



Financial Report

Half year ended 31 December 2025

Liontown Limited
ABN: 39 118 153 825

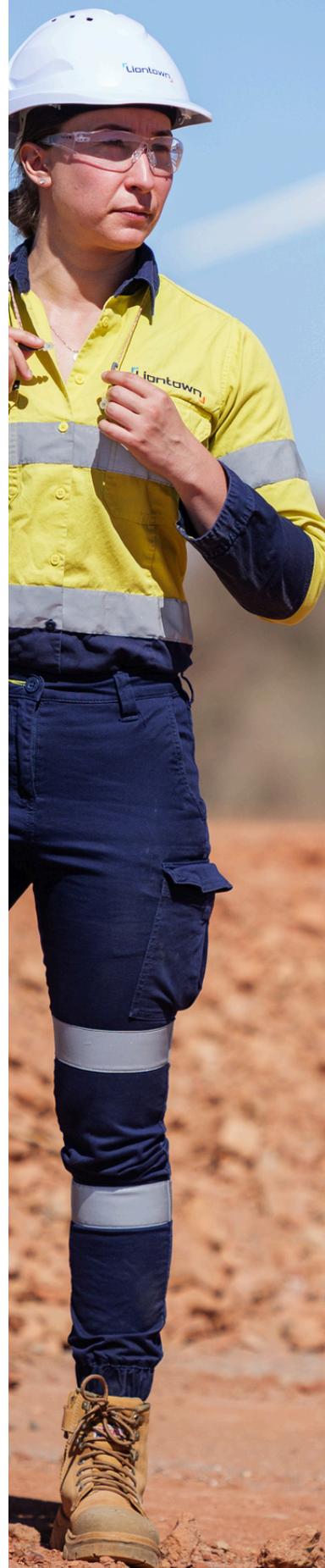
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Corporate Directory

Directors

Timothy Goyder
Antonino Ottaviano
Ian Wells
Jennifer Morris
Shane McLeay
Adrienne Parker

Non-Executive Chair
Managing Director and Chief Executive Officer
Lead Independent Non-Executive Director
Independent Non-Executive Director
Independent Non-Executive Director
Independent Non-Executive Director

Company Secretary

Clint McGhie

Principal Place of Business and Registered Office

Level 2, 32 Ord Street, West Perth, Western Australia
6005

Tel: +61 8 6186 4600

Web: www.liontown.com

Email: info@liontown.com

Auditors

Deloitte Touche Tohmatsu
Brookfield Place, Tower 2
123 St Georges Terrace, Perth, Western Australia 6000

Share Registry

Computershare Investor Services Pty Limited
Level 17, 221 St Georges Terrace, Perth,
Western Australia 6000
Tel: 1300 850 505

Home Exchange

Australian Securities Exchange Limited
Level 40, Central Park, 152-158 St Georges Terrace,
Perth, Western Australia 6000

ASX Code

Share Code: LTR

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Directors' report

The Directors present the condensed consolidated financial report of the Group consisting of Liontown Limited (Liontown or the Company) and its controlled entities for the half year ended 31 December 2025 and the independent auditor's review report thereon.

Directors

The names of directors who held office during or since the end of the half year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Timothy Goyder	Non-Executive Chair
Antonino Ottaviano	Managing Director and Chief Executive Officer
Ian Wells	Lead Independent Non-Executive Director
Jennifer Morris	Independent Non-Executive Director
Shane McLeay	Independent Non-Executive Director
Adrienne Parker	Independent Non-Executive Director

Review of operations

Overview

During the half-year ended 31 December 2025, Liontown executed against its operational plan, completing open pit mining on schedule and achieving full transition to underground operations. Underground operations continued to scale with development and production progressing in line with plan.

The reporting period marked a strategic and financial inflection point, with unit operating costs and All-in sustaining costs (AISC) declining through H1 FY2026.

During the reporting period, the Company sold 189,596 dry metric tonnes (dmt) of spodumene concentrate to customers, at a weighted average grade of 5.1% Li₂O reflecting strong customer demand.



The final open pit blast at the Kathleen's Corner pit

Key highlights of the Company's operations during FY2026 H1, included:

- Kathleen Valley became a 100% underground operation with the conclusion of open pit mining in December 2025;
- \$390 million cash at 31 December 2025 and 13,800 dmt saleable spodumene concentrate on hand;
- \$372 million of gross proceeds raised through a \$316 million two-tranche institutional placement with new and existing investors in Lontown and a \$56 million share purchase plan;
- 189,596 dmt from 10 shipments, with an estimated average realised price of US\$888 / dmt (CIF), resulting in \$207.5 million of revenue for the period;
- \$985 / dmt (FOB) Unit operating costs and \$1,179 / dmt (FOB) AISC;
- 192,514 dmt of concentrate production at an average grade of 5.0% Li₂O;
- 61% lithia recovery;
- 533 kt of underground ore mined, across 31 stopes;
- 591 dmt of tantalum concentrate production;
- Amended offtake contract with Ford Motor Company which gives Lontown greater flexibility to sell more volumes of spodumene concentrate in the open market;
- Amended the debt facility with Ford Motor Company to defer the commencement of principal and interest payments until September 2026;
- Binding offtake deal executed with Canmax Technologies Co for 150 kwmt in CY2027 & CY2028;
- Metalshub platform spot market auction conducted in November 2025 closed at US\$1,254 / dmt SC6, validating our price discovery mechanism; and
- Commissioned Australia's largest paste plant and commenced paste filling at Kathleen Valley.

Sustainability

Health and Safety

The Company's rolling 12-month Lost Time Injury Frequency Rate (LTIFR) at 31 December 2025 was 1.00 and Total Recordable Injury Frequency Rate (TRIFR) was 11.55.

Safety performance reflected a higher number of manual handling related injuries across contractor work groups as underground activity ramped up. The Company has strengthened field leadership, contractor oversight protocols and injury prevention programs in response.



Inspection of an underground refuge chamber



Site personnel pilot psychosocial wellbeing tool

Environmental, Social and Governance (ESG)

The Company continued to demonstrate its commitment to being a transparent and responsible operator during the half-year.

The Company published its first Environmental, Social and Governance data book, a key milestone in disclosure and performance reporting.

All regulatory monitoring was completed in line with approvals, with no material environmental incidents reported.

The Kathleen Valley Hybrid Power Station performed reliably, delivering approximately 82% renewable power during the reporting period, reinforcing Kathleen Valley's position as a low carbon intensity lithium operation.

The Company maintains active engagement with traditional owners and local stakeholders. Highlights during the half-year included a local community Christmas appeal, school engagement activities, and the completion of the first apprenticeship by a Tjiwarl community member at Kathleen Valley Lithium Operation.



View of the windfarm from the ROM pad



Traditional owner-owned Ngatjila at Kathleen Valley

Kathleen Valley Lithium Operation

Mining

Mining Physicals

	Units	2026 H1	Restated 2025 H1
Open Pit Mining			
Ore mined	kt	917	1,728
Waste mined	kt	3,082	4,874
Strip ratio (BCM)	waste : ore	3.0	2.6
Underground Mining			
Ore mined	kt	533	51
Waste mined	kt	261	312
Development metres	m	3,966	3,771
Average lithia grade mined	% Li ₂ O	1.3	1.3

The FY2025 H1 comparative has been restated in accordance with the Company's announcement on 24 April 2025 titled "March 2025 Quarterly Activities and Cashflow Report". The announcement disclosed an adjustment to FY2025 physicals following a reconciliation completed as part of the process for the declaration of commercial production at the Kathleen Valley processing plant.

The only change to FY2025 H1 Mining Physicals was a 7 kt increase to Open Pit Waste mined.

Mining at the Kathleen's Corner open pit was successfully completed on schedule in December 2025, marking the full transition of Kathleen Valley to a 100% underground mining operation.

A total of 1.45 Mt of ore was mined during the half-year with 917 kt coming from the open pit and 533 kt from the underground mine.

Over its life, the open pit played a critical role in establishing the Kathleen Valley operation. Waste rock supported construction of key infrastructure, including the Run of Mine (ROM) pad and tailings storage facility. Ore production from the open pit enabled commissioning and ramp up of the process plant and supported the operation through our early production milestones.

Total underground development for the half-year was 3,966 metres, opening additional work fronts across multiple levels of the underground mine.



Commissioned paste plant



Mt Mann underground operation

Underground haulage and production capacity were strengthened during the reporting period, including mobilisation of an additional haul truck to improve material movement and operational flexibility. Further equipment additions are planned as operations continue to ramp up.

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The performance of our underground operations during the reporting period validates our technical and operating assumptions. An annualised underground run-rate of 1 Mtpa was achieved in the Q2 FY2026 and the ramp-up remains on track to support our targeted 2.8 Mtpa production rate by the end of FY2027.

Australia's largest paste-fill plant was designed to support a 4 Mtpa underground operation. The paste-fill plant performed well during its commissioning phase, with multiple stopes successfully paste-filled during the half-year. Primary ventilation, dewatering, power reticulation and materials-handling systems all operated reliably and without constraint. The Company retains confidence that its underground operation is tracking toward steady-state production in line with guidance.

Processing

Processing Physicals

	<u>Units</u>	<u>2026 H1</u>	<u>Restated 2025 H1</u>
Processing			
Ore processed	kdmT	1,222	808
Lithia feed grade	% Li ₂ O	1.3	1.3
Lithia recovery	%	61	55
Plant availability	%	92	84
Stockpiles			
ROM	kt ore	860	1,302
Spodumene concentrate	dmt	13,800	24,904
Production			
Spodumene concentrate production	dmt	192,514	112,921
Tantalite concentrate production	dmt	591	246

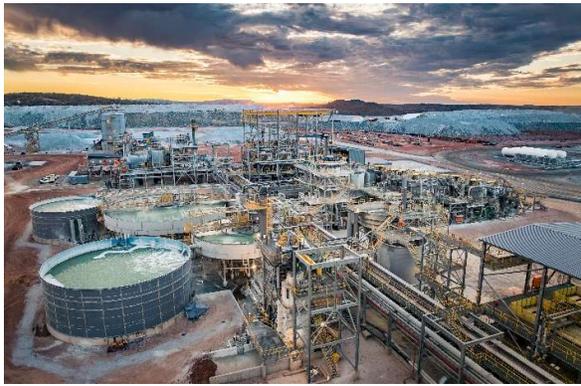
The impact of the FY2025 H1 physicals restatement includes a 93 kdmT decrease in ore processed, an increase in lithia recovery from 52% to 55% and a 3,933 dmt reduction in concentrate produced in H1 FY2025.

The process plant continued to perform to expectations during the half-year. Average plant availability of 92% reflected stable and reliable performance while processing variable feed composition from open pit and Ore Sorting Product (OSP).

During the half-year, a total of 1.22 Mt of ore was processed at an average feed grade of 1.3% Li₂O, producing 192,514 dmt of spodumene concentrate at an average grade of 5.0% Li₂O.

Lithia recovery continued trending upwards, averaging 61% for the half-year. Liontown made a deliberate decision to better sequence and manage the processing of additional open pit stockpile material, revising the 70% recovery target from Q3 to Q4 FY2026. Confidence in the 70% target is unchanged, with underground ore trials in March 2025 delivering recoveries exceeding 70% (as disclosed 9 April 2025).

Tantalite concentrate production totalled 591 dmt for the reporting period.



Kathleen Valley process plant



Process operators at flotation circuit

Sales and marketing

Sales

	Units	2026 H1	2025 H1
Sales			
Spodumene concentrate sales	dmt	189,596	92,172
Average lithia grade shipped	% Li ₂ O	5.1	5.2
Realised Price			
USD	US\$ / dmt SC6e	\$ 888	\$ 811

The methodology for computing Realised Price has been changed from prior reporting periods. Realised price was previously calculated as period revenue divided by tonnes shipped, which included provisional pricing adjustments to revenue for concentrate shipments in prior periods. The revised calculation methodology reflects the Company's best estimate of the Realised Price only for tonnes shipped in the reporting period. The best estimate of Realised Price incorporates post reporting date pricing information available for shipments with price quotation periods settling after the reporting date. Final Realised Prices may vary from estimated pricing.

\$207.5 million revenue was generated during the half-year from sales of 189,596 dmt of spodumene concentrate across 10 parcels at an average grade of 5.1% Li₂O. The estimated average realised price (CIF) on an SC6 basis was US\$888 / dmt for the half-year.

A key highlight was the successful completion of Liontown's inaugural spot market auction in November 2025, conducted via Metalshub. The auction closed at US\$1,254 / dmt SC6 for a January 2026 cargo. The auction demonstrated strong demand and validated spot auctions as an effective mechanism. Given the success, the Company intends to continue utilising auctions as part of our sales strategy in the future.

Amendments to the debt facility and offtake arrangements with Ford Motor Company were made in October 2025. The amendments included a 12-month deferral of principal and interest repayments and a reduction in committed offtake volumes to nil in CY2027 and CY2028, enabling the Company to pursue new customer opportunities. Utilising this capacity, the Company executed a binding offtake agreement with Canmax Technologies Co. Ltd in December 2025 for 150,000 wmt per annum in CY2027 and CY2028, further diversifying Liontown's customer base across geography and the battery value chain.

Pricing for spodumene rallied in the latter part of the half-year and has continued to strengthen into CY2026. The Company is well positioned to deliver stronger sales metrics for H2 FY2026.



Sample extraction for testing prior to sale



Spodumene concentrate loaded for transportation to the Port of Geraldton

Unit Operating Costs

Unit operating costs for H1 FY2026 were \$985 / dmt sold (FOB), with costs declining through the period as the operation transitioned to underground mining. The improvement through the reporting period was driven by the completion of open pit mining, improved recoveries from increased underground ore processed, and higher production volumes diluting fixed cost absorption per tonne.

Unit operating costs are expected to continue trending lower as underground ore becomes the sole mill feed, recoveries improve, and economies of scale are realised as the operation progresses toward steady-state production.

AISC for the half-year were \$1,179 / dmt sold (FOB) compared to the H1 FY2025 AISC of \$1,023.

Exploration

No substantive mining exploration was undertaken during the half-year. Regional exploration programs are scheduled to recommence in future periods in line with strategic priorities.

Corporate

Underlying EBITDA

Underlying EBITDA, a non-IFRS measure, is defined as earnings before interest, financing related gains and losses, tax, depreciation and amortisation. It serves as a key indicator of the Company's financial performance. Lontown's operations generated Underlying EBITDA of \$(7.7) million during the half year.

The reconciliation of Underlying EBITDA to the financial metrics reported in the financial statements under Australian Accounting Standards is presented below.

	<u>Notes</u>	<u>2026 H1</u> <u>'000</u>	<u>2025 H1</u> <u>'000</u>
Net loss after tax		\$ (183,965)	\$ (15,244)
Underlying adjustments			
Fair value movement on derivative liability	11	\$ 104,389	\$ (43,713)
Foreign currency (gains) / losses on financing activities	11	(9,139)	30,427
Total		\$ 95,250	\$ (13,286)
Underlying net loss after tax		\$ (88,715)	\$ (28,530)
Depreciation and amortisation	3,4	\$ 91,142	\$ 87,607
Non-cash inventory movement - (Depreciation and amortisation)		(31,172)	(54,327)
Finance income	5	(6,712)	(7,369)
Finance expense	5	27,926	13,139
Income tax (benefit) / expense		(176)	185
Underlying EBITDA		\$ (7,707)	\$ 10,705

The Group has modified its Underlying EBITDA calculation methodology from the FY2025 Half Year and FY2025 Annual Reports to exclude the impact of non-cash inventory movements for both the current and prior periods because this is considered to be more representative of underlying performance, and is consistent with the Group's Unit Operating Cost calculation, which already excluded non-cash inventory movements.

Financial Performance

The Group reported a loss before tax for the half year of \$(184.1) million (31 December 2024 loss before tax: \$(15.1) million).

Revenue for the period totalled \$207.5 million (31 December 2024: \$100.4 million) and cost of goods sold was \$(251.5) million (31 December 2024: \$(100.4) million).

The Group recognised movements in its Statement of profit or loss and other comprehensive income and Statement of financial position for the period associated with the convertible notes issued to LG Energy Solution, Ltd. This includes the following concepts:

- \$(104.4) million non-cash expense on the change in fair value of the embedded derivative which is driven by factors such as the Company's share price, exchange rate movements and the reduction in time to maturity; and
- \$9.1 million foreign exchange gain related to an increase in the USD:AUD exchange rate across the period.

Finance expense of \$(27.9) million represents a \$(14.8) million unfavourable period on period movement. The movement predominantly relates to interest expense with the period on period increase related to the partial cessation of capitalising interest expense post the commencement of commercial production at the processing plant.

The Company has significant net deferred tax assets that haven't been recognised at 31 December 2025. The primary unrecognised deferred tax asset relates to accumulated losses. The deferred tax assets will be recognised in the future once the Company is sufficiently confident that enough future profit will be generated to utilise them. Declaration that the underground mine is in commercial production is one of the key recognition criteria. Declaration of commercial production is anticipated to occur in H2 FY2026, and an assessment of recognition of deferred tax assets will be undertaken at that time.

Financial Position

	Note	31 Dec 2025 \$'000	30 Jun 2025 \$'000
Cash and cash equivalents		\$ 390,498	\$ 155,575
Debt			
Interest bearing loans and borrowings	11	\$ (701,269)	\$ (687,608)
Lease liabilities	10	(139,348)	(143,491)
Total		\$ (840,617)	\$ (831,099)
Net debt		\$ (450,119)	\$ (675,524)
Equity		\$ 763,221	\$ 580,574
Key Ratios			
Gearing % (Total debt / (Total debt + Equity))		52%	59%
Net gearing % (Net debt / (Net debt + Equity))		37%	54%
Gearing % (excluding lease liabilities)		48%	54%
Net gearing % (excluding lease liabilities)		29%	48%

At 31 December 2025, the Group had net assets of \$763.2 million (30 June 2025: \$580.6 million) and a deficit of current assets over current liabilities of \$(56.8) million, compared to a deficit of \$(279.7) million at 30 June 2025.

The Group's excess of current liabilities over current assets as at 31 December 2025 was driven largely by the current liability classification of the convertible notes (comprising of \$(342.8) million of interest-bearing loans and the related derivative liability of \$(138.9) million) that were issued to LG Energy Solution, Ltd on 4 July 2024.

LG Energy Solution, Ltd could elect to convert the debt into shares in the Company at any time after 4 January 2025 which was six months from issue of the convertible notes. Notwithstanding that the conversion into equity would have no cash impact, the Company did not have an unconditional right to defer settlement of the debt owing to LG Energy Solution Ltd for at least a 12-month period, which is required for the debt to be classified as a non-current liability. LG Energy Solution, Ltd elected to convert its entire convertible note holding into equity subsequent to 31 December 2025. Refer to Note 15(a) for further details.

The Group had cash and cash equivalents of \$390.5 million as at 31 December 2025 (30 June 2025: \$155.6 million).

Trade and other receivables increased by \$28.2 million to \$40.7 million, mainly driven by a \$26.9 million increase in trade receivables from sales of spodumene concentrate.

Inventories increased by \$74.1 million to \$99.0 million. There was a significant increase in the value of ore and concentrate inventories due to a low opening position. The opening inventory value included \$(81.1) million non-cash write-downs of certain ore and concentrate stockpiles to net realisable value at 30 June 2025.

The carrying value of property plant and equipment decreased by \$37.0 million to \$1,306.6 million at 31 December 2025. The period-on-period movement is primarily made up of:

- Depreciation and amortisation of \$(92.1) million including \$(61.7) of depreciation and amortisation relating to the open pit mine; and
- Additions of \$58.2 million of which \$39.6 million relates to the development of the underground mine and its related infrastructure including the paste plant.

Total current liabilities increased by \$(109.3) million to \$(608.3) million at 31 December 2025, mainly due to a \$(104.4) million increase in the fair value of the embedded derivative associated with the convertible notes issued to LG Energy Solution, Ltd.

Statement of Cashflows

	2026 H1 \$'000	2025 H1 \$'000
Net cash used in operating activities	\$ (54,511)	\$ (36,640)
Net cash used in investing activities	(62,960)	(253,187)
Net cash from financing activities	352,394	359,750
Net increase in cash and cash equivalents	\$ 234,923	\$ 69,923

Net cash used in operating activities increased by \$(17.9) million to \$(54.5) million for the period ended 31 December 2025, primarily due to higher payments to suppliers and employees. This increase was largely attributable to elevated production costs as the Company commenced commercial production at the Kathleen Valley processing plant on 1 January 2025.

Net cash used in investing activities was \$(63.0) million for the period ended 31 December 2025 and mainly related to underground development expenditure.

Net cash from financing activities was \$352.4 million for the period ended 31 December 2025. The cash inflows were primarily driven by an institutional placement and share purchase plan in August 2025, which generated net proceeds of \$362.7 million after transaction costs. Repayments of borrowings, lease liabilities and interest of \$(10.3) million mainly relates to hire purchase arrangements and cash payments for right-of-use assets.

Significant changes in the state of affairs

There were no significant changes to the state of affairs other than those noted elsewhere in this half year financial report.

Events Subsequent to the reporting date

On 29 January 2026, the Group announced that LG Energy Solution, Ltd had submitted a conversion notice to convert its full US\$(250) million convertible notes holding, including accrued interest, into 239,460,858 ordinary fully paid shares in the Company. Refer to Note 15 to the financial statements for additional details.

There has not been any other matter or circumstance that has arisen since the end of the half year which has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial periods.

Rounding of amounts

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial / Directors' Reports) Instrument 2016 / 191 and in accordance with the legislative instrument, amounts in the Directors' Report and Financial Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Auditor's declaration of independence

Section 307C of the *Corporations Act 2001* requires our auditors, Deloitte Touche Tohmatsu, to provide the directors of the Company with an Independence Declaration in relation to the review of the half year financial report. This Independence Declaration is set out on page 15 and forms part of this directors' report for the half year ended 31 December 2025.

Forward looking statements and important notice

This report contains forward-looking statements which involve a number of risks and uncertainties. These forward-looking statements are expressed in good faith and believed to have a reasonable basis. These statements reflect current expectations, intentions or strategies regarding the future and assumptions based on currently available information. Such forward-looking statements are not a guarantee of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the management. The Directors cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements. Should one or more of the risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary from the expectations, intentions and strategies described in this report. No obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.

The information in this report that relates to production targets for the Kathleen Valley Lithium Operation were first reported on 11 November 2024 in the ASX Announcement "Kathleen Valley update and H2 FY25 guidance" and are underpinned by the Company's existing Ore Reserves that have been prepared by a Competent Person in accordance with the JORC Code (2012 Edition).

The Company confirms that it is not aware of any other 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 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 announcements.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to Section 306(3) of the *Corporations Act 2001*.



Antonino Ottaviano
Managing Director

Dated at Perth this 11th day of March 2026

Auditor independence



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11 March 2026

Board of Directors
Liontown Limited
Level 2, 32 Ord Street
WEST PERTH WA 6005

Dear Directors,

Auditor's Independence Declaration to Liontown Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the Directors of Liontown Limited.

As lead audit partner for the review of the half year financial report of Liontown Limited for the half-year ended 31 December 2025, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- any applicable code of professional conduct in relation to the review.

Yours faithfully,

DELOITTE TOUCHE TOHMATSU

David Newman
Partner
Chartered Accountants

Liability limited by a scheme approved under Professional Standards Legislation
Member of Deloitte Asia Pacific Limited and the Deloitte organisation.

Condensed consolidated statement of profit or loss and other comprehensive income

for the half-year ended 31 December 2025

	Notes	2026 H1 '000	2025 H1 '000
Sales revenue	2	\$ 207,539	\$ 100,410
Cost of goods sold	3	(251,450)	(100,410)
Gross Loss		\$ (43,911)	\$ -
Other income		\$ 869	\$ 1,451
Corporate and administration expenses	4	(20,202)	(19,437)
Exploration and evaluation expenditure expensed		(563)	(937)
Share based payments	4	(3,870)	(3,652)
Loss before financing and tax		\$ (67,677)	\$ (22,575)
Finance income	5	\$ 6,712	\$ 7,369
Finance expense	5	(27,926)	(13,139)
Fair value movement on derivative liability	11	(104,389)	43,713
Foreign currency gains/(losses) on financing activities	11	9,139	(30,427)
Loss before income tax		\$ (184,141)	\$ (15,059)
Income tax benefit / (expense)		\$ 176	\$ (185)
Net loss after tax		\$ (183,965)	\$ (15,244)
Other comprehensive loss items that will not be reclassified to profit or loss			
Net loss on fair value movement of financial assets, net of tax		\$ (197)	\$ (361)
Total comprehensive loss for the year attributable to owners of the Company		\$ (184,162)	\$ (15,605)
Basic loss per share (dollars per share)		\$ (0.066)	\$ (0.006)
Diluted loss per share (dollars per share)		(0.066)	(0.006)

The condensed consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.

Condensed consolidated statement of financial position

as at 31 December 2025

	Notes	31 Dec 2025 '000	30 Jun 2025 '000
Current assets			
Cash and cash equivalents		\$ 390,498	\$ 155,575
Trade and other receivables	6	40,696	12,452
Financial assets	8	21,350	26,357
Inventories	7	98,982	24,884
Total		\$ 551,526	\$ 219,268
Non - current assets			
Financial assets	8	\$ 695	\$ 713
Property, plant and equipment	9	1,306,590	1,343,560
Total		\$ 1,307,285	\$ 1,344,273
Total assets		\$ 1,858,811	\$ 1,563,541
Current liabilities			
Trade and other payables		\$ (88,199)	\$ (88,184)
Lease liabilities	10	(8,114)	(8,104)
Provisions	12	(3,885)	(3,222)
Interest bearing loans and borrowings	11	(369,206)	(364,992)
Derivatives	11	(138,877)	(34,488)
Total		\$ (608,281)	\$ (498,990)
Non - current liabilities			
Interest bearing loans and borrowings	11	\$ (332,063)	\$ (322,616)
Provisions	12	(24,012)	(25,974)
Lease liabilities	10	(131,234)	(135,387)
Total		\$ (487,309)	\$ (483,977)
Total Liabilities		\$ (1,095,590)	\$ (982,967)
Net assets		\$ 763,221	\$ 580,574
Equity			
Share Capital	13	\$ 1,318,297	\$ 955,358
Accumulated losses		(564,147)	(380,635)
Reserves		9,071	5,851
Total		\$ 763,221	\$ 580,574

The condensed consolidated statement of financial position is to be read in conjunction with the accompanying notes.

Condensed consolidated statement of changes in equity

for the half-year ended 31 December 2025

	Issued Capital	Accumulated Losses	Share Based Payments Reserve	Investment Revaluation Reserve	Foreign Currency Translation Reserve	Total Equity
	'000	'000	'000	'000	'000	'000
Equity at 1 July 2025	\$ 955,358	\$ (380,635)	\$ 6,236	\$ (524)	\$ 139	\$ 580,574
Comprehensive income						
Loss for the half year	\$ -	\$ (183,965)	\$ -	\$ -	\$ -	\$ (183,965)
Other comprehensive income	-	-	-	(197)	-	(197)
Total	\$ -	\$ (183,965)	\$ -	\$ (197)	\$ -	\$ (184,162)
Transactions with owners in their capacity as owners						
Issue of shares (net of costs)	\$ 362,939	\$ -	\$ -	\$ -	\$ -	\$ 362,939
Share based payments	-	-	3,870	-	-	3,870
Transfer between equity items	-	453	(453)	-	-	-
Total	\$ 362,939	\$ 453	\$ 3,417	\$ -	\$ -	\$ 366,809
Equity at 31 December 2025	\$ 1,318,297	\$ (564,147)	\$ 9,653	\$ (721)	\$ 139	\$ 763,221
Equity at 1 July 2024	\$ 955,343	\$ (196,390)	\$ 11,110	\$ (130)	\$ 139	\$ 770,072
Comprehensive income						
Loss for the half year	\$ -	\$ (15,244)	\$ -	\$ -	\$ -	\$ (15,244)
Other comprehensive income	-	-	-	(361)	-	(361)
Total	\$ -	\$ (15,244)	\$ -	\$ (361)	\$ -	\$ (15,605)
Transactions with owners in their capacity as owners						
Share issue cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Share based payments	20	-	3,632	-	-	3,652
Transfer between equity items	-	2,935	(2,935)	-	-	-
Total	\$ 20	\$ 2,935	\$ 697	\$ -	\$ -	\$ 3,652
Equity at 31 December 2024	\$ 955,363	\$ (208,699)	\$ 11,807	\$ (491)	\$ 139	\$ 758,119

The condensed consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.

Condensed consolidated statement of cash flows

for the half-year ended 31 December 2025

	Notes	2026 H1 '000	2025 H1 '000
Cash flows from operating activities			
Receipts from customers		\$ 177,624	\$ 91,990
Cash paid to suppliers and employees		(236,779)	(135,160)
Payments for exploration and evaluation		(564)	(839)
Taxes paid		(837)	-
Interest received		6,045	7,369
Net cash used in operating activities		\$ (54,511)	\$ (36,640)
Cash flows from investing activities			
Payments for plant and equipment		\$ (67,960)	\$ (253,187)
Return of security from guarantee facility	8	5,000	-
Net cash used in investing activities		\$ (62,960)	\$ (253,187)
Cash flows from financing activities			
Proceeds from borrowings		\$ -	\$ 372,286
Repayment of borrowings		(337)	(57)
Transaction costs relating to loans and borrowings		-	(2,634)
Repayment of lease liabilities		(4,142)	(3,745)
Proceeds from issue of shares		372,054	-
Payment for share issue costs		(9,370)	-
Interest and other cost of finance		(5,811)	(6,100)
Net cash from financing activities		\$ 352,394	\$ 359,750
Net increase in cash and cash equivalents		\$ 234,923	\$ 69,923
Cash and cash equivalents			
Cash and cash equivalents at the beginning of the financial period		\$ 155,575	\$ 122,949
Net increase in cash and cash equivalents		234,923	69,923
Cash and cash equivalents at the end of the financial period		\$ 390,498	\$ 192,872

The condensed consolidated statement of cash flows is to be read in conjunction with the accompanying notes.

Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2025

Note 1 Significant accounting policies

(a) Statement of compliance

The half year financial report was authorised for issue on 11 March 2026.

These interim consolidated financial statements are general purpose financial statements prepared in accordance with the requirements of the *Corporations Act 2001*, applicable accounting standards including AASB 134 *Interim Financial Reporting*, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board (AASB).

The interim consolidated financial statements comply with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the interim financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

(b) Basis of preparation

The financial statements comprise the consolidated interim financial statements for the Group. For the purposes of preparing the consolidated interim financial statements, the Group is a for-profit entity.

The interim financial statements do not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report.

It is recommended that these interim financial statements be read in conjunction with the annual financial report for the year ended 30 June 2025 and any public announcements made by Liontown Limited during the half year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001* and the ASX Listing Rules.

The Group has one reportable operating segment which is exploration, development and mining of minerals in Western Australia. The financial results of this segment are equivalent to the financial statements of the Group as a whole.

The interim report has been prepared on a historical cost basis. Historical cost is based on the fair values of the consideration given in exchange for assets, goods and services. The Group is domiciled in Australia, and all amounts are presented in Australian dollars, unless otherwise noted.

Other than those disclosed below and the impact of the new Standards and Interpretations as disclosed in Note 1(d), the accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding half year. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

(c) Significant accounting judgments and key estimates

The preparation of interim financial reports requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim financial report, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial report for the year ended 30 June 2025.

(d) Adoption of new and revised Accounting Standards

1. Standards and Interpretations applicable for the half year ended 31 December 2025

In the period ended 31 December 2025, the Directors have reviewed all the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current reporting period. Their adoption has not had a material impact on the disclosures and/or amounts reported in these financial statements.

2. Standards and Interpretations in issue not yet adopted

The Directors have also reviewed all Standards and Interpretations in issue not yet adopted for the period ended 31 December 2025. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Company and, therefore, no change is necessary to Group accounting policies.

(e) Going Concern

The financial statements have been prepared on the going concern basis of accounting.

The Group incurred a net loss after tax for the period ended 31 December 2025 of \$(184.0) million (31 December 2024: \$(15.2) million), and net cash outflows from operating and investing activities of \$(117.5) million (31 December 2024: \$(289.8) million).

As at 31 December 2025 the Group held cash and cash equivalents of \$390.5 million (30 June 2025: \$155.6 million) and had a deficit of current assets over current liabilities of \$(56.8) million (30 June 2025: deficit of \$(279.7) million). The Group's excess of current liabilities over current assets as at 31 December 2025 is driven largely due to the classification as a current liability of the convertible notes (\$(342.8) million of interest-bearing loans and the related derivative liability of \$(138.9) million) that were issued to LG Energy Solution, Ltd on 4 July 2024. LG Energy Solution, Ltd could elect to convert the debt into shares in the Company at any time after six months from issue of the convertible notes. Notwithstanding that the conversion into equity would have no cash impact, the Company did not have an unconditional right to defer settlement of the debt owing to LG Energy Solution, Ltd for at least a 12-month period from 31 December 2025, which was necessary for the debt to be classified as a non-current liability. Settlement in cash could not take place before the maturity date of 4 July 2029.

On 29 January 2026, the Group announced that LG Energy Solution, Ltd had submitted a conversion notice to convert its entire convertible note holding including accrued interest, into 239,460,858 fully paid ordinary shares in the Company. Refer to Note 15 for additional details.

The Group completed construction of the processing facility at the Kathleen Valley Lithium Project in July 2024 and commenced commercial production at the plant on 1 January 2025. Development of the underground mine remains ongoing, with commercial production expected in the fourth quarter of 2026. While ramping up of the underground mine carries inherent risks, the directors are confident in the Group's ability to successfully execute the ramp-up, supported by a strong track record of performance closely aligned with operational plans.

Based on the current cash reserves and the positive ramp up progress of the underground mine, the Group expects to maintain sufficient liquidity to meet all obligations and working capital requirements for the 12 months following the date of approval of this financial report.

Note 2 Sales revenue

	2026 H1 '000	2025 H1 '000
Sales revenue		
Revenue from sale of concentrate	\$ 200,711	\$ 97,025
Revenue from shipping	7,428	4,399
Total revenue from contracts with customers	\$ 208,139	\$ 101,424
Provisional pricing adjustments	\$ (600)	\$ (1,014)
Total sales revenue	\$ 207,539	\$ 100,410

The Group's principal revenue is from the sale of spodumene concentrate. The Group also earns revenue from the provision of shipping services in relation to the concentrate.

(a) Concentrate sales

Revenue from sale of concentrate is recognised when control of the concentrate passes to the customer. This is generally determined when title passes together with significant risks and rewards of ownership, which for Free on Board (FOB) and Cost, Insurance, and Freight (CIF) shipments of concentrate is the bill of lading date.

The amount of revenue recognised reflects the consideration which the Group expects to be entitled to that is highly probable of not reversing by reference to the relevant contractual price and estimated quality and quantity of the concentrate. Customer sales contracts can contain provisional pricing at the time the product is delivered to the vessel, with the final pricing determined at a later date.

The provisionally priced concentrate sales are repriced at each reporting period, by reference to updated forward market prices, until the final pricing and settlement is confirmed with these adjustments reported in the line-item 'Provisional pricing adjustments' and are presented separately from revenue from contracts with customers. The repricing of concentrate sales may result in revenue adjustments being recognised in the current reporting period for shipments that occurred in prior reporting periods.

(b) Shipping services

Where the Group's concentrate sales are sold under CIF Incoterms, the Group is responsible for providing shipping services after the date that the Group transfers control of the concentrate to its customers. The Group, therefore, has a separate performance obligation for shipping services which are provided solely to facilitate the sale of the concentrate it produces.

For CIF arrangements, the transaction price is allocated to the spodumene concentrate and shipping services using the relative stand-alone selling price method. Shipping services revenue is generally recognised over the period in which the shipping services are being provided.

Note 3 Cost of goods sold

	2026 H1 '000	2025 H1 '000
Cost of Goods Sold		
Mining and processing costs ⁽¹⁾	\$ (187,482)	\$ (129,161)
Haulage	(14,930)	(7,199)
Shipping and selling expenses	(14,170)	(5,658)
Royalties	(15,099)	(7,459)
Depreciation and amortisation	(90,420)	(86,701)
Capitalised commissioning cost	-	39,307
Inventory movements	70,651	96,461
Total	\$ (251,450)	\$ (100,410)

(1) Costs include maintenance, site administration and credits for the sale of tantalum concentrate.

Cost of sales includes the normal costs of producing and selling metal concentrate. These costs include the mining, processing and selling costs involved in generating inventories sold during the period. Commercial production at the Kathleen Valley processing plant commenced on 1 January 2025, with depreciation included in cost of goods sold from that date forward. As detailed in Note 1(e), the underground mine had not reached commercial production as at 31 December 2025; therefore, depreciation and amortisation of the underground mine had not yet commenced.

In the comparative period, the Company elected to measure inventories at a cost that would result in a nil margin upon sale, with any excess costs capitalised to Assets Under Construction (AUC) as commissioning costs because the processing plant had not yet reached commercial production.

Note 4 Other expenses

	2026 H1 '000	2025 H1 '000
Corporate and administration expenses		
Administration and general costs	\$ (8,996)	\$ (8,866)
Business development costs	(544)	-
Depreciation and amortisation	(722)	(906)
Personnel expenses	(9,940)	(9,665)
Total	\$ (20,202)	\$ (19,437)
Share based payments		
Performance rights expense	\$ (3,870)	\$ (3,652)
Total	\$ (3,870)	\$ (3,652)

Note 5 Finance income and expenses

	2026 H1 '000	2025 H1 '000
Finance income		
Interest income	\$ 6,712	\$ 7,369
Finance expense		
Interest charges calculated using the effective interest rate method ⁽¹⁾	\$ (21,467)	\$ (4,169)
Interest on lease liabilities	(5,672)	(5,932)
Accretion on rehabilitation and restoration provision	(611)	-
Other	(176)	(3,038)
Total	\$ (27,926)	\$ (13,139)

(1) Interest charges using the effective interest rate method are net of interest capitalised to qualifying assets under AASB 123 *Borrowing costs* of \$2.4 million (2025 H1: \$23.6 million).

Note 6 Trade and other receivables

	31 Dec 2025 '000	30 Jun 2025 '000
Trade and other receivables		
Trade and other receivables	\$ 36,050	\$ 9,190
Prepayments	4,646	3,262
Total	\$ 40,696	\$ 12,452

Trade receivables (subject to provisional pricing) are non-interest bearing, are exposed to future commodity price movements over the provisional pricing period and, hence, do not satisfy the solely payments of principal and interest ('SPPI') test, and, as a result, are measured at fair value up until the date of settlement. These trade receivables are initially measured at the amount which the Group expects to receive, being the estimate of the price expected to be received at the end of the provisional pricing period, with subsequent movements in fair value being recognised in the comprehensive income statement. Other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for expected credit loss. Recoverability of trade and other receivables is reviewed on an ongoing basis.

Note 7 Inventories

Inventories	31 Dec 2025	30 Jun 2025
	'000	'000
Ore stockpiles	\$ 63,807	\$ -
Concentrate	14,575	7,731
Stores and consumables	20,600	17,153
Total	\$ 98,982	\$ 24,884

Concentrate stockpiles and ore stockpiles are surveyed and valued at the lower of cost and net realisable value. Costs represent the weighted average cost of production and includes direct materials, direct labour, depreciation and an appropriate portion of fixed and variable production overhead expenditure, the latter being allocated on the basis of normal operating capacity.

Consumables and spares are valued at the lower of cost and net realisable value. Costs are assigned to individual items of stock based on weighted average cost. Any allowance for obsolescence is determined by reference to specific stock items identified.

Net realisable value is the estimated selling price in the ordinary course of business less estimated cost of completion and the estimated costs necessary to make the sale.

At 30 June 2025, the Group recorded a non-cash write down of certain ore and concentrate stockpile inventory balances, amounting to \$(81.1) million. The write down primarily related to OSP stockpiles accumulated during the operational ramp up phase, which carry a higher historical cost base.

Ore inventories expected to be utilised within twelve months after the balance sheet date are classified as current assets. All other inventory is classified as non-current.

Note 8 Financial assets

	31 Dec 2025	30 Jun 2025
	'000	'000
Current Financial assets		
Bank and other guarantees	\$ 21,350	\$ 26,357
Total	\$ 21,350	\$ 26,357
Non-Current Financial assets		
Investment in equity securities	\$ 679	\$ 700
Other financial assets	16	13
Total	\$ 695	\$ 713

(a) Investments held in equity securities

The Board view investment in equity securities as long-term investments and as such have elected to designate this investment as at Fair Value through Other Comprehensive Income. Fair value changes on the investment are therefore accounted for through Other Comprehensive Income, and the financial asset is level 1 in the fair value measurement hierarchy.

(b) Bank and other guarantees

The Company holds a \$20 million demand guarantee facility with Export Finance Australia (EFA), which forms part of the security arrangements which supported the construction of the hybrid power station at Kathleen Valley. As at the reporting date, the Company maintains a \$20 million cash deposit in an interest-bearing account with EFA, after receiving a \$5 million refund in H1 FY2026.

Note 9 Property, plant and equipment

	Mine Properties '000	Plant and equipment '000	Right of use assets '000	Asset under construction '000	Total '000
Balance 31 Dec 2025					
Cost	\$ 267,023	\$ 737,764	\$ 149,303	\$ 421,756	\$ 1,575,846
Accumulated depreciation	(194,339)	(52,165)	(22,752)	-	(269,256)
Net book value	\$ 72,684	\$ 685,599	\$ 126,551	\$ 421,756	\$ 1,306,590
Opening net book value	\$ 135,692	\$ 713,350	\$ 132,650	\$ 361,868	\$ 1,343,560
Additions	\$ 5,651	\$ 261	\$ 2	\$ 52,335	\$ 58,249
Change in rehabilitation provision estimate	(912)	(1,624)	-	(139)	(2,675)
Disposals	-	(464)	-	-	(464)
Transfer between classes ⁽¹⁾	(4,710)	(2,982)	-	7,692	-
Depreciation and amortisation ⁽²⁾	(63,037)	(22,942)	(6,101)	-	(92,080)
Movement	\$ (63,008)	\$ (27,751)	\$ (6,099)	\$ 59,888	\$ (36,970)
Net book value	\$ 72,684	\$ 685,599	\$ 126,551	\$ 421,756	\$ 1,306,590

(1) Reflects adjustment for reclassification between asset classes.

(2) Depreciation and amortisation of \$(90.4) million has been included in the inventory balance, \$(1.0) million capitalised into AUC as part of underground development and \$(0.7) million has been included in the profit or loss.

	Mine Properties '000	Plant and equipment '000	Right of use assets '000	Asset under construction '000	Total '000
Balance 30 Jun 2025					
Cost	\$ 266,994	\$ 740,966	\$ 149,301	\$ 361,868	\$ 1,519,129
Accumulated depreciation	(131,302)	(27,616)	(16,651)	-	(175,569)
Net book value	\$ 135,692	\$ 713,350	\$ 132,650	\$ 361,868	\$ 1,343,560
Opening net book value	\$ 181,643	\$ 71,127	\$ 136,710	\$ 811,138	\$ 1,200,618
Additions	\$ 15,433	\$ 26,335	\$ 8,200	\$ 253,741	\$ 303,709
Disposals	-	-	-	(728)	(728)
Transfer between classes	61,621	640,662	-	(702,283)	-
Depreciation and amortisation	(123,005)	(24,774)	(12,260)	-	(160,039)
Movement	\$ (45,951)	\$ 642,223	\$ (4,060)	\$ (449,270)	\$ 142,942
Net book value	\$ 135,692	\$ 713,350	\$ 132,650	\$ 361,868	\$ 1,343,560

At 31 December 2025 the Group had outstanding contractual capital commitments of \$3.3 million (30 June 2025: \$20.2 million) which are expected to be settled prior to 31 December 2026.

Note 10 Lease liabilities

	31 Dec 2025	30 Jun 2025
	'000	'000
Lease liability		
Current lease liabilities	\$ (8,114)	\$ (8,104)
Non-current lease liabilities	(131,234)	(135,387)
Total	\$ (139,348)	\$ (143,491)
Reconciliation		
Opening Balance	\$ (143,491)	\$ (143,018)
Additions to lease liabilities	\$ (6)	\$ (8,198)
Interest on lease liabilities	(5,672)	(11,809)
Lease repayments (cash)	9,821	19,534
Closing Balance	\$ (139,348)	\$ (143,491)

Total lease liabilities include \$(128.7) million (30 June 2025: \$(131.2) million) that relates to the Zenith Power Purchase Agreement announced on 20 December 2022 with an initial term of 15 years.

Note 11 Interest bearing loans and borrowings

Interest bearing loans and borrowings and related derivatives for the Group are as follows:

	31 Dec 2025	30 Jun 2025
	'000	'000
Current		
Debt Facility ⁽¹⁾	\$ (26,250)	\$ (26,086)
Unsecured convertible notes	(342,813)	(338,524)
Other loans	(143)	(382)
Total	\$ (369,206)	\$ (364,992)
Non - current		
Debt Facility ⁽¹⁾	\$ (331,703)	\$ (322,139)
Other loans	(360)	(477)
Total	\$ (332,063)	\$ (322,616)
Total Interest bearing loans and borrowings	\$ (701,269)	\$ (687,608)
Related derivatives (Current)		
Derivative liability measured at fair value	\$ (138,877)	\$ (34,488)
Total	\$ (138,877)	\$ (34,488)

(1) Funding Facility with a subsidiary of the Ford Motor Company and interest free loan with Western Australian State Government under the Government's Lithium Industry Support Program (LISP). The Current portion relates to repayments that are due within 12 months.

(a) Reconciliation of the movement in interest bearing loans and borrowings

	31 Dec 2025	30 Jun 2025
	'000	'000
Opening Balance	\$ (687,608)	\$ (317,755)
Additions	\$ -	\$ (389,832)
Interest accrued	(23,137)	(47,519)
Payments	337	2,545
Derivative liability measured at fair value	-	68,790
Gain on initial recognition of interest free loan	-	2,922
FX revaluation	9,139	(9,394)
Transaction costs	-	2,635
Closing Balance	\$ (701,269)	\$ (687,608)

(b) Ford debt facility

On 9 October 2025, the Company announced that it had agreed an amendment to its debt facility with a subsidiary of the Ford Motor Company. The amendments deferred the commencement of principal and interest payments by 12 months to commence 30 September 2026, with the principal to be repaid over the remaining term of the loan. All other conditions, including interest margin, term and security remain unchanged.

(c) Unsecured Convertible Note with LG Energy Solution, Ltd

On 2 July 2024, the Company announced that it had entered into a subscription agreement with LG Energy Solution, Ltd pursuant to which LG Energy Solution, Ltd agreed to subscribe for US\$250,000,000 of unlisted convertible notes, convertible into fully paid ordinary shares in the Company (Convertible Notes). For further information, please refer to the Company's announcement on 2 July 2024 titled "Strategic partnership with LG Energy Solution to deliver long-term funding for Kathleen Valley".

On 4 July 2024 the Company announced that it had issued the Convertible Notes to LG Energy Solution, Ltd having received the full proceeds under the Convertible Note Subscription Agreement.

The Convertible Notes were convertible at the option of LG Energy Solution, Ltd into ordinary shares, either in whole or in part, at the conversion price of \$1.80 per ordinary share any time after 4 January 2025 up until the date that is five business days prior to the maturity date. The conversion price was adjusted to \$1.62 following the Company's August 2025 capital raising, in accordance with the adjustment provisions of the convertible note terms.

LG Energy Solution, Ltd received approval for this transaction from the Foreign Investment Review Board on 28 February 2025.

The convertible notes are classified as a current liability because LG Energy Solution, Ltd could elect to convert the debt into equity in the Company at any time before the maturity date at their option. The only contractual cash repayment that could occur was in the event that the notes were not converted into equity before the maturity date of 4 July 2029.

250,000,000 convertible notes each with an initial face value of US\$1.00 remained on issue as at 31 December 2025.

The convertible notes included an embedded derivative from an accounting perspective. The debt host component of the convertible notes was initially recognised as a financial liability at fair value (being fair value of the proceeds received less the fair value of the embedded derivative and transaction fees) and subsequently, the debt was measured at amortised cost. Any movements in the fair value of the embedded derivative and effective interest associated with the debt host component are recognised in the Company's consolidated statement of profit or loss, unless they qualify for capitalisation under AASB 123 *Borrowing Costs*. \$2.4 million in interest on the convertible notes has been capitalised to Assets Under Construction for the period ended 31 December 2025 (30 June 2025: \$6.1 million). The debt liability is subject to revaluation at each reporting period because the liability is monetary in nature and denominated in United States Dollars (USD), with foreign exchange differences recognised in the Company's consolidated profit or loss.

Movements in the fair value of the derivative component are primarily driven by movements in Liontown's share price and share price volatility, changes in the conversion price, capitalisation of interest, reduction in time towards maturity and other market-based valuation inputs. These fair value movements do not involve cash settlement.

The significant appreciation of Liontown's share price to \$1.575 at 31 December 2025 (\$0.70 at 30 June 2025) and the reduction in the conversion price from \$1.80 / option to \$1.62 / option following the capital raising in August 2025, were the primary drivers of an increase in the fair value of the derivative liability. Accordingly, the Company recognised a non-cash derivative fair value expense of \$(104.4) million for the period ended 31 December 2025.

The fair value of the embedded derivative has been estimated using a combination of a Monte Carlo option pricing model in conjunction with the Geometric Brownian Motion.

On 29 January 2026, the Group announced that LG Energy Solution, Ltd had submitted a conversion notice to convert its full convertible note holding, including accrued interest, into 239,460,858 ordinary fully paid shares in the Company. Refer to Note 15 to the financial statements for additional details.

Note 12 Provisions

	31 Dec 2025	30 Jun 2025
	'000	'000
Current provisions		
Annual leave	\$ (3,626)	\$ (3,005)
Other accrued employee entitlements	(259)	(217)
Total	<u>\$ (3,885)</u>	<u>\$ (3,222)</u>
Non-Current provisions		
Rehabilitation and restoration	\$ (23,759)	\$ (25,823)
Provision for long service leave	(235)	(134)
Other provisions	(18)	(17)
Total	<u>\$ (24,012)</u>	<u>\$ (25,974)</u>
	31 Dec 2025	30 Jun 2025
	'000	'000
Rehabilitation and restoration provision		
Opening Balance	\$ (25,823)	\$ (23,073)
Revision of provision during the year	\$ 2,675	\$ (2,185)
Expenditure on rehabilitation and restoration	-	-
Discount unwound	(611)	(565)
Movement	<u>\$ 2,064</u>	<u>\$ (2,750)</u>
Closing Balance	<u>\$ (23,759)</u>	<u>\$ (25,823)</u>

Note 13 Share capital

	Shares '000		\$'000	
	31 Dec 2025	30 Jun 2025	31 Dec 2025	30 Jun 2025
Share Capital				
On issue at beginning of period	2,429,405	2,425,005	\$ 955,358	\$ 955,343
Rights issues and placements	432,900	-	\$ 316,017	\$ -
Issue of shares for share purchase plan	76,764	-	56,037	-
Issue of shares for performance rights	581	4,363	-	-
Issue of shares to employees (incentive plans)	-	37	-	20
Less share issue cost	-	-	(9,115)	(5)
On issue at end of period	2,939,650	2,429,405	\$ 1,318,297	\$ 955,358
Treasury Shares				
On issue at beginning of period	-	-	\$ -	\$ -
Shares issued to Employee Share Trust	(581)	-	\$ -	\$ -
Shares transferred for beneficiaries	581	-	-	-
On issue at end of period	-	-	\$ -	\$ -
Net Share Capital	2,939,650	2,429,405	\$ 1,318,297	\$ 955,358

On 1 August 2025 the Company established the Liontown Employee Share Trust for the purpose of subscribing for, acquiring, holding and transferring shares in connection with equity incentive plans established by the Company for the benefit of participants in those plans.

Note 14 Related parties

(a) Key Management Personnel

The following were Key Management Personnel of the Group at any time during the reporting period and unless otherwise indicated were key management personnel for the entire period:

1. Non-Executive Directors

- Timothy Goyder – Chair
- Ian Wells – Lead Independent Non-Executive Director
- Jennifer Morris – Non-Executive Director
- Shane McLeay – Non-Executive Director
- Adrienne Parker – Non-Executive Director

2. Executives:

- Antonino Ottaviano – Managing Director and Chief Executive Officer (CEO)
- Adam Smits - Chief Operating Officer (COO) resigned 10 August 2025
- Ryan Hair – Chief Operating Officer (COO) appointed 11 August 2025
- Graeme Pettit – Interim Chief Financial Officer from 1 July 2025 to 17 December 2025
- Greg Jason – Chief Financial Officer (CFO) appointed on 18 December 2025

(b) Related party transactions

Total value of transactions with key management personnel (KMP) and their related parties, other than remuneration from Lontown employment and directorships are as follows:

Related Party	2026 H1	2025 H1
	\$	\$
Mining consulting services ⁽¹⁾	\$ -	\$ (5,720)
Total	\$ -	\$ (5,720)

- (1) The Company's non-executive director Mr Shane McLeay is Managing Director of Entech Pty Ltd which provides mining consulting services to the Company. The services are provided on "as required basis" and on normal commercial terms.

Note 15 Events after the reporting date

(a) LG Energy Solution, Ltd conversion of convertible notes

Liontown received notice from LG Energy Solution, Ltd to convert the entire convertible note holding (refer to Note 11(c)), including accrued interest, into fully paid ordinary shares of the Company on 29 January 2026. The conversion resulted in an issue of 239,460,858 ordinary fully paid shares at a conversion price of \$1.62 per share on 4 February 2026, which is approximately 8% of the Company's issued share capital.

The proforma balance sheet below utilises the 31 December 2025 closing balances and reflects the impact of the conversion of the LG Energy Solution, Ltd convertible notes that occurred on 4 February 2026 with the carrying value of the debt and derivative liabilities transferring to equity.

	31 Dec 2025 '000	Pro forma post conversion '000
Current Assets	\$ 551,526	\$ 551,526
Non-Current Assets	1,307,285	1,307,285
Total Assets	\$ 1,858,811	\$ 1,858,811
Current Liabilities	\$ (608,281)	\$ (126,591)
Non-Current Liabilities	(487,309)	(487,309)
Total Liabilities	\$ (1,095,590)	\$ (613,900)
Net Assets	\$ 763,221	\$ 1,244,911
Equity	\$ 763,221	\$ 1,244,911
Key Ratios		
Gearing % (Total debt / (Total debt + Equity))	52%	29%
Net gearing % (Net debt / (Net debt + Equity))	37%	8%
Gearing % (excluding lease liabilities)	48%	22%
Net gearing % (excluding lease liabilities)	29%	-

(b) Other

There has not been any other matter or circumstance that has arisen since the end of the half year which has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial periods.

End of notes

Directors' declaration

1. In the opinion of the directors of Liontown Limited ('the Company'):
 - (a) The accompanying interim financial statements and notes are in accordance with the *Corporations Act 2001* including:
 - i. giving a true and fair view of the Group's financial position as at 31 December 2025 and of its performance for the half year then ended; and
 - ii. complying with Accounting Standards, the *Corporations Regulations 2001*, professional reporting requirements and other mandatory requirements.
 - (b) There are reasonable grounds to believe that the Company and the Group will be able to pay their debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the board of Directors made pursuant to section 303(5) of the *Corporations Act 2001*.



Antonino Ottaviano
Managing Director

Dated this 11th day of March 2026.

Independent Auditor's review report



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Independent Auditor's Review Report to the Members of Liontown Limited

Conclusion

We have reviewed the half-year financial report of Liontown Limited (the "Company") and its subsidiaries (the "Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2025, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, notes to the financial statements, including material accounting policy information and other explanatory information, and the directors' declaration as set out on pages 16 to 35.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the Corporations Act 2001, including:

- Giving a true and fair view of the Group's financial position as at 31 December 2025 and of its performance for the half-year ended on that date; and
- Complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Half-year Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the APES 110 Code of Ethics for Professional Accountants (including Independence Standards) issued by the Accounting Professional and Ethical Standards Board ("the Code") that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001 which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

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Directors' Responsibilities for the Half-year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Half-year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Group's financial position as at 31 December 2025 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



DELOITTE TOUCHE TOHMATSU



David Newman
Partner
Chartered Accountants
Perth
11 March 2026