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Successful A\$25M placement to accelerate Vittangi Anode Project development

- **Talga is pleased to announce it has successfully completed an institutional placement to raise A\$25 million (“Placement”)**
- **The Placement was well supported by a range of domestic and international institutions, with demand to participate in the Placement significantly in excess of the funds that Talga sought to raise**
- **Proceeds will be used to fund the Electric Vehicle Anode (EVA) pilot plant as part of the development of the Vittangi Anode Project located in northern Sweden**
- **A Share Purchase Plan to all eligible shareholders to raise up to A\$10 million will open on or around 21 December 2020 at the same issue price as the Placement**

Battery anode company Talga Group Ltd (“**Talga**” or “**the Company**”) (**ASX:TLG**) advises it has successfully completed a A\$25 million placement to sophisticated, professional and institutional investors at a price of A\$1.45 per share (“**Placement**”). In addition to the Placement, the Company has also announced a Share Purchase Plan to raise up to A\$10 million¹ (“**SPP**”).

The Placement, underwritten and managed by Morgan Stanley Australia Securities Limited, will result in the issue of 17,241,380 fully paid ordinary shares in Talga (“**New Shares**”), representing approximately 6.5% of Talga’s existing fully paid ordinary shares on issue immediately prior to the issue of the New Shares.

New Shares issued under the Placement will rank equally with existing Talga shares on issue. The New Shares will be issued pursuant to the Company’s existing capacity under ASX Listing Rule 7.1. Talga shares are expected to resume trading on ASX from market open today, Wednesday, 16 December 2020. The New Shares under the Placement are expected to settle on Friday, 18 December 2020 and be issued and commence trading on ASX on a normal basis on Monday, 21 December 2020.

SPP details

The Company has announced a SPP to raise up to A\$10 million¹ via the issue of fully paid ordinary shares at the same price as the Placement (A\$1.45 per share).

Eligible shareholders, being those holders of shares with an address in Australia or New Zealand on the Talga share register as at 5.00pm (Perth time) on Monday, 14 December 2020, will have the opportunity to apply for up to A\$30,000 worth of New Shares in the Company.

The SPP offer period is anticipated to be open from Monday, 21 December 2020 to Friday, 15 January 2021. The shares issued under the SPP will rank equally with existing ordinary shares of the Company.

¹ The Company may, in its absolute discretion, scale back SPP applications above this cap or apply a higher cap to the SPP and scale back applications over the higher cap.



If Talga decides to conduct any scale back of applications, for example because the aggregate amount applied for under the SPP exceeds Talga's requirements, the scale back will be applied to the extent and in the manner Talga sees fit, which may include taking into account a number of factors such as the size of an applicant's shareholding at the record date, the extent to which the applicant has sold or purchased shares since the record date, whether the applicant has multiple registered holdings, the date on which the application was made and the total applications received from eligible shareholders.

The terms and conditions of the SPP will be contained in offer documentation which is expected to be made available to eligible shareholders and lodged on the ASX on Monday, 21 December 2020.

Indicative timetable

| Event | Date |
|---|--|
| Record date for eligibility to participate in SPP | 5.00pm (Perth time), Monday, 14 December 2020 |
| Settlement of New Shares | Friday, 18 December 2020 |
| Allotment and normal trading of New Shares | Monday, 21 December 2020 |
| SPP Offer Documents made available and SPP offer open date | Monday, 21 December 2020 |
| SPP closing date | 5.00pm (Perth time), Friday, 15 January 2021 |
| Announcement of results of SPP offer and settlement of SPP | Wednesday, 20 January 2021 |
| Allotment and issue of New Shares under the SPP | Wednesday, 27 January 2021 |
| Normal trading of SPP shares and dispatch of holding statements | Thursday, 28 January 2021 |

The timetable is indicative only and remains subject to change at Talga's discretion, subject to compliance with applicable laws and the ASX Listing Rules. Talga reserves the right to change the timetable or cancel or withdraw the Placement or the SPP at any time before relevant New Shares are issued, subject to regulatory requirements.

The Company reserves the right to close the SPP early or to accept late applications, in its sole and absolute discretion, should it be considered necessary to do so, by making an announcement to ASX. The commencement and quotation of shares offered under the Placement or SPP is subject to confirmation from ASX.

Authorised for release by the Board of Directors of Talga Group Ltd.

For further information please contact:

Mark Thompson
Managing Director
Talga Group Ltd
T: +61 (0) 8 9481 6667

Dean Scarparolo
Company Secretary
Talga Group Ltd
T: +61 (0) 8 9481 6667



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This announcement has been prepared by Talga Group Ltd (the **Company**) based on information from its own and third-party sources and is not a disclosure document. No party other than the Company has authorised or caused the issue, lodgement, submission, despatch or provision of this announcement, or takes any responsibility for, or makes or purports to make any statements, representations or undertakings in this announcement. Except for any liability that cannot be excluded by law, the Company and its related bodies corporate, directors, employees, servants, advisers and agents (**Affiliates**) disclaim and accept no responsibility or liability for any expenses, losses, damages or costs incurred by you relating in any way to this announcement including, without limitation, the information contained in or provided in connection with it, any errors or omissions from it however caused, or for any lack of accuracy, completeness, currency or reliability or you or any other person placing any reliance on this announcement, its accuracy, completeness, currency or reliability. This announcement is not a prospectus, disclosure document or other offering document under Australian law or under any other law. It is provided for information purposes and is not an invitation nor offer of shares or recommendation for subscription, purchase or sale in any jurisdiction. This announcement does not purport to contain all the information that a prospective investor may require in connection with any potential investment in the Company. Each recipient must make its own independent assessment of the Company before acquiring any shares in the Company (**Shares**).

This announcement has been prepared without taking account of any person's individual investment objectives, financial situation or particular needs. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own investment objectives, financial situation and needs and seek legal, accounting and taxation advice appropriate to their jurisdiction. This announcement does not constitute investment or financial product advice (nor tax, accounting or legal advice) or any recommendation to acquire Shares and does not form part of any contract or commitment for the acquisition of Shares.

Additional disclaimer

Morgan Stanley Australia Securities Limited (ABN 55 078 652 276) is acting as lead manager and underwriter of the Placement. The SPP is not underwritten.

To the maximum extent permitted by law, the Lead Manager and its related bodies corporate and affiliates, and each of their respective directors, officers, partners, employees, contractors, consultants, agents and advisers (together, the **Lead Manager Group**) expressly disclaim: (i) all responsibility, duty and liability (including, without limitation, any liability arising from fault, negligence or negligent misstatement) for any expenses, costs, damages or losses (including, without limitation, any consequential or contingent loss or damage) arising from this announcement or reliance on anything contained in or omitted from it or otherwise arising in connection with this announcement or incurred by you as a result of your participation in, or failure to participate in, the Placement or the SPP or the information in this announcement being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise; (ii) any obligations or undertaking to release any updates or revisions to the information in this announcement to reflect any change in expectations or assumptions; and (iii) all liabilities (including, without limitation, any liability arising from fault, negligence or negligent misstatement) in respect of, and do not make any representation or warranty, express or implied, regarding, and take no responsibility for, any part of this announcement and make no representation or warranty, express or implied, as to the fairness, accuracy, reliability, currency or completeness of the information in this announcement or that this announcement contains all material information about the Company or that a prospective investor or purchaser may require in evaluating a possible investment in the Company or an acquisition of securities in the Company, or the likelihood of fulfilment of any forward-looking statement or any event or results expressed or implied in any forward-looking statement.



No member of the Lead Manager Group: (i) makes any recommendation as to whether you or your related parties should participate in the Placement or the SPP nor do they make any representations or warranties (express or implied) to you concerning the Placement or the SPP; (ii) accepts any fiduciary obligations to, or relationship with, you or your related parties (or any investor or potential investor) in connection with the offer of shares in the Company or otherwise and expressly disclaims any such fiduciary relationship; or (iii) has independently verified any of the information in this announcement.

The Lead Manager (and/or its affiliates) may receive and retain fees, profits and financial benefits in various capacities and in connection with various activities, including in its capacity as a lead manager to the Placement. As disclosed to ASX on 18 November 2020, Morgan Stanley has been appointed as the Company's Financial and Transaction Advisor. As part of this, Morgan Stanley has been assisting the Company in identifying and evaluating potential outcomes which may emerge from ongoing project development partnership, customer and financing discussions with European and international parties. Morgan Stanley has received or may receive success and incentive fees in that capacity.

Financial data and rounding

All dollar values are in Australian dollars (A\$ or AUD) unless otherwise stated. The financial information contained in this announcement may not necessarily be in statutory format. Investors should be aware that financial data in this announcement includes "non-IFRS financial information" under the Australian Securities and Investments Commission's Regulatory Guide 230.

Past performance

Past performance and pro forma historical financial information is given for illustrative purposes only. It should not be relied on and is not indicative of future performance including future security prices.

Forward-looking statements

This announcement contains certain forward-looking statements. The words 'anticipate', 'believe', 'aim', 'estimate', 'expect', 'intend', 'may', 'plan', 'project', 'will', 'should', 'seek' and similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements.

These forward-looking statements are based on assumptions and contingencies that are subject to change without notice and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Company and its Affiliates. Refer to the 'Risk Factors' on slides 46 to 52 of the investor presentation released by the Company to ASX on 15 December 2020 ("**Investor Presentation**") for a summary of certain risk factors that may affect the Company.

Investors are strongly cautioned not to place undue reliance on forward-looking statements, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by the COVID-19 pandemic. Forward-looking statements are provided as a general guide only and should not be relied on as an indication or guarantee of future performance. Actual results, performance or achievements may differ materially from those expressed or implied in those statements and any projections and assumptions on which these statements are based. These statements may assume the success of the Company's business strategies, the success of which may not be realised within the period for which the forward-looking statements may have been prepared, or at all.

No guarantee, representation or warranty, express or implied, is made as to the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects, returns, statements or tax treatment in relation to future matters contained in this announcement. The forward-looking statements are based on information available to the Company as at the date of this announcement. Except as required by applicable laws or regulations, none of the Company, its Affiliates or the Lead Manager Group undertakes to provide any additional information or revise the statements in this announcement, whether as a result of a change in expectations or assumptions, new information, future events, results or circumstances.



General

Statements made in this announcement are made only as at the date of this announcement. The information in this announcement remains subject to change without notice. The Company may in its absolute discretion, but without being under any obligation to do so, update or supplement this announcement. Any further information will be provided subject to the terms and conditions in this Important Notice and Disclaimer. The Company reserves the right to withdraw the Placement or the SPP or vary the timetable for the Placement or the SPP without notice and in its absolute discretion.

In consideration for being given access to this announcement, you confirm, acknowledge and agree to the matters set out in this Important Notice and Disclaimer and any modifications notified to you and/or otherwise released to ASX.

This announcement is also subject to the same important notices and disclaimers as set out on pages 2 to 3 of the Investor Presentation with any necessary contextual changes.

