ASX ANNOUNCEMENT

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Li-S Energy Limited – ASX Code: LIS

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LI-S ENERGY SELLS FIRST CELLS FOR US SPECIAL OPERATIONS COMMAND EVALUATION

A first commercial sale that puts Australian-made lithium-sulfur battery cells in front of the world's most demanding defence customer

Key Highlights:

- First commercial sale of LIS battery cells: lithium-sulfur 10Ah Power Cells shipped for US Special Operations Command (USSOCOM) evaluation across crewed and uncrewed systems in the air, land and maritime domains.
- USSOCOM is rapidly deploying battery-powered uncrewed systems where energy density and weight are critical to performance.
- The US Department of War has requested more than US$74 billion for drone and counter-drone capability, the largest investment in drone systems in its history.[1]
- LIS lithium-sulfur cells enable uncrewed systems to fly farther, operate longer and carry greater payloads: a step-change over conventional lithium-ion.
- Using no graphite, nickel or cobalt, LIS batteries offer defence customers a critically important allied supply chain.
- Cells purchased on commercial terms by SOFWERX, the innovation hub tasked with fast-tracking new technology into USSOCOM operations.
- Subject to results, further cell batches expected for platform-specific testing.

Li-S Energy Limited (ASX: LIS) ("Li-S Energy", "LIS" or "the Company") is pleased to announce the first commercial sale of its battery cells, with lithium-sulfur 10Ah Power Cells shipped for evaluation in support of United States Special Operations Command (USSOCOM).

The cells were purchased on commercial terms by SOFWERX, the innovation hub that serves USSOCOM. While modest in scale, the purchase represents early commercial validation of LIS technology and a funded commitment to evaluate its performance benefits.

SOFWERX will facilitate a project to evaluate the cells to identify capability advantages for USSOCOM's crewed and uncrewed systems across the air, land and maritime domains.

SOFWERX is a streamlined pathway into US special operations

SOFWERX is a non-profit innovation hub operating under a Partnership Intermediary Agreement with USSOCOM, based in Tampa, Florida, alongside USSOCOM headquarters. Its role is to fast-track promising technology into USSOCOM operations.

It does this by hosting evaluations outside the traditional procurement system, giving companies a direct route to USSOCOM without the full complexity of conventional government contracting. For Li-S Energy, that means cells assessed quickly, on their technical merits, by the people closest to the operational requirement.

US Special Operations Command is the world's most demanding customer

USSOCOM oversees the special operations forces of all branches of the US military. Its missions are among the hardest in defence: contested and remote environments, often far from resupply, where endurance, weight and reliability can determine mission success.

USSOCOM is rapidly deploying uncrewed and autonomous systems in every domain: aerial systems from micro-drones to long-endurance platforms, ground robots, and uncrewed surface and sub-surface vessels. Every one of these platforms is limited by its battery.

A measured, staged pathway to scale

A step-change in energy density translates directly into greater range, longer endurance and increased payload. With an energy density approaching twice that of conventional lithium-ion, LIS cells are well placed to deliver a significant capability enhancement.

Allied supply chains are also vital to USSOCOM. With less than 5% of battery-grade graphite and less than 25% of refined battery-grade nickel and cobalt under allied control, lithium-ion batteries carry major strategic and geopolitical risk. Li-S Energy batteries do not rely on graphite, nickel or cobalt, offering an allied supply chain with lower risk of disruption.

This first delivery supports an early-stage evaluation to identify alignment with prospective special operations use cases. If the results are positive, LIS expects to supply further cell batches tailored to specific platforms and mission domains. Any commercial outcome will depend on those results and on subsequent procurement decisions.

Technologies proven with US special operations forces are often adopted across the wider US military and by allied nations. With the US Department of War requesting more than US$74 billion for drone and counter-drone capability[1], the market beyond this first sale is substantial and growing, and each stage of the pathway is designed to move LIS cells closer to it.

Quotes

Dr Lee Finniear, Managing Director of Li-S Energy, said:

> *"Our first commercial cell sale is a significant milestone for Li-S Energy, and there could be no better first customer.*
>
> *USSOCOM is moving rapidly to uncrewed and autonomous systems in the air, on land, on the water and underwater. In every one of those domains, energy density and weight are decisive, and that is exactly where our lithium-sulfur cells are designed to excel.*
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> *Engaging USSOCOM through SOFWERX puts real cells in front of the people defining the next generation of these platforms. If our cells perform as we expect, the opportunity across USSOCOM and the broader US defence market is substantial."*

Brian Andrews, Chief Technology Officer of SOFWERX, said:

> *"Special Operations Forces operate at the very edge of what technology allows, and energy is one of the hardest constraints we face. As platforms become smaller, more autonomous and more widely distributed across air, land and sea, the demand for batteries that deliver more energy at less weight only grows.*

We are continually searching for advanced energy sources that can extend endurance, range and payload, and we look forward to evaluating Li-S Energy's lithium-sulfur cells. If the technology delivers on its promise, advances like this could translate directly into greater reach and capability for the warfighter."

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 approaching 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 USSOCOM and SOFWERX:

USSOCOM is the unified combatant command responsible for overseeing the special operations forces of the United States armed services.

SOFWERX is a 501(c)(3) non-profit innovation hub that operates under a Partnership Intermediary Agreement with United States Special Operations Command (USSOCOM). Established in 2015 and based in Tampa, Florida, SOFWERX brings together government, industry, academia and the national laboratories to accelerate innovation and solve the challenges faced by Special Operations Forces, while lowering the barriers for emerging and non-traditional technology providers to engage with USSOCOM. SOFWERX is one of the innovation hubs operating within the DEFENSEWERX network. Visit: www.sofwerx.org

References to SOFWERX and USSOCOM are included for factual context and do not constitute or imply any endorsement of Li-S Energy or its products by SOFWERX, USSOCOM or the United States Government.

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[1] *US Department of War FY2027 budget request (April 2026): US$53.6 billion for autonomy, drone platforms and contested logistics, and US$21 billion for munitions, counter-drone technologies and advanced systems, described by Pentagon officials as the largest investment in drone warfare and counter-drone technology in US history. See: https://defensescoop.com/2026/04/21/dod-plans-largest-ever-investment-drones-anti-drone-weapons/*