

28 January 2025

Strategy update and cost restructure

HIGHLIGHTS

- **Strategic focus on scaling Envirostream, the Battery Recycling division, due to the potential of increased recycling volumes and cashflows over the years ahead**
 - **Battery Recycling:** Continued safe operations, growing volumes and operating profits, and seek partners to scale operations in line with the expected waste outlook
- **Livium is well advanced on the near-term commercialisation pathways of its other technologies:**
 - **Battery Materials:** Defined pathway for development of an Australian LFP demonstration plant with funding to be secured directly into VSPC from strategic partners
 - **Lithium Chemicals:** Complete JDA activities with MinRes, including assessment of alternate commercialisation pathways and selection of the preferred lithium product
- **Restructuring of the organisation and cost reductions being undertaken with estimated annual ongoing savings of A\$1.5m**

Livium Ltd (ASX: LIT) ("**Livium**" or the "**Company**") wishes to provide a strategic update in response to progress that had been made to shift our various technologies to important inflection points for growth. Livium's strategy is now focussed on strategic partnering initiatives which will facilitate the ongoing growth and development of the Company's technologies. With a more focussed set of actions, a review of the business has been undertaken to explore options to reduce costs.

Comment regarding the strategic update from Livium CEO and Managing Director, Simon Linge

"We have advanced our strategy to inflection points, with the next phases of growth for each division requiring strategic partners to underpin their growth and development. With a focus on strategic growth partners, we have reviewed our resourcing and made the decision to restructure our organisation and reduce costs.

Livium remains committed to delivering returns for shareholders. Whilst organisational changes may impact our ability to react to opportunities, right sizing the organisation assists in resetting the Company's cost base to become sustainable over this critical period."

NEAR TERM PLANS

The following activities have been 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
- **Corporate:** Complete implementation of organisation restructure and other cost saving initiatives.

Divisions of Livium



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BATTERY RECYCLING GROWTH OUTLOOK

The Battery Recycling division generates revenue today, is the largest recycler of lithium-ion batteries in the country, draws on our technical expertise to provide value-added services and has strong commercial relationships. Strategic focus is being placed on Battery Recycling, through Envirostream, due to the potential of increased recycling volumes over the coming years.

During CY2024, Envirostream successfully increased volumes of EV¹ and ESS² with most of the volume being received under exclusive customer arrangements. Over CY2024, Envirostream collected 736k tonnes of large format batteries and it is estimated that there are five times these volumes available today which are increasingly expected to be recycled due to consumer demand and government regulation. In their Battery Market Analysis, B-cycle show how EV and ESS batteries are expected to dominate³.

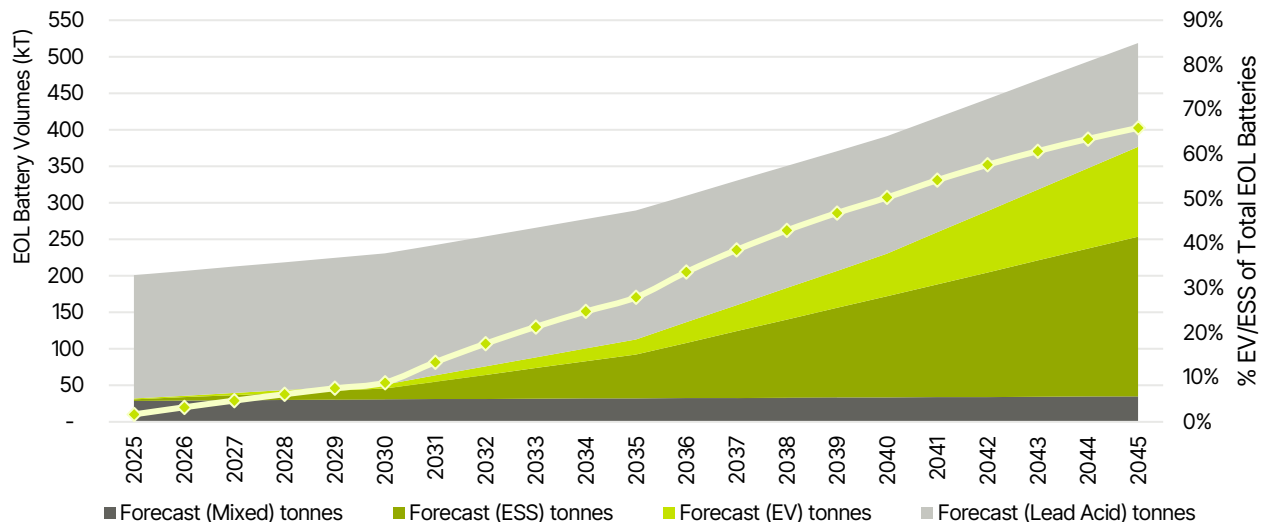


Figure 1. EOL Battery Projections by Market Segment³

Focusing on only EV / ESS for the balance of the decade demonstrates the near-term opportunity for Envirostream collections growth relative to current performance.

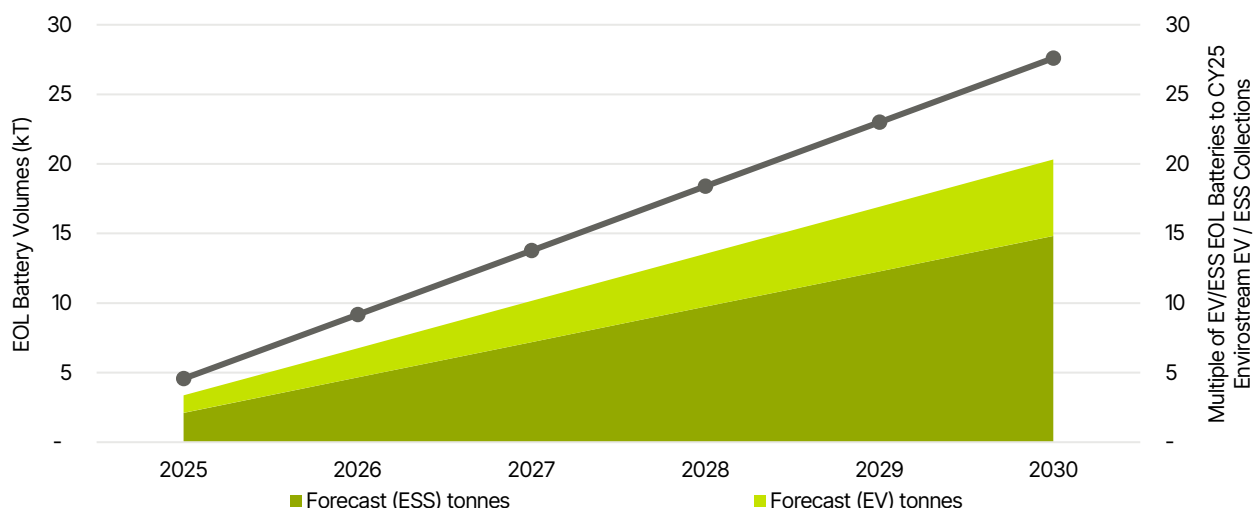


Figure 2. 5-Year EV and ESS EOL Battery Projections³

¹ Electric Vehicle: including light and commercial e-mobility

² Energy Storage Systems: including residential and grid-scale applications

³ Source: Battery Market Analysis - The latest market data for the battery industry in Australia: B-cycle (Oct23), Company analysis

The near-term outlook for Envirostream is positive, enabling increases of volumes collected and processed, and providing an opportunity to expand our service offerings in line with market requirements.

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.

COST RESTRUCTURE

The focus on strategic partnering requires a different resourcing structure within Livium. Consequently, the decision has been made to restructure the organisation, resulting in the targeted 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.

Authorised for release by the Livium Board of Directors.

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Forward-looking statements

This announcement contains forward-looking statements. Forward-looking statements are subject to a variety of risks and uncertainties that it is beyond the Company's ability to control or predict and which could cause actual events or results to differ materially from those anticipated in such forward-looking statements. Investors should be aware that past performance should not be relied upon as being indicative of future performance.

About Livium

Livium (previously Lithium Australia) is aiming to lead and enable the global transition to sustainable lithium production. The Company operates Australia's market leading battery recycler, 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.