ASX ANNOUNCEMENT

FOR IMMEDIATE RELEASE TO THE MARKET

Li-S Energy Limited – ASX Code: LIS

Thursday 30 April 2026

Quarterly Activities and Cashflow Reports

Li-S Energy Limited (ASX: LIS) ("LIS" or "the Company") is pleased to provide its March 2026 Quarterly Activities and Cashflow Reports.

This announcement has been authorised by the Board.

For further information contact:

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MARCH 2026

QUARTERLY REPORT

Quality control process during Li-S pouch cell formation

Li-S Energy

MANAGING DIRECTOR'S REPORT

The March 2026 quarter was a period of focused execution across a widening range of programmes. With our partner and project base growing, the team was concentrated on delivering against existing commitments, building the operational infrastructure to support increased throughput, and initiating the Phase 4 manufacturing feasibility studies. The breadth of activity reflects the increasing commercial maturity of the business.

Phase 4 Feasibility & Manufacturing Optimisation

Li-S Energy received the first $1.9M tranche of ARENA funding and engaged HATCH to lead a FEL-1 feasibility study for scaling production to up to 1 GWh annually, with completion expected early Q3 2026.

Supporting this, four optimisation studies (cathode, anode, cell stacking, and recycling) are underway to improve manufacturing processes and inform Phase 4 planning ahead of HATCH's kick-off workshop in Australia.

Battery Testing Centre Expansion

The Battery Testing Centre underwent a substantial expansion during the quarter, with floor space more than doubled through the lease of an additional facility bay. Over 88 new cell cycling channels, blast-proof thermal chambers, high-power cell and battery module test capability, temperature-controlled cell storage, and high-pressure containment for undersea testing were all commissioned. This has greatly increased the speed of the Company's product development and optimisation.

EATP Drone Programme – Battery Pack Delivered

In March, Li-S Energy delivered its first complete battery pack to VTOL Aerospace for bench testing under the Federal Government-supported Emerging Aviation Technology Partnership programme. The pack includes Battery Management System, control electronics, and incorporates the Company's new Power Cell technology, selected for its ability to meet the high instantaneous power demands initial take-off and solar contingency scenarios.

Air Transport Approvals & UN38.3

CASA approval for the air transport of Li-S Energy cells was received during the quarter, an important step toward international commercial shipments. US PHMSA and FAA approvals are still in progress.

The UN38.3 certification programme advanced to five of seven required tests passed and dedicated accelerated thermal and vibration testing equipment was acquired to complete the remaining tests.

Partners & Market Engagement

Initial battery pack design work commenced for the Praetorian Aeronautics Dagger Interceptor counter-UAV platform. Preparations continued for the MSubs high-pressure cell testing programme for extreme-depth UUV deployment.

During the quarter Li-S Energy attended the Singapore International Airshow, supported by Austrade, maintaining visibility with key aerospace and defence industry stakeholders across the Asia-Pacific region.

Lee Finniear

Dr Lee Finniear
Managing Director & Chief Executive Officer

MARCH QUARTER 2026

Highlights, material developments and changes

$1.9M received as part of our ARENA grant

FEL-1 feasibility study commenced with HATCH

CASA air transport approval received; PHMSA & FAA approvals in progress

$17.7 million in cash, cash equivalents, short term investments, and loans receivable at 31 March 2026

Battery Testing Centre floor space doubled; 88 new cycling channels commissioned

First complete battery pack (incl. BMS) delivered to VTOL Aerospace for bench testing as part of the EATP Grant

Significant progress achieved with current defence collaboration partners

Li-S Energy

OPERATIONAL & TECHNICAL DEVELOPMENTS

ARENA Funding Received

Li-S Energy received $1.9 million from the Australian Renewable Energy Agency's (ARENA) Advancing Renewables Programme grant during the quarter. The grant supports completion of a comprehensive feasibility study for the Li-S Energy Phase 4 Manufacturing Plant – being a phased manufacturing scale-up, with the programme targeting up to 1 GWh of annual production capacity for Li-S Energy's battery technology.

The ARENA funds are the first tranche of the total $7.8 million grant awarded in the prior quarter, and mark the formal commencement of the Phase 4 programme.

HATCH Appointed to Lead FEL-1 Study

HATCH Headquarters

Li-S Energy appointed HATCH, a leading global engineering consultancy with deep expertise in large-scale industrial battery manufacturing plant design and capital project execution, to lead the FEL-1 (Front End Loading Level 1) feasibility study.

The FEL-1 study will develop an initial framework assessment of the scale, infrastructure requirements, capital cost envelope and development timeline associated with a phased manufacturing ramp up to 1 GWh.

During the quarter, Li-S Energy's technical and engineering teams completed a thorough knowledge elicitation exercise, systematically documenting the process parameters, equipment specifications and infrastructure requirements needed to populate the HATCH study framework.

Those observations provided a practical reference point for understanding the time and capital requirements associated with each phase of a scaled manufacturing construction program, and the resulting data has been incorporated into the knowledge base informing the HATCH team.

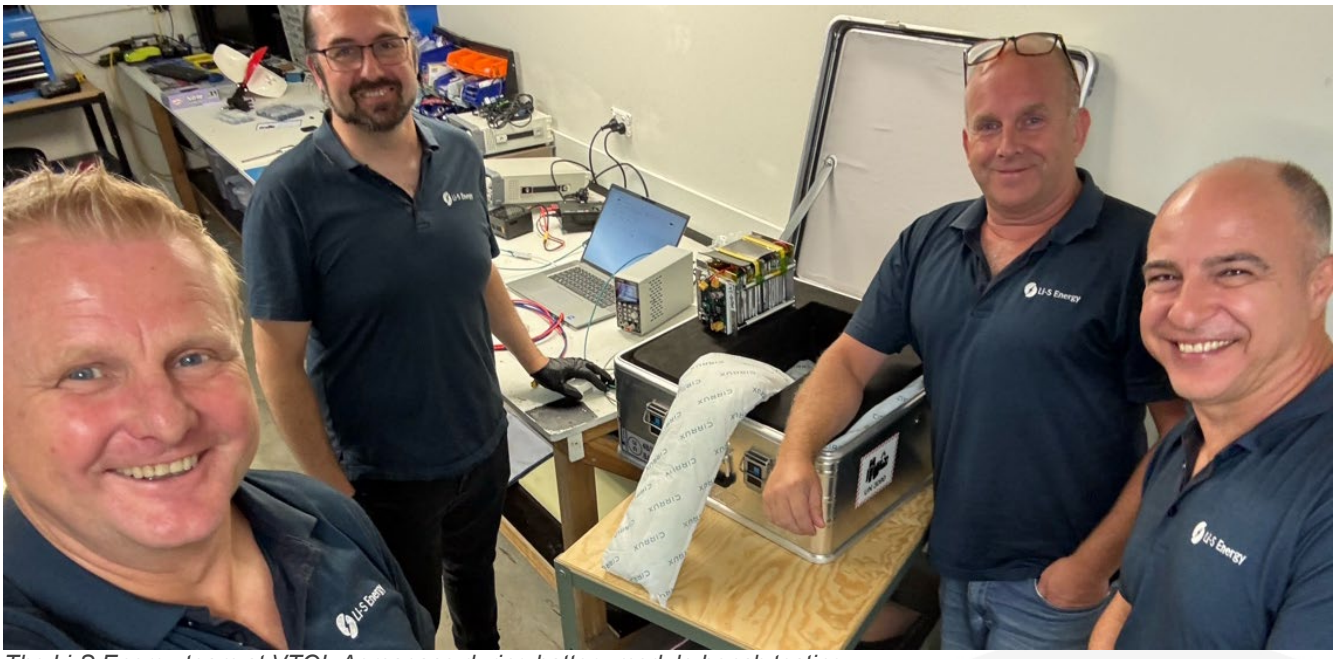
The FEL-1 study is expected to be completed early in the third quarter of calendar year 2026.

EATP Drone Programme – First Battery Pack Delivered

In March 2026, Li-S Energy delivered its first complete battery pack to VTOL Aerospace for bench testing under the Emerging Aviation Technology Partnership (EATP) project, which is supported by a Federal Government grant and focused on the development of advanced unmanned aerial platforms.

The delivered Li-S Energy Battery Pack is a complete, integrated power system, incorporating Li-S Energy lithium sulfur cells together with a Battery Management System (BMS), and control electronics. The ability to design and deliver end-to-end power system solutions – rather than cells alone – is an important step in the development of the Company's commercial offering for drone and defence customers.

The pack incorporates Li-S Energy's new Power Cell technology, selected to accommodate the high instantaneous power demands associated with take-off, and for periods where the platform's solar arrays are generating lower output due to atmospheric conditions.



The Li-S Energy team at VTOL Aerospace during battery module bench testing

CASA Approval for Air Transport Received

The air transport of lithium batteries is subject to stringent international safety requirements, and obtaining the relevant transport certifications is a necessary step before the Company can ship cells to international partners and customers by air freight.

During the quarter, Li-S Energy received Australian Civil Aviation Safety Authority (CASA) approval for the air transport of its cells, completing the first of the key certifications required.

The Company is now progressing the equivalent certification process with the US Pipeline and Hazardous Materials Safety Administration (PHMSA) and the Federal Aviation Administration (FAA).

A number of international partners are currently waiting for Li-S Energy cells in order to commence their cell evaluation programmes, and the receipt of US air transport approvals is a vital step to ensure we can deliver our cells and activate these substantial opportunities.

Li-S Energy cells prepped for transport

UN38.3 Certification Programme

The Company's UN38.3 battery safety certification programme continued to advance during the quarter. UN38.3 is the international standard governing safe transport of lithium batteries, and full certification is a requirement for commercial freight shipments with most carriers. Five of the seven required tests have now been successfully completed:

- High altitude simulation
- Impact testing
- Drop testing
- Short circuit testing
- Forced discharge testing

During the quarter, Li-S Energy acquired a dedicated accelerated thermal chamber and vibration tester. These instruments will enable the Company to run the complete UN38.3 test sequence in the prescribed order required by the Standard, providing efficient progression through the two remaining tests and supporting future certification rounds for new cell variants.

Expansion of the Battery Testing Centre

During the quarter we commenced a substantial expansion of our Battery Testing Centre. This is driven by increasing cell production volumes and a growing portfolio of cells entering long-duration cycle life testing, and a broader range of test equipment needed to test high current Li-S Power Cells and full battery modules and packs.

The expansion more than doubles the usable floor space through the lease of an additional facility bay, with full fit-out of the electrical infrastructure, clean room areas and gas handling systems required for safe and effective battery testing operations.

The expanded facility includes:

- 88 additional cell cycler channels, increasing the Company's capacity to run concurrent cycling programmes across multiple cell types and customer evaluation batches
- Module and high-power cycling capability for testing complete battery packs and larger assemblies
- Blast-proof thermal chambers for accelerated ageing and abuse condition testing
- Temperature-controlled storage for thousands of cells across varied states of charge and test conditions, providing the controlled storage environment required for long-term programmes
- High-pressure containment infrastructure for undersea application testing, supporting the Company's MSubs Unmanned Underwater Vehicle (UUV) programme and other deep deployment applications

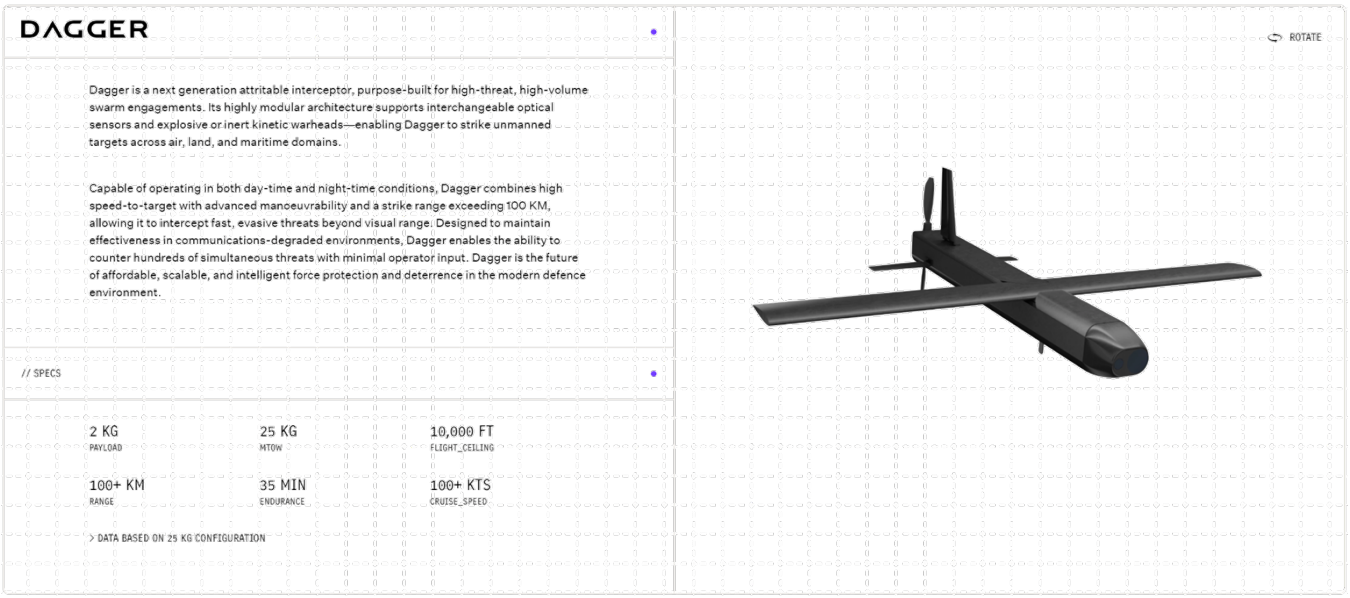
The expanded Battery Testing Centre supports the Company's certification programmes, enables the generation of independent performance data for partner evaluations, and provides the capacity to manage a growing number of simultaneous evaluation and qualification programmes.

PARTNERS & PROJECTS

Praetorian Aeronautics

Li-S Energy commenced initial battery pack design work for the Praetorian Aeronautics Dagger Interceptor platform during the quarter.

The Dagger is a counter-UAV interceptor system produced by South Australia's Praetorian Aeronautics, a company with planned production volumes of 10,000 Dagger units per year, representing a meaningful potential fully sovereign commercial opportunity for Li-S Energy. The energy density and discharge characteristics of Li-S battery technology are well suited to the performance demands of rapid-response intercept missions.



Source: Praetorian Aeronautics

MSubs – Extreme Depth UUV Testing

Preparations continued during the quarter for the on-site cell testing programme with MSubs, the UK-based manufacturer of submarines and large unmanned underwater vehicles for US SOCOM, US Navy and UK MoD applications.

Li-S Energy cells will be tested in the MSubs high-pressure vessel at simulated depths of up to 1,000 metres, as part of the evaluation for large-scale propulsion battery systems for MSubs' extra-large underwater autonomous vehicle (XLUAV) platforms, including the CETUS vehicle delivered to the Royal Navy. The high-pressure containment infrastructure is being commissioned as part of the Battery Testing Centre expansion to directly support this project.

XV Excalibur, built by MSubs as the Royal Navy's first XLUAV, sets a new benchmark in underwater autonomy

The XV Excalibur XLUAV sets a new standard in autonomous underwater systems, boasting specifications distinguishing it from other unmanned submersibles. Measuring 12 metres in length with a diameter of 2.2 metres, the 17-tonne vessel can operate at depths beyond the Royal Navy's current submarine fleet. With an endurance range of up to 1,000 miles per mission, XV Excalibur is designed for long-range, high-endurance operations, enhancing the Royal Navy's ability to conduct intelligence, surveillance and reconnaissance missions.

MARKET ENGAGEMENT

Singapore International Airshow

Li-S Energy attended the Singapore International Airshow in February 2026, one of Asia-Pacific's major aerospace and defence industry forums.

The Company was supported at the event by Austrade, as part of the broader government interest in promoting Australian battery technology capability to international markets. The Airshow provided an engaging platform to advance a number of existing international partner relationships and to increase visibility and engagement with aerospace and defence stakeholders across the region.

International Partner Development

Work continued during the quarter on a number of prospective international partner relationships that have been developing over the preceding year. Progress on air transport certifications, the finalisation of product designs and the growing body of independent test data are all factors that strengthen the Company's position in these discussions. Further updates will be provided as partner engagements progress.

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 $419,000. This was primarily driven by:

- Payments for staff costs for the quarter of $918,000, reduced by the reallocation of $782,000 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 $28,000;
- Payments for administration and corporate costs of $678,000, consisting of payments for management support services to a subsidiary of PPK Group Limited of $150,000, and other administration and corporate costs of $528,000;
- Partly offset by proceeds from EATP grant of $224,000, quarterly BAS refund of $107,000, and interest income of $109,000.

The net cash inflows generated from investing activities during the quarter were $994,000, consisting primarily of:

- Proceeds from disposal of investment of $200,000;
- Proceeds from government grants received of $2,049,000, primarily related to the receipt of the first tranche of funding under ARENA's Advancing Renewables Program;
- Partly offset by payments for property, plant and equipment of $657,000, primarily related to equipment purchases associated with the phase 3 production facility of $328,000, and capitalisation of employee costs of $329,000; and
- Payments for intellectual property of $598,000, mainly reflecting payments to Deakin University for development activities of $125,000, capitalisation of employee costs undertaken for development activities of $454,000, and payments associated with other government grant programs of $19,000;

The net cash outflows from financing activities for the quarter consists of repayments to lease liabilities of $61,000, 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 $411,000 to related parties of the Company during the quarter, consisting of:

- Payment to Deakin University of $125,000 relating to project activities undertaken in relation to the Recycling and Clean Energy Commercialisation Hub Research Framework Agreement, which forms part of the Federal Government's Trailblazer Universities Program;
- Payments to Deakin University of $123,000 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 $150,000 for management support services provided in accordance with the relevant agreement, and as disclosed in Note 29 of the FY25 Annual Report; and
- Payments to subsidiaries of PPK Group Limited of $13,000 for purchase of nanomaterials, recovery of contracted labour costs, and pass through of costs incurred on behalf of the Company.

CORPORATE DIRECTORY (as at 31 March 2026)

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) 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

Li-S Energy

Appendix 4C

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

Name of entity	
Li-S Energy Limited	
ABN	**Quarter ended ("current quarter")**
12 634 839 857	31 March 2026

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (9 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) research and development	(28)	(185)
	(b) product manufacturing and operating costs	-	-
	(c) advertising and marketing	-	-
	(d) leased assets	-	-
	(e) staff costs[1]	(136)	(867)
	(f) administration and corporate costs	(678)	(3,232)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	109	503
1.5	Interest and other costs of finance paid	(17)	(52)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	224	2,194
1.8	Other – GST refunds	107	433
1.9	**Net cash from / (used in) operating activities**	**(419)**	**(1,206)**

[1] Refer to the Summary of Expenditure on page 10 of the Quarterly Activities Report for more information.

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(657)	(1,795)
	(d) investments	-	-
	(e) intellectual property	(598)	(1,660)
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:	-	-
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	200	1,200
	(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)	2,049	3,695
2.6	**Net cash from / (used in) investing activities**	**994**	**1,440**

3.	**Cash flows from financing activities**		
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	(61)	(176)
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)	-	-
3.10	**Net cash from / (used in) financing activities**	**(61)**	**(176)**

Consolidated statement of cash flows	Current quarter $A'000	Year to date (9 months) $A'000

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	14,399	14,855
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(419)	(1,206)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	994	1,440
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(61)	(176)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**14,913**	**14,913**

5.	**Reconciliation of cash and cash equivalents** 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	14,913	14,399
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**14,913**	**14,399**

6.	**Payments to related parties of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to related parties and their associates included in item 1	286
6.2	Aggregate amount of payments to related parties and their associates included in item 2	125

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.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	**-**	**-**

7.5	**Unused financing facilities available at quarter end**	-

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

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9) [2]	(419)
8.2	Cash and cash equivalents at quarter end (item 4.6)	14,913
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	14,913
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	35.6

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.

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

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.

[2] Refer to the Summary of Expenditure on page 10 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 April 2026

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.