

Altech Chemicals Ltd

15:48 23 Jul 2020

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: 0.053

Market Cap: \$48.14 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

Company Synopsis:

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

action@proactiveinvestors.com.au

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."

Proactive Investors facilitate the largest global investor network across 4 continents in 4 languages. With a team of analysts, journalists & professional investors Proactive produce independent coverage on 1000's of companies across every sector for private investors, private client brokers, fund managers and international investor communities.

Contact us +61 (0)2 9280 0700 action@proactiveinvestors.com.au

No investment advice

The Company is a publisher. You understand and agree that no content published on the Site constitutes a recommendation that any particular security, portfolio of securities, transaction, or investment strategy is suitable or advisable for any specific person. You understand that the Content on the Site is provided for information purposes only, and none of the information contained on the Site constitutes an offer, solicitation or recommendation to buy or sell a security. You understand that the Company receives either monetary or securities compensation for our services. We stand to benefit from any volume which any Content on the Site may generate.

You further understand that none of the information providers or their affiliates will advise you personally concerning the nature, potential, advisability, value, suitability or profitability of any particular security, portfolio of securities, transaction, investment, investment strategy, or other matter.

You understand that the Site may contain opinions from time to time with regard to securities mentioned in other products, including Company-related products, and that those opinions may be different from those obtained by using another product related to the Company. You understand and agree that contributors may write about securities in which they or their firms have a position, and that they may trade such securities for their own account. In cases where the position is held at the time of publication and such position is known to the Company, appropriate disclosure is made. However, you understand and agree that at the time of any transaction that you make, one or more contributors may have a position in the securities written about. You understand that price and other data is supplied by sources believed to be reliable, that the calculations herein are made using such data, and that neither such data nor such calculations are guaranteed by these sources, the Company, the information providers or any other person or entity, and may not be complete or accurate.

From time to time, reference may be made in our marketing materials to prior articles and opinions we have published. These references may be selective, may reference only a portion of an article or recommendation, and are likely not to be current. As markets change continuously, previously published information and data may not be current and should not be relied upon.

The Site does not, and is not intended to, provide investment, tax, accounting, legal or insurance advice, and is not and should not be construed as providing any of the foregoing. You should consult an attorney or other relevant professional regarding your specific legal, tax, investment or other needs as tailored to your specific situation.

In exchange for publishing services rendered by the Company on behalf of Altech Chemicals Ltd named herein, including the promotion by the Company of Altech Chemicals Ltd in any Content on the Site, the Company receives from said issuer annual aggregate cash compensation in the amount up to Twenty Five Thousand dollars (\$25,000).