

03 July 2025

Shareholder Letter – Strategic update

Dear Shareholders,

As we commence a new financial year, it is timely to provide a strategic update. In January 2025 we outlined a strategic framework that was focused on driving long-term value across our three core divisions; Battery Recycling, Battery Materials and Lithium Chemicals, stating that the Battery Recycling division had been identified as a primary strategic focus noting how quickly the sector is growing globally and how strongly we were performing. I am pleased to confirm this remains unchanged and going forward we are consciously moving towards becoming a recycling centric organisation. This will enable us to better leverage Livium's expertise and supply chain to pursue further commercial opportunities that are adjacent to and complementary to our core capabilities.

Over the last six months we have delivered a series of strong strategic and commercial achievements that cement this decision and the division's potential as the key driver of long-term sustainable growth.

Strategic recycling transformation

In late FY24 we made the decision to place a focus on Lithium-Ion Batteries (LIBs), particularly large format such as energy storage and electric vehicles. In FY25 this resulted in reduced collections of non-LIBs chemistries, lowering recycling volumes in absolute terms, however providing significantly higher margins and laser-focused resources. In FY25 we invested resources into customer development and successfully increased LIB volumes through existing customers and the securing of new customers which included energy storage, e-mobility and embedded batteries. This investment in customer development has diversified our revenues sources, materially derisking the business by reducing our reliance on a small number of key partners - as was the case a year ago.

Going forward we expect continued growth in volumes from both existing and new customers and are committing to delivering this growth by investing in our expansion. Whilst our current Victorian facilities have latent capacity, we are exploring options to scale processing capacity ("Hub") by up to three times to match growth projections estimated by B-Cycle¹. We are the leading LIB recycler in Australia and are steadfastly committed to maintaining this position. We expect the scale up to occur over the next two financial years.

In addition, we are seeking to establish "Spokes" - cutting-edge battery sorting and dismantling recycling facilities that will focus on collection, sorting, discharge and storage of batteries. Spokes will allow LIBs to be made safe before transport to the "Hub" for processing through to black mass. Western Australia is a key target for our first Spoke, and is being supported by an A\$850,000 grant from the WA government. Expansion nationally enables us to accelerate penetration into new sectors which typically seek local support (such as mining in WA).

The battery recycling sector is evolving quickly and new commercial opportunities, both expected and unexpected, are emerging. With our customer development strategy well underway we are now looking to execute our strategic operational expansion by pursuing adjacent recycling opportunities complementary to our skills and customer base. An example of this is rare earth element (REE) recycling where we are assessing several proposals, other opportunities being assessed include solar panel recycling and E-waste.

¹ Source: Battery Market Analysis - The latest market data for the battery industry in Australia: B-cycle (Oct23)

Long term growth opportunities

Earlier this year wholly owned Battery Materials subsidiary, VSPC Pty Ltd, successfully secured a grant from ARENA for A\$30 million towards the design, build and two years of operation of an LFP demonstration plant. This is estimated to provide 50% of the project funding and we have been actively exploring additional funding options for the remaining 50% before the final investment decision is made.

Whilst we have observed a reduced investor appetite due to factors such as geopolitical uncertainty, several active engagements have been developed. It is our priority to ensure any funding arrangements are in the best interest of the company and our shareholders, and are understood in a timely fashion. As such, we have set a target completion date for this stage of the funding, within Q1 FY26, at which point we will assess proposals to determine if a viable funding path forward for the A\$30 million exists. Should a viable path forward not be confirmed by that time, the company may pursue alternative options for VSPC that aim to preserve or realise shareholder value while minimising ongoing working capital commitments associated with this part of the business.

Earlier this year wholly owned Lithium Chemicals subsidiary, LieNA Pty Ltd, commenced Stage 1A activities² which sought to assess alternate commercialisation pathways for the LieNA® technology. Stage 1A activities have progressed as per the plan and are nearing completion. In anticipation of this, Livium and MinRes are now working to formalise the completion of these activities, finalise conversion of the Convertible Note Deed, and the subsequent formation of the 50:50 Joint Venture. Completion is still expected in Q1 FY26.

As we move into FY26, we do so with a clear strategic focus, an increasingly resilient business model and a commitment to disciplined capital allocation. Our efforts to strengthen and grow our Battery Recycling division, while pursuing long-term value-accretive opportunities in Battery Materials and Lithium Chemicals, position us to deliver sustainable growth and enhanced shareholder value. I look forward to updating you soon with more details on how our strategy development is progressing as we execute on our priorities and continue to build a business that is leading the transition to a circular, battery-powered economy.

I would like to thank you for your continued support and belief in Livium's long-term vision.

Yours sincerely,

Simon Linge
Managing Director & CEO
Livium Ltd

² Refer ASX Announcement 28 April 2025: "Quarterly Activities Report March 2025."

ASX ANNOUNCEMENT



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. Investors should be aware that past performance should not be relied upon as being indicative of future performance.

About Livium

Livium (previously 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 (LieNA®). Livium'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.

Divisions of Livium



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