

FOR RELEASE: 22 January 2024

ASX:
MNS

OTC:
MNSEF

FSE:
U1P

Shareholder Update

Magnis Energy Technologies Ltd (**ASX: MNS; FSE: U1P; OTC: MNSEF**) (“**Magnis**” or the “**Company**”) refers to its recent ASX announcements regarding the status of

- IM3NY and its consolidation
- IM3NY sales Agreements
- OTC

And provides the following update to shareholders about those matters.

iM3NY:

On December 18^[1] Magnis notified the market that it would potentially deconsolidate its subsidiaries iM3NY LLC (“LLC”) and Imperium 3 New York Inc (“Inc”). Following the resignation of its appointed directors to the board of managers, as advised on 27 December 2023^[2], and after discussions last week with the Company’s auditors, Hall Chadwick, Magnis will no longer treat LLC and Inc as subsidiaries in its financial reports (meaning that the Company’s accounts will no longer report consolidated figures in respect of those entities), which, subject to finalisation of the half-year financial report, is anticipated to have a positive impact on Magnis’ reported financial position.

In October 2023^[3] the Company advised the market that there were 3 agreements (Renewed Agreements) for the purchase of cells from the factory which had been renewed for periods up to 5 years, none of the other extant agreements has been renewed. As noted in the announcement, the Renewed Agreements were with Sukh Energy, Martac and EGYAI and the combined value of the Renewed Agreements over their duration was circa USD 147 million. The Company has recently been advised by the newly appointed directors of Inc that the Renewed Agreements have since lapsed, because Inc missed the amended scheduled supply start dates, therefore not satisfying the conditions precedent under the contracts. To the best of the Company’s knowledge, Inc no longer has any operative off-take agreements. These lapsed contracts are not considered material to the Company as a consequence of Inc no longer being its subsidiary.

OTC:

Further to the announcement on 2 January 2024 ^[4]that Magnis had moved to OTCQB Venture Market, on 18 January 2024 (US time) the OTC board moved Magnis to the OTC Open Market. The Company has been informed that this change will be revisited by the OTC if and when Magnis’ suspension from the ASX is lifted.

^[1] <https://wcsecure.weblink.com.au/clients/magnisenergytech/headline.aspx?headlineid=21494984>

^[2] <https://wcsecure.weblink.com.au/clients/magnisenergytech/headline.aspx?headlineid=21496701>

^[3] <https://wcsecure.weblink.com.au/clients/magnisenergytech/headline.aspx?headlineid=21479330>

^[4] <https://wcsecure.weblink.com.au/clients/magnisenergytech/headline.aspx?headlineid=21499102>

About Magnis

Magnis Energy Technologies Ltd (ASX: MNS; OTC: MNSEF; FSE: U1P) is a vertically integrated lithium-ion battery technology and materials company in the Lithium-ion battery supply chain. 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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