

**ASX ANNOUNCEMENT****FOR IMMEDIATE RELEASE TO THE MARKET****Li-S Energy Limited – ASX Code: LIS****Thursday 30 October 2025****Quarterly Activities and Cashflow Reports**

Li-S Energy Limited (ASX: LIS) (“LIS” or “the Company”) is pleased to provide its September 2025 Quarterly Activities and Cashflow Reports.

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 4555

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

SEPTEMBER 2025

# QUARTERLY REPORT



# MANAGING DIRECTOR'S REPORT

Li-S Energy has delivered another strong quarter of technical and commercial progress this quarter, continuing the positive momentum from the June period.

## Australia's First Lithium Metal Foils

Successful manufacture of Australia's first lithium metal foils at our Geelong production facility, delivered ahead of schedule under the Australian Government's *Industry Growth Program* grant. Establishes a new domestic sovereign manufacturing capability, providing Li-S with direct control over this part of its supply chain and opens up additional revenue opportunities in global markets.

## Cathode Coater Commissioning Complete

We completed the commissioning and site acceptance testing of an advanced cathode coater and clean-room facility, marking an important development milestone which positions Li-S to scale up manufacturing capacity to meet future demand. The coater is now in mainstream use for all Li-S cathode production.

## EATP – Pegasus Program

During the quarter, Li-S Energy continued to advance production and testing for multiple battery modules under the Pegasus UAV program, a government-backed research program to develop long-flight duration drones. The team completed construction of a number of battery modules during the quarter which are now undergoing extensive performance testing before being approved for initial flights.

## AUKUS Community Membership Approval

Li-S Energy received formal authorisation under the AUKUS framework in August, enabling more streamlined export processes for eligible dual-use technologies and strengthening collaboration with partner nations.

## Accelerating Growth

Growing interest in Li-S Energy's proprietary advanced battery performance and tailwinds in the global defence thematic have increased industry engagement and investor interest across the quarter. The recent trends underscore Li-S Energy's technological maturity and the strength of its position in the global advanced battery landscape.

## Government Engagement

In September, we were hosted in Canberra by several government departments, including the offices of the Hon. Tim Ayres, Minister for Industry; the Hon. Madeleine King, Minister for Resources; and the Hon. Chris Bowen, Minister for Climate Change and Energy. The engagement was enthusiastic, and the attendees observed that LIS is working to deliver on key government goals in clean energy, advanced manufacturing and critical minerals processing.

## Global Outreach Expansion

Along with the appointment of Paladin Defense Services below, Li-S Energy continued to prioritise outreach. Austrade has supported us extensively at industry events including the DSEI 2025 global defence conference in London and providing us with an exhibition stand at the recent AUSA 2025 defence conference in Washington DC.

## Market Engagement – US Defence Sector

Appointment of Paladin Defense Services LLC as a specialist representative for the US defence sector. Offers potential to benefit from Paladin's US government acquisition status, which facilitates streamlined access to sole-source U.S. government contracts up to US\$7.5 million. Paladin will continue to support introductions, testing, and funded trials with the US DoD and major defence primes.



Dr Lee Finniear  
Managing Director &  
Chief Executive Officer



**SEPTEMBER  
QUARTER  
2025**

# Highlights, material developments and changes



Commissioning and testing of cathode coater & clean-room facility were completed



2025 Annual General Meeting will be held virtually on 18 November 2025



\$16.4 million in cash, cash equivalents, short term investments, and loans receivable at 30 September 2025



Li-S Energy received formal approval of AUKUS Community Membership



Paladin Defense Services LLC appointed as Li-S Energy's U.S. representative



Li-S Energy exhibited at DSEI 25 in London UK showcasing our technology

# OPERATIONAL & TECHNICAL DEVELOPMENTS

## Lithium Metal Foil Production

In July, the Company successfully commissioned its lithium metal foil extrusion line, and commenced production of 100-micron lithium metal foils – an Australian first.

Lithium metal foil is essential for the ultra-high energy density anode used in Li-S Energy's lithium sulfur and lithium metal batteries.

The extrusion line now provides a reliable in-house supply of high-purity lithium foil for Li-S cell manufacturing and opens up a significant opportunity to supply lithium foil to international markets.

**Further developments outside of the quarter:** As announced on 28 October 2025, the team has recently completed the installation of our advanced lithium foil rolling, laminating, and coating systems to complete the production line. These will complement the existing product range to include ultra-thin lithium foils down to 20 microns (1/5<sup>th</sup> the thickness of a human hair), plus copper/lithium laminates and coated foils for internal use and for sale to global markets.

This production line development is supported by an Industry Growth Program (IGP) grant of \$1.78 million from the Australian Federal Government.

A video demonstrating the lithium foil extrusion line is [here](#).



Image: Li-S Energy scientists monitoring the foil extrusion process

## Cathode Coater & Clean Room Completion

During the quarter we installed and commissioned a high precision cathode coater to increase cathode production rates and optimise cathode performance

Commissioning and site acceptance testing have been completed with the system installed in a dedicated cathode clean room at our Geelong facility.

The cathode coater includes extensive in-line scanning tools that measure cathode material weight, thickness and porosity during coating. This enhances cathode quality & precision, provides exact metrology data indexed to each section of cathode, and enables the team to fine tune the cathode structure to optimise performance.

Testing cathodes from the new coater has been completed and it is now operating routinely as a key part of our standard production processes.



## Pegasus Long Endurance Drone Program

Under the *Emerging Aviation Technology Partnership (EATP)* – Pegasus initiative, Li-S Energy aims to deliver a test module to V-TOL in the December quarter, subject to successful bench testing.

Several battery modules have been built and are undergoing performance and safety validation testing against mission-specific load and power draw requirements.

A completed battery pack for the Pegasus 1 Module has been assembled.

Continued testing is being carried out to characterise durability, energy throughput, load safety, and thermal behaviour under operational conditions. Li-S Energy continues to work closely with V-TOL to optimise and hone the performance characteristics of the battery pack to align with V-TOL's evolving mission profile requirements.

Integration of the battery pack into the Pegasus UAV platform (solar + battery + avionics) is planned for flight tests in early 2026.

## AUKUS Export Approval

On 4 August 2025, Li-S Energy received formal approval and official AUKUS registration from the Australian Defence Export Controls Authority. This also required the concurrence of the US State Department for approval to be granted.

This enables the export of eligible technologies, including Li-S Energy high energy density battery cells, to AUKUS partner nations under a streamlined process.

The approval enhances Li-S Energy's ability to collaborate internationally with defence and advanced materials partners in Australia, the U.S. and the U.K.



## U.S. Market Representation

Li-S Energy appointed **Paladin Defense Services LLC** (Paladin) as its U.S. representative.

Based in Kentucky and led by former U.S. Army Commanders, Paladin brings extensive defence systems expertise together with a broad network across the U.S. Defence community.

Paladin's government acquisition status provides access to sole-source U.S. Government contracts up to US\$7.5 million, reducing procurement timelines and offering Li-S Energy the potential to move more quickly into funded testing trials and contract opportunities.

The appointment strengthens Li-S Energy's engagement across the U.S. defence sector, facilitates technology adoption, and supports navigation of complex procurement and regulatory pathways.

**Further developments outside of the quarter:** Paladin was instrumental in creating introduction pathways to key stakeholders in our recent exhibit stand at the AUSA Conference in Washington DC.

For more information on Paladin refer to their website: <https://paladin-defense.com>

## MARKET ENGAGEMENT

Li-S Energy was an exhibitor on the Austrade sponsored 'Australia Stand' at the biennial **Defence & Security Equipment International (DSEI)** event in London in September.

The Company showcased its technology to international defence and aerospace delegations, attracting strong interest and positioning itself as a strategic partner in energy storage innovation for NATO and European programs.

The Company continues to explore collaborative programs, technology licensing, and supply opportunities with defence primes, OEMs, and sovereign programs.

## CORPORATE AND GOVERNANCE

### Annual General Meeting

On 16 September 2025, Li-S Energy announced that its 2025 Annual General Meeting will be held virtually on 18 November 2025.

### Appointment of Chief Financial Officer

Li-S Energy announced the appointment of Mr Andrew Davies as Chief Financial Officer, effective 1 September 2025.

Mr Davies brings almost 20 years of finance and accounting experience, having held senior roles in the automotive, mining, energy storage, and advanced materials sectors. Mr Davies joined the Company in the role of Senior Group Financial Controller in September 2021, and has played a key role in supporting Li-S Energy's commercialisation pathway during this time.

In his time with Li-S Energy, he has overseen the financial management, treasury operations, and statutory reporting for Li-S Energy, and worked closely with the Board and executive team on day-to-day management, strategic planning, governance and government grant applications.

# SUMMARY OF EXPENDITURE

Please refer to the Appendix 4C for the detailed quarterly cash flow report, including a summary of the Company's expenditure on the above activities.

Net cash outflows used in operating activities during the quarter were \$1,757,000. This was primarily driven by:

- Payments for staff costs for the quarter of \$963,000, reduced by the reallocation of \$659,000 to investing activities, reflecting staff costs capitalised against intellectual property and property, plant and equipment.
- Payments for research and development associated with government grants received of \$78,000;
- Payments for administration and corporate costs of \$1,468,000, consisting of payments for management support services to a subsidiary of PPK Group Limited of \$210,000, and other administration and corporate costs of \$1,258,000;
- Partly offset by proceeds from interest income of \$111,000.

The net cash inflows generated from investing activities during the quarter were \$112,000, consisting primarily of:

- Proceeds from disposal of investment of \$800,000; and
- Proceeds from government grants received in relation to payments for intellectual property and plant and equipment of \$353,000;
- Partly offset by payments for property, plant and equipment of \$663,000, primarily related to equipment purchases associated with the phase 3 production facility of \$379,000, and capitalisation of employee costs of \$284,000; and
- Payments for intellectual property of \$378,000, mainly reflecting capitalisation of employee costs undertaken for development activities of \$375,000;

The net cash outflows from financing activities for the quarter consists of repayments to lease liabilities of \$58,000, accounted for in accordance with AASB 16 *Leases*.

## Payments to associates or related parties

In accordance with Listing Rule 4.7C.3, the Company advises that it paid \$355,000 to related parties of the Company during the quarter, consisting of:

- Payments to Deakin University of \$130,000 relating to various lease agreements for production bays (including outgoings) at Deakin's ManuFutures advanced manufacturing hub in Geelong, Victoria;
- Payments to a subsidiary of PPK Group Limited of \$210,000 for management support services provided in accordance with the relevant agreement, and as disclosed in section 12.6 of the Prospectus; and
- Payments to subsidiaries of PPK Group Limited of \$15,000 for purchase of nanomaterials, recovery of contracted labour costs, and pass through of costs incurred on behalf of the Company.



## CORPORATE DIRECTORY (as at 30 September 2025)

Li-S Energy Ltd ABN 12 634 839 857

A public company incorporated in Queensland and listed on the ASX (code: LIS)

Managing Director & Chief Executive Officer	Dr Lee Finniear
Chief Financial Officer	Mr Andrew Davies
Board of Directors	Mr Benjamin Spincer (Non-Executive Chairman) Ms Hedy Cray (Non-Executive Director) Mr Rick Francis (Non-Executive Director) Dr Lee Finniear (Managing Director)
Company Secretaries	Mr Will Shiel Mr Liam Fairhall
Registered Office	Level 13 120 Edward St Brisbane QLD 4000 p +61 7 3054 4555 e info@lis.energy w lis.energy
Stock Exchange Listing	Australian Stock Exchange (code: LIS)
Auditor	Ernst & Young
Share Registry	Automic Share Registry Level 5, 126 Phillip Street Sydney NSW 2000 www.automicgroup.com.au
Investor & Media Enquiries	Six Degrees e Ben.Jarvis@sdir.com.au p +61 (0) 413 150 448

## Appendix 4C

### Quarterly cash flow report for entities subject to Listing Rule 4.7B

**Name of entity**

Li-S Energy Limited

**ABN**

12 634 839 857

**Quarter ended ("current quarter")**

30 September 2025

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) research and development	(78)	(78)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs <sup>1</sup>	(304)	(304)
(f) administration and corporate costs	(1,468)	(1,468)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	111	111
1.5 Interest and other costs of finance paid	(18)	(18)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other – GST refunds	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,757)</b>	<b>(1,757)</b>

<sup>1</sup> Refer to the Summary of Expenditure on page 8 of the Quarterly Activities Report for more information.

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(663)	(663)
(d) investments	-	-
(e) intellectual property	(378)	(378)
(f) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	800	800
(e) intellectual property	-	-
(f) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (proceeds from government grants)	353	353
<b>2.6 Net cash from / (used in) investing activities</b>	<b>112</b>	<b>112</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	(58)	(58)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (purchase of shares in Li-S Energy Limited by the employee share trust)	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>(58)</b>	<b>(58)</b>

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
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<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	14,855	14,855
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,757)	(1,757)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	112	112
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(58)	(58)
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>13,152</b>	<b>13,152</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	13,152	14,855
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>13,152</b>	<b>14,855</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	355
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

*Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.*

## Quarterly cash flow report for entities subject to Listing Rule 4.7B

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
<b>7.4 Total financing facilities</b>	<b>-</b>	<b>-</b>
<b>7.5 Unused financing facilities available at quarter end</b>		<b>-</b>
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
N/A		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9) <sup>2</sup>	(1,757)
8.2 Cash and cash equivalents at quarter end (item 4.6)	13,152
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	13,152
<b>8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	<b>7.5</b>
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

<sup>2</sup> Refer to the Summary of Expenditure on page 8 of the Quarterly Activities Report for more information.

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 October 2025

Authorised by: .....The Board.....  
(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.