand.

He said: "In Europe there is a target of 95 grams of CO2 per kilometre and so a lot of the European car manufacturers have to move towards electric vehicles to meet that criteria.

"There's a massive push for EVs as well as battery plants in Europe and they want to be less reliant on Asia for their materials and so a lot of their raw materials are encouraged to be sourced within Europe.

"We're very focused on completing the funding for [Johor], however, with such a positive demand coming from the sector we have to think about where the long-term plans are going to be to meet that demand."

### Construction progress

The company continues to make steady progress with construction of the HPA plant in Malaysia as evidenced by the video below.

### Saxony site potential

The company has executed a purchase agreement option for a 10-hectare industrial site at Schwarze Pumpe Industrial Park at Spreetal in the Saxony region of Germany.

Tan said: "We have an option to purchase agreement on a site in the state of Saxony which is essentially East Germany, and it's not very far away from Tesla's new Gigafactory they're building and a lot of the EV car manufacturers EV are very close by.

"We're very focused on building and funding the first plant but it's important to plan for the second plant because a lot of

**Price:** 0.049

**Market Cap:** \$44.51 m

### 1 Year Share Price Graph



### Share Information

**Code:** ATC

**Listing:** ASX

**52 week High Low**  
0.135 0.023

**Sector:** Exploration & Production

**Website:** [www.altechchemicals.com](http://www.altechchemicals.com)

### Company Synopsis:

*Altech Chemicals Ltd (ASX:ATC) is focused on advancing its high purity alumina (HPA) project in Western Australia.*

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these plants take five to six years to build and finance so the planning process has to start today."

The company received an official invitation from the State Government of Saxony in September 2019 to consider building its next HPA plant in Saxony.

Altech will be provided with an initial 12-month term during which it can exercise its purchase option, with the ability to extend the option period by a further 12-months via mutual consent.

The deal comes after Germany unveiled details of EV industry fiscal support incorporated in its economic stimulus package post-COVID-19.

The country's €130 billion coronavirus stimulus package includes:

- €2.5 billion earmarked for battery cell production and charging infrastructure;
- A 50% increase (up to €9,000/vehicle) on the cash subsidy for EV purchases; and
- All service stations must offer electric car charging points to help remove refuelling concerns and boost consumer demand for EV's.

### **Post-COVID stimulus packages**

And Germany is not the only country pushing EV uptake in a post-COVID economy.

Other plans announced by European countries included:

- France injected €8 billion in its automotive industry, with focus on the production and sales of EV;
- Italy proposed increasing EV subsidies to €10,000 per vehicle;
- The Netherlands drew up new EV incentives running through 2025, both for new and used vehicles; and
- The UK has flagged plans to give drivers up to £6,000 (\$A10,800) to swap diesel and petrol cars for EVs.

### **European EV push**

Notably, the European Commission (EC) has released a €750 billion (A\$1.22 trillion) COVID-19 Green Recovery Plan focused on economic revival and support of the European Green Deal 'Next Generation EU'.

The plan is part of Europe's bid to become the world's first climate-neutral continent by 2050, putting it ahead of other major emitters such as the US, China, and India in the global fight against climate change.

These funds are earmarked to accelerate Europe's green and digital transition, with the focus on unlocking investment in clean technologies and value chains, such as renewables and energy storage technologies - including batteries.

The plan includes support for the financing of one million new charging points for EVs across Europe and the implementation of a critical raw materials action plan covering e-mobility, batteries and renewable energy.

Altech believes that HPA, as a critical input into lithium-ion battery manufacture, would fall within the scope of the EU action plan.

### **Green bond benefits**

Altech's HPA project has been formally assessed as 'green' by the independent Centre of International Climate and Environmental Research (CICERO) in Oslo, Norway.

This positive project assessment confirms that Altech's HPA project is suitable for finance through green bonds - meaning the project can now be considered by investors that participate in the green bond market, worth around

US\$250 billion annually.

Tan told Proactive that there's a lot of interest in climate change projects and green projects, encouraged by the stimulus European governments have announced for the post-COVID economy.

He said: "A lot of the funds are going to flow towards electric vehicles and lithium batteries - particularly in Europe.

"In order to be able to tap into the green bond market, we've recently accredited the project as a green project.

"Essentially it's a bond market where the investors are very focused on projects that will help the environment and climate change."

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