

20 February 2025

Livium secures up to A\$30 million grant from ARENA for Australian LFP demonstration plant

HIGHLIGHTS

- VSPC has executed an Agreement with the Australian Renewable Energy Agency¹ (ARENA) for non-recourse funding of up to A\$30m related to VSPC's LFP demonstration plant
- This grant follows extensive due diligence by ARENA, covers 50% of the estimated funding required to build and complete two years of operation of the LFP demonstration plant
- Drawing of the grant is conditional on securing full funding for the Australian LFP demonstration plant, which is expected to be achieved via strategic investment into VSPC
- The LFP demonstration plant will deliver the next step in product qualification, to secure binding offtake contracts as a step to commercial scale up
- VSPC aims to play a key role to build LFP supply chains outside of China through an initial 25ktpa commercial scale development, with annual revenues estimated at ~US\$319m²

Livium Ltd (ASX: LIT) ("**Livium**" or the "**Company**") is pleased to advise that its wholly owned subsidiary VSPC Pty Ltd ("**VSPC**"), a developer of a critical battery material, lithium ferro phosphate ("**LFP**"), has executed a binding agreement ("**Agreement**") for a grant of up to A\$30m with the Australian Renewable Energy Agency ("**ARENA**"). This non-recourse funding was secured following an extensive due diligence process, including an independent technical assessment. The ARENA funding will be used towards the construction and operation of an Australian LFP demonstration plant ("**Project**"). The LFP demonstration plant will be operated for two years, within which the Company expects to secure binding LFP and / or LMFP³ offtake contracts to allow commercial scale up.

Comment from Livium CEO and Managing Director, Simon Linge

"This grant from ARENA represents a significant step forward for our battery materials commercialisation. The independent due diligence undertaken as part of the funding validates our technology and the ARENA grant is expected to facilitate further strategic private capital to complete funding for the LFP demonstration plant.

We are thankful to ARENA for their support for the demonstration plant which seeks to unlock a patented technology and advance western LFP supply chains which will ultimately seek to increase access to high-quality, cathode materials."

Comment from ARENA CEO Darren Miller

"This project represents a potential breakthrough in cathode powder technology. If the project is successful, it could help catalyse competitive manufacturing of cathode powders and help diversify supply chains.

As global demand for energy storage rises, domestic advancements in cathode powder positions Australia as a leader in advanced battery manufacturing, giving us opportunities to contribute to global supply chains and create new economic opportunities in renewable energy innovations."

¹ The views expressed herein are not necessarily the views of the Australian Government, and the Australian Government does not accept responsibility for any information or advice contained herein.

² Potential annual revenues are estimated at US\$319m assuming a 25,000 tpa commercial plant (*Company estimate*) and an LFP price of ~US\$12.75/kg (Source: Avenira Limited (ASX: AEV) Announcement (*Scoping Study*, 2 March 2023), *Ave. LFP Basket Price*)

³ Lithium manganese ferro phosphate or lithium manganese iron phosphate

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ARENA Funding Agreement

Under the Agreement, ARENA will provide VSPC with a grant of up to \$30m, subject to satisfaction of certain Project milestones ("**Milestones**"). These Milestones cover the period of design, construction, commissioning and operation of the Project. A Project overview can be found in the Appendix.

The Agreement contains provisions which are commonly found in government grant agreements of comparable size, nature and type including customary administrative preconditions regarding operating and financial arrangements, capacity to carry out the Project and reporting requirements.

The grant funding, which is non-dilutive, is subject to conditions precedent including completion of a Front-End Engineering and Design ("FEED") study, securing of sufficient funding to deliver the Project, and a final investment decision (FID) by VSPC.

Balance of funding for LFP demonstration plant

Strategic investment into VSPC for the Project is being sought to close the A\$30m funding gap ahead of a Final Investment Decision. Full funding will allow completion of the Project. The company has appointed advisors to coordinate discussions around partnership and growth funding options, which includes both strategic partners and other financiers.

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.

APPENDIX: LFP DEMONSTRATION PLANT OVERVIEW

Overview

The Australian LFP demonstration plant ("Project") includes the detailed design, construction, and operation of a 250 tonne per annum facility over approximately 46 months (21 months construction and 24 months operation and customer testing).

The Project will provide VSPC's potential offtake partners and investors with samples and evidence that it can manufacture high-performance LFP and LMFP continuously at scale. This will ultimately provide these key stakeholders with the confidence that VSPC's proprietary "RC Process" is viable and can be scaled up to commercial production.

The Project aims to increase the "RC Process" technology readiness level ("TRL") from 6 to 9 and ultimately secure binding offtake agreements for commercial quantities of product.

Following the initial two-year operation and customer testing period, the Demonstration Plant will be continually used to support scale up of new products and supply samples for new customer qualification.

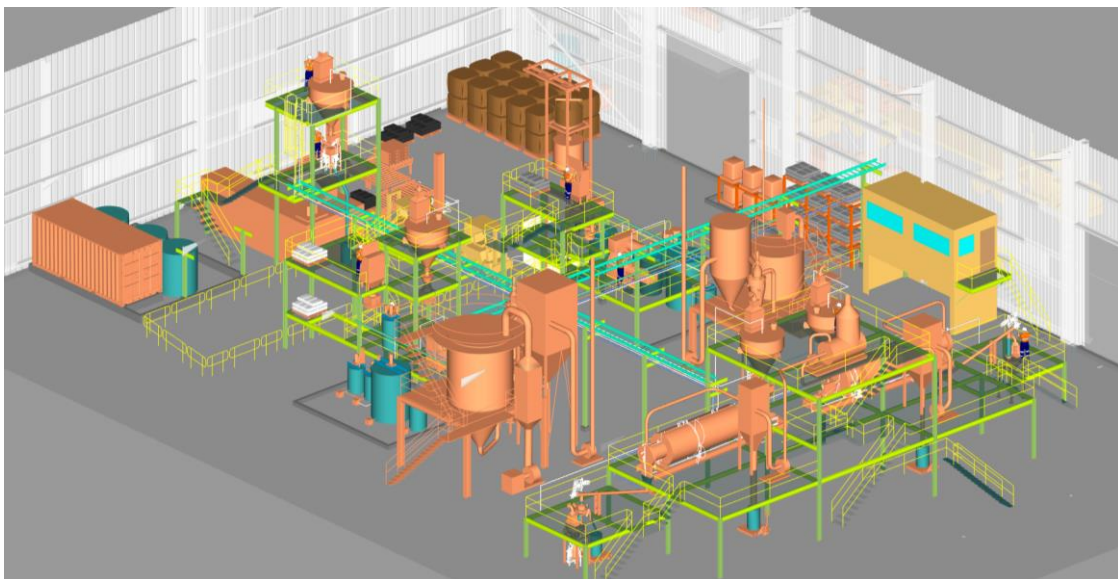


Image – Isometric View of the Australian LFP demonstration plant

Project Budget

The total estimated cost to deliver the detailed design, construction, commissioning, and operation for two years is A\$60m, with plant and equipment comprising approximately 63% of the total spend and the remainder working capital to support operations.

The plant and equipment capital cost estimate was compiled by Lycopodium⁴ and the working capital estimate was compiled by VSPC, covering the expected 24 months of operation.

VSPC Process and Products

VSPC's patented "RC Process" produces a range of high-purity LFP and LMFP products, from a flexible range of raw material inputs. This provides VSPC a cost advantage to known competitors, whilst meeting customer needs for a range of end applications, including both Energy Storage Systems (ESS) and Electric Vehicles (EV's).

VSPC's product has been independently assessed including by NOVONIX⁵ which noted that, relative to commercially available products, VSPC LFP retained the highest capacity at fast charging rates and demonstrated superior stability compared to market leading samples. In addition, VSPC LFP performed in line with competitors during high temperature testing and retained an equivalent expected cycle life.

⁴ Refer announcement, "Lithium Australia completes next step towards commercialisation of LFP", dated 19 December 2022

⁵ Refer announcement, "Final testing for Lithium Australia's LFP cathode material confirms high quality product", dated 22 September 2023

Commercial Development

Product qualification by customers, typically includes a multistage process through the submission of samples of varying lot sizes for staged assessment. VSPC's current pilot plant located in Wacol, Queensland, can produce sample sizes (up to 100kg) sufficient to satisfy early stages of testing. To achieve final qualification and binding offtake larger sample lots are required for extended pilot line testing by customers, which requires the increased production capability from the Project.

VSPC is engaging globally with potential customers for both LFP / LMFP products, with discussions taking place in strategic markets including South Korea, India, Japan, Europe and the US. VSPC has engaged with over 20 potential offtakers, the majority of whom have received samples for initial assessment. The initial responses have been positive, with several parties indicating their interest and the necessity for larger quantities to conduct in-depth testing and evaluation.

From these potential customer interactions, VSPC have secured non-binding memorandums of understanding (MOU's) with several potential offtakers, demonstrating not only their interest but also their commitment to further assessing VSPC's products.