

FOR RELEASE: 1 DECEMBER 2023

ASX:
MNS

OTCQX:
MNSEF

FSE:
U1P

iM3NY Credit Facility

Magnis Energy Technologies Ltd (“**Magnis**”, or the “**Company**”) (**ASX: MNS; OTCQX: MNSEF; FSE: U1P**) refers to its ASX announcements dated 10 and 15 November 2023 (together, the “**Announcements**”) regarding the Default Notice received under, and the alleged Events of Default in relation to, the Credit Facility¹.

As noted in the Announcements, the Company has an approximately 73% economic interest in Imperium3 New York, Inc.² (the “**Borrower**”), the borrower under a US\$100m Credit Facility between it (and others, including iM3NY LLC (“**iM3NY**”) and Charge CCCV LLC (“**C4V**”)) and various other parties from time to time (who together are referred to in this announcement as the “**Lender**”).

Unless otherwise defined in this announcement, capitalised words and terms have the meanings given to them in the Announcements.

The Company has recently become aware that the Borrower received a further Default Notice from the Lender in which the Lender:

- (breach of covenant) alleged that it did not consent to the previous CEO of the Borrower (Chaitanya Sharma) no longer being involved in management of the Borrower;
- (breach of covenant) states that the Borrower may have failed to seek its consent prior to purportedly incurring additional indebtedness (with this indebtedness owed to Magnis); and
- (exercise of rights) stated its intention to exercise all voting, corporate, consenting and other organisational rights it may have under the Credit Facility over the common stock of the Borrower held by iM3NY.

The purported intention by the Lender to exercise its rights, if legally valid, may result in the Lender being able to change the composition of the Board of the Borrower and take control of its operating and financing activities. Magnis notes that no conduct has been taken in relation to the board of iM3NY. The potential impact on Magnis of these purported actions is not yet known.

While the Borrower is considering what legal options may be available to it to contest the matters the subject of the most recent Default Notice (as well as the prior Default Notice), it continues its attempts to resolve the various outstanding matters with the Lender, including by seeking to procure alternative financing to refinance the Credit Facility³.

¹ For further detail in relation to the Credit Facility, please see the Company’s disclosure given to ASX on 19 April 2023 (as to which, see: <https://wcsecure.weblink.com.au/clients/magnisenergytech/headline.aspx?headlineid=21369171>).

² The Borrower owns and operates the iM3NY Lithium-ion Battery Facility in Endicott, NY.

³ Which MNS reiterated at the AGM held 30 November 2023. Please note that there can be no certainty that a resolution acceptable to the Lender will be reached and/or that the Borrower will be able to obtain alternative financing on terms acceptable to the Borrower (or at all).

Magnis will keep the market informed of further developments in relation to this matter in accordance with its Listing Rule 3.1 disclosure obligations.

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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