

**ASX ANNOUNCEMENT****FOR IMMEDIATE RELEASE TO THE MARKET****Li-S Energy Limited – ASX Code: LIS****Tuesday 29 July 2025****Quarterly Activities and Cashflow Reports**

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

This announcement has been authorised by the Board.

For further information contact:

**Dr. Lee Finniear**  
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Li-S Energy Limited  
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# QUARTERLY ACTIVITIES REPORT

June 2025



Li-S Energy

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*Li-S Energy's Lithium Foil extruder*

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Li-S Energy enters into strategic defence collaboration agreement

Pegasus I (EATP drone program) enters initial testing phase

Lithium Foil Production – Commissioning Underway

Li-S Energy officially registered with Australian Defence Export Controls

Global market engagement update

# CEO's REPORT

Li-S Energy delivered strong progress in the June quarter, highlighted by a new defence collaboration, advances in drone testing, and commissioning work at our lithium foil production line. We also expanded our international engagement through major industry events and progressed the approval process to export our battery cells to the U.S pursuant to the AUKUS regulatory regime.

## Defence Collaboration Agreement Signed

In June, we signed a formal collaboration and cell supply agreement with a global defence systems integrator. Under the agreement, our cells will undergo operational testing for potential use in UAVs, soldier-worn systems, and robotic vehicles. The partner supplies advanced defence technology across the U.S., Europe, and Australia. Initial test cell deliveries are expected within the next three months and represent a key step toward long-term defence integration.

## Pegasus I – Drone Testing Underway

Pegasus I, our solar/Li-S powered UAV project with V-TOL Aerospace and HaloCell, progressed to initial airframe flight tests during the quarter.

In parallel, the battery cell production team completed production of hundreds of 10Ah Li-S cells, integrating them with the Li-S battery management system (BMS) into custom designed battery packs. The battery packs are currently undergoing testing.

Initial integration of airframe, solar cells and Li-S battery packs is expected for the September quarter, followed by full integration and flight trials in the December quarter. Pegasus I is a unique sovereign drone capability with applications in defence, surveillance, agriculture and remote sensing.

## Li-S Energy Manufactures Australia's first Lithium Metal Foils

At our Geelong facility, we advanced commissioning of Australia's first lithium metal foil production line. Co-funded by a \$1.7 million Industry Growth Program (IGP) grant, this line will supply foil for our anodes and generate revenue

through third-party sales. During the quarter we completed installation of the lithium extruder, began quality system checks, and started operator training. First foil production was achieved ahead of schedule in early July.

## Global Engagement and Industry Exposure

We raised Li-S Energy's international profile at two major events during the quarter. At Special Operations Forces (SOF) Week 2025 in Florida, we met with over 30 stakeholders from defence and UAV sectors, including USSOCOM procurement teams. In June, we attended the 55th Paris Air Show, holding meetings with OEMs, defence primes and our existing partners. These engagements strengthened our commercial pipeline and continued to position Li-S as a leading battery innovator in the drone, defence and eAviation markets.

## Export Approval Progressed under AUKUS regime

During the quarter, we successfully registered with the Australian Defence Export Controls Authority. This will enable us to apply for permits to export dual use products, including our highest energy density cells, to key current and future partners overseas.

Our financial position remains healthy with cash and equivalents, short term investments, and loans receivable of \$18.9M at the end of the June Quarter. With key projects advancing and international interest growing, Li-S Energy is well placed to deliver future value. I look forward to updating shareholders on further developments over the coming quarter.

**Dr Lee Finniear**  
Chief Executive Officer



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Pegasus I ready for launch  
(Image courtesy VTOL Aerospace)

# Highlights, material developments and changes

# Q2 '25



Collaboration Agreement signed with strategic counterparty in the military & defence sector



State-of-the-art lithium foil extruder – commissioning and training underway



EATP Grant Program – Pegasus I entering initial testing phase



Attendance at 55th International Paris Airshow



Attendance at SOFWEK USA (Special Operations Forces)



Li-S Energy registered with DEC, pursuing AUKUS access to streamline exports



Scan the QR code to watch our lithium extruder in action



The Company had \$18.9 million in cash, cash equivalents, short term investments, and loans receivable at 30 June 2025



## Li-S Energy

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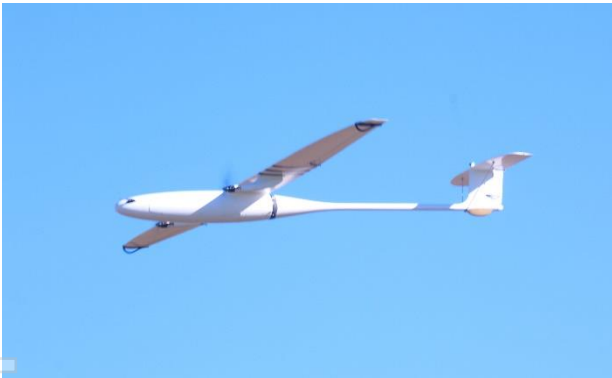
# Strategic Defence Collaboration Agreement

In June we entered into a formal collaboration and cell supply agreement with a leading international defence systems integrator.

The agreement followed an extensive period of collaboration between the parties and sets out a framework for the application of Li-S Energy technology. Key highlights are summarised below:

- The agreement allows the partner to test Li-S battery cells under mission profiles typical of operational military conditions.
- Product testing marks a critical step in positioning Li-S Energy within the global defence battery supply chain, addressing growing demand in UAVs, soldier systems, and unmanned vehicles.
- The partner has over two decades of experience supplying advanced military systems across the US, Europe, and Australia.
- Initial delivery of test cells is expected within the next three months.
- Partnership has the potential to enable the integration of Li-S cells into high-value defence platforms, supporting range, performance, and mission endurance.

## Pegasus I – EATP Drone program: Entering Initial Testing Phase



*Pegasus I in flight*



*Pegasus I being tested from the catapult launch system*

During the quarter, Li-S Energy and its partners made key advancements in the Pegasus I Drone Program. Pegasus I is a joint development with V-TOL Aerospace and HaloCell under the Emerging Aviation Technology Partnerships (EATP) program – a drone technology initiative backed by Australian government funding.

Progress in the quarter included:

- Completion of Pegasus I's airframe and integration of propulsion and control systems.
- Manufacture of hundreds of 10Ah Li-S cells, integrated into custom pack designs and battery management systems (BMS), followed by commencement of battery pack testing.
- Initial airframe test flights were successfully completed during the quarter.

- Integration of HaloCell solar cells and Li-S Energy battery packs are expected to be carried out in the September quarter, with flight testing planned for the December quarter.

Pegasus I aims to deliver dawn-to-dusk flight capability for UAVs without recharging, resulting in a unique sovereign technology capability for critical applications in surveillance, environmental monitoring, agriculture and defence.

## Lithium Foil Production – Commissioning Underway

At its state-of-the-art production facility in Geelong, Li-S Energy continued to progress well with the installation of a lithium extruder as part of Australia’s first lithium foil production line.

Funding support for the project was provided through a \$1.7m Industry Growth Program (IGP) grant. The production line is expected to provide significant value to Li-S Energy, providing it with the capability to manufacture foil for its own battery anodes and positioning it for revenue generating opportunities with domestic and international organisations seeking high-purity lithium foil.

Following strong execution of our works program during the quarter, Li-S Energy reports the following updates as at the end of June 2025:

- The extruder and hydraulic systems are now fully installed at the Geelong facility.
- Inline quality monitoring systems are being commissioned.

The first lithium metal foils were produced in early July. Watch our video [here](#).

In the coming quarter under the IGP Program, the Company also expects to install specialised manufacturing equipment for lithium metal foil rolling, laminating and coating.

This will complement the lithium extruder by providing enhanced capability to produce even finer foils, copper/lithium laminates, and enable the team to coat its proprietary nanomaterials directly onto the lithium foil surface.

This additional capability will increase the number of foil types the Company can offer to the global market, while enabling our team to further optimise the anode design in our own Li-S Energy cells.



*Li-S Energy's state of the art Lithium Foil Extruder - first lithium foil produced in Australia*

## AUKUS Trilateral Partnership

In anticipation of the requirement to deliver cells to overseas partners, the Company successfully completed its registration with the Australian Defence Export Controls Authority. This registration enables us to apply for permits to export dual use products, including our highest energy density cells, to key current and future partners overseas.

In addition, the Company has applied for AUKUS Community Membership, which will enable the Company to export its cells to US and UK markets without the requirement for individual export permits. We expect approval to be granted in the coming weeks.

## Global Market Engagement

Li-S Energy continued its focus on increasing visibility for the Company's technology across international markets, with participation in two high-profile industry events:

**USA: SOF Week 2025 (5-8 May, Tampa Florida):** SOF Week is the world's premier conference for Special Operations Forces (SOF), organised by USSOCOM and attended by Special Forces representatives from 60 nations. At SOF Week, the Company engaged directly with key procurement officers from USSOCOM, US Foreign Comparative Testing and met with companies deploying unmanned air, sea and underwater systems to military forces worldwide. The discussions reinforced our understanding of the demand for safe, high-energy density battery systems to extend the range, operating time and payload in these next-generation platforms.

**France: 55<sup>th</sup> International Paris Airshow (16-22 June, Paris):** The Paris Air Show is a premier gathering for aerospace professionals, attracting over 150,000 industry attendees and more than 2,500 exhibitors. Our attendance at this event enabled us to engage in pre-scheduled B2B meetings with key stakeholders, including OEMs, defence prime contractors, and aviation innovators to showcase our next-generation battery technology.

The Company's presence at both of these global events underscored Li-S Energy's positioning as a sovereign innovator with a clear value proposition in global defence markets.

An interview with Dr Finniear from the Paris Air Show is available [here](#).

# 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 inflows used in operating activities during the quarter were \$81,000. This was primarily driven by:

- Total staff costs for the quarter were \$777,000, reduced by the reallocation of \$844,000 to investing activities, reflecting staff costs capitalised against intellectual property and property, plant and equipment. This reallocation was made up of \$573,000 of costs incurred in the current quarter, and a further \$271,000 relating to prior quarters;
- Payments for research and development associated with government grants received of \$129,000;
- Payments for administration and corporate costs of \$791,000, consisting of payments for management support services to a subsidiary of PPK Group Limited of \$240,000, and other administration and corporate costs of \$551,000; and
- Partly offset by government grants of \$396,000, interest income of \$404,000 and a GST refund received of \$153,000.

The net cash outflows used in investing activities during the quarter were \$925,000, consisting primarily of:

- Payments for property, plant and equipment of \$1,575,000, primarily related to equipment purchases for IGP extruder grant of \$506,000, equipment purchases associated with the phase 3 production facility of \$641,000, and capitalisation of employee costs of \$428,000;
- Payments for intellectual property of \$632,000, mainly reflecting payments to Deakin University for development activities of \$185,000, capitalisation of employee costs against the development activities undertaken of \$416,000, and payments associated with other government grant programs of \$31,000; and
- Partly offset by government grants received in relation to payments for intellectual property and plant and equipment of \$1,282,000.

The net cash outflows from financing activities for the quarter consists of repayments to lease liabilities of \$57,000, accounted for in accordance with AASB 16 *Leases*.

## Use of funds

Pursuant to Listing Rule 4.7C.2, the Company provides in Table 1 below, a comparison of its actual expenditure on the individual items in the “use of funds” statement since the date of admission to the official list on 28 September 2021 against the estimated expenditure on those items in the “use of funds” statement in the IPO prospectus dated 29 July 2021, and an explanation of any material variances.

\$'000	Use of funds estimate (per Prospectus)	% of Funds	Cash payments to 30 June 2025	% of actual funds expended against Cash Payments to 30 June 2025
Project Expenditure	29,113	85.63%	28,193	78.14%
Costs of the Offer	3,582	10.54%	2,236	6.19%
Other Working Capital	1,305	3.84%	5,680	15.67%
<b>TOTAL</b>	<b>34,000</b>	<b>100.00%</b>	<b>36,109<sup>1</sup></b>	<b>100.00%</b>

**Table 1** – Comparison of “use of funds” statement per prospectus to cash payments since the date of admission to the official list of the ASX to 30 June 2025

### Note 1:

For the purposes of the above “use of funds” table, the Company has allocated significant administration and corporate costs to the ‘Other Working Capital’ category. Per section 5.11 of the Prospectus, the Company held additional funds from pre-IPO capital raisings for the purpose of funding working capital requirements. The ‘Other Working Capital’ cash payments to 30 June 2025 includes the secured loans advanced in the year ended 30 June 2023 of \$2,000,000, along with cash outflows related to the acquisition of investments of \$2,000,000. The total cash and cash equivalents at the date of IPO was \$50,563,000. Total cash and cash equivalents as at 30 June 2025 was \$14,855,000. In addition, the Company also continued to hold \$4,000,000 in short term investments and secured loans receivable.

The material variances above are a result of both the inclusion of all cash payments in the table versus the use of funds estimate, which excluded the pre-IPO capital raisings and deployment of funds into investments, along with the timing of the actual cash payments versus the use of funds period estimate utilised in the IPO prospectus, being the period to 30 June 2025. Furthermore, expenditure does not occur in a linear manner, with actual cash payments evolving as the Company continues to advance its critical workstreams.

<sup>1</sup> The total cash payments to 30 June 2025 of \$36.109 million is greater than the total IPO funds of \$34.0 million as the total cash payments since the date of admission include the use of the \$20.0 million pre-IPO raise completed in April 2021.

## Payments to associates or related parties

In accordance with Listing Rule 4.7C.3, the Company advises that it paid \$568,000 to related parties of the Company during the quarter, consisting of:

- Payments to Deakin University of \$185,000 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 \$126,000 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 \$240,000 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 \$17,000 for purchase of nanomaterials, recovery of contracted labour costs, and pass through of costs incurred on behalf of the Company.

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## CORPORATE DIRECTORY (as at 30 June 2025)

Li-S Energy Ltd ABN 12 634 839 857

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

Chief Executive Officer	Dr Lee Finniear
Chief Financial Officer	Ms Sarah Price
Board of Directors	Mr Benjamin Spincer Ms Hedy Cray Mr Rick Francis
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	ASX 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 June 2025

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	1
1.2 Payments for		
(a) research and development	(129)	(642)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs <sup>1</sup>	67	(1,020)
(f) administration and corporate costs	(791)	(3,982)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	404	1,220
1.5 Interest and other costs of finance paid	(19)	(84)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	396	708
1.8 Other – GST refunds	153	529
<b>1.9 Net cash from / (used in) operating activities</b>	<b>81</b>	<b>(3,270)</b>

<sup>1</sup> Refer to the Summary of Expenditure on page 7 of the Quarterly Activities Report for more information.

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(1,575)	(3,386)
	(d) investments	-	-
	(e) intellectual property	(632)	(2,767)
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(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)	1,282	2,588
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(925)</b>	<b>(3,565)</b>

<b>3.</b>	<b>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	(57)	(221)
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)	-	(900)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(57)</b>	<b>(1,121)</b>

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 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	15,756	22,811
4.2	Net cash from / (used in) operating activities (item 1.9 above)	81	(3,270)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(925)	(3,565)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(57)	(1,121)
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>14,855</b>	<b>14,855</b>

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	14,855	15,756
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>14,855</b>	<b>15,756</b>

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	383
6.2	Aggregate amount of payments to related parties and their associates included in item 2	185

*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.*

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7. <b>Financing facilities</b> <i>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.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 <b>Total financing facilities</b>	-	-
7.5 <b>Unused financing facilities available at quarter end</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	

8. <b>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>	81
8.2 Cash and cash equivalents at quarter end (item 4.6)	14,855
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	14,855
8.5 <b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	N/A
<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 7 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: 29 July 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.