

# HANNANS

## **\*Updated\* Relisting on ASX and Lithium Battery Recycling in Europe**

15 November 2022

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## About Hannans

Our vision is to sustainably produce metals for society in Europe.

We aim to achieve this vision by recycling lithium batteries – shredding, sorting and refining active battery components into battery grade chemicals for sale to lithium battery precursor manufacturers.

We aim to become an important part of the European lithium battery supply chain and the circular economy.

## Key Message

Hannans proposed shift to lithium battery recycling represents a significant change to the nature and scale of activities for the purposes of ASX Listing Rule 11.1. As a result, the Company's shares have been suspended from trading until it re-complies with Chapters 1 and 2 of the ASX Listing Rules. For the Company to resume trading, it is required to:

1. raise a minimum of \$1,000,000 pursuant to a prospectus to be lodged 14 October 2022, in order to satisfy ASX's "net tangible assets" test,
  2. receive at least 300 valid applications for at least \$2,000 worth of shares (at an issue price of \$0.02 each) from non-affiliated applicants under the capital raising; and
3. obtain shareholder approval of the change in nature and scale of the business at a General Meeting to be held on 15 November 2022.

# **Compelling Reasons to Recycle Lithium Batteries from Electric Vehicles in the European Union (EU)**

# EU aiming for net-zero greenhouse gas emissions by 2050

Electric vehicles (**EV**) do not emit greenhouse gas emissions.



The screenshot shows the official EU website header with the European Commission logo, language selector (EN), and search icon. The main navigation bar highlights 'Climate Action' with a menu icon. The breadcrumb trail reads: 'European Commission > ... > EU Action > Climate strategies & targets > 2050 long-term strategy'. The page title is '2050 long-term strategy'. The main text states: 'The EU aims to be climate-neutral by 2050 – an economy with net-zero greenhouse gas emissions. This objective is at the heart of the [European Green Deal](#) and in line with the EU's commitment to global climate action under the [Paris Agreement](#).' A secondary paragraph states: 'The transition to a climate-neutral society is both an urgent challenge and an opportunity to build a better future for all.'

Source: [https://climate.ec.europa.eu/eu-action/climate-strategies-targets/2050-long-term-strategy\\_en](https://climate.ec.europa.eu/eu-action/climate-strategies-targets/2050-long-term-strategy_en)

# EU to end sale of combustion engines by 2035

**ABC NEWS**

Perth  
Change location

21°C Now  
Feels like 19°

Log In

Just InWatch LiveCoronavirusPoliticsWorldBusinessAnalysisSportMore

**European Union bans sale of petrol and diesel cars from 2035 to boost electric vehicle uptake**

Posted Sat 29 Oct 2022 at 11:11am



Many European car manufacturers have announced investments in electrification ahead of the EU agreement. (ABC News: Elizabeth Pickering)

"The European Union has struck a deal on a law to effectively ban the sale of new petrol and diesel cars from 2035, aiming to speed up the switch to electric vehicles and combat climate change."

<https://www.abc.net.au/news/2022-10-29/eu-ban-new-fossil-fuel-cars-boost-ev-uptake/101593696>

# European Critical Raw Materials Act



"Lithium and rare earths will soon be more important than oil and gas. We will identify strategic projects all along the supply chain, from extraction to refining, from processing to recycling. This is why today I am announcing a European Critical Raw Materials Act." - European Commission President von der Leyen

Source: [https://ec.europa.eu/commission/presscorner/detail/en/STATEMENT\\_22\\_5523](https://ec.europa.eu/commission/presscorner/detail/en/STATEMENT_22_5523)



# Europe Set For Battery Supply Shortage



"The region's supply deficit is set to grow from a 66 GWh in 2022, to almost 270 GWh deficit in 2030, according. The data highlights how Europe needs to accelerate the build-out of a battery supply chain, as the US and China rapidly expand capacity to meet their own demand." - *Benchmark Mineral Intelligence*

Source: <https://www.benchmarkminerals.com/membership/europe-set-for-battery-supply-shortage-this-decade-as-us-asia-expand-production/>

# Auto Recyclers Changing The Way They Do Business



## TRANSITIONING FROM ICE TO EV IMPACTS RECYCLERS

Automotive Front Page Batteries Alternative Fuels

by MAURA KELLER

New technologies and innovative products can keep any industry fresh. And the innovation and subsequent influx of electric vehicles (EVs) into the country's transportation market – albeit slow – is no exception.



"While recyclers – both large and small – are continually enhancing and expanding their products, processes and automotive recycling know-how, they are also aware that the transition from internal combustion engines (ICE) to EVs may change the way they do business."

[Source: Transitioning from ICE to EV impacts recyclers - American Recycler News, Inc.](#)

# EU Agrees Recycled Content Target For Batteries



## EU agrees recycled content target for batteries

11 MARCH, 2022 | BY WILL HATCHETT



COMMENT 

**The European Parliament has voted to impose mandatory recycled content targets for the lithium, cobalt, nickel and lead in lithium-ion batteries.**

The Parliament was considering an amendment to the Battery Regulation drawn up by the ENVI committee, which advises it.

The amendments have been designed in line with the EU's Green Deal. If approved, they will make lithium-ion batteries, now used in most electronic devices, easier to use and recycle. Current rules, from the Battery Directive 2006, were based on previous battery technology, before rechargeable, embedded batteries became widespread.

"The European Parliament has voted to impose mandatory recycled content targets for the lithium, cobalt, nickel and lead in lithium-ion batteries."

<https://www.mrw.co.uk/news/eu-moves-closer-to-circular-battery-economy-11-03-2022/>

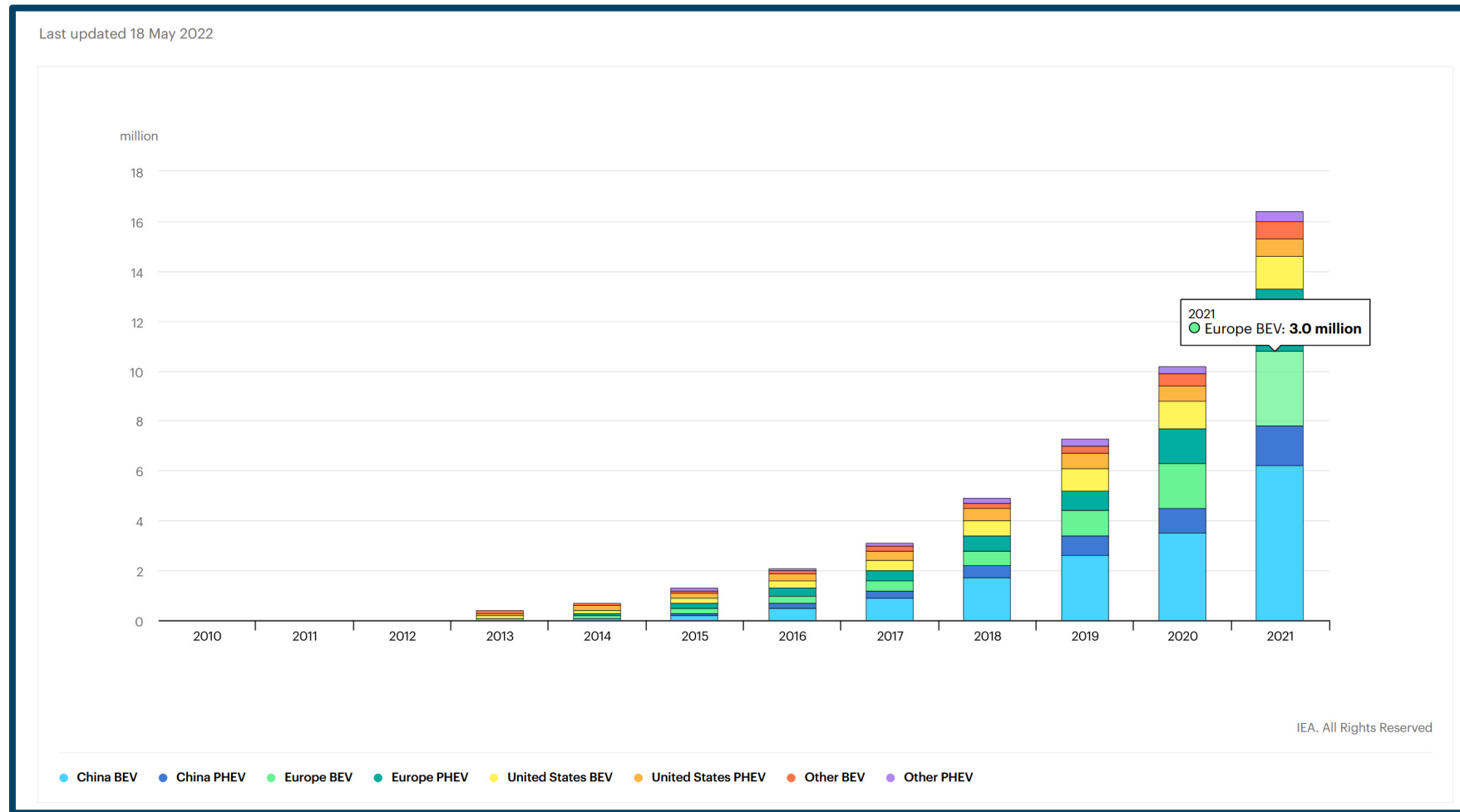
# European Commission – batteries must be recycled



"All industrial, automotive or electric vehicle batteries have to be collected in full. All collected batteries have to be recycled and high levels of recovery have to be achieved, in particular of valuable materials such as cobalt, lithium, nickel..." *European Commission, "Green Deal: Sustainable batteries for a circular and climate neutral economy"*

Source: [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_20\\_2312](https://ec.europa.eu/commission/presscorner/detail/en/ip_20_2312)

# EU is second largest EV market in the world



Source: <https://www.iea.org/data-and-statistics/charts/global-electric-car-stock-2010-2021>



# Lithium Battery Recycling Technology



Hannans has rights (via licensing arrangements) to commercialise a lithium battery recycling technology developed by Neometals Ltd (ASX:NMT)<sup>1</sup>. Neometals filed a patent application for its technology in 2018 and since that time they have entered a joint venture arrangement with German engineering group **SMS group** which has led to further agreements with German automotive company **Mercedes-Benz**, North American steel company **Stelco** and Japanese trading company **Itochu**.<sup>2</sup>

Neometals Investments Pty Ltd is Hannans largest shareholder (32.4%).

Note: The shredding and sorting facility shown (left) is owned by Primobius, a joint venture between Neometals and SMS group. It is not owned by Hannans.

<sup>1</sup> Comprising (1) exclusive rights in Denmark, Finland, Norway and Sweden via a sub-licence from LiB Recycling Pty Ltd, (2) exclusive rights in South-Eastern Europe (Albania, Bulgaria, Bosnia and Herzegovina, Croatia, Greece, Romania, Serbia, Slovakia and Slovenia) via a licence from Neometals Ltd subsidiary company ACN 630 589 507 Pty Ltd (ACN) and (3) non-exclusive rights in the United Kingdom and Republic of Ireland via a licence with ACN. Refer to Hannans Ltd announcements on 1 February 2022 and 27 July 2022 for further details.

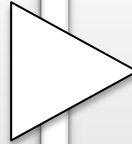
<sup>2</sup> Refer Neometals Ltd ASX releases dated 31 July 2020, 5 March 2021, 31 December 2021 and 13 May 2022.

# **Details of Transactions Enabling Hannans to Enter Lithium Battery Recycling in Europe**

## Transaction dated September 2021

### **Critical Metals**

[www.criticalmetals.eu](http://www.criticalmetals.eu) hold an exclusive license to commercialise the lithium battery recycling technology developed by **Neometals** in the Nordic region including Sweden, Norway, Finland and Denmark.



**Hannans** has entered an agreement with **Critical Metals** for a right to fund and own 50% of any battery recycling plant using this technology in the Nordics. Hannans has been granted an exclusive sub-licence to commercialise the technology in the Nordic region.



## Transaction dated July 2022 (Subject to Approval)

**Greenhouse Investments** held a non-exclusive license in the UK and Ireland and an exclusive license in Italy and South-Eastern Europe for the same **Neometals** battery recycling technology licensed to **Critical Metals\***.

**Hannans** signed an agreement with **Greenhouse Investments** to acquire 100% of technology rights in Greenhouse license territories along with Greenhouse's market intelligence and relationships.

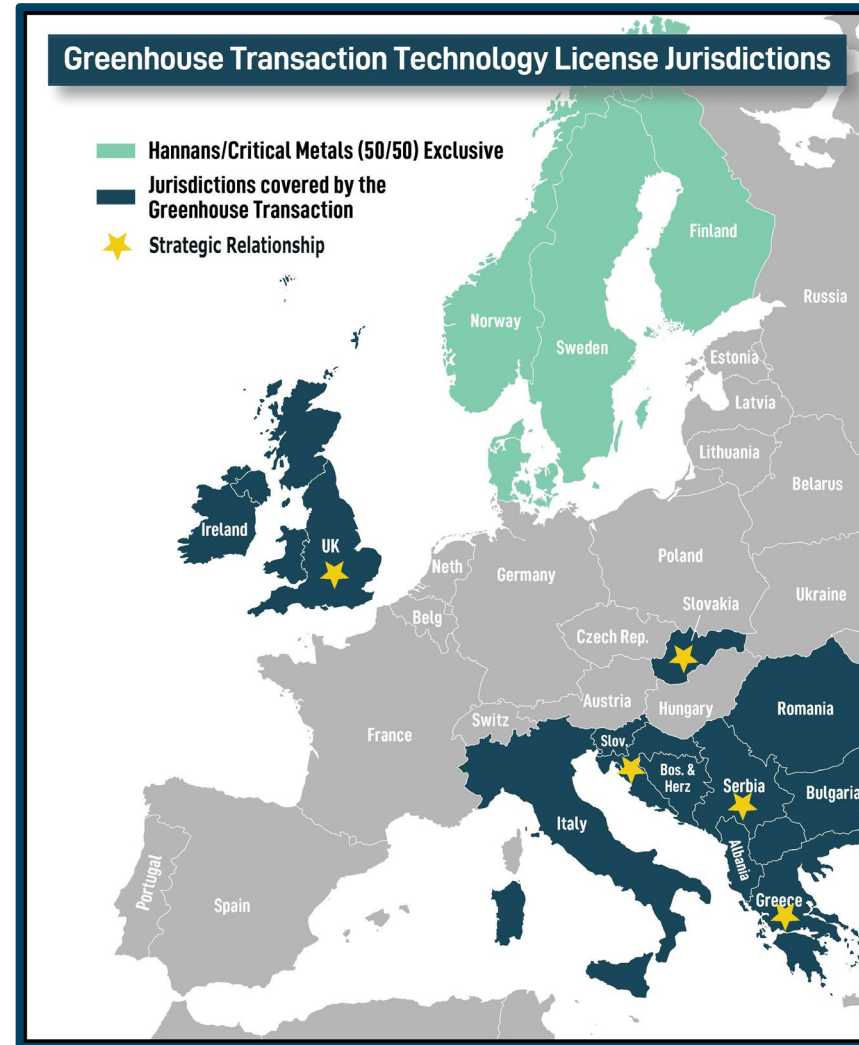
\*The Greenhouse Investments Ltd licences have since been novated to Hannans but will revert to Greenhouse in the event that shareholder approval is not received for the re-compliance or Hannans is unable to re-list by 31 December 2022, unless otherwise extended.

# About Greenhouse Investments



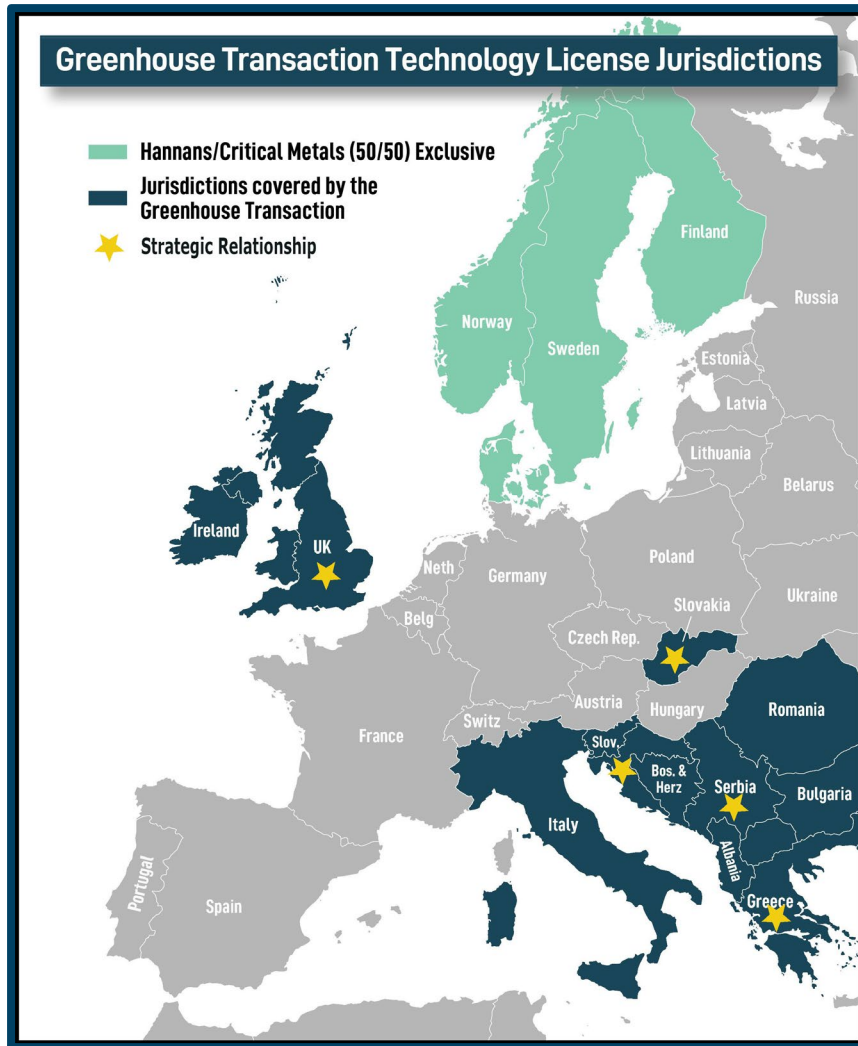
- > Held licences to commercialise Neometals lithium battery recycling technology in UK, Ireland, Italy and South-Eastern Europe which have now been novated to Hannans.
- > Based in Europe and operating across Europe's emerging and developing economies for more than 13 years.
- > Deep commercial, political and strategic networks across these markets.
- > Have developed several strategic relationships with established recycling groups and battery OEMs in various countries in the licensed territories.

# Greenhouse Strategic Relationships



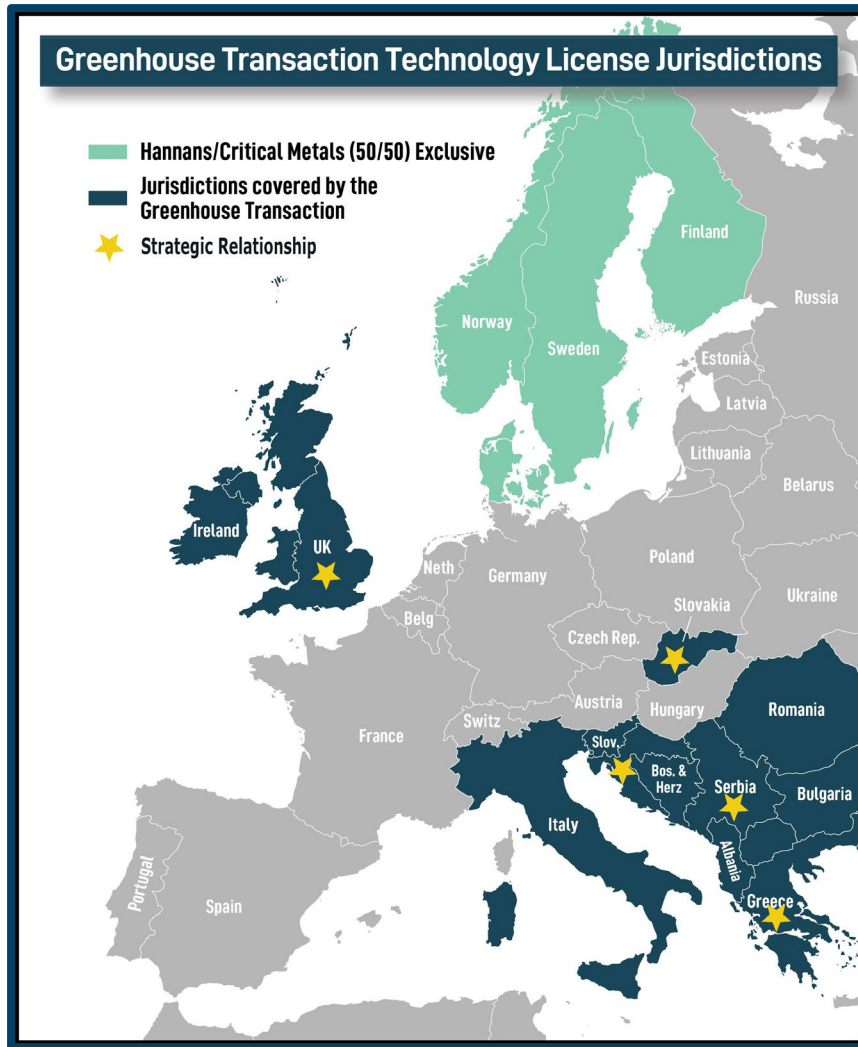
- > Greenhouse Investment has developed several strategic relationships in the relevant Territories.
- > Each strategic relationship is unique and typically they have taken several years to develop.
- > The aim is to advance the strategic relationships towards agreements for the supply of lithium battery feedstock and the development of joint ventures for the recycling of lithium batteries, in each Territory.

# Greenhouse Transaction Summary (Subject to Approval)



- > Hannans signed agreement with Greenhouse Investments in July 2022.
- > All Greenhouse licenses (for the Exclusive Territories and Non-Exclusive Territories) have been novated to Hannans and Hannans is now the licensee. The licenses will revert to Greenhouse if applicable shareholder and ASX approvals are not received by 31 December 2022.
- > Subject to shareholders approving the transaction at a meeting to be held on 15 November 2022, Hannans will:
  - acquire the Greenhouse Investments Ltd market intelligence and relationships; and
  - issue 647,500,653 fully paid ordinary shares to Greenhouse.

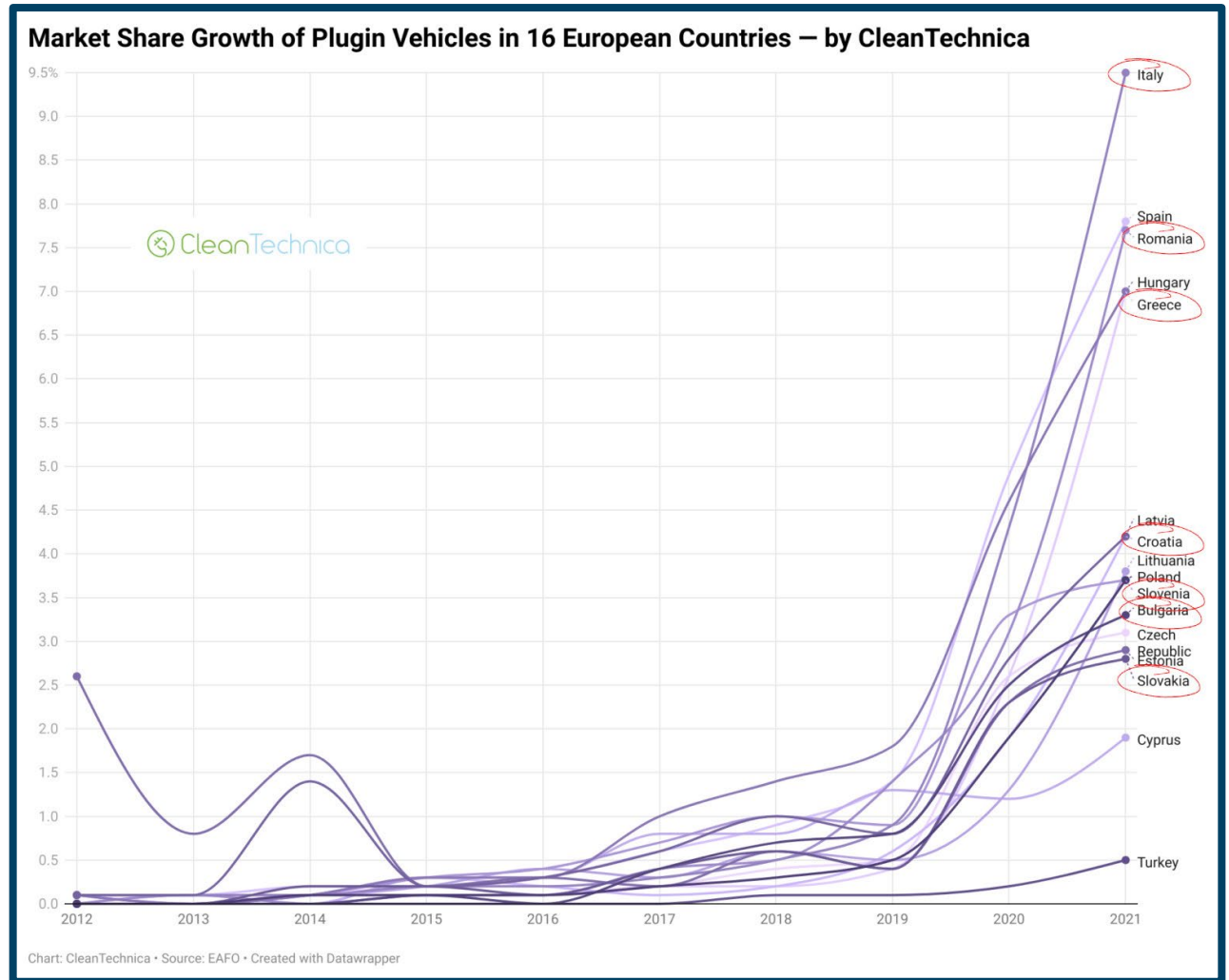
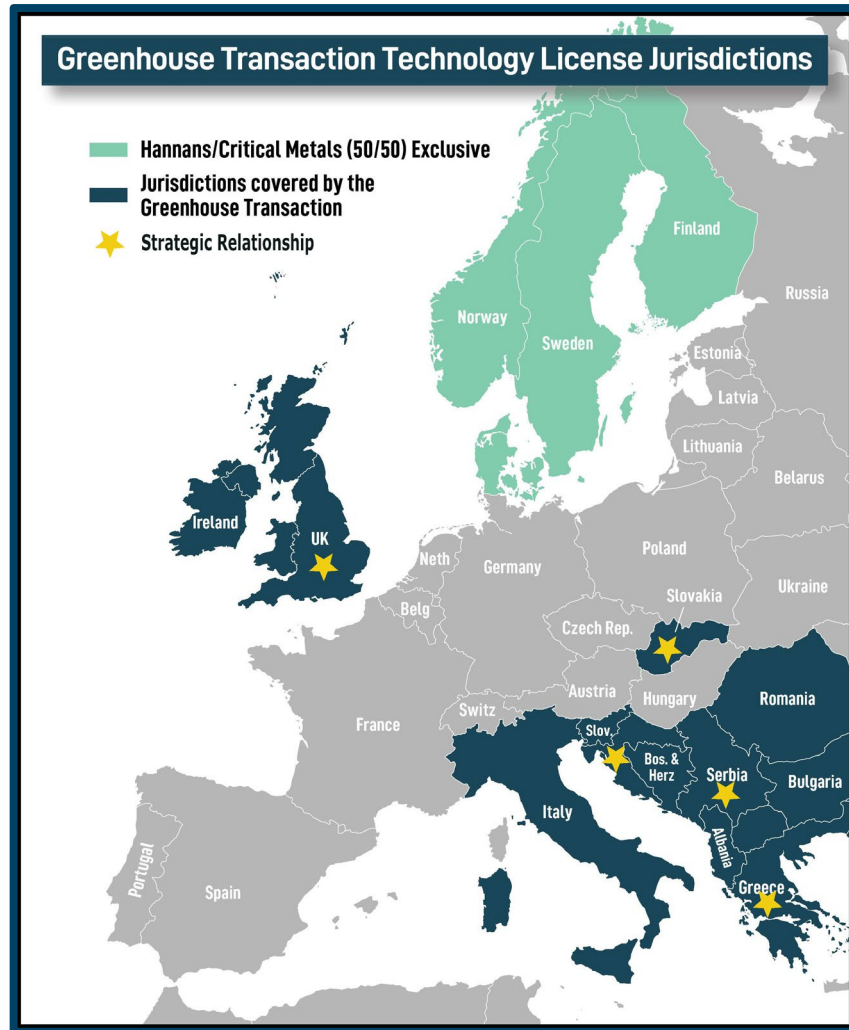
# Greenhouse Transaction Benefits (Subject to Approval)



- Significantly expands Hannans exposure to technology licence territories in Europe.
- Brings a range of strategic relationships with established interests in several European countries where strict recycling obligations are placed on battery OEMs and importers.
- Provides an established and active presence on the ground in Europe as Mr Michael O'Leary-Collins, Director, Greenhouse Investments Ltd resides in Europe and has been engaged by Hannans to convert strategic relationships in UK, Ireland, the Nordic region, Italy and South-Eastern Europe into binding agreements securing supply of lithium-ion battery feedstock.



# Greenhouse Transaction Benefits (Subject to Approval)



Source: <https://cleantechnica.com/2022/06/25/ev-market-share-growth-in-16-lagging-european-countries/>

## Proposed New Directors with European Expertise



**Mr Andrew Umbers** - Proposed Non-Executive Director (nominated by Neometals Ltd). Resides in London, UK. Formerly a Director at Barclays De Zoete Wedd, Managing Director at Credit Suisse, CEO at Evolution plc and Director of European Equities of Credit Suisse. Has been responsible for advising on the listing and financing of approximately 100 companies on European stock markets. Former Chairman of Leeds United Football Club.



**Mr Mark Sumich** – Proposed Non-Executive Director (nominated by Greenhouse Investments Ltd). Resides in Perth, Australia. Has held Chair and Managing Director roles in ASX-listed companies in the IT, technology and resources sectors, raised over A\$100m in C-level roles, co-founded two ASX-listed entities and has significant international business experience in Europe, Africa and China. Previously employed by Clayton Utz and Price Waterhouse Coopers.

The appointment of Mr Umbers and Mr Sumich is conditional on completion of the Greenhouse transaction and receipt of conditional re-listing approval from ASX.

# Capital Structure



# Capital Structure

Security	Number	Notes
Ordinary fully paid shares	2,624,604,809	Currently on issue
Ordinary fully paid shares	100,000,000	To be issued pursuant to Prospectus and upon written approval from ASX to recommence trading
Ordinary fully paid shares	647,500,653	Shares to be issued under the Greenhouse Transaction, subject to receipt of shareholder approval
	<hr/> 3,372,105,462	
Options	55,000,000	Exercisable at 6.1c on or before 25 November 2025
Options	55,000,000	Exercise price to be determined after 2022 AGM, exercisable on or before 25 November 2022
Options	55,000,000	Exercise price to be determined after 2023 AGM, exercisable on or before 25 November 2022

# Timetable

Activity	Date
Hannans Shareholder Meeting	15 November 2022
Hannans Reinstatement to Official ASX Quotation	Late November 2022
<p>After the results of voting at the meeting of shareholders are confirmed, the only outstanding condition precedent to the Offer will be receipt of conditional approval from the ASX for Hannans' shares to be re-admitted to trading, on terms satisfactory to Hannans (Conditional Approval). Successful applicants under the Offer will be issued their shares following receipt of Conditional Approval. Hannans will advise shareholders when it receives Conditional Approval from ASX, together with a timetable to recommence trading.</p>	

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