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Lithium Australia signs exclusive recycling agreement with Volvo Group Australia

HIGHLIGHTS

- Lithium Australia via its wholly owned subsidiary Envirostream Australia Pty Ltd (“Envirostream”) has signed an exclusive agreement with the Buses business arm of Volvo Group Australia (“Volvo”) to recycle end-of-life lithium-ion batteries from its electric and hybrid bus fleet
- Volvo manufactures and supplies electric and hybrid buses to customers across Australia including Public Transport Authority in Western Australia and Transdev in Queensland
- The agreement has an initial 3-year term, and the Company expects it to drive increase in collection volumes of hybrid batteries from buses reaching their end of life and of larger format batteries used in Volvo’s electric chassis platform
- Large format lithium-ion battery collection volumes are key to driving operating leverage, as they provide the highest margin opportunity
- Lithium Australia remains focused on signing exclusive contracts with original equipment manufacturers (OEMs) that rely on large format batteries, underpinning the Company’s growth strategy

Lithium Australia Ltd (ASX:LIT) (“**Lithium Australia**” or the “**Company**”) is pleased to announce that its wholly owned subsidiary Envirostream Australia Pty Ltd (“**Envirostream**”) has signed an agreement with the Buses business arm of the Volvo Group Australia (“**Volvo**”) to recycle end-of-life batteries from its fleet of electric and hybrid buses.

Volvo is one of the world’s leading bus manufacturers, with a strong focus on building vehicles and systems for long-term sustainable public transport. Volvo has recently delivered its electric bus model to various customers, including Public Transport Authority in Western Australia, Transdev in Queensland, and other public services organisations across Australia.

The recycling agreement between Lithium Australia and Volvo is for an initial 3-year term, during which Lithium Australia will be the exclusive provider of battery recycling services to Volvo in relation to its fleet of electric and hybrid buses in Australia.

This agreement highlights Lithium Australia’s continued focus on accelerating growth in collection volumes of large format lithium-ion batteries, such as those from electric vehicles (EV’s) and energy storage systems (ESS), due to their higher margin profile.

The supply of available large format batteries for recycling is expected to accelerate exponentially as adoption of EV's and ESS continues to grow. Partnering with top tier EV and ESS manufacturers is a core part of Lithium Australia's national growth strategy, in line with the Company's previously identified key priorities of FY24. The Company looks forward to leveraging this momentum, to win new market leading clients.

Comment from Lithium Australia CEO & Managing Director, Simon Linge

"We are very excited by the exclusive recycling agreement signed with Volvo, a leading manufacturer of electric buses in Australia. The agreement validates our strategy to target large-scale OEMs and ESS manufacturers to grow our share of the high margin, large-format battery collection volumes. Increasing our capability and growing volumes are strong drivers for the Company reaching cashflow breakeven within the recycling business, which we aim to achieve in the near term."

Authorised for release by the Managing Director and CEO.

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Forward-looking statements

This announcement contains forward-looking statements. Forward-looking statements are subject to a variety of risks and uncertainties that it is beyond the Company's ability to control or predict and which could cause actual events or results to differ materially from those anticipated in such forward-looking statements.

About Lithium Australia

Lithium Australia is aiming to lead and enable the global transition to sustainable lithium production. The Company operates Australia's market leading battery recycler, produces critical battery material lithium ferro phosphate (LFP), and has developed a patented lithium extraction technology. Lithium Australia's revenue-generating recycling business and technologies are well-placed to capitalise on growing global lithium-ion battery demand and provides diversification benefits to global supply chains.