

LIVENT GREEN BOND

ALLOCATION & IMPACT REPORT

February 26, 2021

Private Offering of US \$225 Million of 4.125% Convertible Senior Notes Due 2025

On June 25, 2020, Livent issued its first Green Bond in a private offering of US \$225 million in aggregate principle amount of 4.125% convertible senior notes due 2025 (the “Green Notes”). Livent also granted the initial purchasers of the Green Notes a 13-day option to purchase up to an additional \$33.75 million aggregate principal amount (the “Over-Allotment Option”), of which \$20.75 million was exercised by the initial purchasers on July 7, 2020. For more information on the financial details of the offering, please see the [Livent 10-Q filing from November 5, 2020](#).

Prior to the close of calendar and Livent fiscal year 2020, Livent allocated all of the net proceeds from the Green Notes to refinance and/or finance “Eligible Green Projects.”

The net proceeds were primarily used to repay amounts outstanding under Livent’s revolving credit facility (the “Revolver”) and to fund payments related to capital expenditures meeting the eligibility criteria. The specific criteria for Eligible Green Projects and the use of proceeds are described in full in the [Livent Green Bond Framework](#), which aligns with the International Capital Market Association (ICMA) Green Bond Principles 2018. Decisions about the use of proceeds were made after careful evaluation by Livent’s Green Team.

Livent’s use of the Green Notes supports the company’s future plans for the extraction of lithium as well as its ongoing production of Lithium Hydroxide and Lithium Carbonate, including investments in the development, operation and maintenance of Livent’s assets for the production of these two products within the 24-month period preceding the date of issuance of the Green Notes. Eligibility of these products is further limited to the volumes produced primarily to promote electrification through the manufacturing of batteries for Electric Vehicles and other Energy Storage applications.

From the second half of 2018 through the third quarter of 2020, Livent’s total capital spending for growth and maintenance exceeded US \$300 million. A significant portion of these investments

supported or will support the production of Lithium Carbonate and Lithium Hydroxide for Energy Storage applications. In 2019 alone, Livent produced 21,348 metric tons of Lithium Hydroxide and 16,785 metric tons of Lithium Carbonate, with a significant portion of the end product going into Energy Storage applications.

Allocation / Use of Net Proceeds

The following table shows how and when the net proceeds of US\$ 238,183,398.95 from the Green Notes were used in accordance with the Green Bond Eligibility Criteria for eligible green projects in accordance with pages 6 and 7 of the [Livent Green Bond Framework](#).

		Dates	Green Notes	Payments
First Closing	Green Notes net proceeds received ¹	June 25, 2020	217,975,492.70	
	Revolver payment	June 25, 2020		(92,500,000.00)
	Revolver payment	June 26, 2020		(117,000,000.00)
	Capex payments meeting Eligible Green Projects criteria	July 2020		(8,475,492.70)
	Sub-total	US\$	217,975,492.70	(217,975,492.70)
Over-Allotment Option	Additional Green Notes net proceeds received	July 7, 2020	20,207,906.25	
	Revolver payment	July 7, 2020		(8,000,000.00)
	Revolver payment	July 8, 2020		(10,000,000.00)
	Capex payments meeting Eligible Green Projects criteria	July 2020		(1,047,544.35)
	Capex payments, meeting Eligible Green Projects criteria	August 2020		(1,160,361.90)
	Sub-total	US\$	20,207,906.25	20,207,906.25
TOTAL¹	US\$	238,183,398.95	(238,183,398.95)	

Notes

¹Net proceeds after all transaction fees and payments from June 25, 2020 – December 2020, totaling \$7,566,601.05.

Impact

The net proceeds from the Green Notes were used to refinance or finance Livent's production of Lithium Hydroxide and Lithium Carbonate for Electric Vehicles and other Energy Storage applications. Nearly all of the Lithium Carbonate that Livent produces from the lithium-rich brine at the Salar del Hombre Muerto, Argentina, is converted to Lithium Hydroxide.

In 2019, we estimate that Livent's Lithium Hydroxide was used in over 180,000 Electric Vehicles around the world. Conservative industry estimates indicate that a modern Electric Vehicle using higher energy density batteries powered by Lithium Hydroxide *avoids* carbon output by approximately 5.0 metric tons of CO₂e, on average, over its full life cycle vs. an equivalent vehicle with an internal combustion engine. Other industry estimates suggest that the total carbon avoidance over the life cycle of an Electric Vehicle is actually much higher².

Assuming the conservative estimate of 5.0 metric tons of CO₂e avoided per Electric Vehicle, we believe that Electric Vehicle applications of Livent's Lithium Hydroxide produced in 2019 will result in total savings of at least **900,000 metric tons of CO₂e** over the life of 180,000 Electric Vehicles. Looking forward, the amount of CO₂e avoided per Electric Vehicle will likely increase over time as electricity grids begin to rely more on renewable energy for power generation and the Electric Vehicle supply chain becomes even greener.

The growth of electrification and the shift away from fossil fuels will continue play a key part in the fight against Climate Change. The lithium products supported by Livent's Green Notes will help enable that transition and power a low carbon future.

Look for more information in Livent's annual [Sustainability Reports](#).

Sources

²International Energy Agency (IEA): [Global EV Outlook 2020 \(June 2020\)](#) report, including chart on [comparative life-cycle GHG emissions](#).

External Review

The allocation / use of net proceeds described has been audited by KPMG LLP, Livent's independent financial auditor, as stated in the accompanying assurance letter.

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Forward-looking Statements: This report contains certain statements that relate to future events and expectations and, as such, constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include those containing such words as "may," "might," "will," "will continue to," "will likely result," "should," "expect," "expects," "intends," "plans," "anticipates," "believe," "believes," "estimates," "predicts," "potential," "continue," "could," "forecast," "is confident that," "plans," or "projects," the negative of these terms and other comparable terminology. All statements that reflect Livent's expectations, assumptions or projections about the future, other than statements of historical fact, are forward-looking statements. Forward-looking statements by Livent are not guarantees of future performance and are subject to known and unknown risks, uncertainties and changes in circumstances that are difficult to predict. Although Livent believes that expectations reflected in any forward-looking statements are based on reasonable assumptions, it can give no assurance that these expectations will be attained, and it is possible that actual results may differ materially from those indicated by these forward-looking statements due to a variety of risks and uncertainties. For a discussion of some of the specific factors that may cause Livent's actual results to differ materially from those projected in any forward-looking statements, see the risk factors described in our most recent Annual Report on Form 10-K for the fiscal year ended December 31, 2019, and other SEC reports. Livent disclaims any obligation to update publicly any forward-looking statements, whether in response to new information, future events or otherwise, except as required by applicable law.