

ASX ANNOUNCEMENT**FOR IMMEDIATE RELEASE TO THE MARKET****Li-S Energy Limited – ASX Code: LIS****Wednesday, 16 September 2026****Investor Presentation**

Li-S Energy Limited (ASX: LIS) (“LIS” or “the Company”) is pleased to attach the following Investor Presentation to be delivered to investors today.

This announcement has been authorised by the Board.

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About Li-S Energy:

Li-S Energy (ASX: LIS) is commercialising next-generation lithium-sulfur and lithium-metal battery cells with almost twice the energy density of traditional lithium-ion batteries. Its technology - incorporating BNNTs and Li-Nanomesh™ - is designed for high-performance sectors such as drones, electric aviation, and defence. Visit: www.lis.energy



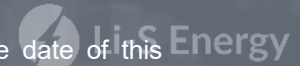
Li-S Energy

INVESTOR PRESENTATION

SEPTEMBER 2026

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The drone era has arrived & it runs on batteries

Ours go further, lift more & are sovereign



A MASSIVE MARKET¹

US\$100B+

Allied government commitments to unmanned systems across their various defence programs



EXCEPTIONAL PERFORMANCE

~500Wh/kg

Energy density approaching 500Wh/kg, about 2x Li-ion (half the weight) – meaning more range, operating time and payload



SOVEREIGN SUPPLY

100%

Sovereign Australian cell production with a clean active materials allied supply chain – free of adversary processing chokepoints



PROVEN & SCALING

2 MWh

Geelong production line complete and cells delivered to the US Army for testing – a clear pathway to commercial scale

Proven technology today – scaling to power the revolution in unmanned systems

Unwavering strategic focus to create value

2026 WAS OUR MOST REMARKABLE YEAR



- Power Cell development increases addressable market by orders of magnitude
- First commercial cells and associated data sheets produced for commercial partners
- Unprecedented interest from defence industry in our superior performance and allied supply chain

2027 SET TO BE EVEN MORE IMPACTFUL



- LIS cells shipped to US DevCom for testing
- Completion of FEL-1 study on long-term scale up options now that our technology is proven
- Targeting first commercial sale of batteries
- Investigating adjacencies such as sale of lithium foil

#1

COMMERCIAL

Transitioning collaboration agreements to commercial partnerships and sales whilst exploring new pathways to profitable revenue

#2

TECHNICAL

Locking down the design of our power and energy cells for commercial availability while continuing to innovate across all areas of our unique science and engineering.

#3

OPERATIONAL

Delivering on the milestones of our ARENA grant for manufacturing optimisation and scale up planning whilst ensuring our facilities are able to support the expectations of our customers.

#4

FINANCIAL

Ensuring that the company is able to fund its strategic development and growth, and can access sources of capital when they are available

WHO IS LI-S ENERGY?

Background, corporate overview, and financial snapshot



Li-S Energy

Sovereign manufacturer of next generation batteries with a strategic focus on drones & defence

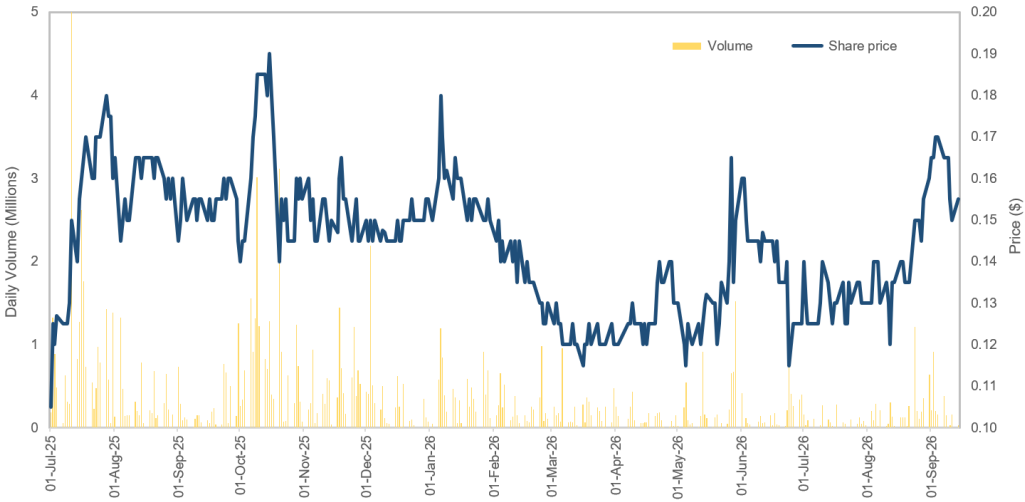
We are Australia's sovereign producer of lithium-sulfur battery cells – one of the lightest high-energy cells available, built for drones, defence and aerospace.

Proprietary nanomaterial IP and pouch-cell manufacturing in Geelong, now in customer testing and qualification with defence and aerospace partners.

Corporate Overview

ASX Code	LIS
Share Price (as at 14/9/26)	15.5¢
52 Week Range	11.5¢-19.0¢
Shares on Issue	640.2M
Market Capitalisation	~A\$99M
No. of Shareholders	~10,500
Cash and financial assets	~\$15.6M
Debt Funding	\$Nil

Top Shareholders	
PPK Aust Pty Limited	38.8%
Deakin University	13.4%
All other Shareholders <3% holdings	



Mr Ben Spincer

Non-Executive Chairman

Former Executive Director of Research Innovation at Deakin University, with oversight of commercialisation programs for applied tertiary research; senior executive roles in government and ASX 20 corporations.



Mr Rick Francis

Non-Executive Director

+25 years' experience in energy and infrastructure, including +10 years as Managing Director and CEO of Spark Infrastructure Group; extensive experience in board roles and complex transactions in ECM/DCM.



Dr Lee Finniear

Managing Director & CEO

+25 years' experience in senior executive roles, including large private corporations and +5 years as CEO and MD of NASDAQ and ASX-listed companies; PhD in Artificial Intelligence and Geographic Information Systems.



Dr Steve Rowlands

Chief Technology Officer

20+ years' experience in energy storage, specialising in lithium-sulfur batteries, scale-up processes, & nanomaterials, with a PhD in electrochemical supercapacitors and BSc. (Hons) degree in Applied Chemistry



Mr Andrew Davies

Chief Financial Officer

~20 years' experience in finance, strategy, M&A, and accounting, having held senior roles in the energy storage, automotive, mining, and advanced materials sectors; Chartered Accountant and a Bachelor of Commerce.

Financial Snapshot

- Significant investments in capital infrastructure and battery development programs completed.
- Secured \$22.4M in federal grants and funding, with \$9.3M of the funds yet to be received.
- Maintaining a prudent approach to cash management.

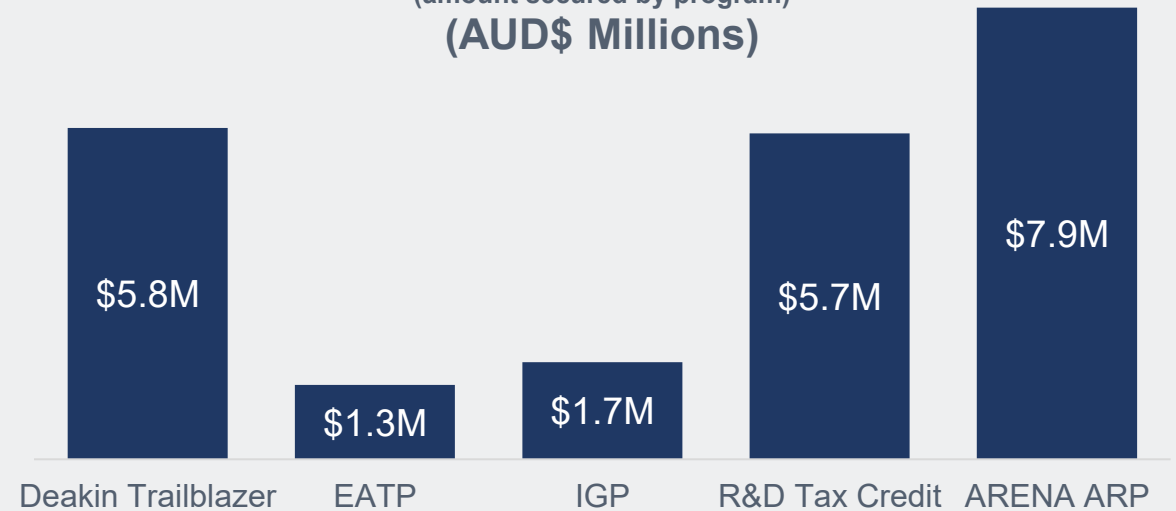
Financial Assets as at 30 June 2026

Cash	\$15.0M
Interest bearing Investments	\$0.6M
Total as at 30 June 2026	\$15.6M

Plus: Grant funding secured but not yet received	\$9.3M
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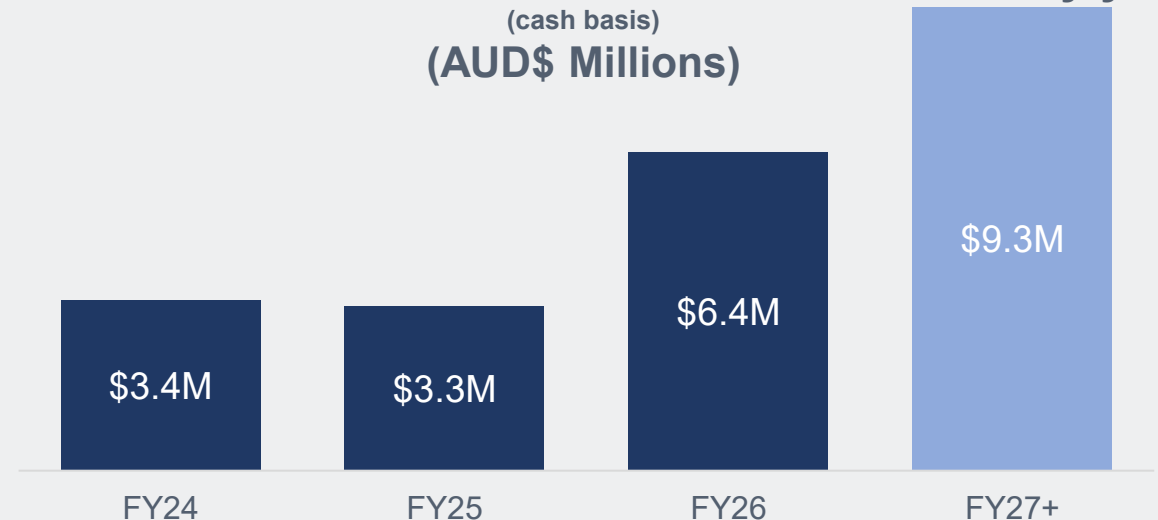
Federal Grants and R&D Tax Credits

(amount secured by program)
(AUD\$ Millions)



Federal Grants and R&D Tax Credits Received by year

(cash basis)
(AUD\$ Millions)



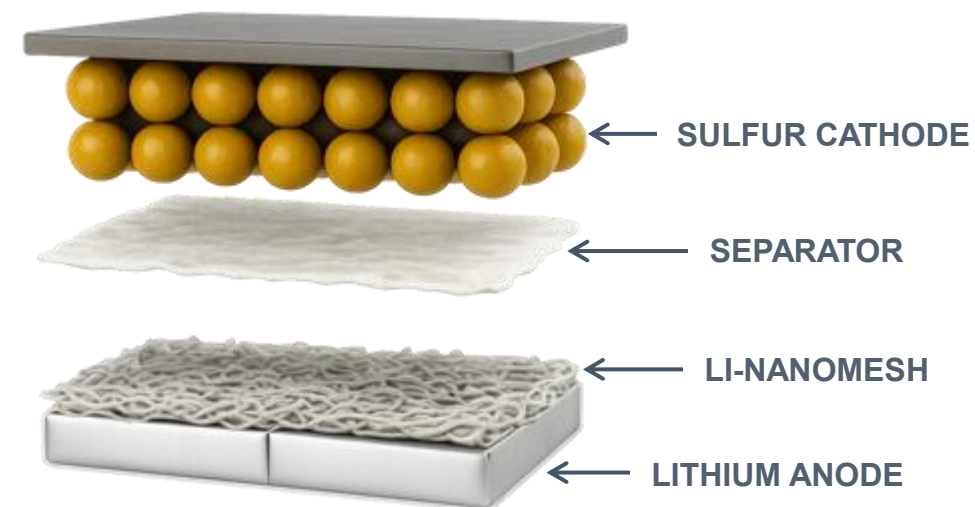
OUR TECHNOLOGY ADVANTAGE

Our IP portfolio includes underlying technology that delivers our performance and sovereign supply chain advantages.

Lithium Sulfur Technology

LI-S ENERGY CELL CHARACTERISTICS

Energy Density (Wh/kg)	✓✓✓	Approaching 500Wh/kg – almost twice that of most lithium-ion batteries
Allied Active Materials	✓✓✓	No Nickel, no Cobalt, no Manganese, no Graphite
Safety	✓✓✓	Safer than many Li-ion technologies
Cost	✓✓	Cost expected to be on par with high performance Li-ion at scale
C-Rates	✓✓	Two cell designs - "Energy Cell" that maximises energy density, and "Power Cell" that balances both high energy density and higher power output
Cycle Life	✓	Lower than LFP. However, higher energy density is the key focus for our target markets , very long cycle life less critical



LI-S ENERGY IP ENHANCEMENTS

	IP	ENHANCEMENT
✓✓✓	Semi-solid-state cell chemistry	Minimises polysulfides
✓✓✓	Li-nanomesh nanomaterial technology to extend cycle life	Mitigates dendrites
✓✓✓	Lower flammability electrolytes	Increases safety
✓✓✓	Manufacturing IP	Increases practical manufacturability & reduces cost

Power Cell

Engineered to deliver more than 10 times the discharge power of a standard Li-S cell, materially expanding our target market

ENERGY CELL APPLICATIONS



FIXED WING UAVs

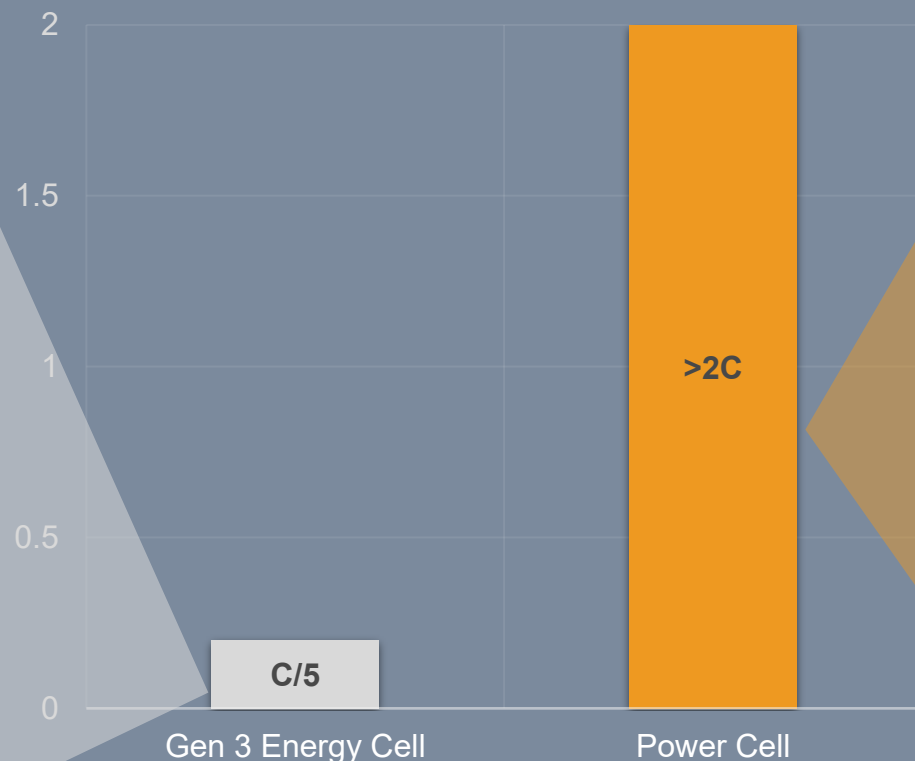


HAPS



UUVs

Continuous Discharge Rate*



* Note: Based on commercial sized 10Ah cells. Further cell design and optimisation is underway.

POWER CELL APPLICATIONS



MULTICOPTERS



RADIO COMMUNICATIONS



ROBOTICS

*Power Cell is still undergoing testing & optimisation

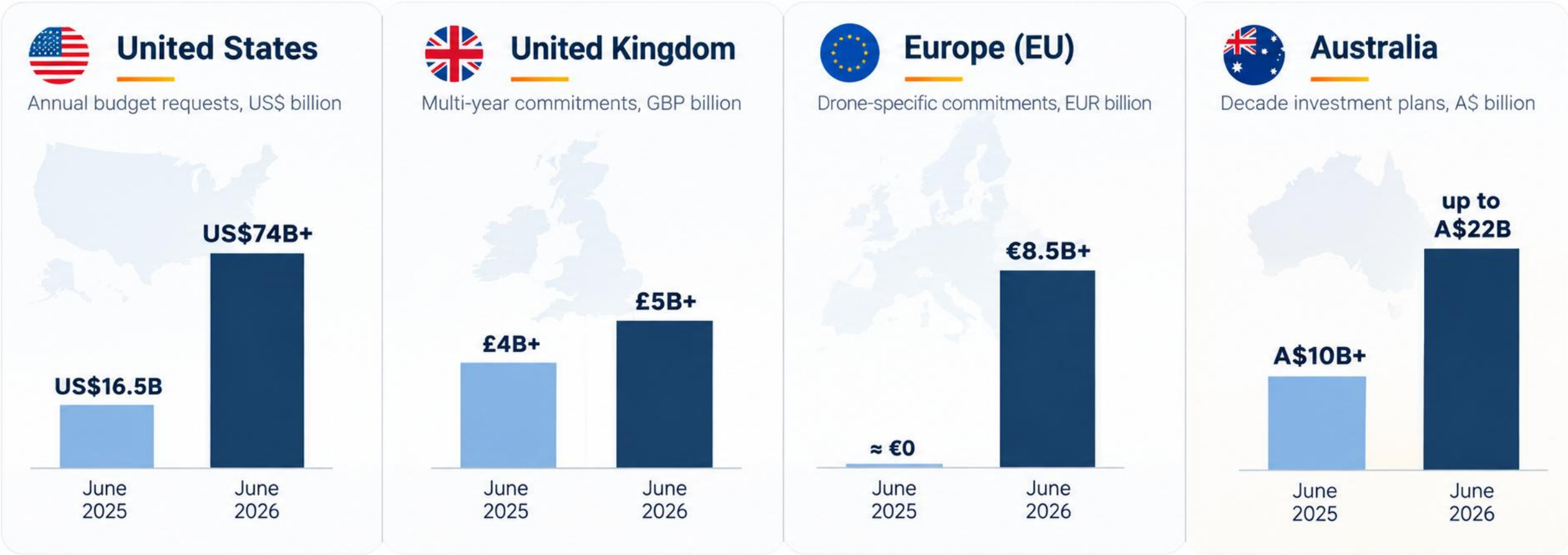
We believe this is the most significant development in lithium sulfur battery technology in decades

THE DEFENCE MARKET AND OUR COMPETITIVE ADVANTAGE

Our ultra-lightweight battery cells deliver almost twice the energy density of lithium-ion. The defence drone market is growing exponentially, and we have a compelling competitive advantage – increasing range, operating time, and payload across a broad range of unmanned platforms.

Government Defence Drone Commitments

2026 marked a fundamental pivot across allied military forces towards unmanned systems



US: FY2026 request (Jun 2025): US\$13.4B autonomy plus US\$3.1B counter-UAS; FY2027 request (Apr 2026): over US\$74B drone dominance and counter-drone. Excludes ~US\$16B enacted Jul 2025 (P.L. 119-21).
UK: over £4B for autonomous systems this Parliament (SDR, Jun 2025); over £5B over four years (Defence Investment Plan, Jun 2026).
Europe: sum of EU-Ukraine drone agreement (€2B), proposed Drone Alliance (€6B) and German loitering munition contracts (€0.5B, options to ~€2.5B); excludes the €150B SAFE instrument, where drones and anti-drone systems are a named priority category.
Australia: more than A\$10B for drones over the decade (2024 IIP); up to A\$22B for drone, counter-drone and autonomous systems over the decade (2026 IIP: A\$12-15B uncrewed plus up to A\$7B counter-drone).



Our compelling competitive advantages



Half the weight of Li-ion¹



Safer²



Sovereign Domestic
Production



Clean allied supply chain

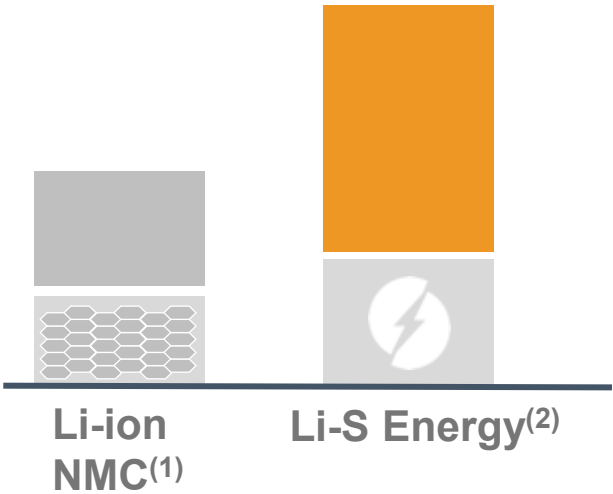
¹ Typical Li-ion cell - Panasonic NCR18650GA @224Wh/kg

² Refer to nail penetration safety test in the Appendix

Performance Advantages

Li-S Energy's lightweight batteries deliver extended range and operating times

Energy Density Advantages



1) Compared to Panasonic NCR18650BF – a typical example of a high energy density lithium-ion battery
2) Actual 20Ah Li-S "Energy Cell" battery cell energy density measured by Li-S Energy after formation cycling (initial discharge reached 498 Wh/kg)
3) Flight time & range – fixed wing long endurance drones, estimated based on increase in available energy stored in the same weight of battery pack, plus initial battery pack testing
4) Operating time – conformal wearable batteries, illustrative operating time estimate based on same weight carried, alternative configuration reduces weight for same operating time
5) Mission Time – estimate based on operation of large unmanned underwater vehicles for the same weight of batteries – alternative configurations reduce weight for similar mission times



Typical expected performance advantages for the same battery weight

Sovereign & Allied Supply Chains

Continuity of manufacturing when non-aligned countries restrict lithium-ion battery materials supply

Li-S Energy's lightweight batteries deliver a broad scale capability enhancement across the unmanned systems landscape – while also eliminating the '*Achilles heel*' of all Lithium-ion batteries - dependency on a non-allied battery materials supply chain

SUPPLY CHAIN CHALLENGE ¹

Allied supply chains control only a small share of key Li-ion material processing:



That exposure remains regardless of where the lithium-ion cell itself is made.

THE LI-S ENERGY DIFFERENCE

- ✗ NO GRAPHITE
- ✗ NO MANGANESE
- ✗ NO NICKEL
- ✗ NO COBALT

- Sulfur cathode using one of the world's most abundant elements
- Lithium-metal anode replacing conventional graphite
- Cells manufactured in Australia
- Australian lithium foil now made in-house



For defence customers, supply chain assurance is not a nice-to-have - it is a procurement requirement.

Defence Unmanned System Partners



Praetorian Aeronautics

- Counter-UAV interceptor drone system
- Protects lives & infrastructure from hostile UAVs
- Li-S batteries expected to extend range, flight time and increase payload
- Praetorian is targeting 10,000 units per year production



Multi-national Defence Prime

- Unmanned air & land systems
- Soldier wearable technologies
- Li-S cells to be provided for tests and trials for multiple products that are currently being supplied to governments worldwide.



MSubs (UK)

- Extra Large Unmanned Underwater Vehicles
- Customers include US SOCOM, US Navy and UK MoD
- LIS collaborating for Project CETUS XLUUV for UK MoD, plus future platforms
- Currently testing our cells to almost 1000m of depth



EPE. Trusted to Protect

- A structured route into partner network of 60+ allied defence and security OEMs
- Target platforms include drones, ground robotics, EOD robots, counter-drone systems and soldier electronics
- EPE is a prime contractor to the Australian Department of Defence and the New Zealand Defence Force

US Army Testing

First LIS cells delivered to a US Government agency in August 2026

- C5ISR is US Army premier testing and acquisition capability
- Li-S Energy 10Ah Power Cells delivered to C5ISR at the US Army Aberdeen Proving Ground (Maryland) for testing
- Applications considered include UAV, Land systems and soldier wearable systems
- Results of testing will enable US Army to select ideal programs for Li-S Energy battery cells for power systems





Pegasus Long Endurance Drone

- Target markets mapping, surveillance, agriculture, mining & exploration, security
- Partners: V-TOL Aerospace & Halocell
- Co-funded by Federal Government through a \$1.3M Emerging Aviation Technology Partnership grant

Commercial Drone Partners



Kea Aerospace High Altitude Platform Station (HAPS)

- Target markets: telecommunications, maritime surveillance, mapping, agriculture, security & defence,
- Targeting multi-month flight times for persistent Intelligence, Surveillance, and Reconnaissance and communications without the need for satellites or expensive air systems.

OUR PATHWAY TO SCALE

Recent execution, near-term milestones and the manufacturing capability supporting commercial progression

We are delivering on the critical factors that strategic partners seek



PERFORMANCE

- Highest energy density possible
- Sufficient power for application
- Sufficient cycle life for application
- Safety benefits and standards adherence



PRODUCTION

- Produce reliable high-quality cells in volume
- Prove automated manufacturing that can scale
- Deliver industry standard performance testing



PRODUCT INTEGRATION

- A battery management system (BMS) & pack
- A team to assist with pack design and integration



PATHWAY TO SCALE

- Show a credible path to scale cell production over time as demand grows
- Demonstrate robust manufacturing processes and risk mitigation to enable rapid scaling

Phase 3: Our 2MWh Production Line

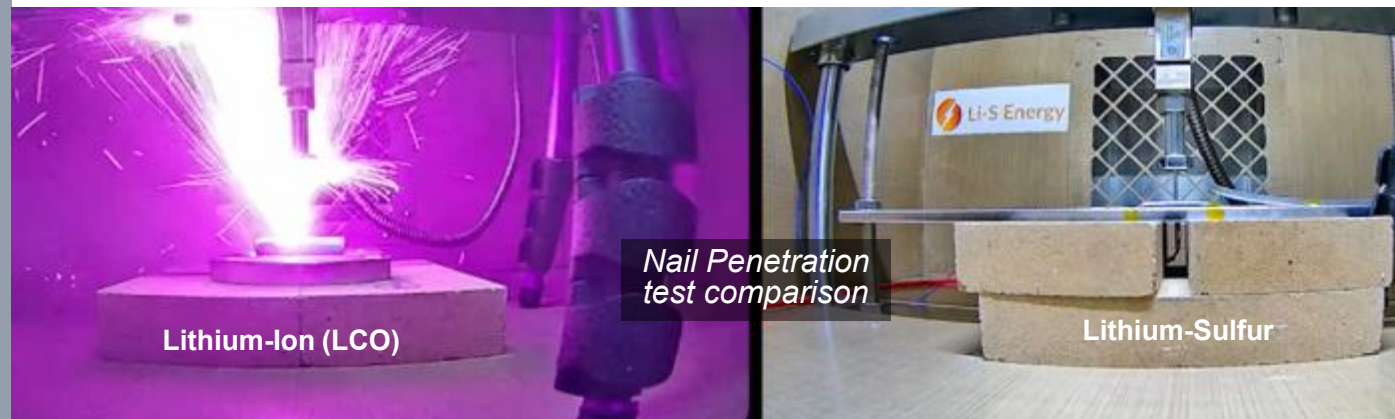
- The 2MWh production facility completed & small scale commercial production underway
- The 220 sqm dry room - one of the largest in Australia
- Successful manufacture of lithium metal foils – an Australian first and key production breakthrough
- Unique manufacturing IP for lithium foil anode cutting, handling and stacking into both Li-S and Li-metal battery cells.
- Advanced battery testing facility equipped for comprehensive evaluations, including nail penetration and crush resistance, drop impact testing, short circuit and overcharge assessments, temperature and high-altitude chamber testing, vibration analysis, and mission profile simulations.



Our welding line: each of the nine stations performs a specialised function



Part of our 2MWh cell production facility in Geelong



Nail Penetration test comparison

Lithium-Ion (LCO)

Lithium-Sulfur

Phase 4 Scale Up Facility Design Project

Co-funded by ARENA



STAGE 1 “Investment Ready”

FEL-1

FEASIBILITY STUDY

Initial concept designs & costings in FY27

Manufacturing Optimisation

Cathode Production

Expected to substantially improve cathode production rate

Anode Production

Expected to enhance anode cutting, coating and production rate & quality at scale

Cell Fabrication

Expected to optimise cell fabrication throughput rates & further enhance reliability

Waste Management & Recycling

Expected to improve waste handling & reduce cost

DELIVERABLES

High level design, costing and production throughput enabling preparation of a detailed business case for project financing



STAGE 2 “Shovel Ready”

FEL-2

INITIAL FRONT END ENGINEERING DESIGN

Preliminary design of all systems, production processes, infrastructure & IT

FEL-3

DETAILED FRONT END ENGINEERING DESIGN

Building on FEL-2

Full detailed designs and drawings able to be supplied to potential contractors for tendering purposes

DELIVERABLES

Detailed design package ready to put out to tender for construction and site selection with permitting underway.

STAGE REVIEW
& PROJECT FINANCING ACTIVITIES

VALUE DRIVERS

Li-S Energy Investment Highlights

Advanced battery technology progressing through defence testing, customer qualification and commercial market engagement

KEY NEAR TERM VALUE DRIVERS



DEVCOM

Testing progression
/ results



EATP

Drone flight
testing



MSubs

Deep-water
Testing



Power Cell

Demonstration &
qualification



UN38.3

Approval to ship
worldwide



Phase 4

Completion of
Hatch FEL-1 study



Further defence customer testing

& qualification programs

#1 COMMERCIAL

DEFENCE MARKET ACCESS

US ARMY + >60 OEMs

First cells delivered to US Army DEVCOM,
with collaborations expanding access to
allied defence OEMs and customers.

#2 TECHNICAL

ADVANCED
BATTERY TECHNOLOGY

~500Wh/kg

Two cell designs optimising Energy and
Power characteristics for demanding
applications

#3 OPERATIONAL

PRODUCTION
CAPABILITY IN PLACE

2 MWh

Production line, expanded in-house testing,
lithium foil manufacturing and
ISO 9001:2015

#4 FINANCIAL

STRONG FUNDING POSITION

AUD\$15.6m

In liquidity, plus \$9.3m in secured grants
yet to be received, including ARENA
Phase 4 funding.

APPENDIX

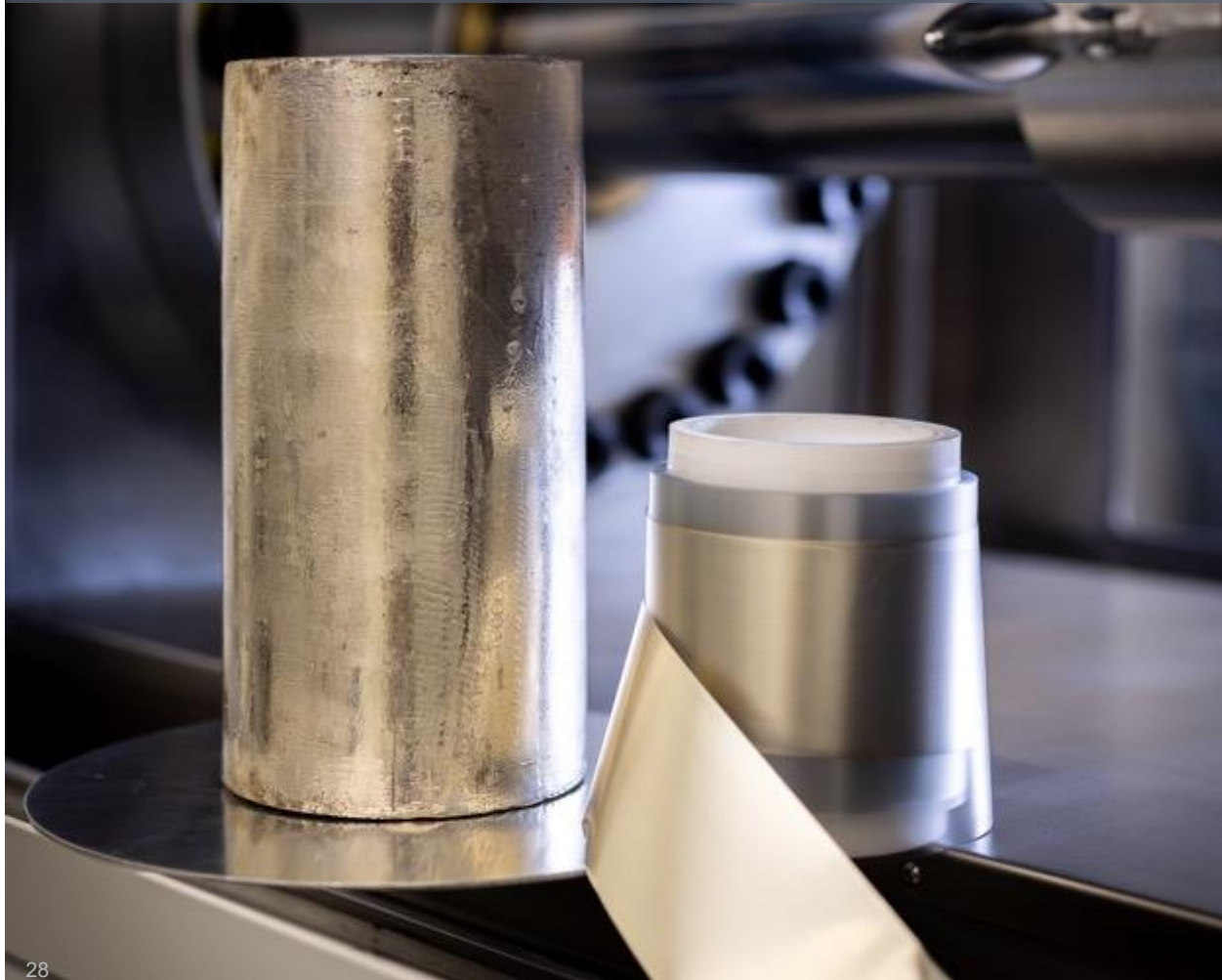
Nail Penetration Safety Test

Video showing nail penetration on Li-S Energy 2.5Ah multi-layer GEN3 lithium sulfur cell, alongside a comparable lithium-ion cell from an internationally recognised manufacturer (2.5Ah 21700 25R cylindrical LCO cell)

Use this QR code or [click here](#) to see the video.



Australia's First Lithium Foil Production



A critical material for advanced batteries

- **Australia's first** lithium metal foils
- **Delivered ahead of schedule** under a \$1.76M matched funding grant from the Industry Growth Program (IGP).
- **Establishes new sovereign manufacturing capability**, supporting Australian battery supply chain resilience for both commercial and defence applications.
- **Eliminates reliance on imported lithium foils**, reducing cost, delays and quality risks.
- **Enables tighter control** over foil purity and thickness, improving cell performance and production throughput.
- **Positions LIS for revenue opportunities** in global markets seeking high-purity lithium foil.

Test Facility

Battery cells need to pass a wide variety of performance and abuse tests to meet customer requirements.

Our Phase 3 battery testing facility is one of the most advanced in Australia and includes:

- Nail penetration & crush tester
- Drop tester
- Short circuit & overcharge tester
- Temperature & high-altitude chamber
- Vibration tester
- Testing ability under UN38.3 conditions
- Advanced cell cyclers able to simulate cell loadings in mission profiles as they would experience them in partner vehicles
- Advanced automated systems for real-time test data harvesting and production data integration, enabling AI based performance analysis.



Production Video

SCAN
TO
WATCH



Australia's largest pouch cell production facility
In Australia's largest battery dry room

Production Line Video