

**ASX ANNOUNCEMENT
FOR IMMEDIATE RELEASE TO THE MARKET**

Li-S Energy Limited – ASX Code: LIS

Thursday, 15 May 2025

Li-S Energy advances key commercialisation programs

Li-S Energy Limited (ASX: LIS) ('Li-S Energy') is pleased to provide this general market update on progress made on two key workstreams:

- The **Pegasus I Drone Program**, which is being developed under the Emerging Aviation Technology Partnerships (EATP) program with V-TOL Aerospace and HaloCell
- **Australia's first lithium foil production line** which the Company is building with the support of a \$1.7m Industry Growth Program (IGP) grant.

Further, the Company continues to leverage major industry events to develop partnerships and opportunities in our core sectors. Following on from the drone and eAviation focus at the Avalon Airshow, we recently participated in the **Special Operations Forces Week** in the USA, an event that brings together leaders from the US defence forces and over 60 partner nations, as well as the defence industry and investment community.

Pegasus 1 'Dawn til Dusk' Drone Program on Track

Li-S Energy's EATP drone program is an initiative backed by Australian government funding that is developing a drone capable of flying continuously from dawn to dusk without the need for recharging or landing. Named Pegasus I, the drone integrates Li-S Energy's lightweight lithium-sulfur battery packs with Halocell's advanced perovskite solar cells and V-TOL Aerospace's unmanned aerial systems, enabling extended flight durations. This combination is particularly suited for applications such as security surveillance, mapping, and environmental monitoring.

As previously reported in November 2024, Li-S Energy completed successful initial test flights using a 12-cell lithium-sulfur battery pack in a 2.4m wingspan UAV (unmanned aerial vehicle), which achieved a 30-minute flight with only partial battery discharge. These tests demonstrated the potential for longer missions. Using data and design developments from these test flights, Li-S Energy has continued to work collaboratively with V-TOL and Halocell on advancing the Pegasus I program which remains on time and budget.

V-TOL Aerospace has manufactured the Pegasus 1 airframe (*see image 1 below*) and is now currently fitting it with avionics, motors, communications and power systems. To enable ground testing, Li-S Energy has produced hundreds of high quality 10Ah cells and is integrating them with the Li-S battery management system and a uniquely designed pack structure.

Ground testing of the Pegasus I platform is scheduled to commence in June with initial flight testing being undertaken in the third quarter, and the fully integrated flight testing scheduled for Q4 of calendar 2025.

The Pegasus I project exemplifies a significant advancement in sustainable aviation technology, highlighting the considerable sovereign capabilities of Australian innovation across battery cell manufacturing, advanced solar and UAV technologies for a product that could have broad commercial applications across the defence, mining, communication and agricultural sectors, both domestically and internationally.



Image 1: Completed Pegasus I Airframe designed and built by EATP partner V-TOL Aerospace

Australia's First Lithium Foil Production Line Progressing

In August 2024, Li-S Energy was awarded a \$1.7m Industry Growth Program (IGP) grant to build Australia's first lithium foil production line. This will enable the Company to manufacture foil for its own battery anodes and supply high quality foils globally to generate early revenue.

Following successful factory acceptance testing of the lithium foil extruder, the IGP program is ahead of schedule with the lithium metal foil extruder now installed into the dry room and hydraulic systems routed through the dry room wall (*see Images 2 & 3 below*). Additional

quality and in-line thickness measurement systems are due to be received from the manufacturer shortly to enable continuous in-line foil quality monitoring.

The Company expects to commission the line after operator training is completed in late May, with the first lithium metal foils expected to be produced before the end of June. This foil will be of a specification suitable for incorporation directly into the lithium-sulfur cell manufacturing line while we explore commercial opportunities for sale of the foils.



Image 2: Lithium Foil Extruder installed at Li-S' Phase 3 Facility in Geelong

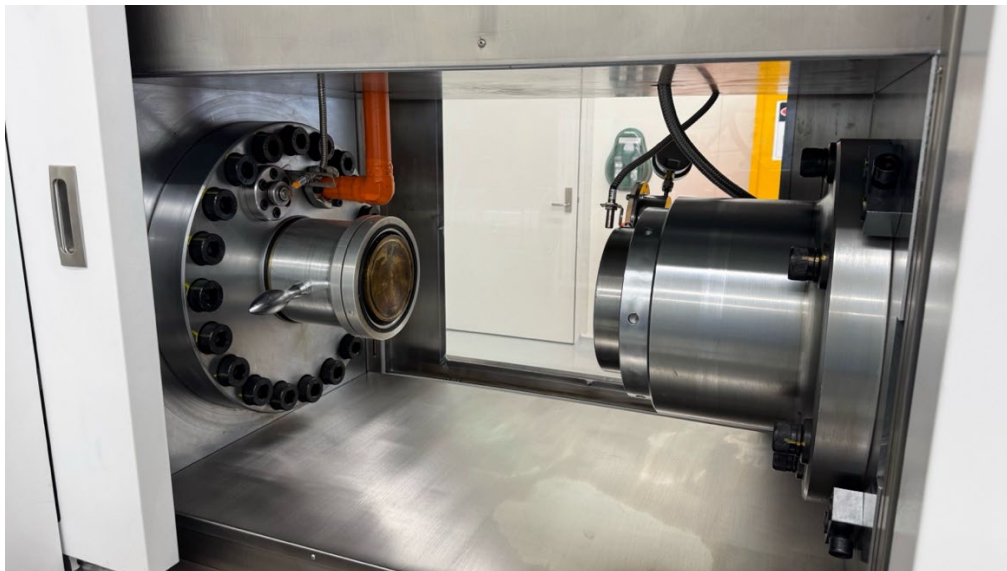


Image 3: Close up of the hydraulic ram used to extrude lithium foil from ingots

Attendance at Special Operations Forces Week – Tampa, Florida 5-8 May 2025

Held in Tampa, Florida, and attracting over 19,000 attendees, Special Operations Forces (SOF) Week is the premier global gathering of special operators, industry leaders, and strategic partners. The event fosters collaboration, innovation, and excellence, showcasing the cutting-edge capabilities and strategies that define modern special operations.

We participated in this event as USSOCOM (United States Special Operations Command) has the fastest moving acquisition approach of all US DoD and encourages rapid innovation and acquisition for new technologies.

We had the opportunity to discuss our technology with key SOCOM Program Executive Offices responsible for UAS (unmanned aircraft systems) and soldier power systems. We also met with a number of companies building UAS and unmanned underwater vehicles (UUV), both needing higher energy density batteries with enhanced safety.

A short video explaining our presence at SOF Week is available by clicking on the following link: <https://lis.plus/SOFWeek>

A brief but insightful interview with Austrade on their view of SOF Week and of Li-S Energy potential is available by clicking on this link: <https://lis.plus/Austrade>

Comment

Chief Executive Officer Dr. Lee Finniear said: *"We are pleased to report considerable momentum in our key grant supported projects with both progressing to plan. Our lithium foil production line enhances our sovereign, domestic manufacturing capabilities while Pegasus I is the first integration of Li-S Energy cells and BMS into a UAV targeting commercial sales.*

As we demonstrate our commitment to sovereign production and product integration with partners, broadening our visibility at key industry events is key to extending our partnerships and positioning ourselves in our key markets. Recent participation at the Avalon Airshow and SOF Week has allowed us to gain exposure to key decision makers in our target sectors across multiple international agencies and companies."

This announcement has been authorised by the Board.

For further information contact:

Dr. Lee Finniear
Chief Executive Officer
Li-S Energy Limited
+ 61 (0)7 3054 455

Ben Jarvis
Six Degrees Investor Relations
+61 (0) 413 150 448
ben.jarvis@sdir.com.au

About Li-S Energy

Li-S Energy Limited (ASX: LIS) is an Australian technology company at the forefront of next-generation battery innovation, developing lithium-sulfur and lithium-metal cells that offer more than twice the energy density of conventional lithium-ion. With a strong research foundation and a commitment to sustainability, the company leverages cutting-edge IP and nanomaterials like BNNTs and Li-Nanomesh™ to enhance performance, safety, and longevity. Li-S Energy aims to revolutionise energy storage for aviation, drones, defence, and beyond - delivering lighter, more efficient energy solutions for advanced applications where weight is critical.

<https://www.lis.energy/>

