

4 September 2024

Lithium Australia signs new exclusive battery recycling agreement with BYD Auto

HIGHLIGHTS

- Lithium Australia has signed a new exclusive agreement with BYD Auto Industry Company Limited (hereinafter referred to as “BYD Auto”) to provide battery recycling services for all New Energy vehicles¹ end-of life batteries in Australia
- BYD Auto, the automotive subsidiary of BYD Company Limited, is a global leader in New Energy vehicles, delivering a record ~3 million New Energy vehicles globally in 2023² and holds ~14% of Australia’s EV market share after entering the market in 2022³
- The exclusive agreement has an initial term of 3 years, and the Company expects to significantly increase large-format lithium-ion battery collection volumes given the scale of BYD Auto
- Lithium Australia remains focused on executing its strategy of signing recycling agreements with leading EV and ESS manufacturers to secure future lithium-ion battery supply
- Lithium Australia’s recycling operations continue to achieve operating cash profits into FY25 following the maiden operating cash profit in Q4 FY24⁴

Lithium Australia Ltd (ASX:LIT) (“**Lithium Australia**” or the “**Company**”) is pleased to announce that its wholly owned subsidiary, Envirostream Australia Pty Ltd (“**Envirostream**”) – which is leading Australia’s battery recycling industry – has signed an exclusive 3-year recycling agreement (“**Agreement**”) with BYD Auto Industry Company Limited (“**BYD Auto**”), the automotive subsidiary of BYD Company Limited (“**BYD Company**”).

BYD Auto is a global leader in New Energy vehicles, having delivered a record ~3 million New Energy vehicles globally in 2023¹. BYD recently entered the Australian market in 2022, and have rapidly grown sales to account for ~14% of market share in Australia³.

BYD New Energy vehicles are equipped with the revolutionary Blade Battery, which uses lithium iron-phosphate (“**LFP**”) as the cathode material and offers a higher level of safety, durability, longevity and performance. BYD has been pioneering battery technology for over two decades, with the Blade Battery being a product of innovative research and development, and represents a major advancement in New Energy vehicles.

This agreement aligns with Lithium Australia’s strategic plan to increase processing capacity of LFP batteries, as securing future LFP battery collections volumes will scale the Company’s LFP processing throughput.

The Agreement is not expected to materially change the current average revenue unit rates and average cost of sales unit rates as recently announced⁴. As such, the additional collection volumes are expected to generate further operating cash profits.

The Agreement is for an initial 3-year term, with a 2-year extension option. Under the Agreement, Lithium Australia will receive a service fee for the collection of BYD Auto’s end-of-life LFP batteries. The Company notes that customary termination rights exist on the occurrence of an insolvency event or any unremedied breach under the Agreement.

1 New Energy vehicles includes: Electric Vehicles (EV) and Plug-in Hybrid Elective Vehicles (PHEV)

2 BYD, BYD Concludes 2023 with Record 3 Million Annual Sales, Leading Global NEV Market, 2 January 2024

3 Reuters, BYD spearheads Chinese electric car push in Australia, a friendlier market, 6 March 2024

4 See ASX announcement, ‘Recycling operations achieve maiden operating cash profit’, 11 July 2024

Divisions of Lithium Australia



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Lithium Australia remains focused on signing exclusive contracts with leading OEMs⁵ and battery manufacturers, which represents a core component of the Company's growth strategy and aligned with identified strategic priorities. Lithium Australia looks forward to leveraging this momentum to win additional market leading clients.

Comment from Lithium Australia CEO and Managing Director, Simon Linge

"We are excited to announce the signing of an exclusive recycling agreement with BYD, the global leader in New Energy vehicles. This milestone achievement is expected to significantly increase our future collection volumes of large-format lithium-ion batteries (LIBs), further accelerating the Company's shift in battery collections mix to be primarily focused on the higher margin large-format LIBs.

The signing of this milestone agreement, alongside the various other exclusive recycling agreements announced in recent times, are evidence of our successful execution of the Company's recycling growth strategy. We look forward to working alongside BYD and look to leverage this momentum to drive further collections growth in FY25."

Comment from BYD Auto Industry Company Limited, Asia Pacific Automotive Sales Division, General Manager, Mr Liu Xueliang

"BYD has continued to transform the global New Energy vehicle industry with its advanced technology, intelligent performance, innovative design, and commitment to sustainability.

BYD Auto is pleased to officially announce its exclusive partnership with Lithium Australia, a leading technology company delivering critical minerals to the global battery industry, and Australia's leading battery recycler for end-of-life lithium-ion batteries.

As a global pioneer in battery manufacturing, BYD's strategic partnership with Lithium Australia is a testament to BYD's commitment to reducing carbon emissions for a greener future and strengthen its leadership in technological innovation in the global automobile industry."

Authorised for release by the Board.

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⁵ Original equipment manufacturers

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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 Lithium Australia

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. Lithium Australia'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.

About BYD Company Limited ("BYD Company")

Founded in 1995, BYD Company is a global high-tech company and a global leader in New Energy vehicles with a mission of *Technological innovations for a better life*. With more than 29 years of accelerated growth, BYD is a company driven by the future. BYD Company has four major businesses: Automotive, Rail Transit, Renewable Energy and Electronics. From energy generation and storage to its applications, BYD is dedicated to providing zero-emission energy solutions that reduce global reliance on fossil fuels. BYD Company has continued to transform the global New Energy vehicle industry with its pioneering and advanced technology, intelligent performance, innovative design and commitment to sustainability.

BYD Company has market presence covering 6 continents, in over 80 countries, across 400 cities. BYD Company has applied for over 48,000 patents and obtained over 30,000 authorised patents worldwide. BYD Company is a Fortune Global 500 company and listed on the Hong Kong Stock Exchange and Shenzhen Stock Exchange.

For further information, please visit: www.bydglobal.com

About BYD Auto Industry Company Limited ("BYD Auto")

Founded in 2003, BYD Auto is the automotive subsidiary of BYD Company. Aiming to accelerate the green transition of the global transportation sector, BYD Auto focuses on developing pure electric and plug-in hybrid vehicles. BYD Auto has mastered the core technologies of the entire industrial chain of new energy vehicles, such as batteries, electric motors, and electronic controllers. It has witnessed in recent years significant technological advancements, including the Blade Battery, DM-i Super Hybrid Technology, e-Platform 3.0, CTB Technology, e⁴ Platform, BYD DiSus Intelligent Body Control System, and DMO super hybrid system.

In 2022, BYD was the world's first carmaker to cease the manufacturing and production of fossil-fuelled vehicles in accelerating the transition to New Energy vehicles, and has remained top of New Energy passenger vehicle sales in China for 10 years in a row.

For further information, please visit www.byd.com