

25 August 2025

## A\$6.6m Net Asset uplift through fire provision reduction, DTA recognition and LieNA® JV

### HIGHLIGHTS

- Improvements to the Company's financial position have been recognised following preparation of the Annual Report, and the recent formation of the 50:50 JV with MinRes
- A\$2.1m or 25% reduction in the provisions associated with the 2019 Envirostream fire insurance claim has been implemented in FY25
- A\$1.6m deferred tax asset was recognised in FY25 from delivery of Envirostream's maiden tax profit for the financial year and with the expectation of ongoing tax profits
- LieNA® will now be equity accounted resulting in a A\$2.9m uplift in net assets in FY26 following the conversion of the convertible note and formation of the 50:50 JV with MinRes

Livium Ltd (ASX: LIT) ("**Livium**" or the "**Company**") is pleased to announce that, following a review of the financial position of the Company during the preparation of the FY25 Annual Report, certain changes in accounting treatment and assumptions have resulted in a series of improvements to the Company's financial position at 30 June 2025.

In addition, following the formation of the LieNA® 50:50 Joint Venture with Mineral Resources Ltd (ASX: MIN) ("**MinRes**")<sup>1</sup> the accounting treatment for LieNA Pty Ltd as a 50% holding has been reassessed resulting in an improvement to the Company's financial position in August 2025 and which will be reported in the period to 31 December 2025.

These matters provide immediate uplift in net assets and support the Company's capacity to advance its core recycling operations.

### Insurance claims update – 25% reduction in provision

Envirostream Australia Pty Ltd ("**Envirostream**") has previously been served writs in regard to damage caused by a fire at 31 Colbert Road, Campbellfield, Victoria, on 19 January 2019. These claims have resulted in the recognition of a provision within the balance sheet of the Group. The insurer has indemnified Envirostream, as policy holder, for claims made and has settled prior claims, and no future claims are expected as the six-year limitations period under the Limitations of Actions Act (Vic) passed in January 2025.

As previously announced, legal discovery for certain historical claims commenced during FY25<sup>2</sup>. While preparing for the hearing, new information was uncovered which provided a different basis for the assumptions underpinning the estimate of the provision. As a result, the revised assumptions released approximately 25% (~A\$2.1m) of the provision, reducing it from A\$7.5m to A\$5.4m in FY25.

The above hearing is scheduled to commence in February 2026, with mediation set for December 2025. Future insurer settlements would result in reversal of the relevant provision on Livium's balance sheet.

### Envirostream profitability results in the recognition of a A\$1.6m DTA

In the year to 30 June 2025, Envirostream also recognised a deferred tax asset (DTA) of ~A\$1.6 million. Envirostream is a wholly owned subsidiary of the group and operates the recycling business but is its own tax entity.

<sup>1</sup> Refer announcement, "50:50 Joint Venture established with Mineral Resources for LieNA® Technology", dated 13 January 2025.

<sup>2</sup> Refer announcement, "Update on insurance claims related to Envirostream", dated 19 March 2025.

Envirostream achieved a maiden accounting and tax profit in FY25, and forecasts support ongoing profitability of the recycling division allowing utilisation of carried-forward tax losses, supporting the recognition of this asset and increasing the net assets of the group at 30 June 2025.

## **LieNA® 50:50 JV offers A\$2.9m Increase in Net Assets**

Subsequent to the year-end, Livium established a 50:50 joint venture with MinRes in relation to the LieNA® lithium extraction technology. As a result, the Group ceased to consolidate LieNA Pty Ltd from 8 August 2025 and now accounts for its 50% interest under the equity accounting method in accordance with AASB 128.

The conversion of the convertible notes by MinRes, deconsolidation of LieNA Pty Ltd and recognition of an equity-accounted investment related to the joint venture resulted in an increase in Livium's net assets of ~A\$2.9 million. The formation of the joint venture reflects the transition of LieNA® into a shared development platform with a strategic partner and provides a stronger financial foundation for ongoing advancement of this proprietary technology.

### **Comment from Livium CEO and Managing Director, Simon Linge**

*"These improvements to our financial position follow delivery of strategic targets over the past few years.*

*The recognition of the deferred tax asset was achieved following the shift in Envirostream's commercial model in FY24, which is expected to deliver profitability into the future. The successful establishment of the LieNA® joint venture with MinRes followed completion of key activities for the LieNA® technology.*

*The Company does not have any direct influence behind settlement of the insurance claims. It is pleasing that a hearing date is set, and we look forward to conclusion of this which will result in a reduction in the carry value of the provision.*

*The above items provide Livium with a stronger financial foundation to accelerate the growth of our core recycling operations."*

Authorised for release by the Livium Board of Directors.

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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, Envirostream, a revenue and profit generating business which is well-placed to capitalise on growing lithium-ion battery demand. Additionally, the Company aims to commercialise patented lithium extraction technology (LieNA®), through a 50:50 joint venture with Mineral Resources Ltd (ASX: MIN), and critical battery material lithium ferro phosphate (LFP), through wholly owned subsidiary VSPC.