



FOR RELEASE : 04 AUGUST 2021

New York Battery Plant Update Binding Sales Increase

- Additional binding contract signed with US Government supplier for US\$74 million over 4 years bringing total minimum binding sales agreements to US\$729 million or nearly A\$1 billion
- New York Plant Status - 17.85% complete
- Internal Building clear-out to be completed by 16 August 2021
- Environmental Justice Plan secured while Air Permit has been submitted and in public review phase and Aquifer Permits have been submitted
- Safety - Zero incidents for months of June and July

Magnis Energy Technologies Limited ["**Magnis**", or the "**Company**"] [ASX: MNS] is pleased to provide an update on activities at the iM3NY Battery Plant based in Endicott, New York. Magnis is the major shareholder of the project.

Binding Sales Agreements

In addition to the US\$655 million in binding sales agreements announced on 3 May 2021, iM3NY has been able to secure another agreement for US\$74 million over 4 years with a US Government supplier.

This now brings the minimum total of binding sales agreements to US\$729 million or a little below A\$1 billion. There are ongoing discussions and qualification processes continuing with several other potential customers.

Construction Overview of iM3NY Lithium-ion Battery Plant

iM3NY and Danish Engineering Giant Ramboll have undertaken a phased approach to the construction of the lithium-ion battery plant facility.

Phase 1 - The pilot line, will consist of existing facility infrastructure, demolition and abatement, process room design and construction, process equipment installations of the mixing/coating and formation equipment as well as the associated facility utility design and installations.

Phases 2 and 3 - Consist of building interior cell assembly/filling dry room construction and filling/cell assembly dry room process equipment and associated facility utility design and installations.

Phase 4 - The final engineering and construction phase of iM3NY's battery cell plant facility will consist of design and construction of the facility office space, quality control lab, maintenance, packaging, installation of formation and process equipment, and associated facility utility design and installation.

Project Status and Recent Milestones

Overall project completion rate is at 17.85%. Throughout the last two months the iM3NY team has collaborated with Ramboll working through crucial design feed information including master equipment list, master utility matrix, finalised general arrangement drawings, temperature and humidity requirements, storage and feed details. These items are critical to releasing the Ramboll design team to begin detailed engineering design work.

The facility clear-out work will be completed by August 16, post which the facility customisation work will begin to start moving the machinery into their permanent locations. The facility customisation and machinery roll out work will follow the phased approach as listed earlier. Construction material for the facility customisation work has already started to arrive at the factory.

There have been zero safety incidents in June and July.

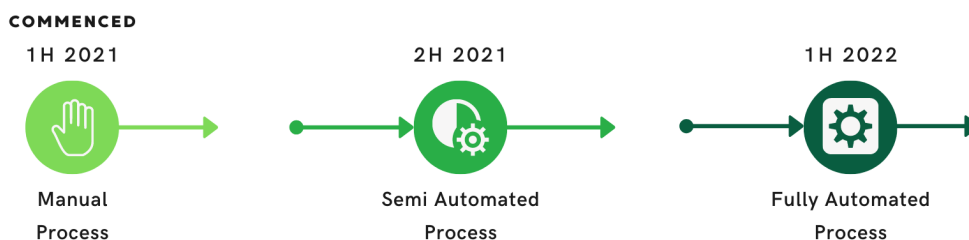


Figure 1: Timeline of various production stages



Figure 2: Dry Room construction materials have arrived in iM3NY Battery Plant

Permits and Tank Farm Facility

All three permits being air, environmental justice and aquifer have been submitted to the different regulatory authorities. The Air Permit is already past the regulatory authority review and is now out for public review. Environmental Justice plan has been approved and the iM3NY team is now executing to the plan. Ramboll has been in contact with all regulatory authorities and have been informed that the application packages all appear to be complete.

A tank farm facility was added to the footprint to handle close loop refinement and reuse of solvents without sacrificing environmental aspects and improving operating cost. The tank farm has existing piping infrastructure connected to building 48 which will require minimal upgrades to make it operational.



Figure 3: Tank Farm location and building 48 represent the Gigafactory site



Figure 4: External Condenser Systems moved to final location

Recent Hires and Head Office

During the months of May, June, and July there have been 6 hires, with another 6 joining the team in August. These new hires are highly skilled and experienced in engineering, factory supervising, process development management, factory technicians, finance, sales & marketing, HR, supply chain and back-office management. The addition of these team members allows iM3NY to continue to accelerate the development activities.

In May, the iM3NY team also moved into their permanent office facilities [HQ] located 100m from the iM3NY plant.

iM3NY Chairman Shailesh Upreti commented: "The iM3NY team continues to grow and is progressing with significant milestone without exceeding budget. In the coming months activities will increase considerably as equipment commissioning post dry room construction begin."

"We are also very encouraged by discussions with strategic investors, OEM's and government agencies all willing to assist our growth plans to exponentially increase our annual capacity."

Magnis Chairman Frank Poullas commented: "We are encouraged by the progress at the New York Lithium-ion Battery Plant which remains on track for semi-automated production this year."

"It is of note that the iM3NY team continues to work diligently in making savings and the project is currently under budget."

This announcement has been authorised for release by the Board of Magnis Energy Technologies Limited [ACN 115 111 763].

For further information:

Frank Poullas
Executive Chairman
Ph: +61 2 8397 9888
www.magnis.com.au
Suite 9.03 Aurora Place, 88 Phillip Street, Sydney NSW 2000