

Mercedes-Benz Refinery Purchase Order

Highlights

- Primobius receives purchase order (“**PO**”) from Mercedes-Benz (“**Mercedes**”) for the hydrometallurgical refinery (“**Hub**”) plant to complete its lithium-ion battery (“**LiB**”) recycling facility, currently under construction, in Kuppenheim, Germany; and
- PO covers fabrication, installation and commissioning of the Hub which will refine intermediate products from the 2,500tpa shredding ‘Spoke’ currently being fabricated for Mercedes under a previous PO.

Innovative battery materials recycler, Neometals Ltd (ASX: NMT & AIM: NMT) (“**Neometals**” or “**the Company**”), is pleased to announce that Primobius GmbH (“**Primobius**”) has received a PO for supply of a hydrometallurgical refining Hub from Mercedes for installation at its Kuppenheim operation in Germany. Primobius is an incorporated battery recycling joint venture (“**JV**”), company owned 50:50 by Neometals and SMS group GmbH (“**SMS**”). Primobius is commercialising a patented LiB recycling process via a plant supply and technology licensing business model.

The PO value is ~ €18.8M (~ A\$30.8M) and was awarded as part of a cooperation arrangement with Mercedes (“**Cooperation**”). Under the Cooperation, Primobius is responsible for the engineering, equipment supply and installation for a 2,500tpa fully-integrated, closed loop Mercedes LiB Recycling Pilot Plant (“**Mercedes Spoke**” followed by “**Mercedes Hub**”) (together “**Mercedes Pilot Plant**”).¹ The Hub is designed to match the capacity required to process intermediate feed material (“**Black Mass**”) generated from the front-end refining Spoke.

The Mercedes Pilot Plant marks the automotive company’s entry into the field of LiB recycling. As set out in the Mercedes ‘Kuppenheim Ground-Breaking Ceremony’ Press Release dated 3rd March 2023, the Mercedes LiB Recycling Plant at Kuppenheim “*aims to cut resource consumption and establish closed-loop recycling of battery raw materials as (Mercedes) moves towards going electric only*”. The facility aims to recover materials (including lithium, nickel and cobalt, amongst others) which will be fed back into production of a targeted 50,000 battery modules for installation into new Mercedes vehicles.

The Mercedes Hub PO completes the Primobius contractual arrangements relating to construction of the Mercedes Pilot Plant and follows, as scheduled, closely behind the corresponding Spoke PO². The award is further validation of the efficacy and scalability of the Primobius technology to meet the needs of global OEM’s generally, and the automotive industry more specifically. Successful commissioning and the achievement of steady state operations will significantly de-risk the next level of scale up to 21,000tpa.

¹ for full details refer to Neometals ASX announcement headlined “Cooperation Agreement with Mercedes Benz” released on 13th May 2022

² for full details refer to Neometals ASX announcement headlined “Mercedes-Benz Recycling Plant Purchase Order” released on 22nd August 2023

Beyond the Mercedes Pilot Plant, Primobius is focused on engineering an industrial scale solution for Mercedes.



Figure 1



Figure 2

Figure 1: Render of integrated Mercedes LiB Recycling Pilot in Kuppenheim Germany.

Figure 2: Real-time photo of construction progress.

Neometals Managing Director, Chris Reed says:

"We are proud to partner with Mercedes in its journey to lead the closed-loop recycling of lithium batteries.

The relationship exemplifies some of the unique aspects to Primobius' business model. One of these is the ability to supply plant and offer technology licences so OEMs can retain their battery materials from scrap and end-of-life batteries. Supply certainty, low operating costs and low carbon footprint are key value drivers for OEM's looking forward. Our measured approach to delivering scalable solutions with our partner and leading plant builder SMS augurs well for penetrating this enormous addressable market.

Primobius looks forward to working with Mercedes to scaleup the technology and provide an industrial scale recycling solution to meet their future needs."

Next Steps

Primobius has commenced the installation of the Spoke plant equipment and will now commence fabrication of the Hub equipment supply package.

About Primobius GmbH

Primobius is a 50:50 incorporated joint venture between Australian sustainable battery materials producer, Neometals Ltd, and German global plant manufacturer SMS group. Primobius is focused on the development of sustainable processes for the recovery and recycling of lithium-ion batteries.

For more information, please visit <https://www.primobius.com>.

Authorised on behalf of Neometals by Christopher Reed, Managing Director.

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About Neometals Ltd

Neometals has developed and is commercialising three environmentally-friendly processing technologies that produce critical and strategic battery materials at lowest quartile costs with minimal carbon footprint.

Through strong industry partnerships, Neometals is demonstrating the economic and environmental benefits of sustainably producing lithium, nickel, cobalt and vanadium from lithium-ion battery recycling and steel waste recovery. This reduces the reliance on traditional mine-based supply chains and creating more resilient, circular supply to support the energy transition.

The Company's three core business units are exploiting the technologies under principal, joint venture and licensing business models:

- **Lithium-ion Battery ("LiB") Recycling (50% technology)**
– Commercialisation via Primobius GmbH JV (NMT 50% equity). All plants built by Primobius' co-owner (SMS group 50% equity), a 150-year-old German plant builder. Providing recycling service as principal in Germany and

commenced plant supply and licensing activities as technology partner to Mercedes-Benz. Primobius targeting first commercial, fully integrated, 21,000tpa plant offer to Canadian company Stelco in the JunQ 2025;

- **Lithium Chemicals (70% technology)** – Commercialising patented ELi™ electrolysis process, co-owned 30% by Mineral Resources Ltd, to produce battery quality lithium hydroxide from brine and/or hard-rock feedstocks at lowest quartile operating costs. Co-funding Pilot Plant trials in 2023 with planned Demonstration Plant trials and evaluation studies in 2024 for potential 25,000tpa LiOH operation in Portugal under a JV with related entity to Bondalti, Portugal's largest chemical company; and
- **Vanadium Recovery (100% technology)** – aiming to enable sustainable production of high-purity vanadium pentoxide from processing of steelmaking by-product ("Slag") at lowest-quartile operating cost. Targeting partnerships with steel makers and participants in the vanadium chemical value chain under a low risk / low capex technology licensing business model.

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