

FY22 Financial Results

For the period ending 30 June 2022

25 August 2022





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This release was approved by Martin Perez de Solay, CEO and Managing Director of Allkem Limited.



Agenda

Summary
& Sustainability

Financial
Results

Operations
Update

Project
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Lithium Market

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FY22 Full Year Summary

Highly successful merger, record results and growth projects on track to triple production
Focus now turns to operation optimisation and execution of fully funded growth projects

Corporate

Successful Merger

Orocobre Limited and Galaxy Resources

ASX/S&P 100 index

Entered in December 2021

Record Production

TRIFR reduced to 2.6

For rolling 12 months for the group

193,563 dmt

Spodumene produced from Mt Cattlin¹

12,863 tonnes

Li₂CO₃ produced from Olaroz

Financials

US\$ 770 mil

Group Revenue

~9x increase YoY

US\$ 605 mil

Gross Profit

~13x increase YoY

US\$ 513 mil

EBITDAIX

~171x increase YoY

US\$ 337 mil

Group Net Profit After Tax

~4x increase YoY

US\$ 664 mil

Cash and cash equivalents

~3x increase YoY

H1 FY23 Li₂CO₃
pricing
US\$47,000/tonne³

Development

~91% Completion²

Olaroz Stage II

2.5x ↑

Interim Olaroz Resource 16.2Mt LCE

Commissioning

Naraha Li₂OH Facility

40% ↑

Production capacity at Sal de Vida

Construction

Sal de Vida Stage I

10% ↑

Sal de Vida Resource 6.85Mt LCE

Permitting

James Bay

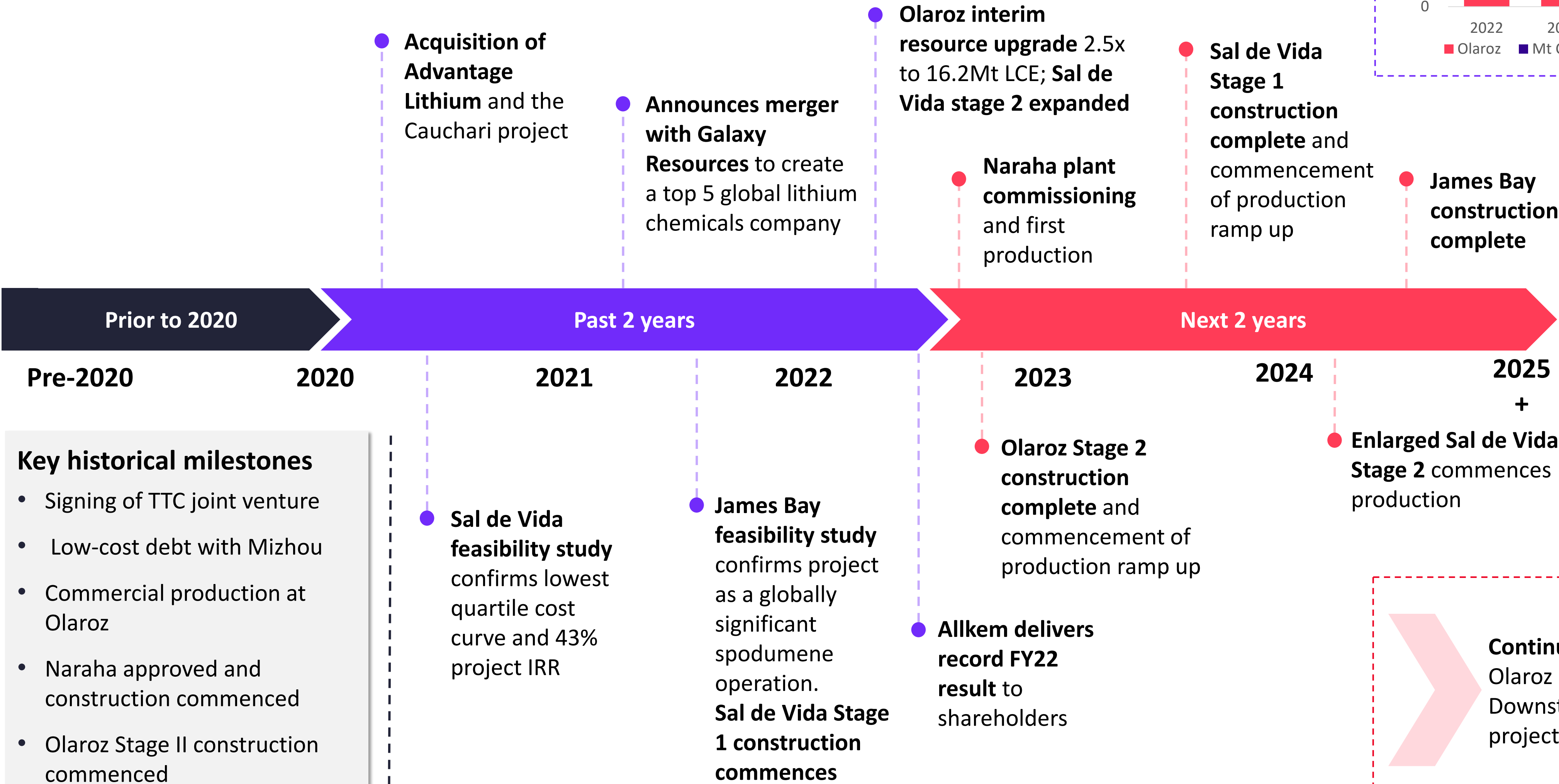
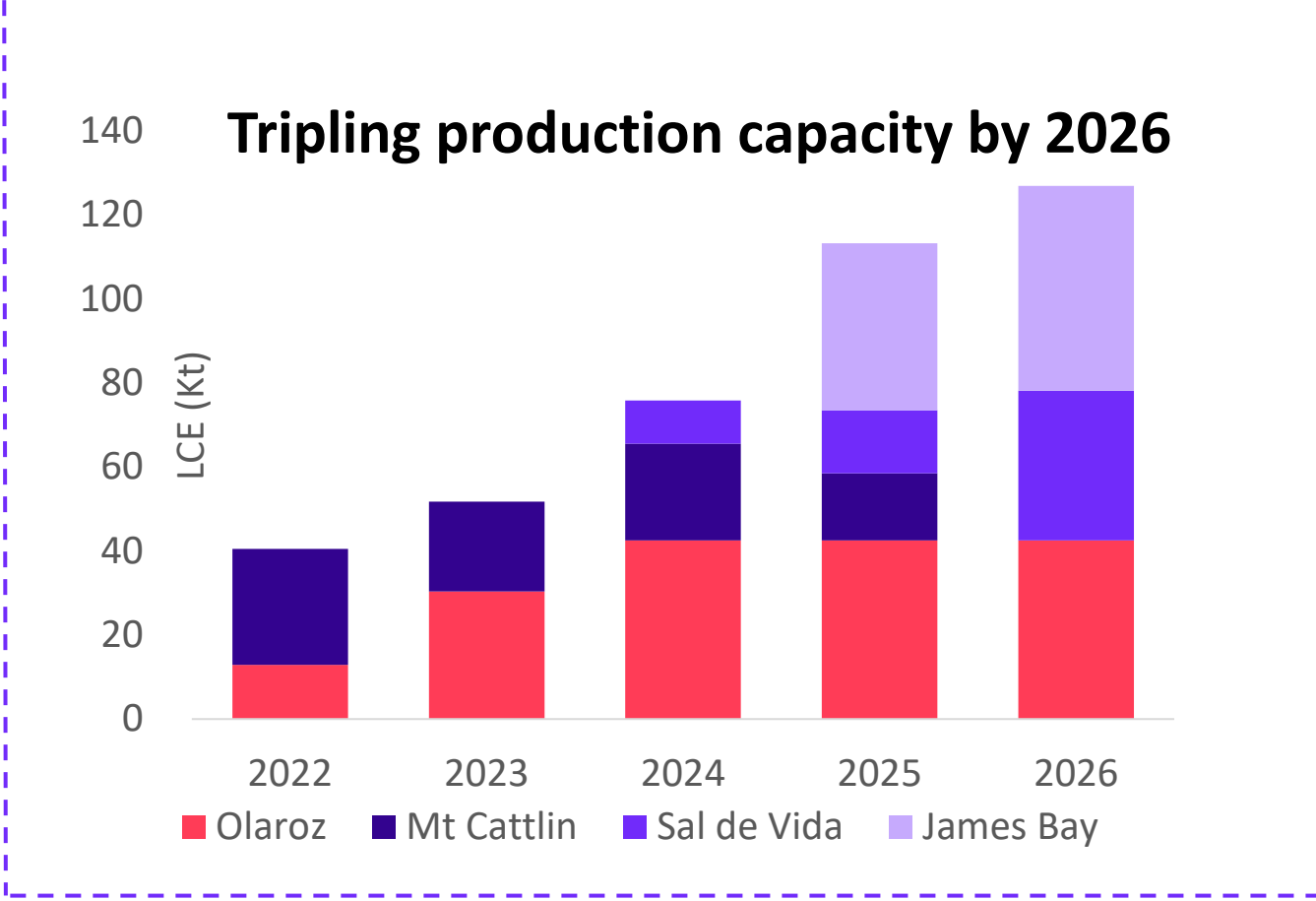
1. This volume is for the full year ending 30 June 2022. Financial Results are based on the 10 month period post merger i.e. 25 August 2021 to 30 June 2022.

2. As at the date of this report

3. Excluding Naraha feedstock

The Alkem Journey

Material step-up in scale and cashflow over the last two years, the next two years represents a further step change consistent with our strategy to triple production by 2026 & maintain 10% global market share



Leading ESG Practices

Delivering sustainable products to accelerate a net zero future



Safe & Sustainable Operations

- Operating within COVID-19 Bio-security Protocol
- Groupwide Health, Safety and Environmental standards implemented
- TRIFR of 2.6 for rolling 12 months
- Rollout of integrated Health, Safety and Environmental reporting platform
- Continued initiatives to maintain highest possible health and safety practices



Thriving Communities

- Shared Value team works with local communities to create long-term benefits across five pillars: empowerment, transparency, education, health, local production and natural resources.
- Local hire and procurement philosophy across all operations with employees
- Developing industry specific training programs with universities in Argentina
- Strong working relations with the First Nations of Eastmain in Quebec local communities in Ravensthorpe, in Western Australia



Responsible Products

- Transition of operational scope 1 and 2 emissions to **net-zero by 2035**
- Human rights training conducted organisation wide
- James Bay to utilise hydro power for 44% of site requirements and Sal de Vida is targeting 30% solar power for Stage 1



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MSCI
ESG RATINGS

AA

CCC B BB BBB A AA AA



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Financial Results

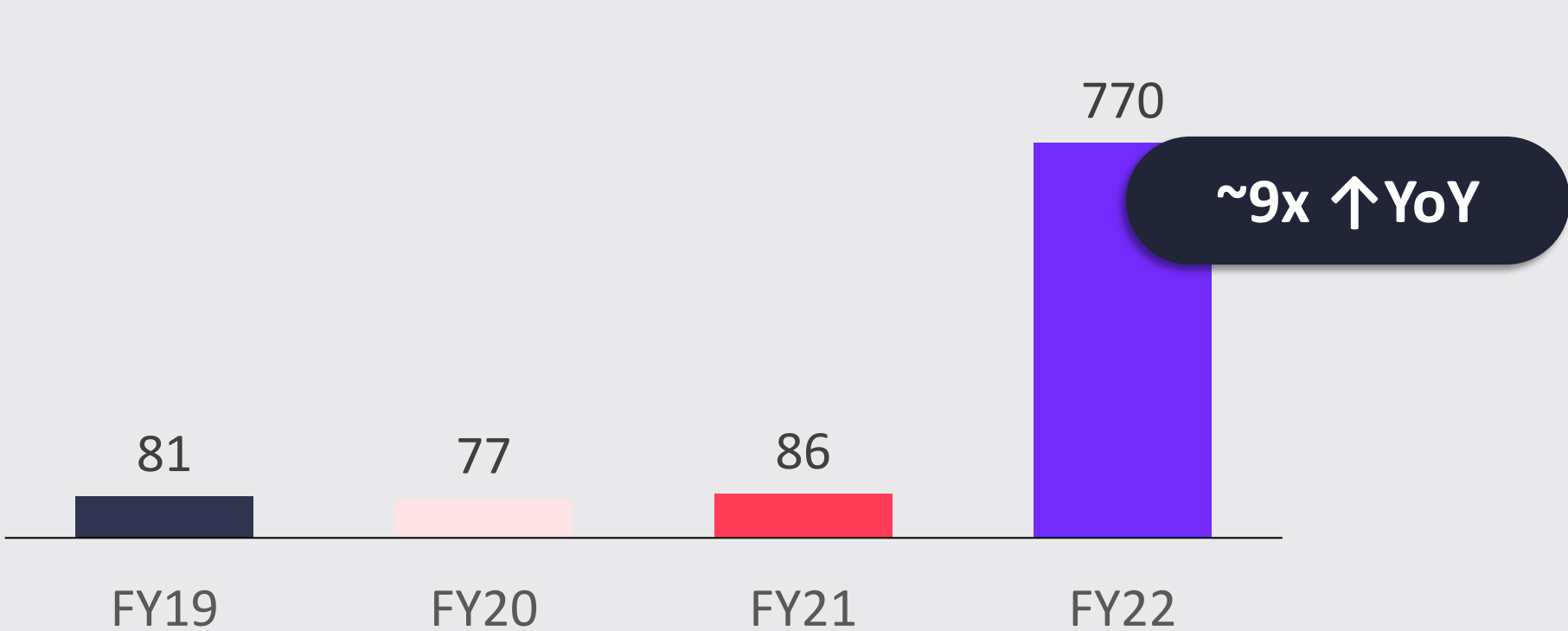


Financial Summary

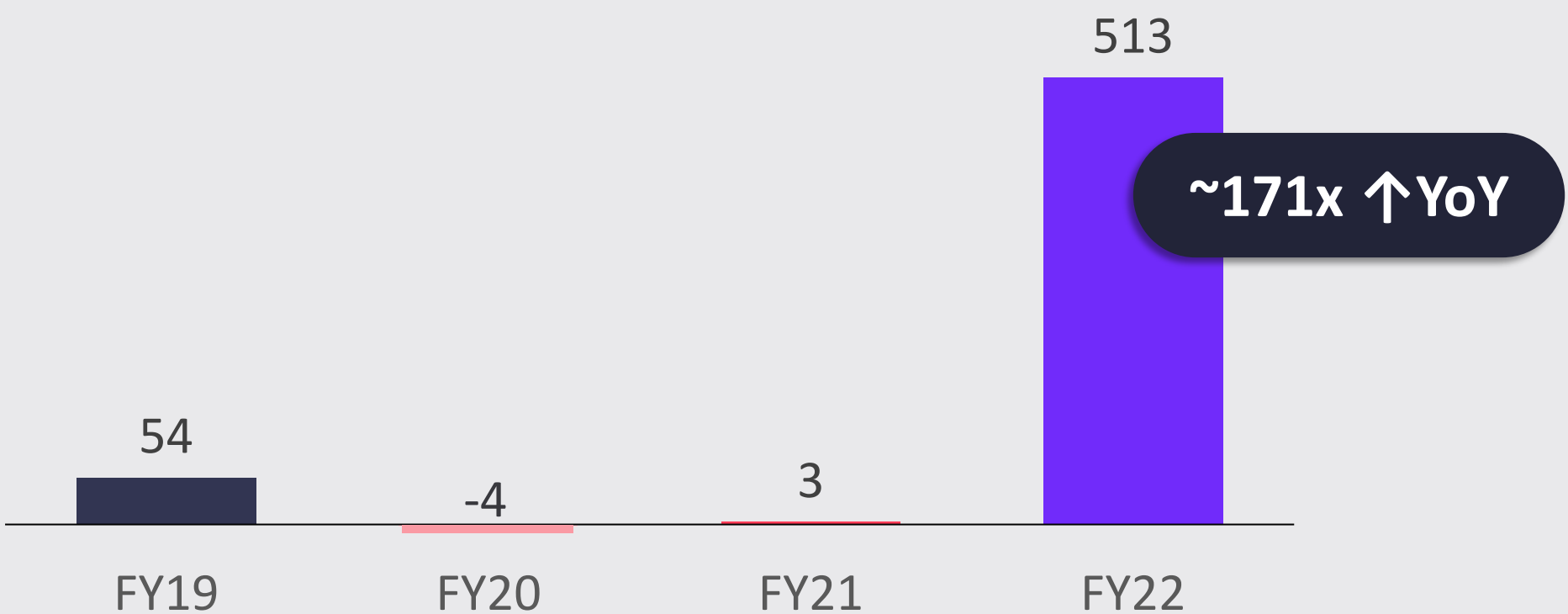
Record FY22 financial results demonstrates material growth over the years

US\$m

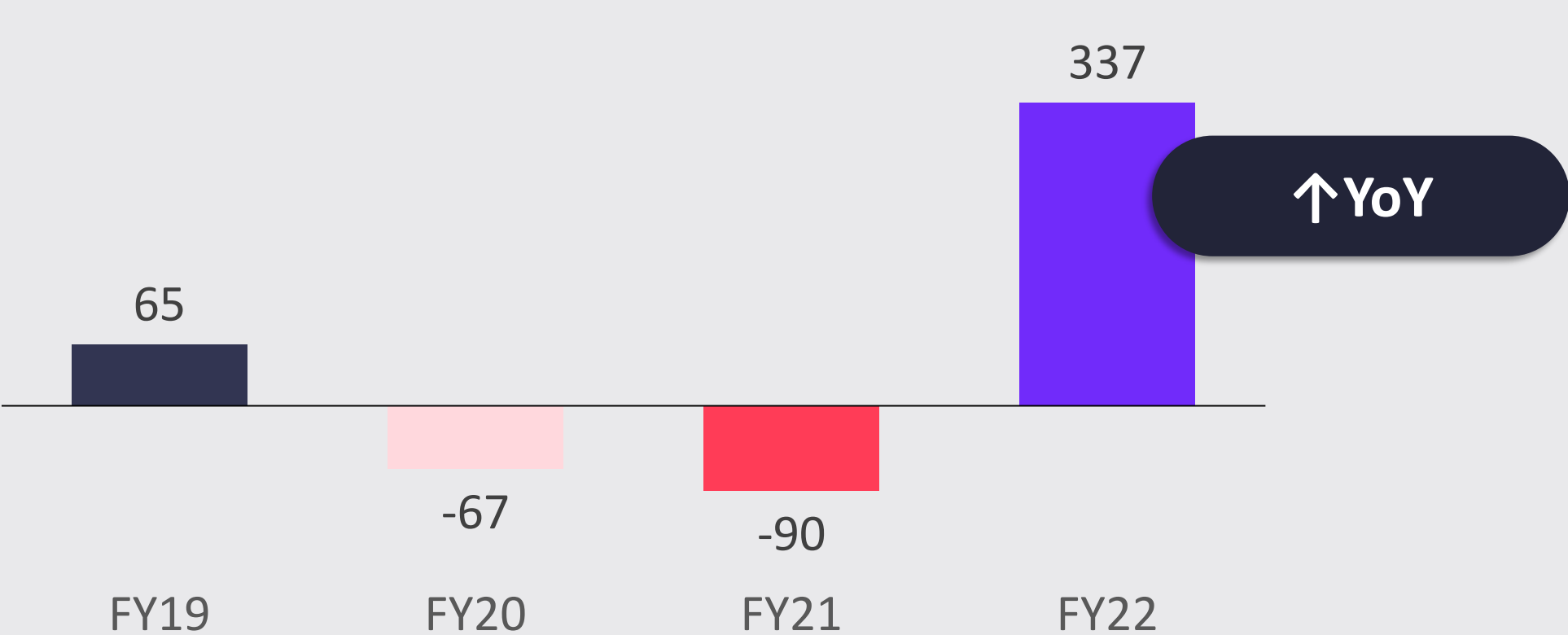
Revenue



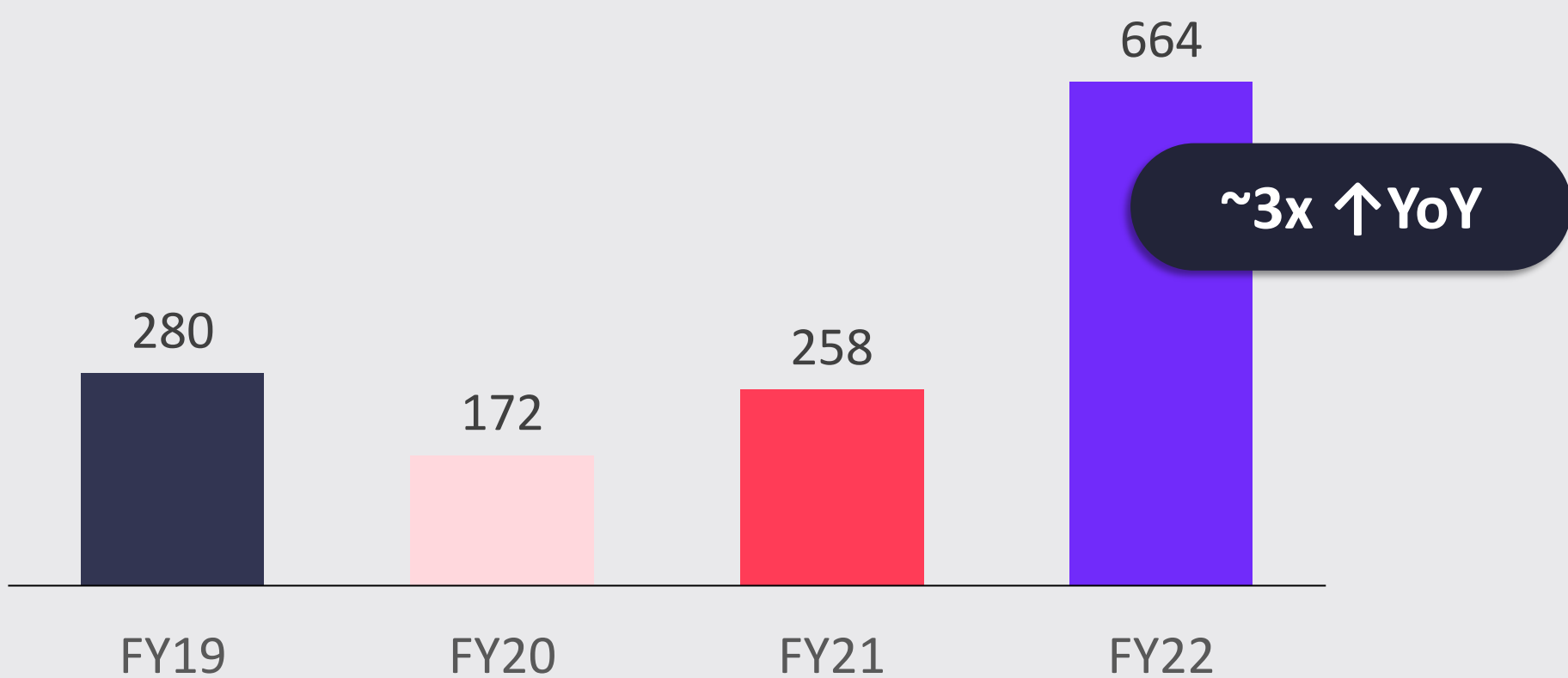
EBITDAIX



Net Profit/(Loss) After Tax



Cash and Cash Equivalents



Profit and Loss Results – Key Highlights

High pricing and record operational and financial performance



Highlights

- **Material lift in production and realised pricing**
 - Record production from Olaroz and Mt Cattlin
 - Lithium carbonate FOB price of US\$23,398/t in FY22, compared to US\$4,983/t in FY21
 - Spodumene average CIF price of US\$2,221/dmt in FY22, compared to US\$415/dmt for the year ended 30 June 2021
- **Excellent cost control with focused operational management**
- **Reduction in net financing costs reflecting Olaroz Stage 1 Mizuho loan repayment and full repayment of pre-export finance loans**

Revenue	US\$ 769.8 mil	↑ 808% on FY21
EBITDAIX	US\$ 513.1 mil	↑ >1,000% on FY21
EBITIX	US\$ 463.1 mil	↑ >1,000% on FY21
NPAT	US\$ 337.2 mil	↑ >1,000% on FY21

Consolidated results include Galaxy Resources Ltd performance for the period from acquisition date (25 August 2021).

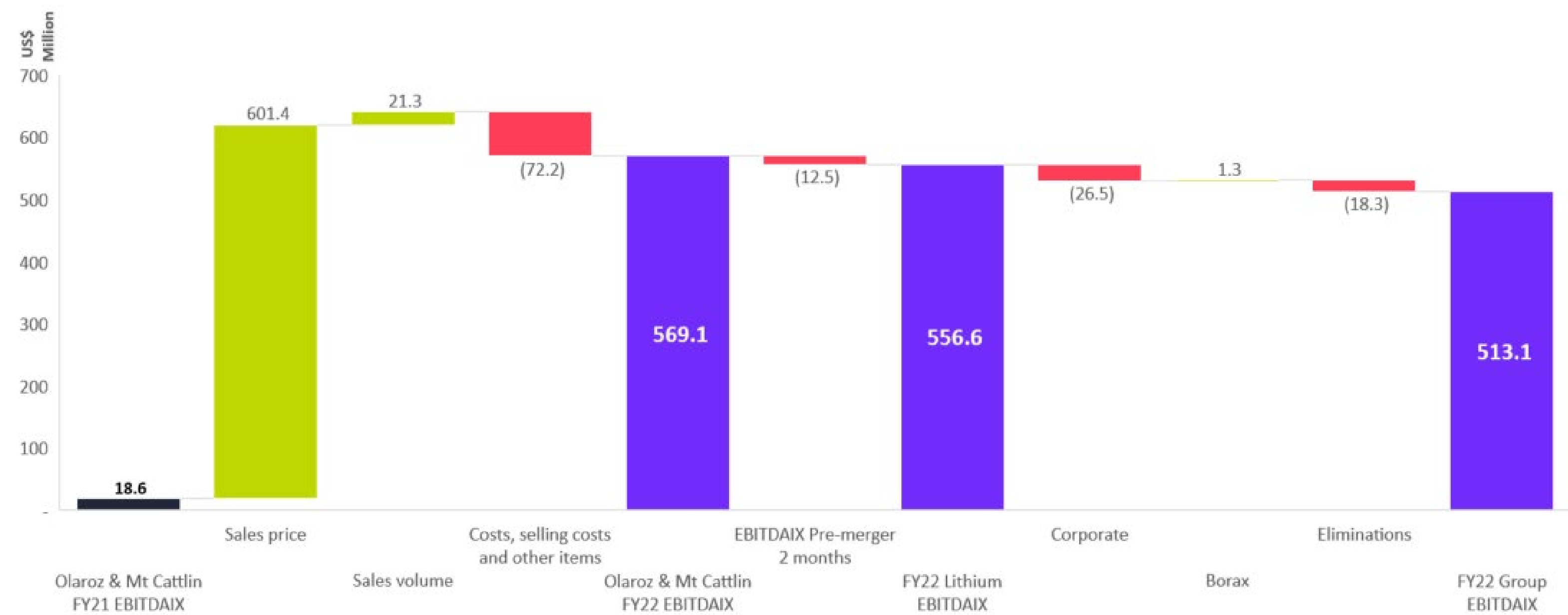
Profit and Loss Results – Record Lithium Business Performance

Strong pricing and cost control delivers record operating profit



Highlights

- Strong pricing results for both lithium carbonate and spodumene concentrate
- Record production performance from operations
- On-going efforts on cost control with focused management
- Successful improvement in product quality
- Sales contract renegotiations deliver significant improvement in price realisation



Consolidated results include Galaxy Resources Ltd performance for the period from acquisition date (25 August 2021).

Balance Sheet and Cash Flow – Key Highlights

Material operating cash flow further strengthening balance sheet



Highlights

- **Net increase in cash and cash equivalents of US\$405.2m**
 - US\$210m resulting from merger
 - Cash flow from operations lifted to US\$475.6m in FY22, compared with US\$(6.1m) in FY21
 - Significant US\$261.4m investment in Olaroz Stage 2, Sal de Vida and James Bay projects
- **Significant balance sheet flexibility**
 - Cash and cash equivalents increased to US\$663.5m in FY22, compared with US\$258.3m in FY21
 - Limited bank borrowings of US\$228.1m related to Olaroz project finance

Operating cashflow	US\$ 475.6 mil	↑ >1,000% on FY21
CAPEX spend	US\$ 261.4 mil	Olaroz Stage 2, SDV and James Bay
Cash	US\$ 663.5 mil	↑ >157% on FY21
Bank debt	US\$ 228.1 mil	Olaroz project finance

Note: Consolidated results include Galaxy Resources Ltd performance for the period from acquisition date (25 August 2021). Operating cashflow excludes VAT on capital expenditure.

Operations Update



Mt Cattlin

LOCATION

Western
Australia

STATUS

Operation

PRODUCT

Spodumene
concentrate

OWNERSHIP

100%

A year of record production and profitability

Strong operational and financial performance

Metric	UoM	FY22 ¹
Production volume	Dry metric tonnes	144,865
Product grade	Li ₂ O %	5.6
Unit cash costs of production	FOB Esperance US\$/tonne	420
Sales	Dry metric tonnes	200,715
Revenue	US\$ mil	452
EBITDAIX	US\$ mil	336

- Record revenue of ~US\$452 M from sales of 200,715 dmt at an average selling price of US\$2,221/tonne CIF
- Gross profit margin of 80% with average cash costs of production of US\$420/tonne
- Excellent operational performance due to favourable head grade and improved processing rates and recoveries
- Towards the end FY22, the ore source commenced transitioning from the 2NE pit to the 2NW pit where pre-stripping work continues

Outlook

- Challenges arising from COVID-19 and the WA labour market continue to impact operations in the September quarter, however mitigation mechanisms have been implemented and will deliver progress in Q2 FY23 and into H2 FY23
- FY23 production forecast of 140-150 kt dmt with costs of ~US\$900/tonne. Deferred production will be partially offset by the sale of 130ktpa of lower grade spodumene concentrate
- Resource tonnage increased 21% to 13.3Mt @ 1.2% Li₂O and 131 ppm Ta₂O₅ principally^{3,4}
- Resource extension drilling update expected in the September quarter
- 60 holes have been completed to date for almost 14,000 metres of drilling

1. Results are recorded from the date of the merger with Galaxy on 25 August 2021 to 30 June 2022
2. Excluding marketing and royalties
3. See ASX release 25 August, 2022
4. Refer to Appendix for further Resource and Reserve information.

Olaroz

📍 LOCATION	🏠 STATUS	⊕ PRODUCT	➞ OWNERSHIP
Jujuy Province, Argentina	Operation	Lithium Carbonate	66.5%

Record profitability driven by strong pricing, cost control and stable high-quality production

Strong operational and financial performance

Metric	UoM	FY22	PCP%
Production Volume	tonnes	12,863	2%
Sales mix	battery grade%	54%	38%
	technical grade%	46%	62%
Unit cash costs of sales	FOB US\$/ tonne	4,282	11%
Sales	tonnes	12,512	-6%
Revenue	US\$ mil	293	341%
EBITDAIX	US\$ mil	220	1,824%

- Record production volume and improving sales mix with better price realisation
- Record revenue of ~US\$293M from sales of 12,512 tonnes reflects a 341% increase in revenue from the PCP, largely due to average FOB pricing increasing by 370% to US\$23,398/t
- Sales volume down by 6% reflects a drawdown of inventory in the prior year
- Gross profit margin of 82%
- Cash cost of goods sold increased by 11% due to higher sales mix of battery grade than the PCP (sales mix: 54% versus 38%) higher labour and other costs arising from the devaluation of the Argentine Peso (7% versus inflation of at ~20%) and increased gas prices

Project Execution and Growth Strategy



Focus is on growth pipeline and execution

World class assets will triple production by 2026 and maintain 10% global market share



Growth pipeline

Project	Status
<ul style="list-style-type: none">• Olaroz• Mt Cattlin	Production
<ul style="list-style-type: none">• Olaroz stage 2• Naraha	Commissioning commenced
<ul style="list-style-type: none">• Sal de Vida stage 1• James Bay upstream• Mt Cattlin mine life extension drilling	In execution
<ul style="list-style-type: none">• Sal de Vida stage 2• Dedicated Purification Facility• Enhanced Recovery Project	Pre-feasibility Study
<ul style="list-style-type: none">• Olaroz/Cauchari stage 3• James Bay downstream	Early studies

Execution strategy

- 1

Optimise
 - Reducing costs, improving product quality and product mix
 - Minimizing the effects of COVID-19 and inflation
 - Advancing studies on purification facility to increase battery grade product at Olaroz
- 2

Execution and delivery
 - Delivery of Olaroz 2 and SdV on track with Olaroz 2 currently 91% complete and SdV construction underway
- 3

Valued added expansion
 - Advancing studies on Cauchari/ Olaroz stage 3 and James Bay downstream
 - Significant combined resource supports multiple developments options
 - Recently acquired Maria Victoria

Olaroz Stage 2

Leveraging knowledge from Olaroz to expand production capacity and provide feedstock to Naraha

Status update

- Expansion is well advanced and construction has now reached over 91% completion
- Ponds are complete and commissioned
- The soda ash and carbonation plants have reached over 96% and 69% complete respectively
- Lime plant 3 is pre-commissioning and Lime Plant 4 is nearing completion of construction
- Capital expenditure for Stage 2 at 30 June 2022 was ~US\$320M, excluding VAT and working capital
- First production expected December 2022



Allkem



25ktpa

Annual production

US\$2.67B

NPV (pre-tax)

Technical grade LC

⊕ Product quality

US\$3,206/t LCE

NPV (pre-tax)

STATUS
**Commissioning/
Construction**

OWNERSHIP
66.65%

Refer to Allkem's ASX announcement dated 4 April 2022 titled 'Olaroz Interim Update and Stage 2 economics' for further details including the material assumptions on which production capacity is based.

Naraha

Will produce high value battery grade lithium hydroxide

Status update

- Construction was successfully completed during the year
- Total cost of US\$67 million, excluding VAT and working capital
- Commissioning activities underway using Olaroz technical grade as feedstock
- First production expected in early December 2022 quarter
- Strong domestic demand for hydroxide to produce high end battery technology



10ktpa

Annual production

**Battery grade
Lithium hydroxide**

⊕ Product quality

**Primary grade
Lithium carbonate**

Feedstock from Olaroz

📍 LOCATION
Naraha, Japan

🏗️ STATUS
Construction

👉 OWNERSHIP
75%

Sal de Vida

Low cost, low capex battery grade lithium carbonate production expected by end CY23

Status update

- Leveraging development and operational experience from Olaroz
- Increased resource tonnage by 10% and reserve by 34%
- Successfully increased production capacity to 45ktpa in 2 stages
- Construction for Stage 1 commenced in January 2022
- The first two strings of ponds have reached 32% completion
- Activities for CY22 will focus on commissioning first 2 strings of ponds and construction commencement of the carbonation plant
- First production is expected by H2 CY23
- Stage 2 development to occur sequentially
- Progressing project financing options



2. Refer to Appendix for Resource & Reserves Table and "Sal de Vida capacity increased to 45ktpa in two stage" released on 4 April 2022.

James Bay

Low cost/capex hard-rock operation utilising renewable energy and learnings from Mt Cattlin

Status update

- The 2021 Feasibility Study demonstrates lowest quartile development capital and operating costs
- Agreement with Hydro-Quebec has been signed
- Basic engineering completed and detailed engineering is advancing alongside the procurement process
- Strong working relationships and regular engagement with all stakeholders
- Progression of the ESIA, IBA and regulatory approvals towards completion
- Targeting construction to commence in Q1 CY23 and commissioning in H1 CY24
- Significant exploration upside potential with mineralisation North, South, East and at depth
- 13,000m drilling campaign planned to commence in December quarter to test resource extension



321ktpa

Annual production

US\$1.42B¹

NPV (pre-tax)

US\$286M

CAPEX

US\$ 333/t

OPEX

1. Average selling price of 5.6% spodumene concentrate US\$1,001/t
Refer to Allkem’s ASX announcement dated 21 December 2021 titled ‘James Bay Feasibility Study Results’ for further details including the material assumptions on which production capacity is based.

40.3Mt at 1.4% Li₂O²

Mineral resource Estimate

37.2Mt at 1.3% Li₂O²

Ore Reserve

19 years

Project Life

2. Refer to Appendix for Resource & Reserves Table and ‘James Bay Feasibility Study Results’ released on 21 December 2021

LOCATION
Quebec, Canada

STATUS
Design

PRODUCT
Spodumene concentrate

OWNERSHIP
100%

James Bay Downstream



Potential to provide spodumene conversion capacity in the high value North American market

Status update

- James Bay downstream provides opportunity for a regional cornerstone processing facility to serve the North American market
- Allkem is investigating a conversion plant in Quebec
- Significant work has been undertaken to assess plant location with opportunities in close proximity to rail, with favourable permitting and low waste disposal costs
- Capacity will be linked to James Bay spodumene production and potential resource expansions with the optionality to process third party ore
- Dispersed projected ownership in Quebec is expected to create infrastructure sharing opportunities as development progresses
- Pre-feasibility study is on track for completion Q1 CY23



Olaroz/Cauchari Stage 3

One of the largest resources in the world and has several development options

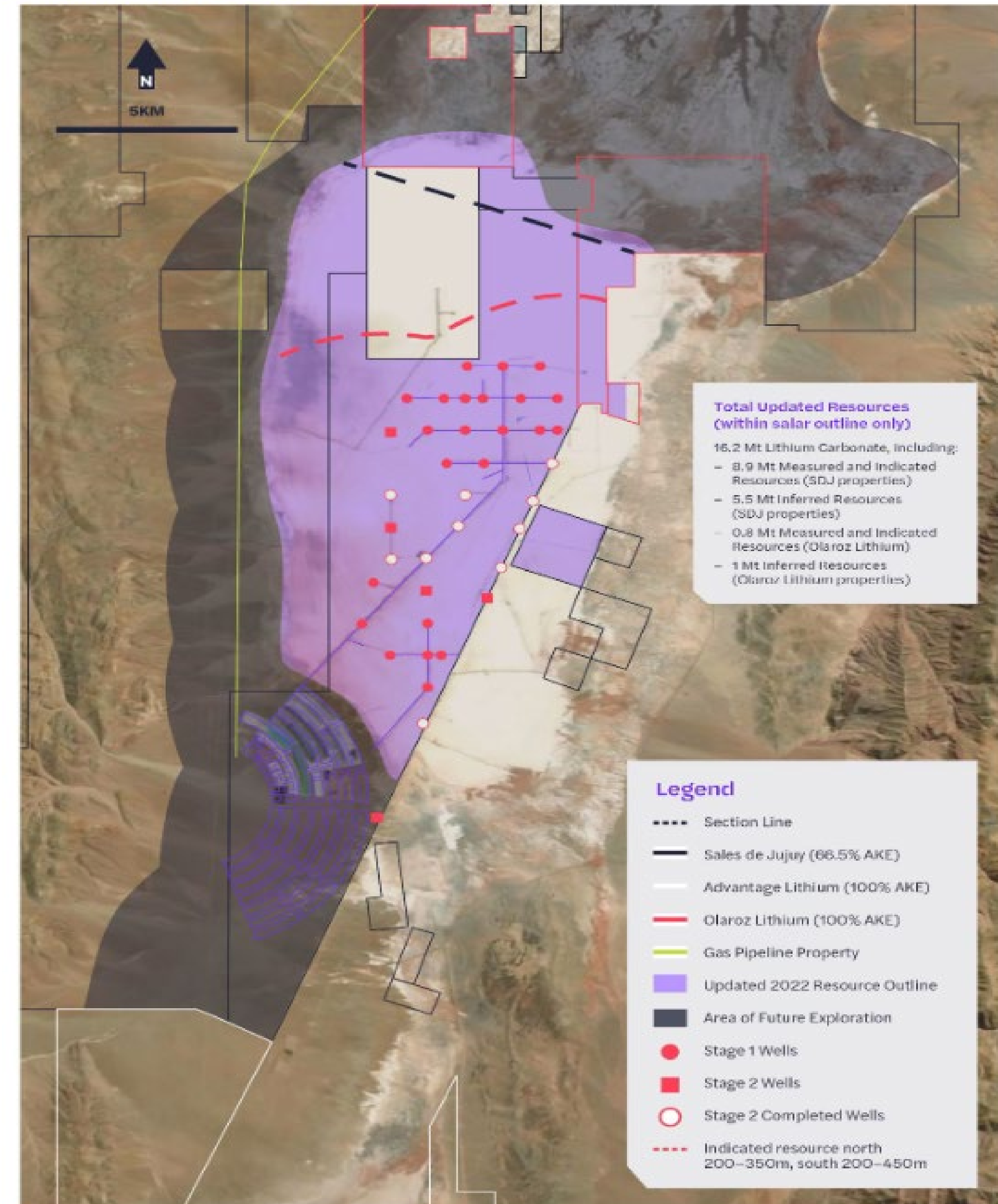
Status update

- Olaroz has 16.2Mt LCE as an interim resource estimate and Cauchari has a further 6.3Mt LCE resource – a total of 22.5Mt LCE across all resource categories
- Acquisition of Maria Victoria adds a strategic lithium tenement of ~1,800ha located ~10km north of Allkem's Olaroz processing facility and to the north and west of current Olaroz stage 1 and proposed stage 2 production wells
 - Potential to provide further resource and unlocks significant development pathways for Olaroz Stage 3
- Currently reviewing development options for Olaroz Stage 3 where brine can be sourced from Cauchari (100% Allkem), Maria Victoria¹, other 100% Allkem tenements and from the existing SDJ properties
- Currently assessing the substantial increase of production capacity for Stage 3 above the previous studies
- On-going studies for conventional and alternative process and technologies

Note:

1. Subject to transaction closing.

Olaroz and Cauchari Properties and Resources



Continuous improvement projects

Strategy to optimise operations by maintaining competitive costs, improving product quality and increasing recovery



Dedicated Purification Facility

Medium term

Jujuy, Argentina

Timeframe

Location

- Additional purification capacity required to supply increasing demand for high quality battery grade
- Would allow Olaroz Stage 1 to become a dedicated technical grade facility and increase technical grade lithium carbonate production by approximately 30-40%
- Established and well understood Olaroz process to deliver high quality battery grade lithium carbonate
- Currently completing a Class 3 estimate engineering package
- Reinforces strategy of participating throughout the chemical supply chain to maximise returns
- Will achieve better sustainability performance with increased recovery of CO₂ from the process
- Will result in lower costs from no camp requirement and multiple efficiencies with lower altitude location close to services, contractors and labour



Continuous improvement projects

Strategy to optimise operations by maintaining competitive costs and improving product quality



Enhanced Brine Recovery Project

Medium term **Olaroz, Jujuy Province**

Timeframe Location

- Current lithium recovery at Olaroz is approximately 75% for primary production
- Enhanced recovery will target 95% and is applicable to both Stage 1 and 2
- Currently reviewing processing options based on knowledge of standard technology in use and combination or introduction of new technologies
- Currently running pilot tests with two alternative technologies
- Material value add, high return on investment is expected
- Targeting feasibility study in H1 CY23

Brine Reagents

- Studies have commenced on the local supply and manufacture of key reagents such as soda ash to meet increasing requirements with higher production as Olaroz and Sal de Vida
- Development options will be considered for Allkem owned lime properties in NW Argentina which may lead to further cost efficiencies
- Strategically important to develop self-sufficiency and improve operational efficiency



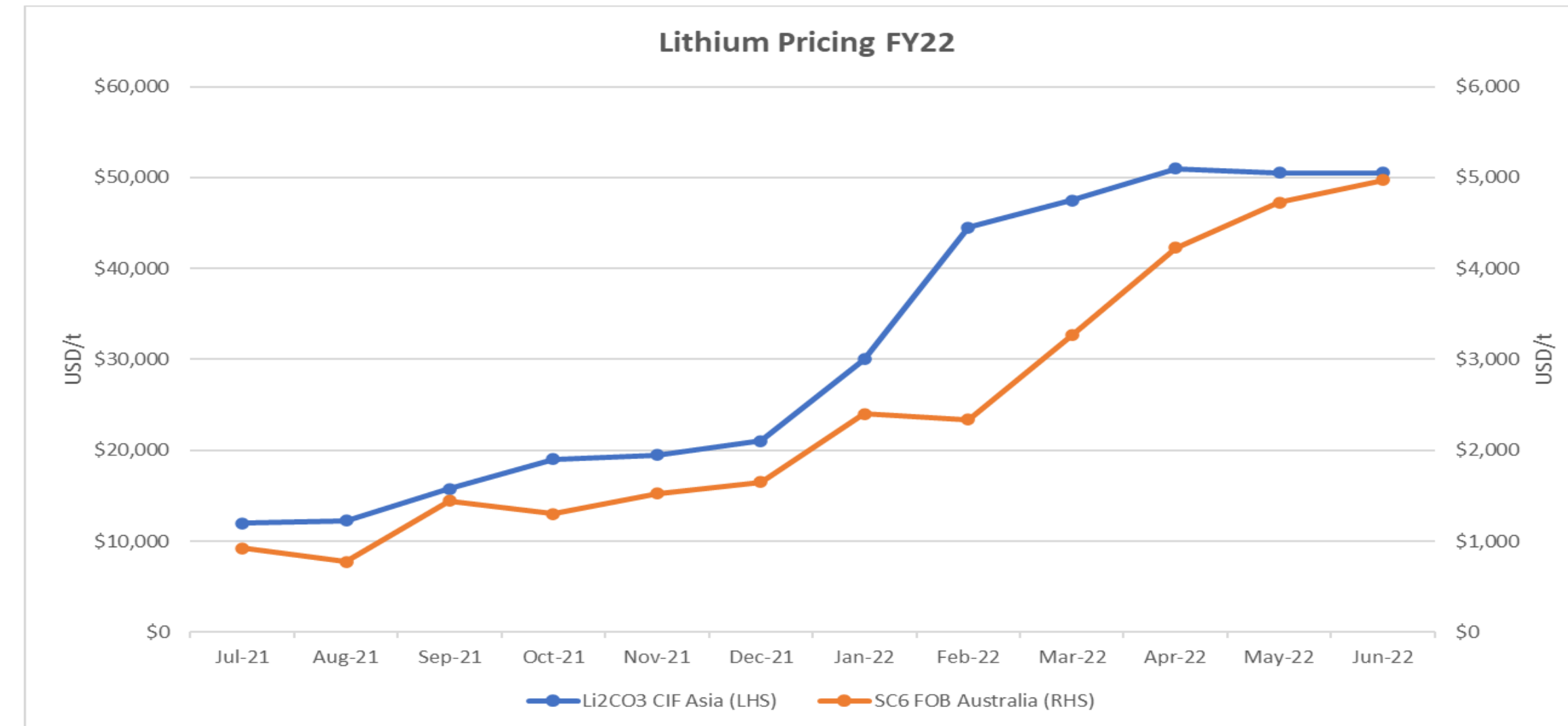
Lithium Market



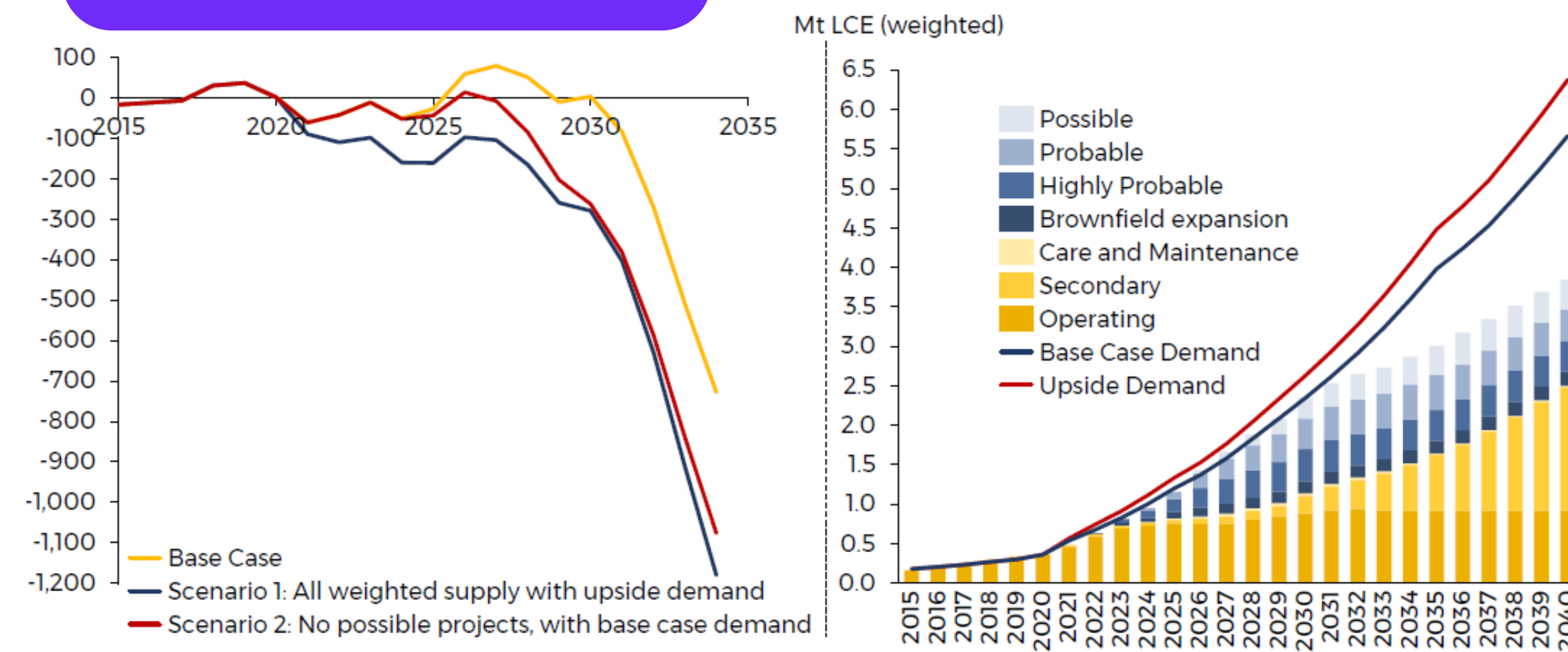
Pricing momentum and stability

Underlying fundamentals support strong demand and robust pricing environment

- Strong ramp up of brownfield expansions but forecast supply is still unable to reach surging demand in the immediate and longer term
- Global EV sales in FY22 were ~8.5 million units, up ~71% YoY. EV sales in China alone were ~4.7 million units in FY22, up 123% YoY.
- Production volumes of lithium-ion batteries ramped up in China to a record level of ~351GWh during FY22, up by 161% YoY.
- Both spot and contract prices for lithium carbonate and hydroxide across all key geographies rallied to new records as limited new supply fell short of demand.¹
- Spodumene concentrate spot prices recorded an almost tenfold increase during the financial year.



Lithium Market Imbalance



Source: Benchmark Mineral Intelligence Q2 2022 Forecast

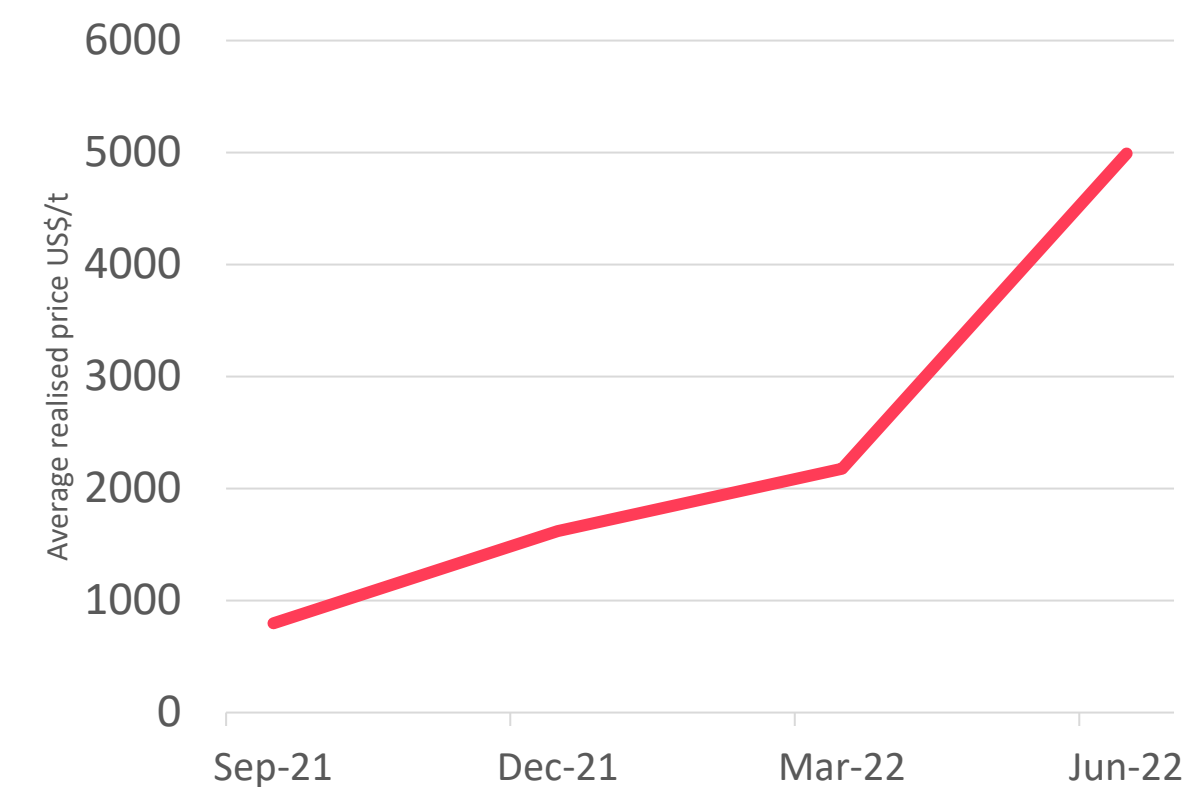
Strong customer relationships and long-term contracts

Strategic sales and marketing efforts maximised FY22 realised pricing and revenues



Mt Cattlin

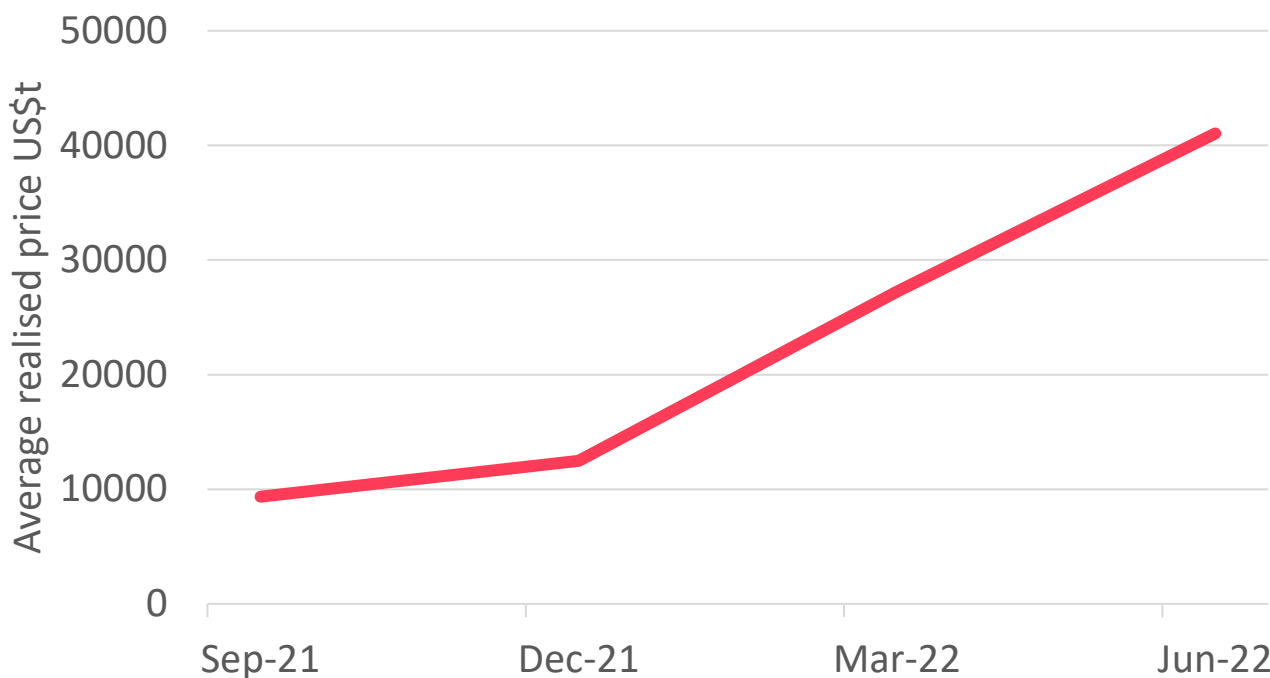
- Average realised volumes are contracted with major long-term customers and price is negotiated quarterly with reference to market pricing for SC
- Pricing for SC increased 527% from US\$796/t CIF in the September 2021 quarter to US\$4,992 in the June 2022 quarter



- Customer demand in the spodumene market remains robust and spodumene concentrate pricing in the September quarter is expected to be above US\$5,000/t CIF SC6

Olaroz

- Selling prices were gradually adjusted upwards to reflect tightening market conditions across the supply chain
- Average realised pricing increased 339% from the September quarter to the June quarter in FY22



- Successful phasing out of unfavourable commitments in order to capture higher pricing (i.e. removal of price ceilings and fixed prices)
- Average pricing for lithium carbonate is expected to be approximately US\$47,000/tonne FOB for H1 FY23, excluding Naraha Feedstock
- Future guidance on lithium carbonate pricing will exclude Naraha feedstock which is an intermediate input in lithium hydroxide production

Creating a major global lithium chemicals company

Unlocking value from our industry leading growth pipeline



FY22 Highlights

- Record revenue and production
- Strong financial position expected to finance Sal de Vida and James Bay
- Significant upside and clear growth strategy
- Industry supply/demand profile requires new development projects
- Customer demand exceeds industry supply capacity



Key focus Areas FY23

- Continue delivering consistent operations at Mt Cattlin and Olaroz
- Completion and commissioning of Naraha and Olaroz Stage 2
- Advance Sal de Vida construction
- Commence James Bay upstream construction
- Execute further growth through Olaroz Stage 3, Purification, Enhanced Recovery, James Bay downstream, Brine Reagents and other projects



Questions



Thank you

○ **Connect:**

info@allkem.co



ASX|TSX : AKE



Appendix



High pricing and record operational performance

Financial Results – Profit and Loss

AKE Consolidated Group	2022 US\$ M	2021 US\$ M
Revenue from contracts with customers	769.8	84.8
Gross profit	605.3	47.3
EBITDAIX	513.1	4.2
Depreciation and amortisation expense	(50.0)	(18.8)
EBITIX	463.1	(14.6)
Net finance costs	(13.8)	(21.1)
EBITX	449.3	(35.7)
Other income - gains from financial instruments	32.0	2.7
Acquisition costs	(12.8)	(1.2)
Amortisation of customer contracts due to purchase price allocation	(13.4)	0.0
Inventory adjustment due to purchase price allocation	(12.4)	0.0
(Impairment/write-downs)/ realisation of inventory write-downs	(0.2)	17.2
Share of net loss of associate	(2.9)	(1.7)
Foreign currency loss	(9.5)	(6.3)
Rehabilitation provision remeasurement	0.0	3.5
Total profit/(loss) for the year before tax	430.1	(21.5)
Income tax expense	(92.9)	(68.0)
Total profit/(loss) for the year after tax	337.2	(89.5)
Profit/(loss) attributable to:		
Owners of the parent entity	305.7	(59.6)
Non-controlling interest	31.5	(29.9)
Total profit/(loss) for the year after tax	337.2	(89.5)

Consolidated results include Galaxy Resources Ltd performance for the period from the acquisition date (25 August 2021).



Highlights

- The group booked record revenue of ~US\$770M, gross profit of ~US\$605M and an EBITDAIX of ~US\$513M.
- Mt Cattlin revenue and EBITDAIX of ~US\$452M and ~US\$336M, respectively, for the approximately ten months post-merger period. Spodumene average CIF sales price was US\$2,221/dmt in FY22 compared to US\$415/dmt for the year ended 30 June 2021.
- Olaroz revenue was ~US\$293M with an average lithium carbonate FOB price of US\$23,398/t in FY22 compared to US\$4,983/t in FY21.
- Profit before tax was ~US\$430M and Profit after tax ~US\$337M after having booked US\$38.6M once off charges pre-tax related to the purchase price allocation and acquisition costs related to the merger.
- Net finance costs of ~US\$14M are lower compared to FY21 mainly due to reduced interest rates for a large portion of the year, reduced Mizuho project finance outstanding balance from the repayment of ~US\$19M Stage 1 and full repayment of pre-export finance loans at SDJ SA.
- Higher depreciation and amortisation costs relative to FY21 due to consolidation of the Mt Cattlin operation. Amortisation of customer contracts (US\$13.4M) arising on purchase price allocation in line with underlying shipments is included in depreciation & amortisation in the statutory accounts but has been separately shown in this table.
- Income tax expense has benefited from US\$64M of previously unrecognised tax losses, and impacted by foreign currency movements and hyperinflation in Argentina.

Material operating cash flow from higher prices and record production volumes



AKE Consolidated Group	FY22 US\$ M	FY21 US\$ M
Cash flows from operating activities		
Receipts from customers	730.3	89.2
Payments to suppliers and employees	(250.2)	(84.8)
Net interest paid	(4.5)	(10.4)
Net cash provided by (used in) operating activities	475.6	(6.1)
Cash flows from investing activities		
Cash acquired from business combination	209.5	0.0
Payments for exploration and evaluation assets	(22.7)	(1.1)
Proceeds from sale of assets	1.5	2.5
Purchase of property, plant and equipment	(238.7)	(96.5)
Loan provided to related party	(18.7)	0.0
Proceeds from financial instruments	32.0	2.7
VAT paid on stage 2 and SDV	(34.0)	(12.3)
Proceeds from financial assets	0.0	0.8
Net cash used in investing activities	(71.1)	(103.9)
Cash flows from financing activities		
Proceeds from issue of shares (net of transaction costs)	(0.6)	119.4
Payments of lease liabilities	(9.4)	(3.3)
Proceeds from minority interests	1.9	0.0
Proceeds from borrowings	44.8	114.0
Repayment of borrowings	(33.7)	(31.0)
Net cash provided by financing activities	3.0	199.0
Net increase in cash and cash equivalents	407.5	88.9
Cash and cash equivalents, net of overdrafts, at the beginning of the period	258.3	171.8
Effect of exchange rates on cash holdings in foreign currencies	(2.3)	(2.4)
Cash and cash equivalents, net of overdrafts, at the end of the period	663.5	258.3

Highlights

- Cash generated from operations is higher than FY21 due to increased Olaroz selling prices and the inclusion of Mt Cattlin. Cash acquired on merger was ~US\$210M.
- Increase in payments to suppliers and employees largely due to Galaxy merger.
- Net interest paid is lower mostly due to reduction in interest rates, reduced Mizuho outstanding balance due to the repayment of ~US\$19M Stage 1 project loan between July 2021 to June 2022 and repayment of pre-export finance loans.
- Increase in payments for exploration, evaluation and development expenditure mostly relate to progress on feasibility study for James Bay.
- Purchase of property, plant and equipment mainly relates to investments in Olaroz Stage 2 and Sal de Vida projects.
- Proceeds from borrowings represents mainly final drawdown of project financing for Olaroz Stage 2 and loans from SDJ shareholder TTC during H1.
- Repayment of borrowings relates mainly to Mizuho project loan Stage 1 (~US\$19M) in FY22 and reduction of pre-export facilities (~US\$15M).

High operating cash flow reinforces healthy balance sheet to fully fund development pipeline



AKE Consolidated Group	2022 US\$ M	2021 US\$ M	AKE Consolidated Group	2022 US\$ M	2021 US\$ M
Current assets			Current liabilities		
Cash and cash equivalents	663.5	258.3	Trade and other payables	96.5	35.8
Trade and other receivables	81.8	23.5	Derivative financial instruments	1.1	2.6
Inventory	76.2	45.2	Loans and borrowings	37.6	34.7
Prepayments	10.3	4.3	Provisions	14.3	0.9
			Lease liabilities	10.2	2.6
			Income tax payable	44.7	0.0
			Other liabilities	18.2	0.0
Total current assets	831.8	331.3	Total current liabilities	222.6	76.5
Non-current assets			Non-current liabilities		
Other receivables	49.3	21.9	Other payables	31.0	22.4
Inventory	53.4	49.2	Derivative financial instruments	0.3	2.7
Financial assets at fair value through other comprehensive income	4.0	0.0	Loans and borrowings	274.1	266.3
Other financial assets	16.4	16.4	Provisions	59.3	34.9
Property, plant and equipment	2,557.9	879.1	Lease liabilities	38.2	33.1
Intangible assets	525.0	0.7	Deferred tax liability	785.9	187.7
Exploration and evaluation assets	425.0	45.9			
Other non-current assets	3.8	0.0			
Investment in associates	0.9	4.2			
Deferred tax assets	25.2	0.0			
Total non-current assets	3,660.9	1,017.4	Total non-current liabilities	1,188.8	547.1
Total assets	4,492.7	1,348.7	Total liabilities	1,411.4	623.6
			Net assets	3,081.3	725.1

Highlights

- Increase in cash of ~US\$405M from the merger with Galaxy plus cash generation from operations.
- Increase in trade and other receivables largely due to high lithium sales prices.
- Increase in inventory largely due to ~US\$13M from Mt Cattlin and ~US\$18M from Olaroz.
- Increase in Property, Plant and Equipment primarily due to Galaxy merger of ~US\$1.5B at fair value plus Olaroz Stage 2 and Sal de Vida capital expenditure.
- Goodwill of US\$524M was recognised on Galaxy acquisition attributable to deferred tax liabilities on valuation uplifts in James Bay and Sal de Vida.
- Increase in exploration and evaluation assets relate to Galaxy merger (James Bay).
- Trade & other payables and provision increases mainly relate to Galaxy operations.
- Non-current loans and borrowings increased due to project finance for Stage 2, partially offset by Stage 1 project loan and pre-export finance loans repayments.
- Net deferred tax liability increase is mainly due to Galaxy valuation and taxation in Argentina.

- Corporate Tax Rate 35%
- Withholding tax on dividends 7%.
- Company income tax losses can be carried forward up to 5 years. Under the mining law this period can be extended based on the generation of taxable income and Fixed Assets useful life
- Export Tax: Fixed percentage of 4.5% on export sales revenue from SDJ and Borax
- Withholding taxes:
 - Withholding tax on interest is generally 35% and can be reduced if there is a Double Tax Agreement in place
 - Withholding tax on royalties and fees is 35% and can be reduced if there is a Double Tax Agreement in place

- dmt is dry metric tonnes
- ktpa is thousands of tonnes per annum
- NCI is non-controlling interest
- YoY year-on-year
- tpa tonnes per annum

Notes:

- EBITDAIX is 'Earnings before interest, taxes, depreciation, amortisation, impairment, gains on financial instruments, foreign currency (losses)/gains, business combination acquisition costs, non-cash business combination adjustments, and share of associate losses'
- EBITIX is 'Earnings before interest, taxes, impairment, gains on financial instruments, foreign currency (losses)/gains, business combination acquisition costs, non-cash business combination adjustments, and share of associate losses'
- EBTIX is 'Earnings before taxes, gains on financial instruments, foreign currency (losses)/gains, business combination acquisition costs, non-cash business combination adjustments, and share of associate losses'
- 'underlying NPAT' and 'underlying EBITDAIX' being statutory profit being adjusted for certain one off and non-recurring items
- EBITDAIX, EBITIX, EBTIX, and Underlying Statutory profit are non-audited, non-IFRS measures
- NCI is the Non-Controlling Interest which represents the portion of equity ownership not attributable to Allkem Limited
- Allkem reports price as Olaroz FOB (Free On Board) which excludes insurance and freight charges included in CIF (Cost, Insurance, Freight) pricing. Therefore, the Company's reported prices are net of freight (shipping), insurance and sales commission, unless otherwise specified.
- Consolidated results include Galaxy Resources Ltd performance for the period from acquisition date (25 August 2021)

Mt Cattlin

Resource and Reserve Estimates



Resource Estimate

Category		Tonnage	Grade	Grade	Contained Metal	Contained metal
		Mt	% Li2O	ppm Ta2O5	('000) t Li2O	lbs Ta2O5
Indicated	In-situ	4.5	1.3	135	59	1,339,000
	Stockpiles	2.4	0.8	122	19	646,000
Inferred	In-situ	6.4	1.3	131	83	1,850,000
Total Resource		13.3	1.2	131	161	3,835,000

Notes: Reported at cut-off grade of 0.4% Li₂O contained within a pit shell generated at a spodumene price of USD1,100 at 6% Li₂O. The preceding statements of Mineral Resources conforms to the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) 2012 edition. All tonnages reported are dry metric tonnes. Excludes mineralisation classified as oxide and transitional. Minor discrepancies may occur due to rounding to appropriate significant figures. RPEEE is defined as reasonable prospects for eventual economic evaluation.

Reserve Estimate

Category		Tonnage Mt	Grade % Li2O	Grade ppm Ta2O5	Contained metal (‘000) t Li2O	Contained metal lbs Ta2O5
Probable	2NW only	3.3	1.12	105	37.0	764,000
	Stockpiles	2.4	0.80	122	19.0	646,000
Total		5.8	0.98	113	56.0	1,410,000

Notes: Reported at cut-off grade of 0.4 % Li₂O within current mine design. The preceding statements of Ore Reserves conforms to the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) 2012 edition. All tonnages reported are dry metric tonnes. Reported with 17% dilution and 93% mining recovery. Revenue factor US\$650/tonne applied. Minor discrepancies may occur due to rounding to appropriate significant figures.

Olaroz and Cauchari

Resource Estimates



Olaroz

Classification	Area km²	Thickness m	Sediments Million m³	Mean Specific Yield Porosity %	Brine Million m³	Li mg/L	Tonnes Li	Tonnes LCE
Allkem SdJ JV								
Measured 0-200	103.3	200	20,452	6.5%	1,338	646	864,000	4,600,000
Indicated 200-450	103.3	250	19,117	5.7%	1,095	667	730,000	3,890,000
Indicated 200-350	103.3	150	3,273	4.8%	157	560	88,000	470,000
Measured and Indicated	103.3	0-350/0-450	42,842	6.0%	2,590	650	1,682,000	8,960,000
Inferred total	103.3	350/450 - >650	29,656	5.3%	1,570	654	1,030,000	5,470,000
Olaroz Lithium (Allkem 100%)								
Measured 0-200	103.3	0-200	1,913	7.7%	148	673	100,000	530,000
Indicated 200-450	103.3	250	723	4.2%	30	830	25,000	130,000
Indicated 200-350	103.3	150	925	4.1%	38	631	24,000	130,000
M&I	103.3	0-350	3,562	6.1%	216	687	149,000	790,000
Inferred total	103.3	350 - >650	6,267	4.0%	249	718	180,000	950,000
Measured and Indicated TOTAL							1,831,000	9,750,000
Inferred TOTAL							1,210,000	6,420,000
GRAND TOTAL							3,041,000	16,170,000

Cauchari

Classification	Tonnes LCE
Measured	1,850,000
Indicated	2,950,000
Measured & Indicated	4,800,000
Inferred	1,500,000
Total	6,300,000

Sal de Vida

Resource Estimate and Reserve



Resource Estimate

Category	Brine volume (m³)	Average Li (mg/l)	In Situ Li(t)	Li ₂ CO ₃ Equivalent
Measured	6.17 x 10 ⁸	757	467,235	2,487,000
Indicated	8.87 x 10 ⁸	793	703,201	3,743,000
Measured & Indicated	1.5 x 10 ⁹	775	1,170,437	6,230,000
Inferred	2.1 x 10 ⁸	563	116,668	621,000
Total	1.7 x 10 ⁹	752	1,287,105	6,851,000

Note: Cut-off grade: 500 mg/L lithium. The reader is cautioned that mineral resources are not mineral reserves and do not have demonstrated economic viability. Values are inclusive of Reserve estimates, and not “in addition to”.

Reserve Estimate

Category	Time Period (years)	Li Total Mass (t)	Li ₂ CO ₃ Equivalent
Proven	1-8	50,725	270,000
Probable	7-40	276,193	1,470,118
Total	40	326,919	1,740,199

Note: Assumes 500 mg/L Li cut-off, 70% Li process recovery

James Bay

Resource Estimate and Ore Reserve



Mineral Resource Estimate

Category	Tonnage Mt	Grade % Li ₂ O	Contained Metal ('000) t Li ₂ O
Indicated	40.30	1.40	564.2
Total	40.30	1.40	564.2

Note: The Mineral Resource Estimate is reported at a cut-off grade of 0.62% Li₂O inside a conceptual pit shell optimised using spodumene concentrate price of USD 950/t containing 6.0% Li₂O, metallurgical and process recovery of 70%, overall mining and processing costs of USD 55/t milled and overall pit slope of 50 degrees. All figures are rounded to reflect the relative accuracy of the estimates. Mineral resources are not mineral reserves and do not have demonstrated economic viability.

Ore Reserve

Category	Ore tonnage (k dmt)	Lithium grade (%Li ₂ O)	Contained Metal ('000) t Li ₂ O
Proven	0	0	0
Probable	37,207	1.30	483.7
Proven + Probable	37,207	1.30	483.7

1. Effective date of the estimate is December 2021;
2. Mineral Reserves are estimated using the following long-term metal prices (Li₂O Conc = 950 USD/t Li₂O at 6.0% Li₂O) and an exchange rate of CAD/US\$ 1.33;
3. A minimum mining width of 5 m was used;
4. Cut-off grade of 0.62% Li₂O;
5. Bulk density of ore is variable, outlined in the geological block model and average 2.7 g/t;
6. The average strip ratio is 3.54:1;
7. The average mining dilution factor is 3.0% at 0.38% Li₂O.

Competent Person statements

Olaroz

Any information in this announcement that relates to Olaroz Project Mineral Resources is extracted from the report entitled “Olaroz resource upgraded 2.5x to 16.2 million tonnes LCE” released on 4 April 2022 which is available to view on www.allkem.co and www.asx.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the Mineral Resources estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcement.

Any information in this announcement relating to Olaroz scientific or technical information, production targets or forecast financial information derived from a production target is extracted from the ASX Announcement entitled “Olaroz resource upgraded 2.5x to 16.1 million tonnes LCE” released on 4 April 2022 which is available to view on www.allkem.co and www.asx.com.au. The Company confirms that all the material assumptions underpinning the scientific or technical information, production targets or the forecast financial information derived from a production target in the original market announcement continue to apply and have not materially changed.

Cauchari

Any information in this release that relates to Cauchari Project Mineral Resources and Ore Reserves is extracted from the release entitled “Cauchari JORC Resource increases to 4.8 million tonnes Measured + Indicated and 1.5 million tonnes Inferred LCE” released on 7 March 2019 which is available to view on www.allkem.co and www.asx.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the Mineral Resource and Ore Reserve estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcement.

Sal de Vida

Any information in this announcement that relates to Sal de Vida Project Exploration Results, Mineral Resources & Ore Reserves is extracted from the report entitled “Sal de Vida capacity increased to 45ktpa in two stages” released on 4 April 2022 which is available to view on www.allkem.co and www.asx.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the Mineral Resources and Ore Reserves estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcement.

Any information in this announcement relating to Sal de Vida scientific or technical information, production targets or forecast financial information derived from a production target is extracted from the ASX Announcement entitled “Sal de Vida capacity increased to 45ktpa in two stages” released on 4 April 2022 which is available to view on www.allkem.co and www.asx.com.au. The Company confirms that all the material assumptions underpinning the scientific or technical information, production targets or the forecast financial information derived from a production target in the original market announcement continue to apply and have not materially changed.

Mt Cattlin

Any information in this announcement that relates to Mt Cattlin’s Mineral Resources and Reserves is extracted from the report entitled “Mt Cattlin Resource, Reserve and Operations Update” released on 25 August 2022 which is available to view on www.allkem.co and www.asx.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the Mineral Resources estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcement.

James Bay

Any information in this announcement that relates to James Bay Mineral Resources & Ore Reserves is extracted from the report entitled “James Bay Lithium Project Feasibility Study & Maiden Ore Reserve” released on 21 December 2021 which is available to view on www.allkem.co and www.asx.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the Mineral Resources and Ore Reserves estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcement.

Any information in this announcement relating to James Bay scientific or technical information, production targets or forecast financial information derived from a production target is extracted from the ASX Announcement entitled “James Bay Lithium Project Feasibility Study & Maiden Ore Reserve” released on 21 December 2021 which is available to view on www.allkem.co and www.asx.com.au. The Company confirms that all the material assumptions underpinning the scientific or technical information, production targets or the forecast financial information derived from a production target in the original market announcement continue to apply and have not materially changed.