

FOR RELEASE: 24<sup>th</sup> MARCH 2023

ASX:  
MNS

OTCQX:  
MNSEF

FSE:  
U1P

## Magnis Completes Funding from Investors

- **Magnis completes A\$25 million facility (with the potential for the provision of an additional A\$25 million)**
- **Funding structured as an equity-linked “pre-paid” share subscription facility agreement.**
- **The completion of the funding strengthens the Company’s balance sheet and places it in a strong position to accelerate development of its vertically integrated AAM business**

Magnis Energy Technologies Ltd (“**Magnis**”, or the “**Company**”) (**ASX: MNS; OTCQX: MNSEF; FSE: U1P**) is pleased to announce that it has completed funding from L1 Capital Global Opportunities Master Fund (Affiliate entity of SBC Global Investment Fund<sup>1</sup>) (“**L1 Capital**”) and Regal Funds Management as trustee for one or more funds (“**Regal**”). As previously announced to the market, the funding is structured as an equity-linked pre-paid share subscription facility agreement for a total of up to A\$50 million subscription credit, the agreed material terms of which are set out in the Schedule to this announcement (**Pre-Payment Subscription Facility**). Evolution Capital advised Magnis in relation to the funding.

Commenting on the completion of the funding, Magnis’ Executive Chairman, Frank Poullas, said:

*“Magnis is pleased to have reached agreement with the Investors for the funding, which strengthens the Company’s balance sheet and places it in a strong position to accelerate development of its vertically integrated AAM business. We would like to thank the Investors and Evolution Capital for their continued support of Magnis’ vision.”*

The receipt of the Funding Proposal marks another critical step towards Magnis’ goal of becoming a leading global, vertically integrated player in the lithium-ion battery value chain. Further information in relation to the Pre-Payment Subscription Facility is set out in the Schedule to this announcement.

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<sup>1</sup> The announcement to the market on 17<sup>th</sup> March noted that funds may be received from L1 Capital (Affiliate entity of SBC Global Investment Fund).

## About Magnis

Magnis Energy Technologies Ltd (ASX: MNS; OTCQX: MNSEF; FSE: U1P) is a vertically integrated lithium-ion battery technology and materials company in the Lithium-ion battery supply chain. The company's US based subsidiary Imperium3 New York, Inc ("iM3NY") operates a Gigawatt scale Lithium-ion battery manufacturing plant in Endicott, New York. Magnis together with their US based technology partner, C4V LLC has produced high-performance anode active materials for lithium-ion batteries utilising Magnis' high purity graphite feedstock from their Nachu Graphite project in Tanzania. The company's vision is to enable, support and accelerate the mass adoption of Electric Mobility and Renewable Energy Storage critical for the green energy transition.

This announcement has been authorised for release by the Board of Magnis Energy Technologies Ltd (ACN 115 111 763).

## FOR FURTHER INFORMATION

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### Frank Poullas

Executive Chairman

P: +61 2 8397 9888

E: [info@magnis.com.au](mailto:info@magnis.com.au)

Suite 11.01, 1 Castlereagh Street,  
Sydney NSW 2000

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TWITTER | [twitter.com/magnisenergytec](https://twitter.com/magnisenergytec)

LINKEDIN | [linkedin.com/company/magnis-energy-technologies-ltd](https://linkedin.com/company/magnis-energy-technologies-ltd)

WEBSITE | [magnis.com.au](https://magnis.com.au)

MEDIA ENQUIRIES | [media@magnis.com.au](mailto:media@magnis.com.au)

INVESTOR RELATIONS ENQUIRIES | [info@magnis.com.au](mailto:info@magnis.com.au)

## Schedule –Key Terms of Pre-Payment Subscription Facility

<b>Funded Amount</b>	A\$23,125,000
<b>Investors</b>	L1 Capital Regal
<b>Pre-payment Credit</b>	A\$25,000,000
<b>Fee</b>	1.75% of the Pre-payment Credit (payable by the Company to the Investors in cash). 3.75% of the Pre-payment Credit (payable by the Company to Evolution Capital in cash).
<b>Additional Pre-payment</b>	The Facility may be increased by up to a further A\$25,000,000 Pre-payment Credit through mutual agreement by the parties.
<b>Maturity Date</b>	18 months (from the date the initial Funded Amount is received by Magnis).
<b>Subscription Price</b>	The Subscription Price per new share to be issued under the Pre-Payment Subscription Facility is calculated based on a single daily VWAP selected by the Investors during the 12 preceding trading days prior that date on which an Investor delivers to the Company an issue notice, less a 7.5% discount. The formula for the Subscription Price does not include a floor price or cap.
<b>Initial Shares</b>	The Company will make a one-time placement of 40,000,000 shares to the Investors. If on the Maturity Date there are Initial Shares that have not been applied against the initial A\$25 million Pre-payment Credit, then the Investors will pay the Company for those outstanding Initial Shares at the Subscription Price. These shares have been issued prior to the receipt of the first Funded Amount.
<b>Options</b>	25 million Options. Each Option will be exercisable at any time on or before the 3 <sup>rd</sup> anniversary of the date on which they were granted for A\$0.50 per Option. Issue of the Options is subject to shareholder approval (as described below in the 'Shareholder Approval' section). If Shareholder Approval to the issue of the Options is not granted, the Investors will not be required to pay for 3 million of the Initial Shares (if the VWAP does not exceed A\$0.80 at the relevant time); or 6 million of the Initial Shares (if the VWAP exceeds A\$0.80 at the relevant time).

<b>Security</b>	The Pre-Payment Subscription Facility is secured by a general security agreement over the assets of the Company.
<b>Reps and Warranties</b>	The Pre-Payment Subscription Facility contains representations and warranties and undertakings by both the Company and Investors which the Company considers to be conventional for a financing facility of this size, structure and term.
<b>Listing Rules</b>	In the event of a reorganisation of the Company's equity capital, the conversion mechanics under and the Pre-Payment Subscription Facility itself will be reorganised in accordance with the requirements of the Listing Rules at the time of the reorganisation.
<b>Placement Capacity</b>	The Company has sufficient Listing Rule 7.1 placement capacity to enter into (and issue the new shares under) the Pre-Payment Subscription Facility (. In any event, the maximum number of new Magnis shares issuable to the Investors is 145,000,000.
<b>Shareholder Approval</b>	The Company will call a shareholder meeting to be held within 50 days of the receipt of the first Funded Amount at which the Company will seek shareholder ratification under Listing Rule 7.4 of the 40,000,000 Initial Shares issued to the Investors (and ratification of the reduction of Magnis' placement capacity by entering into the facility). The Company will also seek shareholder approval under Listing Rule 7.1 for the proposed issuances of Options to the Investors and Evolution Capital.
<b>Repayment</b>	Any utilised outstanding Pre-payment (i.e. that has not been satisfied by the issue of new Magnis shares) will be repaid by Magnis on the Maturity Date. If Magnis conducts a future equity (or debt) capital raising, Magnis will be required to offer to repay up to 30% of the amount outstanding of that pre-paid by the Investors.