

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

Li-S Energy Limited – ASX Code: LIS

Tuesday, 25 March 2025

**Li-S Energy collaborates with Kea Aerospace to power
high altitude UAV flights**



Li-S Energy (**ASX:LIS**) (**‘Li-S’** or **‘the Company’**) has today signed a collaboration agreement with Kea Aerospace (**Kea**) to integrate Li-S’ advanced lithium sulfur battery technology into Kea’s high altitude UAVs targeting multi-month flight times.

The partnership was signed and will be unveiled today at the Avalon International Airshow outside of Melbourne, where Li-S is an exhibitor. The collaboration will see Li-S’ battery technology integrated into Kea’s high-altitude UAVs, significantly enhancing flight endurance and operational efficiency. The Kea Aerospace media release is attached to this announcement.

Li-S’ collaboration with Kea is consistent with the Company’s strategy to target the rapidly growing markets of drones, defence and electric aviation. Kea has partnered with Li-S because its cutting-edge lithium sulfur battery technology offers significant weight savings and energy density, which are both critical to maximise UAV flight times and payload.

Kea High Altitude UAVs

Founded in New Zealand in 2018, Kea is currently flight-testing its aircraft in the stratosphere, between 55,000 and 65,000 feet. Its solar-powered Kea 'ATMOS' aircraft operates as a High Altitude Platform Station (HAPS) and High Altitude Long Endurance (HALE) aircraft. The drone gathers high-resolution aerial imagery and persistent video data for applications such as maritime awareness, environmental monitoring and disaster response, plus a broad range of other commercial use cases such as supporting telecommunications services.

The potential for stratospheric HAPS aircraft capable of multi-month flight durations is substantial with Kea at the cutting edge of this global industry. The competitive benefits are compelling as HAPS offer far lower costs than satellites, greater persistence than conventional aircraft, and far greater control compared to un-steerable balloons.

Li-S collaboration

Li-S' collaboration with Kea will focus on incorporating the Company's ultra-light lithium sulfur battery cells and Li-S BMS technology into a Kea battery pack design, with ground testing expected in 2025 followed by flight testing.

The program objective will be to demonstrate the technology and integration in the 12.5 metre wingspan ATMOS Mk1 aircraft, followed by integration into the ATMOS Mk2 design, which will be capable of continuous flight for several months.

In ATMOS Mk2 the aircraft motors will cycle between power from the battery at night and solar cells during the day (with excess solar power also recharging the battery). Weight is absolutely critical for HAPS platforms. Having a battery with higher energy density prolongs flight time, improves payload capacity and can increase the geographic extent of operations, both in latitude and for operation in seasons with less daylight hours.

Dr Lee Finniear, CEO, commented:

"Our initial focus on the drone, defence and electric aviation markets is producing incredible opportunities for Li-S Energy. The stratospheric UAV market is a key sector of interest with enormous commercial potential. Partnering with Kea Aerospace positions us to engage at the cutting edge of this sector."

"Given the paramount importance of weight and reliability to Kea's ATMOS line of stratospheric UAVs, their decision to collaborate with Li-S highlights how far advanced our battery technology is ahead of many of our competitors. We look forward to the testing program being undertaken in 2025, and to becoming a key technology partner of Kea's as it delivers high performance, multi-month HAPS aircraft platforms to the global market."

Dr Mark Rocket, Kea's CEO noted:

"Today's announcement of our collaboration with Li-S at the Avalon International Airshow, one of the most prestigious airshows globally, speaks to how significantly we view our new partnership. Li-S' next generation lithium-sulfur battery offers more than twice the energy density of conventional lithium-ion batteries, while being greener due to the absence of key materials such as cobalt. This year promises to be a pivotal year for Kea as we develop our ATMOS Mk2 aircraft and the successful integration of Li-S battery technology into our ATMOS UAVs would give us an incredible competitive advantage in an industry where the commercial applications are vast."

About Li-S Energy

Li-S Energy is an Australian 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.

About Kea Aerospace

The company is based in Christchurch, New Zealand. Our vision is to be the world-leader in stratospheric flight operation and data collection and we're on a mission to create insights from the stratosphere that will improve life on our planet.

For more information, interviews, or images contact:

Dr Lee Finniear, CEO, Li-S Energy on +61 402 040 939 / l.finniear@lis.energy or

Mark Rocket, CEO, Kea Aerospace on +64 21 675050 / mark@keaaerospace.com





View from the Kea Atmos Mk1b solar-powered aircraft from the stratosphere above Banks Peninsula, New Zealand

Kea Aerospace Joins Forces With Li-S Energy To Power The Future Of Stratospheric Flight

FOR IMMEDIATE RELEASE: Tuesday, 25 March, 2025

Kea Aerospace, a New Zealand-based leader in stratospheric uncrewed aerial vehicles (UAVs), and Li-S Energy, a pioneer in lightweight lithium sulfur batteries, signed a collaboration agreement today at the Avalon International Airshow.

Kea Aerospace's solar-powered UAVs operate between 55,000 and 65,000 feet, gathering high-resolution aerial data for applications such as maritime awareness, environmental monitoring, disaster response and a broad range of commercial use cases. Li-S Energy has developed next-generation lithium-sulfur batteries that offer more than twice the energy density of conventional lithium-ion batteries while being lighter, cleaner, and more environmentally friendly. This partnership will see Kea Aerospace integrate Li-S Energy's advanced battery technology into its high-altitude UAVs, significantly enhancing flight endurance and operational efficiency.

Kea Aerospace recently demonstrated its capabilities with a one-day flight mission of the Kea Atmos Mk1 to over 56,000 feet. The company is now designing the Kea Atmos Mk2, which will be capable of continuous flight for months. The first focus application is maritime awareness, the Kea Atmos Mk2 would be ideally suited for the uninterrupted tracking of maritime traffic activity.

With a clear focus on the international market, Kea Aerospace is expanding its operations into Queensland, Australia. As part of this growth, the company has established a Queensland subsidiary and is collaborating with Australian universities and industry leaders.

Kea Aerospace CEO Mark Rocket said, “We are thrilled to partner with Li-S Energy, whose world-class battery technology is ideally suited for our platform. Our vision is to be a substantive Australian company with large teams split between New Zealand and Australia. We will continue R&D and manufacturing in New Zealand while building flight operations and a software team in Queensland, which offers a prime opportunity to scale our operations and push the boundaries of stratospheric operation.”

Dr Lee Finniear, CEO of Li-S Energy said, “We are excited to collaborate with Kea Aerospace, a company at the forefront of stratospheric aviation. As Li-S Energy scales up production, this partnership demonstrates the critical role of our unique lithium-sulfur technology in enabling ultra-lightweight, long-endurance UAVs for commercial and defence applications worldwide.”

END

About Kea Aerospace

The company is based in Christchurch, New Zealand. Our vision is to be the world-leader in stratospheric flight operation and data collection and we're on a mission to create insights from the stratosphere that will improve life on our planet.

About Li-S Energy

Li-S Energy is an Australian 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.

About The Stratosphere

The stratosphere is the second-lowest layer of the atmosphere, located above the troposphere and below the mesosphere. The altitude where the stratosphere begins varies depending on latitude and time of year. Near the equator, the lower edge of the stratosphere is as high as 20 km (66,000 feet), at mid-latitudes around 10 km (33,000 feet), and at the poles about 7 km (23,000 feet).

For more information, interviews, or images, contact Mark Rocket on +64 21 675050 / mark@keaaerospace.com or Dr Lee Finniear on +61 402 040 939 / l.finniear@lis.energy.

Further details also available at: www.keaaerospace.com/news-and-events/