

## Interim Management Report

1 January – 30 June

2025



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# 1. ABOUT VULCAN GROUP

## Business model and corporate profile

Vulcan Energy (ASX: VUL, FSE: VUL, the Company) is building the world's first carbon neutral, integrated lithium and renewable energy business to decarbonise battery production. Phase One of Vulcan's Lionheart Project (the Project), located in the Upper Rhine Valley Brine Field (URVBF) bordering Germany and France, is the largest lithium resource in Europe<sup>1</sup> and a tier-one lithium project globally.

Harnessing natural heat to produce lithium from sub-surface brines and to power conversion to battery-quality material and using its in-house, industry-leading technology VULSORB®, Vulcan is building a local, low-cost source of sustainable lithium for European electric vehicle batteries.

The URVBF is a brine-producing geothermal-lithium field which contains Europe's largest lithium resource<sup>2</sup>. It includes a mineral resource estimate of 29.1 million tonnes (Mt) of contained lithium carbonate equivalent (LCE)<sup>3</sup>.

The URVBF is a large, 300 km-long graben system with consistent geothermal lithium reservoirs in sedimentary rock. It is a well-known mature field with decades of development, multiple wells in production for geothermal energy, and numerous chemical parks across the region which provide support for lithium production.

The Company currently operates four production and re-injection wells in its Project area, and the Field Development Plan for Phase One of the Project involves adding 24 production and re-injection wells to create a larger, integrated renewable energy and sustainable lithium project.

In addition to high lithium grades, the geothermal brine reservoir of the URVBF is capable of generating renewable heat. The process of pumping brine to the surface at a geothermal plant generates renewable heat which can be used for operations, sold directly or used to produce electricity. Because of its natural conditions, the URVBF is a particularly well-suited location for the operation of geothermal plants.

The location of the Company's dual-purpose geothermal lithium project, in the heart of Europe's automotive and emerging battery industry, gives the Project the advantage of a very short product transport distance to European customers, as well as the ability to electrify product transportation.

For more information, please go to <https://v-er.eu/>

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<sup>1</sup> On a lithium carbonate equivalent (LCE) basis, according to public information, as estimated and reported in accordance with the JORC Code 2012. See Appendix 4 of Vulcan's Equity Raise Presentation dated 11 December 2024 for comparison information.

<sup>2</sup> On a LCE basis, according to public information, as estimated and reported in accordance with the JORC Code 2012. See Appendix 4 of Vulcan's Equity Raise Presentation dated 11 December 2024 for comparison information.

<sup>3</sup> The 29.1 Mt LCE total lithium Resource is comprised of 2.1 Mt LCE of Measured Resource @ 181 mg/L, 9.7 Mt LCE of Indicated Resource @ 177 mg/L and 17.3 Mt LCE of Inferred Resource @ 174 mg/L. Please also refer to the Competent Person Statement contained within this document.



The Company is dual listed on the Australian Securities Exchange (ASX), and the regulated market of the Frankfurt Stock Exchange (FSE), in the Prime Standard market segment. Consistent with the regulatory and reporting obligations of the FSE, Vulcan's June 2025 Half Year Reporting Suite also includes the June 2025 Interim Management Report (Konzernlagebericht).

The Konzernlagebericht has been prepared in accordance with the Deutscher Rechnungslegungsstandard Nr. 16 (DRS 16).

Vulcan's Reporting Suite is available on the Company's website: <https://v-er.eu/>

## 2. KEY EVENTS

### Half year 2025 milestones

- Production of the first battery-quality lithium hydroxide monohydrate (LHM) at the Company's downstream Central Lithium Electrolysis Optimisation Plant (CLEOP) at Industrial Park Höchst, Frankfurt, in January, representing the first fully integrated, battery-quality LHM produced in Europe, from raw material to final product
- The Project was awarded Strategic Project status under the European Commission's Critical Raw Materials Act (CRMA), reflecting the Project's alignment with the objectives of the CRMA
- Commenced drilling of the first new well for the Project at the Schleidberg well site near Landau, Germany, representing the fifth well in the Project area and start of project execution of sub-surface works
- Main heat offtake agreement for the Project signed with German energy supplier EnergieSüdwest AG (ESW), for the supply of geothermal renewable heat. The Company has agreed to supply various districts in the Landau area with renewable heat produced from several production sites, which make up Vulcan's Project, for a period of 35 years
- Successful completion of 70 km of 2D seismic survey lines for the geothermal heat development project in the Ludwigshafen region of Germany, which the Company is undertaking in partnership with the owner of the world's largest integrated chemical complex, BASF SE (BASF)
- Approval received for building permits for the 30MW geothermal renewable energy plant and electrical substation that form part of the Project. The Company will use this plant in Landau to supply an increased amount of baseload, renewable power, both for sales into the grid and for its own operations

- Proceeded to detailed due diligence for the €1bn German Raw Materials Fund (RMF) in April and, as a result, committed to including government participation in the financing of its Project, subject to process and approvals
- Completion of Phase One upstream renewable energy consolidation via the acquisition of geox GmbH (Geox), including its operational geothermal wells, renewable energy generation assets and a geothermal and lithium licence around the City of Landau, Germany. The assets will be used as part of the consolidation of Vulcan's wider upstream Project
- The Share Purchase Plan, announced by the Company on 11 December 2024 closed on 20 January 2025, raising an amount of ~A\$8m through the issue of 1,366,332 new fully paid ordinary shares in the Company, in addition to the €100m (A\$164m) institutional raise in December
- The appointments of Group Chief Financial Officer Felicity Gooding as Executive Director, and Non-Executive Director Angus Barker as Lead Independent Director and Deputy Chair were effective from 1 January 2025
- Announced as the winner of The Australian Financial Review's Sustainability Leaders for 2025 in the Resources, Energy & Utilities category. In addition, the Company was awarded a special distinction for the Sustainability Leader – Medium Organisation category.

### 3. EARNINGS PERFORMANCE, FINANCIAL AND ASSETS SITUATION

#### Earnings performance

##### CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE SIX MONTHS ENDED 30 JUNE 2025 AND 2024

	30 June 2025	30 June 2024
	€ '000	€ '000
Revenue from continuing operations	4,113	3,753
Other income	307	297
Share of loss from equity accounts investments	-	(50)
Raw materials and purchased services	(1,646)	(555)
Employee benefit expenses	(14,267)	(10,401)
Depreciation and amortisation	(6,126)	(3,336)
Share-based payments expense	(1,356)	(1,151)
Other expenses	(12,951)	(9,071)
Net foreign exchange gain	624	450
Finance income	1,859	1,005
Finance Expense	(141)	(89)
<b>Loss before income tax expense</b>	<b>(29,584)</b>	<b>(19,148)</b>
Income tax expense	(1,104)	(198)
<b>Loss after income tax for the period</b>	<b>(30,688)</b>	<b>(19,346)</b>
<b>EBITDA</b>	<b>(25,176)</b>	<b>(16,728)</b>

#### Revenue from continuing operations

During the six-month period to June 2025, the Group had revenue from the Insheim geothermal power plant of €2.3 million (June 2024: €2.2 million). Insheim revenue was broadly in line with the comparative six-month period.

During the six-month period the Group had revenue of €0.3 million (June 2024: €1.0 million) from its drilling labour hire company, Comeback Personaldienstleistungen GmbH (Comeback), €0.5 million (June 2024: €0.5 million) from its drill rig refurbishment company, Vercana GmbH (Vercana) and other revenue of €1.0 million (June 2024: €nil). The lower revenue from

Comeback in the current period is due to the prioritisation of internal drilling projects as opposed to external work.

### **Employee benefit expenses**

Time spent by engineers of Vulcan Energie Ressourcen GmbH (VER) and Vercana GmbH on Vulcan's projects has been capitalised to exploration and evaluation or plant and equipment on the balance sheet. Labour costs which are not related to exploration and evaluation or plant and equipment are disclosed in the statement of profit or loss as employee benefit expenses. Work capitalised in the current period of €6.7 million predominantly relates to time incurred on the Schleidberg wellsite preparation in the Phase One upstream project area. The prior period other own work capitalised of €9.3 million includes time spent on the design and construction of LEOP and CLEOP, and Vercana drill rig refurbishment, which have since completed, resulting in a lower labour cost capitalised in the current period. Employee benefit expenses also include an increase in average full time equivalent employees from 368 in the six-month period ended June 2024, to 371 in the six-month period ended June 2025, in addition to inflationary increases in salaries and wages. This, in addition to lower work capitalised, resulted in an increase in employee benefit expenses in the statement of profit or loss from €10.4 million in the prior period to €14.3 million in the current period.

### **Expenses**

Operating costs, including the purchase of raw materials for the Insheim plant, as well as purchased services, amounted to €1.6 million for the six-month period to June 2025 (June 2024: €0.6 million). The increase in raw materials and purchased services from prior year was due to a planned shut-down of the Insheim power plant in May and June 2024, which was not repeated in the current period. Depreciation cost of plant & equipment amounted to €6.1 million (June 2024: €3.3 million), with the increase attributable to a full period of depreciation of LEOP, CLEOP and the commencement of depreciation of the Vercana V20 drill rig in May 2025.

Non-cash share-based payments relating to long term incentives amounted to €1.4 million for the six-month period to June 2025 (June 2024: €1.2 million).

Other expenses of €13.0 million for the six months ended 30 June 2025 were higher than the prior period of €9.1 million, predominantly due to one-off legal expenses relating to financing of the Group's Phase One Lionheart Project, storage costs for drill rig casings and operating costs relating to CLEOP and the Vercana drill rigs.

### **Loss after income tax**

The net loss after tax for the six-month period to June 2025 was €30.7 million (June 2024: €19.3 million), predominantly due to higher other expenses, depreciation expense and employee benefits expense (including lower work capitalised to assets) for the reasons described above. Income tax expense increased to €1.1 million, from €0.2 million in the prior period due to a reduction in available tax losses carried forward, resulting in deferred tax movements and a higher tax expense recognised in the current period.

Movement in the Australian Dollar exchange rate compared to the Euro resulted in a foreign currency gain of €0.6 million in the Consolidated Statement of Profit and Loss or Other Comprehensive Income of the Group, compared to €0.5 million for the six-month period ended 30 June 2024. The resulting gain predominately related to a revaluation of cash held in Australian dollars in the parent entity.

## EBITDA

EBITDA was a loss of €25.2 million for the six-month period to June 2025 (30 June 2024: a loss of €16.7 million). The increase in the EBITDA loss was due to an increase in other expenses and employee benefits expense for the reasons described above.

The EBITDA loss for the six-month period to 30 June 2025 for Germany was €20.3 million (30 June 2024: €13.0 million) and Australia €4.7 million (30 June 2024: €3.7 million).

## ASSET AND FINANCIAL POSITION

### Statement of Cash Flows

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS	30 June 2025 €000's	30 June 2024 €000's
Net cash used in operating activities	(24,401)	(12,513)
Net cash used in investing activities	(22,660)	(43,607)
Net cash provided by financing activities	4,986	37,824
<b>Net decrease in cash and cash equivalents</b>	<b>(42,075)</b>	<b>(18,296)</b>
Cash and cash equivalents at beginning of the period	97,054	78,728
Effect of exchange rate fluctuations	(6,218)	145
<b>Cash and cash equivalents at end of the period</b>	<b>48,761</b>	<b>60,577</b>

### Net cash used in operating activities

The net operating cash outflow from continuing operations in the six-month period to 30 June 2025 was €24.4 million, higher than net operating cash outflow from continuing operations of €12.5 million for the six-month period ended 30 June 2024. The increase was predominantly due to higher cash outflows relating to employee benefits, and project development outflows relating to LEOP and CLEOP which commenced production in 2024 and are no longer classified as cash used in investing activities.

### Net cash used in investing activities

Investing activities led to a cash outflow of €22.7 million in the first half of 2025 (30 June 2024: net cash outflow €43.6 million). Significant cash outflows for the six-month period include:

- Phase One area Schleidberg production wellsite preparation and drilling



- Phase One area Trappelberg and Insheim wellsite preparation
- Preparatory works for the construction of the Central Lithium Plant (CLP) and Lithium Extraction Plant (LEP)
- Drill casings equipment and refurbishment costs for Vulcan's two electric drill rigs.

Prior year expenditures included refurbishment of the electric drill rigs, engineering and construction of the LEOP and CLEOP plants, engineering of the Phase One LEP and CLP and wellsite preparation work.

### Net cash provided by financing activities

During the period, there was a net cash inflow of €5.0 million (30 June 2024: €37.8 million cash inflow) from financing activities, due to proceeds from the issue of shares of €10.9 million (30 June 2024: €40.0 million).

### Asset and Capital Structure

CONSOLIDATED SUMMARY STATEMENT OF FINANCIAL POSITION		
	30 June 2025	31 Dec 2024
	€000's	€000's
Current assets	59,748	107,934
Non-Current Assets	311,895	271,318
<b>Total Assets</b>	<b>371,643</b>	<b>379,252</b>
<b>Equity</b>	<b>325,887</b>	<b>351,552</b>
Current liabilities	31,089	21,097
Non- Current Liabilities	14,667	6,603
<b>Total Liabilities</b>	<b>45,756</b>	<b>27,700</b>
<b>Total equity and liabilities</b>	<b>371,643</b>	<b>379,252</b>

Current assets decreased by €48.2 million to €59.7 million as at 30 June 2025 (December 2024: €107.9 million) due to a decrease in cash and cash equivalents, due to spend incurred on capital and operating expenses offset by proceeds from the issue of shares.

Non-current assets increased to €311.9 million (December 2024: €271.3 million). The increase was principally due to property plant and equipment additions of €35.0 million, including assets recognised resulting from the acquisition of Geox GmbH, wellsite preparation and drilling, preparatory works for the construction of the CLP and LEP, refurbishment of two electric drill rigs, drill casings equipment acquired and €1.8 million capitalised exploration and evaluation attributable to progression of exploration activities. The increase was also attributable to an additional restoration and rehabilitation provision of €3.8 million being recognised in property, plant and equipment during the period, additional borrowing costs capitalised of €3.3 million relating to the Group's debt financing process, and an increase in right-of-use assets of €3.8 million predominantly relating to the leasehold agreement entered into pertaining to the licence area acquired with Geox GmbH.

Current liabilities increased to €31.1 million (December 2024: €21.1 million) primarily due to an increase in trade and other payables including deferred consideration of €11.0 million for the acquisition of Geox GmbH, which is payable before 31 October 2025.

Non-current liabilities increased to €14.7 million (December 2024: €6.6 million), due to an increase of €3.4 million in lease liabilities as a result of the leasehold agreement entered into pertaining to the licence area acquired with Geox GmbH, an increase of €3.8 million for additional restoration and rehabilitation provision recognised during the period, and an increase of €0.8m in deferred tax liabilities.

Equity decreased by €25.7 million during the period reflecting the loss for the period of €30.7 million and a decrease in foreign currency translation reserves of €7.0 million due to the weakening Australian dollar against Euro, partially offset by the issue of share capital of €10.9 million.

## 4.OUTLOOK, OPPORTUNITIES AND RISKS

### OUTLOOK

#### ECONOMIC OUTLOOK

##### LITHIUM

Lithium prices are subject to unpredictable fluctuations driven in part by changes in the balance of global supply and demand as well as international, economic and geopolitical trends and developments.

In a continuation of the previous six-month period, the lithium market has experienced significant price volatility. Lithium prices hit a four-year low as recently as June 2025, reflecting a two-year downturn triggered by oversupply. However, in the intervening period, the market has rebounded, fuelled by mine closures throughout China and other project delays which have tightened supply. While the long-term outlook is robust, short-term fluctuations will likely continue as supply and demand recalibrate<sup>4</sup>.

Over the next 15 years, a global supply shortfall is anticipated relative to demand, with the imbalance being particularly pronounced in Europe, which remains structurally undersupplied. Driven largely by demand for electric vehicle batteries, projections indicate that ~4.1 million tonnes of lithium carbonate equivalent will be required per annum by 2035<sup>5</sup>.

##### GEOTHERMAL RENEWABLE ENERGY

Vulcan expects political and community support for developing geothermal heat and power to increase over the coming years. This is due to Europe and Germany's dual goals of climate change mitigation and regaining energy sovereignty.

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<sup>4</sup> Benchmark Minerals Intelligence

<sup>5</sup> Benchmark Minerals Intelligence

Examples of public sector support for geothermal projects across the region include:

#### **Renewable Energy Directive<sup>6</sup>**

- 42.5% binding EU-wide renewable energy target by 2030.

#### **Energy Efficiency Directive<sup>7</sup>**

- Targets fully decarbonised district heating and cooling supply by 2050, with minimum requirements to be gradually changed over time
- Requires EU countries to promote local heating and cooling plans in municipalities having populations over 45,000.

#### **The Net-Zero Industry Act (NZIA)<sup>8</sup>**

- Lists geothermal energy as one of eight strategic technologies, giving it access to faster permitting, investment incentives and EU-level funding.

The Company's 100%-owned in-house geothermal drilling company, Vercana, is strategically placed to address the vast geothermal capacity build out in Germany. Germany has 158 deep geothermal wells<sup>9</sup> in planning and 16 under construction, presenting a growing addressable market which Vercana is well-placed to service.

### **POLICY OUTLOOK**

During the six-month period, there were several Federal and European policy initiatives that support the Company's position in helping Europe achieve critical raw materials independence and decarbonising the lithium battery supply chain for electric vehicles.

The Company is well placed to benefit from these regulatory and legislative measures for the current Phase One as well as future phases. These include:

**EU Sustainable Transport Investment Plan<sup>10</sup>:** The EU is currently preparing the Sustainable Transport Investment Plan, set to be unveiled in Q3 2025. Its goal is to boost investments in renewable and low-carbon transport modes and infrastructure to accelerate decarbonisation of the transport sector.

**EU Industrial Decarbonisation Accelerator Act<sup>11</sup>:** This legislation is designed to help energy-intensive industries continue to decarbonise while maintaining their competitiveness internationally. It was officially presented by the European Commission on 26 February 2025, and following a period of public consultation, it is expected the Commission will formally adopt the legislation in Q4 2025.

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<sup>6</sup> [Renewable Energy Directive](#)

<sup>7</sup> [Energy Efficiency Directive](#)

<sup>8</sup> [Net-Zero Industry Act - European Commission](#)

<sup>9</sup> [https://www.geothermie.de/map\\_demo/map.html](https://www.geothermie.de/map_demo/map.html)

<sup>10</sup> [Sustainable transport investment plan](#)

<sup>11</sup> [Industrial Decarbonisation Accelerator Act - speeding up decarbonisation](#)

**EU Carbon Border Adjustment Mechanism (CBAM) Review<sup>12</sup>:** The CBAM transitional period has continued throughout the reporting period and will remain in place until the end of the 2025 calendar year. Starting 1 January 2026, importers will be required to buy certificates to cover the carbon content of goods. This mechanism aims to prevent carbon leakage and encourage cleaner production globally.

**European Chemicals Industry Action Plan<sup>13</sup>:** The European Commission recently published the Plan, one of the key elements of the EU's strategy for sustainable development and innovation in the chemical sector. The Plan aims to strengthen the competitiveness and modernise the sector, with a particular focus on supporting energy transition and decarbonisation, creating a market for green products and innovation, and simplifying the regulatory framework, while maintaining a high level of safety of chemicals and their mixtures for consumers in the EU market.

**Removal of constitutional debt brake:** Germany ended its long-standing debt brake, enabling €500 billion in new infrastructure over the coming decade, including within district heating and therefore geothermal energy.

## CORPORATE OUTLOOK

### OPERATIONS

#### Lithium Extraction Optimisation Plant (LEOP)

During the reporting period, the Company produced high-quality 40% lithium chloride (LiCl) solution at LEOP using Adsorption-type Direct Lithium Extraction (A-DLE) with VULSORB®, Vulcan's internally developed aluminate-based lithium extraction adsorbent. LEOP operates with brine at pressure, in keeping with planned commercial operating conditions. The LiCl concentrate was then transferred to the downstream Central Lithium Electrolysis Optimisation Plant (CLEOP) at Industrial Park Höchst, Frankfurt, for the production of LHM.

The brine supply to LEOP transitioned from brine trucking from the Insheim well site to direct supply of hot artesian brine from the production well of the neighbouring Geox well site. The direct connection allows continuous supply of brine at LEOP.

LEOP will continue to serve as a training facility for the Company's production team ongoing, ensuring operational readiness for the start of commercial production. CLEOP will also serve as a product testing and qualification facility for its offtake partners.

#### Central Lithium Electrolysis Optimisation Plant (CLEOP)

On 13 January 2025, the Company's downstream CLEOP started production of battery-quality lithium hydroxide monohydrate (LHM), by processing high purity lithium chloride concentrate extracted from brine at the upstream LEOP.

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<sup>12</sup> Carbon Border Adjustment Mechanism - European Commission

<sup>13</sup> Plan for stronger EU chemical industry - European Commission

The development represented the first fully integrated, battery-quality LHM produced in Europe, from raw material to final product.

During the reporting period, the Company also finalised a qualification strategy to pre-qualify its material prior to entering full commercial production, as a means of fast-tracking the start of sales of qualified, battery-quality LHM material. This involved the production and dispatch of battery-quality LHM material, branded V-LiON™, to offtake partners, from Vulcan's qualification plant, prior to the full commercial plant completion and start of production.

CLEOP will also continue to serve as a base for training the Company's production team, as well as a product testing and qualification facility for its Phase One offtake partners.

### **Well site preparation and rig readiness**

The Company's 100%-owned drilling subsidiary, Vercana, commenced drilling of the first new well for the Project at the Schleidberg well site near Landau, Germany, on 27 May 2025. This followed the mobilisation of Vulcan's V20 rig to the well site in February 2025, with routine commissioning procedures and technical testing also carried out for the safe operation of V20 and associated equipment.

Commencement of drilling at Schleidberg represents the fifth well in Vulcan's Phase One Project area and start of project execution of sub-surface works for the Project.

The Company intends to mobilise Vercana's other drilling rig, V10, to the planned Trappelberg well site, after Phase One financing closes.

### **Phase One financing**

The Company announced an extension to the conditional debt commitment letter signed in December 2024 as the Company progresses discussions with banks in relation to financing its Project. The debt commitment letter has been extended until September 2025, reflecting the Company's revised financing timeline targeting finalisation of debt agreements in H2 2025.

The Company also proceeded to detailed due diligence for a €150m equity participation by the German Raw Materials Fund (RMF) during the reporting period and, as a result, committed to including government participation in the financing of its Project. Subsequently, the Company adjusted its Project financing target timeline to allow for the potential inclusion of the RMF in its financing package and is now targeting H2 2025 to finalise these agreements and commence full project construction.

In connection with overall portfolio optimisation, the Company freed up ca. 3% of its planned lithium sales volume in its first ten years of production by mutually agreeing to a termination of its agreement with Renault Group.



## Events subsequent

The Company received approval of a total of €104m (~A\$186m) conditional grants by German State and Federal governments, designed to enable strategic domestic lithium production and processing to service European electric vehicle battery production.

The grants are being funded by the German Federal Government and the states of Rhineland-Palatinate and Hesse under the lead of the Federal Ministry of Economy and Energy (BMWE) within the Temporary Crisis and Transition Framework (TCTF) scheme.

The Li4BAT grant will be disbursed pro rata over 36 months following eligible expenditure from 31 December 2025 (an extension on 1 October 2025 as previously announced).

Gefördert durch:



aufgrund eines Beschlusses  
des Deutschen Bundestages

HESSEN



Hessisches Ministerium  
für Wirtschaft, Energie,  
Verkehr, Wohnen  
und ländlichen Raum



RheinlandPfalz

MINISTERIUM FÜR  
WIRTSCHAFT, VERKEHR,  
LANDWIRTSCHAFT  
UND WEINBAU

In July 2025, the Company announced the successful completion of a €30m (~A\$53.6m) strategic placement to maintain execution of critical path scope for the Project. The placement was cornerstoned by BNP Paribas' Clean Energy Solutions Fund – a thematic fund that invests in companies driving the global shift toward a low-carbon economy – with a €15m (~A\$26.8m) subscription. A select group of strategic corporate and institutional investors participated for the remaining €15m (~A\$26.8m), including existing strategic corporate shareholders in the Company.

Following a 3D seismic survey, the Company also successfully completed an updated lithium brine Resource estimation, together with a maiden geothermal energy Resource estimation, for the Mannheim licence area in July 2025. The lithium brine Resource estimation update for the Mannheim sector estimates the total lithium brine Resource (Indicated and Inferred) has increased from 1,833 kt LCE @ 153 mg/Li to 3,225 kt LCE @ 155 mg/Li, which is an increase of 1,392 kt LCE<sup>14</sup>.

A large-scale in place maiden geothermal Resource of 2,848 PJ (Indicated) and 10,539 PJ (Inferred) has also been estimated for the Mannheim sector of which 171 PJ (Indicated) and 377 PJ (Inferred) are considered recoverable. The Company intends to continue to complete geothermal energy Resource estimations under the Australian Geothermal Reporting Code for all its development areas within the URVBF.

In September 2025 the Company announced it signed a supply contract with Canadian electrochemistry company, NORAM Electrolysis Systems (NESI), as the exclusive electrolysis technology supplier for the Project. The contract agreement includes services at the technology/ pre-planning, process engineering, procurement contracting, and commissioning

<sup>14</sup> This consists of the Indicated Resource increasing from 288kt LCE @ 153 mg/Li to 820kt LCE @ 155 mg/Li and the Inferred Resource increasing from 1,545kt LCE @ 153 mg/Li to 2,405kt LCE @ 155 mg/Li. Refer to the Competent Person Statement contained in this Report.

support stages of development, with NESI engaged at the Central Lithium Plant (CLP), located in Industrial Park Höchst, Frankfurt.

The Company secured the permit to build and operate its Central Lithium Plant (CLP) for Phase One and a second phase at Industrial Park Höchst, Frankfurt in September 2025. The CLP is the key downstream component of the Company's Project, which will combine production of carbon-neutral lithium and renewable energy from deep geothermal brine.

During Phase One, the CLP will have the capacity to provide up to 24,000 tonnes of LHM annually for the European battery and automotive industries, enough to produce ca. 500,000 EV batteries per annum<sup>15</sup>. In a second phase, the production and storage units of CLP in Frankfurt-Höchst can be expanded.

As part of finalising financing arrangements, amendments have been made to the offtake agreements with the Company's existing offtake partners, including Umicore, LG Energy Solution and Stellantis, to enhance bankability. The amendments principally reflect term, volume adjustments and scheduled commercial operating dates consistent with the Project timeline used in the financial model for the financing package.

### **Future phase development**

Ongoing work in relation to future phase licence regions continued throughout the reporting period in addition to the following:

#### **Mannheim, Germany**

The Company is progressing a Scoping Study for the Mannheim licence which is located 40 km to the northeast of Phase One. The study will look to add further production in addition to the Phase One integrated lithium and geothermal renewable energy development including expansion of the downstream LHM facility in Industrie-Park Höchst.

It is envisaged Vulcan will deliver baseload geothermal heat from the Mannheim region geothermal resource to the district heating network of MVV Energie AG, one of Germany's leading energy companies, while simultaneously extracting sustainable lithium for EV battery production.

#### **Ludwigshafen, BASF joint project, Germany**

The Company successfully completed a 2D seismic survey for the geothermal heat development project in the Ludwigshafen region of Germany, which the Company is undertaking in partnership with the owner of the world's largest integrated chemical complex, BASF.

The survey was conducted on approximately 75 km of roadway within Vorderpfalz, a region on the western border of Germany's Upper Rhine Valley Brine Field, including the towns and municipalities of Bad Dürkheim, Deidesheim, Mutterstadt, Frankenthal and Ludwigshafen, with

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<sup>15</sup> Refer to the Competent Person Statement in this Report. Please also refer to the risk factors contained in the Prospectus dated 18 December 2024 and the Equity Raise Presentation dated 11 December 2024 regarding the risks associated with resource exploration and development projects. Based on the Phase One production target capacity of 24ktpa from the Bridging Engineering Study (BES) Announcement 16 November 2023 and Vulcan internal estimated average EV battery size and chemistry in Europe.

the results of the survey to determine optimal location/s for the next stage of development and will be followed by a 3D seismic survey.

### **Rüsselsheim, Germany**

Vulcan, Opel Stellantis and the City of Rüsselsheim intend to modify their current cooperation agreement as project partners, to instead proceed as renewable heat supplier and offtake partner, allowing Vulcan to serve multiple heat customers in the area and enlarge the Project. Heat offtake negotiations with Opel and others in the area are ongoing.

### **Cash position**

With a cash position of €48.8 million as at 30 June 2025, the Company has a sound funding basis to continue Project execution of sub-surface works, following commencement of drilling. Vulcan is targeting completion of Phase One financing in H2 2025.

Completion of the acquisition of Geox GmbH occurred on 7 April 2025 through a cash payment of €5.0 million, and the remaining purchase price consideration of €11.0 million is payable before 31 October 2025, plus interest of 5% accrued on the outstanding balance from 5 April 2025.

### **Capital expenditure**

For the remainder of 2025 and until completion of Phase One Project financing, Vulcan plans to focus capital expenditure on Phase One Project execution preparation including sub-surface works for the Project. Subsequent to completion of Phase One Project financing, capital expenditure is expected to significantly increase as commercial construction of Phase One commences.

### **Operating expenses**

Operational expenditure is expected to remain largely stable in H2 2025 prior to the completion of Phase One Project financing, with an increase expected subsequent to financing due to a ramp-up of operations as commercial construction commences.

### **Personnel**

After strong recruitment activity in recent years, Vulcan has achieved a stable pre-execution work force of around 365 FTE on July 30, 2025, and plans pre-execution for a very moderate increase by fully ramping up its optimisation plants. A further increase in FTE will occur after commercial operation construction commences.

### **Sustainability**

As the company scales up, it will continue to expand its greenhouse gas data reporting and be able to provide year on year comparisons.

The Company will continue to work on achieving carbon neutral certification across all operations each year and is expected to remain in the lowest quartile for absolute GHG emissions (Scope 1, 2, 3) comparative to peers.

## OPPORTUNITIES AND RISKS

The Company is exposed to a range of internal and external events and developments that could impact the achievement of its financial and non-financial goals. The Company's opportunity and risk management process forms an integral part of the corporate governance system. This opportunity and risk management process, and the underlying opportunity and risk status is detailed in the Annual Group Management Report as at 31 December 2024 Outlook, Opportunities and Risks Report.

Since the Annual Group Management Report as at 31 December 2024, there has been an increasingly challenging global lithium market, driven primarily by short-term imbalances in supply and demand. The Company notes its relative mitigation to short-to-medium term lithium pricing fluctuations, with LHM production contracted to tier-one offtake partners over the first ten years, under various fixed, floor-ceiling and fully floating price contracts.

## Responsibility statement by the Company's legal representatives

To the best of our knowledge, and in accordance with the applicable reporting principles, the interim consolidated financial statements give a true and fair view of the net assets, liabilities, financial position and results of the group, and the interim consolidated group management report includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal opportunities and risks associated with the expected development of the group for the remainder of the financial year.

## Competent Person Statement

The information in this Report that relates to estimates of Mineral Resources and Ore Reserves is extracted from the Bridging Engineering Study Results announcement on 16 November 2023, the Future Phase Pipeline – Mannheim Resources Growth announcements on 7 and 9 July 2025<sup>16</sup> and End of Validation review contained in the Prospectus released on 18 December 2024, all of which are available to view on Vulcan's website at <http://v-er.eu>. Vulcan confirms, that in respect of the estimates of Mineral Resources and Ore Reserves included in this Report:

- a) it is not aware of any new information or data that materially affects the information included in the original market announcement, and that all material assumptions and technical parameters underpinning the estimates in the original market announcement continue to apply and have not materially changed;
- b) the form and context in which the Competent Persons' findings are presented in this announcement have not been materially modified from the original market announcement; and

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<sup>16</sup> The Mannheim announcement relates solely to the lithium brine Resource estimation for the Mannheim sector.

- c) all material assumptions underpinning the production targets (and the forecast financial information derived from such production targets) included in this announcement continue to apply and have not materially changed.



**Dr Francis Wedin**

Executive Chair  
9 September 2025