

ASX ANNOUNCEMENT

26 February 2025

Livium Ltd

Appendix 4D Half-year report

Reporting Period: Half year ended 31 December 2024

Previous Corresponding Period (pcp): Half year ended 31 December 2023

Results for announcement to the market

	Half Year Ended 31 December 2023				Half Year Ended 31 December 2024
 Revenue from ordinary activities	\$2.6m	up	\$1.2m	to	\$3.8m
 Gross profit	\$0.2m	up	\$2.0m	to	\$2.3m
 Loss before interest and tax	\$4.5m	down	\$0.8m	to	\$3.7m
 Net loss from ordinary activities after tax attributable to members	\$4.5m	down	\$0.8m	to	\$3.7m

	31 December 2024	31 December 2023
Net tangible asset per ordinary security	\$0.004 cents	\$0.004 cents

Further detail of the above figures is set out on the following pages.

Dividends

There are no dividend or distribution reinvestment plans in operation and there have been no dividend or distribution payments during the half year ended 31 December 2024 (31 December 2023: Nil).

Audit/ Review Status

This Appendix 4D and the attached interim financial statements are based on accounts which have been subject to review. The accounts are not subject to dispute or qualification.

Divisions of Livium

Livium Ltd

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Half year end summary

Results

The highlights of the Livium Ltd consolidated group (Livium) period to 31 December 2024 (H1 FY25) results are:

Sales of \$3.8 million, related to the recycling division (pcp: \$2.6 million). Associated recycling cost of sales were \$1.5 million (pcp: \$2.4 million). This delivered a Gross Profit of \$2.3 million for the period (pcp: \$0.2 million). The primary drivers for this improvement were driven by the Company's upstream service model coupled with a focus on large format lithium-ion batteries. The Company's strategic shift to an upstream focused operational model is aimed at increasing 'fee for service' as a proportion of the revenue mix, while also reducing exposure to downstream market and pricing volatility primarily related to the sales of Mixed Metal Dust (MMD).

Loss before interest and tax for the year was \$3.7 million (pcp: \$4.5 million).

The key events reported during the period are listed below and are described in more detail in the various ASX Announcements made during the period.

Battery Recycling – Envirostream

During H1 FY25, Envirostream continued to deliver record results following the Company's transition to an upstream 'Fee for service' model in FY24. In the six months to 31 December 2024, Envirostream delivered revenue of A\$3.8m (46% increase on pcp) and gross profit of A\$2.2m (922% increase on pcp), representing a gross profit margin of 61% (pcp: 9%).

A shift in focus towards large-format lithium-ion batteries ("**LIB**") resulted in lower overall volumes than the pcp with a total of 511 tonnes collected over the period (pcp: 753 tonnes) but higher large-format LIB collections of 384 tonnes, a 138% increase relative to the pcp. The importance of this focus on large-format LIBs is because of the significantly higher margin opportunity relative to other mixed battery chemistries, as demonstrated by the increase in gross profit relative to the pcp.

The Company remains focused on growing the battery recycling business to meet the strong medium-term forecast for end-of-life batteries. The Company is well positioned to access these volumes with the growing number of recycling services agreements. During the period, Envirostream entered into new exclusive recycling agreements with BYD Auto, a global leader in New Energy vehicles, Wabtec, a global leader in the rail and mining industries, Infinitev, a leading provider of remanufactured EV batteries in Australia for consumers, and ReSource, a company dedicated to transforming how materials are recovered and reused. These agreements diversify end-of-life lithium-ion battery sources, complementing previously executed battery recycling agreements with major original equipment manufacturers ("OEM's") such as LG Energy Solution, Volvo Bus, and Hyundai Glovis.

To accommodate expectations of market growth, the business intends to explore deploying growth capital to improve operating efficiencies and expand capacity. The company has appointed advisors to coordinate discussions around partnership and growth funding options, which includes both strategic partners and other financiers.

Lithium Chemicals – LieNA®

Livium has developed a patented lithium extraction technology (**LieNA®**) and entered into a joint development agreement ("**JDA**") with leading ASX-listed mining company Mineral Resources Ltd. (ASX: MIN) ("**MinRes**") to commercialise the lithium extraction technology.

During the period, the Company completed activities under the JDA. These activities included the development and operation of a pilot plant, successful refinement of lithium phosphate and completion of a demonstration plant engineering study ("**Stage 1 Activities**"). The completion of these activities marked a key milestone in the collaborative development of the Company's patented LieNA® technology.

Subsequent to the period, the Company further announced that it has agreed with MinRes the next steps for the commercialisation of the LieNA® technology. Considering current lithium market conditions, Livium and MinRes will undertake additional activities to optimise the development of the LieNA® technology. The additional activities will include an assessment of alternate commercialisation pathways for the LieNA® technology, and the selection of the preferred lithium product for the LieNA® development, including the potential to produce a battery grade

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lithium carbonate ("**Stage 1A Activities**"). Stage 1A Activities are fully funded through the remaining balance of MinRes' convertible note and LieNA® R&D tax incentive rebates.

To allow Stage 1A Activities to be completed, MinRes and Livium have executed necessary variations to the JDA including extending the maturity date of the Convertible Note Deed to 30 September 2025, from its original date of 31 January 2025.

On successful completion of the Stage 1A Activities, MinRes' convertible note will convert into equity in a new joint venture ("JV") between MinRes and Livium, with each holding a 50% interest in the JV entity, LieNA Pty Ltd, which owns the LieNA® technology. LieNA Pty Ltd is currently a wholly owned subsidiary of Livium.

If the Stage 1A Activities are not completed successfully and MinRes elects not to convert to equity, then the JV entity will pay MinRes 50% of the value of the LieNA® technology (as agreed or otherwise determined by an expert) as repayment of the purchase price under the convertible note. The JV plans to license the LieNA® technology to third parties at a target headline gross product royalty rate of 8%¹. The royalty model materially expands Livium's addressable market as it has the potential to capture a fee on all tonnage processed via any mine utilising the LieNA® technology.

Battery Materials – VSPC

Livium produces critical battery material lithium ferro phosphate (**LFP**) through its wholly owned subsidiary VSPC Pty Ltd (**VSPC**).

During the period, the Company confirmed that it has selected Australia as its preferred location for establishing a demonstration plant, following internal risk assessments and customer engagement. Two key factors of the assessment related to the expected availability of Australian government funding coupled with the requirement to build a larger offshore plant, which introduces higher risks.

The proposed development pathway includes the construction of a demonstration plant capable of continuous operation to produce both lithium ferro phosphate, and the emerging lithium manganese ferro phosphate (**LMFP**). The small-scale demonstration plant is capital efficient and allows sample sizes in line with customer's product qualification requirements, which will facilitate the securing of binding offtake for VSPC products. With binding offtake expected from this development, the demonstration plant serves as a critical stepping stone toward the establishment of a full-scale production facility with an expected capacity of 25,000 tpa of LFP or LMFP. A 25,000 tpa production facility has the potential to generate annual revenues of ~US\$319m, assuming an LFP price of ~US\$12.75/kg².

The Company has continued to evolve its VSPC product suite and has recently added new offerings in line with market demand and with the potential for reduced production costs. The demonstration plant will have capability to produce these new product offerings without significant change to the prior designs.

Livium's preferred funding pathway seeks to eliminate reliance on shareholder contributions, whilst maximising value creation for stakeholders. To achieve this the Company is pursuing non-dilutive government funding combined with private strategic partners, who will invest directly into VSPC. Progress has been made to fund the development and operation of the demonstration plant.

Corporate

During the period, the Company's name changed from Lithium Australia Limited to Livium Ltd reflecting the final step in our shift from mining to critical materials in the battery industry.

During the period, Livium announced a capital raising. An initial A\$1.8m was raised through a placement agreement with The Lind Partners, with access to further funding up to a total of A\$7.5m. In addition, a share purchase plan was launched and completed, raising ~A\$1.0m. Proceeds raised will be used to fund key growth and business development initiatives across the Company.

¹ The Company cautions that although it considers this to be a reasonable expectation, there is no guarantee that this rate will be achieved

² Avenira Limited (ASX: AEV) Announcement (Scoping Study, 2 March 2023), Ave. LFP Basket

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Additionally, the Company received ~A\$1.8m in government grants and tax incentives during the period and ~A\$1.2m in cash was received in drawdowns under the Convertible Note Deed with Mineral Resources Limited (ASX: MIN).

Subsequent to the period, the Company announced a restructure to the organisation and reduction of other activities. These changes allow the Company to maintain only those resources necessary to achieve the activities identified as key to delivering value in the near term:

- **Battery Recycling:** Continued safe operations, growing end-of-life volumes, and seeking partners to scale operations in line with the expected waste outlook and to expand into related services
- **Battery Materials:** Secure funding for an Australian LFP demonstration plant from government and private strategic partners, who will invest directly into VSPC
- **Lithium Chemicals:** Complete JDA activities with MinRes, including assessment of alternate commercialisation pathways and selection of the preferred lithium product

This cost restructure targets a reduction of 25% of roles across the organisation. The Company estimates that severance payments and other associated costs of this organisational review will be absorbed, and the benefit of reduced personnel costs seen by the end of the 2025 financial year. Other cost reduction activities are also being implemented, including the use of third-party support. Total estimated annual cost savings from the restructure are expected to be at least A\$1.5 million.

Financial Position

As at 31 December 2024, the Company has cash and listed investments of \$5.6 million (pcp: \$6.6 million) and has loans and borrowings of \$4.7 million related to the convertible note deed with MinRes (pcp: \$0.9 million). It is expected that this liability will convert to equity following completion of activities defined within the joint development agreement.

At 31 December 2024, the Group's working capital deficit, being current assets less current liabilities was \$8.3m (30 June 2024: working capital deficit \$6.7m). The working capital deficit for half year ended 31 December 2024 included a \$7.5m provision for remediation for legal claims relating to a fire in January 2019 at the premises of Envirostream. It is expected that insurances are sufficient to meet the provision.

Earnings per share

	31 December 2024	31 December 2023
Basic (loss) per share in cents	\$0.29 cents	\$0.37 cents

Divisions of Livium

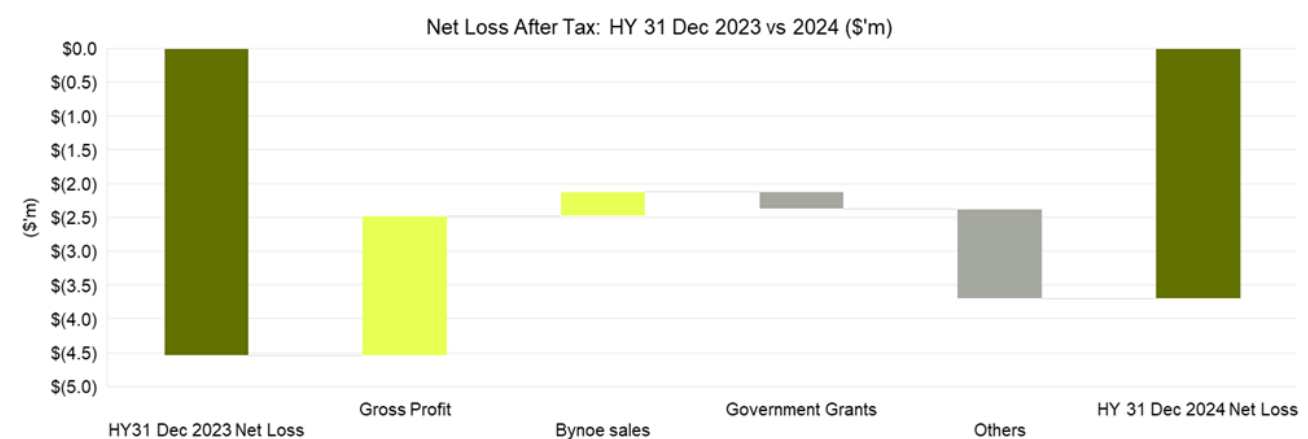
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Summary of key movements in the financial statements (Half year ended 31 December 2024 versus half year ended 31 December 2023)

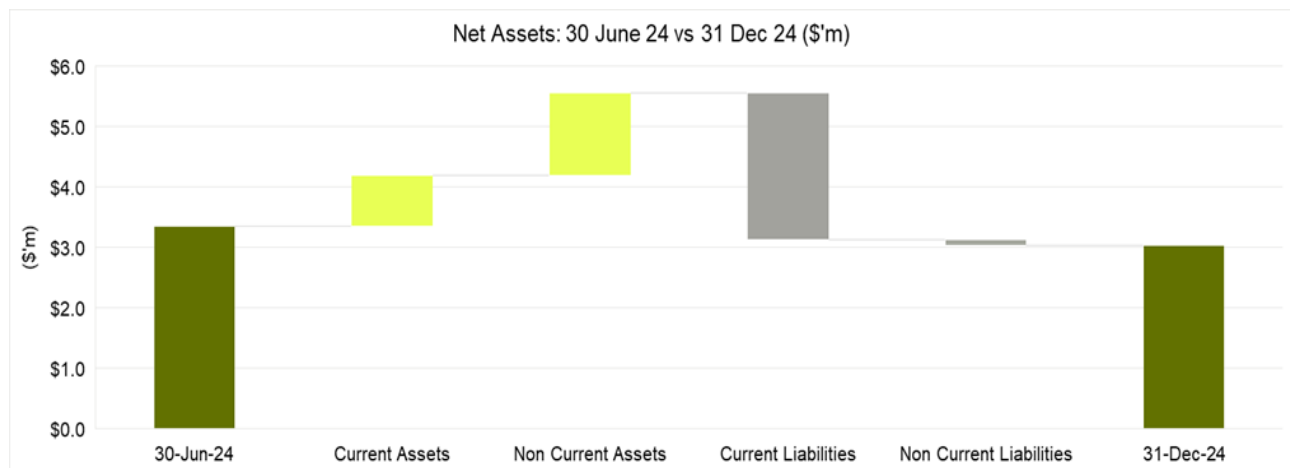
The operating loss after income tax of the Group for the half-year ended 31 December 2024 was \$3.7m (31 December 2023: loss of \$4.5m). The key movements between the half-years are summarised in the following graphic:



Gross Profit: In the half-year ended 31 Dec 2024, our Battery Recycling Division, Envirostream, delivered higher sales, driven by a 138% increase in large format lithium-ion battery volumes on the prior corresponding period (pcp) while maintaining strict control over the cost of sales.

R&D: In the half-year ended 31 Dec 2024, the Group received total R&D tax incentive rebates of \$0.9m. These rebates have been received for wholly owned subsidiaries of Envirostream (\$0.5m in Nov 24) and VSPC (\$0.4m in Dec 24). The R&D rebate for LieNA was received post half year end (\$0.8m in Jan 25).

Net assets of the Group for the half year ended 31 December 2024 were \$3.0m (30 June 2024: \$3.4m). The key movements between the financial years are summarised in the following graphic:



Current Assets: Due to the capital raising funds from Lind Global Fund II LP, funds from Share Purchase Plan (SPP), sale of shares, sale of Bynoe and R&D refunds.

Non-Current Assets: Primarily due to a further spend of \$1.5m on LieNA® development costs in accordance with the JDA with MinRes. These activities are funded under the Convertible Note deed with MinRes.

Current Liabilities: Primarily due to \$1.6m in loans and borrowings from drawdowns under the Convertible Note Deed with MinRes, as well as \$1.8m prepaid ordinary shares from Lind Global Fund II LP that have yet to be converted into equity.

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Authorised for release by the Board.

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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.

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