

ASX ANNOUNCEMENT
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Li-S Energy Limited – ASX Code: LIS

Friday, 9 October 2026

**LI-S ENERGY AND SAFESKY SYSTEMS SIGN COLLABORATION
AGREEMENT AT LAND FORCES 2026**

*Agreement targets the supply of Australian made lithium sulfur batteries for Safesky's
sovereign fleet of tactical drones*

Key Highlights:

- Li-S Energy has signed an agreement with Safesky Systems, a Victoria-based company that designs and manufactures tactical uncrewed aerial systems (UAS), at Land Forces 2026 in Perth.
- The agreement targets the supply of sovereign-produced Li-S Energy lithium sulfur batteries for Safesky's drone fleet.
- Li-S Energy cells can deliver almost twice the range, operating time and payload carrying capacity of conventional lithium-ion batteries.
- Joint evaluation and integration testing will begin shortly, with progression to commercial supply contingent on the results. Safesky adds to the growing list of Li-S Energy's Australian defence partners.

Li-S Energy Limited (ASX: LIS) ("Li-S Energy" or "LIS"), a leading Australian developer of ultra-lightweight lithium sulfur battery technology, is pleased to announce that it has signed an agreement with Safesky Systems Pty Ltd ("Safesky"), an Australian defence technology company that designs and manufactures uncrewed aerial systems for defence and security customers.

The agreement targets the supply of Li-S Energy's Australian made lithium sulfur batteries to power Safesky's fleet of tactical drones, and establishes a framework for the two companies to jointly evaluate, test and integrate LIS cells and battery packs into Safesky platforms, progressing to commercial supply subject to the results.

Safesky Systems

Safesky is headquartered in Melbourne, Victoria, with operations in Australia and the United States. Its systems are National Defense Authorization Act (NDAA) compliant, and built to maximise the use of allied supply chains.

Safesky's current platforms are:

- VTRX, a fixed-wing VTOL tactical mothership, ISR and strike platform.
- Sentinel, a tactical multirotor UAV for surveillance, training and target operations.

Safesky Systems will be participating in Army Innovation Day 2026 (AID26). AID26 forms part of the Australian Army's ongoing approach to innovation and experimentation, bringing together Army and industry to explore emerging technologies and future land capability challenges. The platforms will be advancing sovereign capability at the leading edge of land forces innovation.



Safesky Systems VTRX, a fixed-wing VTOL tactical mothership, ISR and strike platform.

The lithium sulfur advantage

Drone performance comes down to three things: range, operating time and payload. All three are defined by the battery.

The energy density of Li-S Energy's GEN3 cells is approaching 500Wh/kg, close to twice that of conventional lithium-ion, so a drone can fly further, loiter longer or carry more payload for the same battery weight. The Company's high-power Power Cell extends these benefits to multi-rotor platforms such as those developed by Safesky Systems.

The cells are made in Geelong, Victoria and contain no graphite, nickel, cobalt or manganese, the materials that tie almost every lithium-ion supply chain to non-allied processing. For defence customers, supply chain assurance is a procurement requirement. Safesky's NDAA-compliant platforms and Li-S Energy's Australian-made cells will enable an allied supply chain for both the platform and the battery.

Pathway to supply

Under the agreement, Li-S Energy and Safesky will evaluate LIS cells against the power and energy requirements of Safesky's platforms, build battery packs for integration, and conduct ground and flight testing, with the intention of progressing to commercial battery supply for Safesky's drone fleet. Commercial outcomes will depend on the results of this work and on the procurement decisions of Safesky's customers.

Quotes

Jack Kormas, Chief Executive Officer of Safesky Systems, said:

"Sovereignty and supply chain security are at the core of how Safesky designs and builds its systems. Li-S Energy gives us an Australian made battery with the potential to materially extend the endurance and payload of our platforms, while removing one of the last non-allied dependencies in our supply chain. We are pleased to formalise this collaboration at Land Forces."

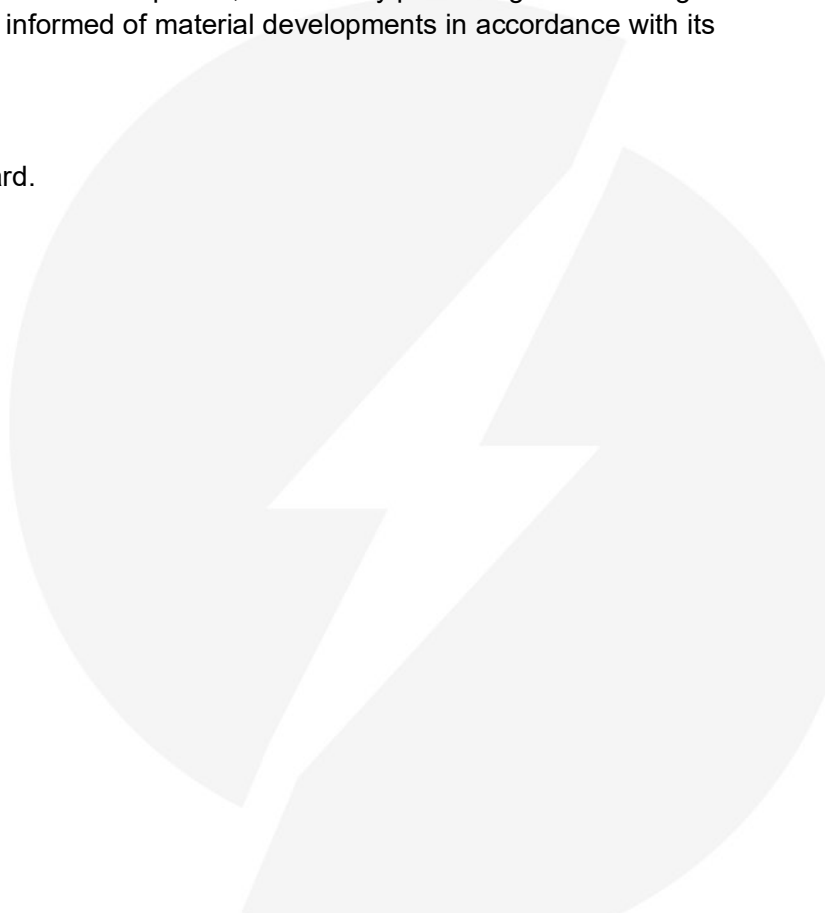
Dr Lee Finniear, Managing Director and Chief Executive Officer of Li-S Energy, said:

"Safesky builds exactly the kind of tactical drones where our batteries make the biggest difference: platforms where every gram matters, and where range, time on station and payload are most important. We are excited to work with the Safesky team on what we believe will be a long and fruitful collaboration."

Next steps

Initial design evaluation is expected to commence in the current quarter, with battery pack integration and flight testing to follow. The Company will keep the market informed of material developments in accordance with its continuous disclosure obligations.

This announcement has been authorised by the Board.



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About Li-S Energy:

Li-S Energy Limited (ASX: LIS) is an Australian company at the forefront of next-generation battery technology, developing ultra-lightweight lithium-sulfur cells that offer more than twice the energy density of conventional lithium-ion.

With a strong research foundation and a growing presence in the defence and aerospace markets, the Company leverages cutting-edge IP to enhance battery performance, safety and longevity. LIS 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/>

About Safesky Systems:

Safesky Systems Pty Ltd is an Australian defence technology company that designs, manufactures and deploys advanced uncrewed aerial systems for defence, security, training and government customers. Headquartered in Melbourne, Victoria, with operations in the United States, Safesky's NDAA-compliant platforms, including the VTRX fixed-wing VTOL ISR and strike aircraft, the Boomerang tactical command and control UAS and the Sentinel interceptor, combine AI-enabled autonomy, electronic warfare resilience and sovereign, secure supply chains. www.safeskysystems.com.au

