Sumitomo Collaboration Advances to Evaluation of Battery Recycling Expansion

Highlights

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- **Sumitomo Corporation and Envirostream have progressed their collaboration from the May 2026 MOU to detailed technical and commercial evaluation of potential expanded battery recycling operations at Derrimut, Victoria**
- **The parties are assessing processing technologies, equipment suppliers, investment economics and the environmental approvals required for a potential expansion**
- **Proposed regional supply chain would involve battery collection in Australia, production of black mass by Envirostream and potential refining in Japan**
- **Sumitomo Corporation has commenced information gathering and onboarding for a potential black mass purchase arrangement; no binding purchase agreement or investment commitment has been entered into**
- **The work could increase Envirostream's processing capability and access to international battery materials markets, subject to technical, regulatory and commercial feasibility**

Livium Ltd (ASX: LIT) ("Livium" or the "Company") provides an update on the collaboration with Sumitomo Corporation announced on 18 May 2026. Since the non-binding Memorandum of Understanding ("MOU"), the parties have advanced detailed evaluation of a potential black mass supply relationship and future processing expansion at Livium's wholly owned subsidiary, Envirostream Australia Pty Ltd ("Envirostream"), in Derrimut, Victoria.

Livium CEO and Managing Director, Simon Linge commented "*As battery recycling volumes increase, sustainability requirements become more demanding and the need to secure critical minerals grows, we expect closed-loop recycling partnerships to become an increasingly important part of the global battery supply chain. While there is still considerable work ahead before this opportunity can be commercialised, we are proud that Envirostream is involved in a program of this nature, particularly alongside a global organisation with the scale, expertise and capabilities of Sumitomo Corporation. The progress made since May is encouraging and highlights the potential for Envirostream to play an important role in international circular battery supply chains.*"

What has progressed since May

The May announcement outlined a potential black mass sale and purchase arrangement and broader cooperation across battery collection, processing and downstream markets[1]. The current work is more specific: Sumitomo Corporation and Envirostream are evaluating the technology, site requirements and investment case for a potential expansion of black mass processing at Derrimut.

If the proposed collaboration proceeds, Envirostream could expand its capacity to recover valuable battery materials and participate in an international supply chain linking Australia with downstream refining in Japan. This could provide additional processing volumes, new sales opportunities and greater diversification of customers; however, none of these outcomes is yet committed.

Sumitomo Corporation is coordinating evaluation of a potential circular battery supply chain for end-of-life lithium-ion batteries. The proposed pathway would recover black mass in Australia for further refining into battery materials in Japan.

[1] Refer announcement, "*Livium Signs MOU with Sumitomo Corporation for Black Mass Collaboration*", dated 18 May 2026.

Current activities and next steps

Sumitomo Corporation and Envirostream are undertaking technical and commercial work to determine whether expanded black mass processing at Derrimut is feasible. Current activities include:

- Reviewing processing equipment options, including proposals from alternative suppliers, to assess suitability for the Derrimut facility and the quality specifications required by potential downstream refiners;
- Comparing expected capital costs, operating costs and potential project returns for the different expansion options;
- Evaluating environmental permitting, fire and safety requirements, site infrastructure and the likely approval timeframes for any new processing line;
- Exchanging operating, product and financial information as part of Sumitomo Corporation's assessment, and progressing preliminary onboarding for potential black mass purchases; and
- Engaging with downstream and technical stakeholders, including Sumitomo Metal Mining, to establish the requirements of a potential integrated supply chain.

The evaluation remains ongoing. Any future supply, investment or expansion remains subject to satisfactory technical and economic assessments, regulatory approvals, funding arrangements and execution of definitive agreements. No binding black mass purchase agreement or investment commitment has been entered into under the MOU.

The work is additional to Envirostream's existing operations and its binding black mass off-take agreement with SungEel HiTech, which provides contracted volume certainty through June 2027.

Proposed regional supply chain

Livium's non-binding MOU with Sumitomo Corporation provides for discussions on a potential black mass sale and purchase agreement and broader cooperation relating to Envirostream's black mass processing operations. Sumitomo has separately identified other parties for the proposed regional supply chain[2]. Their potential roles are summarised below:

- Envirostream (Australia): proposed Australian battery collection and black mass processing partner, including evaluation of a potential expansion at Derrimut under its discussions with Sumitomo Corporation.
- Sumitomo Corporation (Japan): proposed coordinator of the regional program, including commercial, logistics and downstream market arrangements and assessment of potential investment and technical support.
- Sumitomo Metal Mining (Japan): potential downstream refiner of recovered black mass under separate arrangements with Sumitomo Corporation. Livium has no agreement with Sumitomo Metal Mining.

Sumitomo Corporation and Sumitomo Metal Mining Co., Ltd. are separate companies. Livium's MOU is with Sumitomo Corporation, and Livium has no agreement with Sumitomo Metal Mining.

The collaboration has similarities to a closed-loop model recently demonstrated in a United States pilot initiated by General Motors. In September 2026, General Motors and Cirba Solutions converted black mass recovered from 80 end-of-life GM EV battery packs into more than 12 tonnes of cathode active material made with 100% recycled nickel, cobalt and manganese, which was used in new GM vehicles[3].

Why the opportunity matters

Increasing numbers of electric and hybrid vehicles are expected to create a growing need for safe battery collection, recycling and recovery of critical minerals in Australia.

Japanese vehicle brands represent a significant share of the Australian market. These figures indicate the potential reach of Japanese automotive supply chains in Oceania; they do not, on their own, indicate the number of electric or hybrid batteries that will become available for recycling.

[2] Sumitomo Corporation, "Initiating a Feasibility Study on Commercializing Battery Recycling in Oceania", 15 May 2026.
[3] General Motors, "How recycled minerals from GM EV batteries are helping power new ones", 22 September 2026.

In 2025, 1,241,037 new vehicles were sold in Australia with five Japanese brands (Toyota, Mazda, Mitsubishi, Isuzu and Lexus) accounting for approximately 450,000, or around 36% of those sales. Hybrid sales rose 15.3% to 199,133, alongside 103,270 battery-electric and 53,484 plug-in hybrid vehicles[4].

The proposed collaboration could position Envirostream to process additional end-of-life battery volumes in Australia, and connect recovered materials with established refining capabilities in Japan. The scale and timing of this opportunity remain subject to feasibility work and future commercial agreements.

For Livium, the potential benefits are increased processing capacity, access to additional battery materials markets and a broader international customer network. These are prospective benefits, not forecasts of volumes, revenue or earnings.

Authorised for release by the Managing Director and CEO.

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About Livium

Livium Ltd (ASX: LIT) is Australia's leading battery recycler through its wholly owned subsidiary Envirostream — a profitable business focused on the recovery of valuable materials from end-of-life batteries.

Building on this foundation, Livium is expanding into adjacent opportunities including recycling of rare earth elements and solar panels, and the processing of black mass — strengthening Australia's clean-energy supply chain.

About Sumitomo Corporation

Sumitomo Corporation is a leading integrated trading and business investment company headquartered in Tokyo, Japan. Established in 1919, Sumitomo Corporation conducts multifaceted business activities globally, including the sale of products and services, import and export, trilateral trade, and domestic and international business investment.

The company operates through a global network of 125 locations across 63 countries and regions and has approximately 83,430 group employees.

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.

[4] Federal Chamber of Automotive Industries VFACTS data, as reported by carsales, "VFACTS 2025: Another record year for Australian new car sales", January 2026. Japanese-brand total and share calculated by Livium.