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Response from Magnis Energy Technologies Limited to coverage in The Australian, 23/9/23: “Magnis Energy Whistleblower takes aim at ASIC over past probe”

24 August 2023: Disappointingly, Magnis Energy Technologies Limited (Magnis) - among others - was made mention of during a Senate Economics Reference Committee Inquiry into the capacity and capability of the Australian Securities and Investments Commission (ASIC) to undertake proportionate investigation and enforcement action arising from reports of alleged misconduct by Australian Companies.

All matters raised pertain to historical claims that were thoroughly investigated by ASIC. ASIC concluded that investigation in November 2022 publicly stating there was no further action to be taken. ASIC also noted there was no direct evidence of the allegations made, and no identification of any harm to investors.

Magnis fully cooperated in this ASIC investigation, which was an exhaustive process including the regulator executing a search warrant, conducting section 19 examinations and reviewing more than 8,000 documents plus 75,000 email and telephone records. During the Inquiry on 23 August 2023, the Deputy Chair, Senator Jess Walsh, stated that it was clear ASIC used its powers during its investigation.

Magnis confirms that it is in the process of responding to a new review by ASIC. Magnis has always cooperated fully and collaboratively with the regulator and will continue to do so.

Magnis is continuing to deliver on its vision to enable, support and accelerate the green energy transition critical for the adoption of Electric Mobility and Renewable Energy Storage, creating value for economies, communities and shareholders.

In the past financial year, Magnis began commercial production at the iM3NY Lithium-ion Battery Plant based in Endicott, New York. Its wholly owned Nachu Graphite Project had its previous Bankable Feasibility Study updated and early infrastructure works began, and the company continued to work on commercialising new battery technologies through its partners C4V, whilst moving closer to its ambition of producing anode materials.

In relation to specific claims within the article:

STATEMENT: A whistleblower revealed a previous probe was mishandled and failed to act on warnings of alleged insider trading and share price manipulation.

RESPONSE: It is not up to anyone other than the Senate Economics Reference Committee to determine the capacity and capability of ASIC to undertake proportionate investigation and enforcement.

ASIC concluded its thorough investigation into Magnis in November 2022, publicly stating they were taking no further action. ASIC also noted there was no direct evidence of the allegations made, and no identification of any harm to investors.

STATEMENT: “I approached the chairman (Mr Poullas) many times and many others did to try get him to stop and he would just deny it”

RESPONSE: Magnis does not agree. Magnis has a Whistleblower Policy in place to ensure a safe and secure means of disclosing a wrongdoing or reportable matter, and at no time, either during his employment at Magnis or after, did Mr Peluso make any complaint to management or to the Magnis Board regarding governance. Share registry records show that Mr Peluso, throughout the course of his employment at Magnis, acquired additional shares in the company, making him a top 20 shareholder at the time of his departure.

STATEMENT: Mr Peluso told the committee that Mr Poullas, who has chaired Magnis for 13 years, would work with shareholders to remove challengers when they attempted to raise concerns over governance.

RESPONSE: Magnis does not agree. Magnis has a Whistleblower Policy in place to ensure a safe and secure means of disclosing a wrongdoing or reportable matter, and at no time have Mr Peluso or employees, past or present, made any official complaint to management or to the Magnis Board regarding governance.

FOR FURTHER INFORMATION

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