

ASX ANNOUNCEMENT**FOR IMMEDIATE RELEASE TO THE MARKET****Li-S Energy Limited – ASX Code: LIS****20 February 2026****Li-S Energy Report for Half-Year Ended 31 December 2025**

Li-S Energy Limited (“Li-S Energy” or “the Company”) today released its Appendix 4D and Interim Financial Report, which includes a business update for the six months ended 31 December 2025.

The Company enters the second half of FY2026 with improved lithium-sulfur battery cell technology, a strengthened manufacturing capability, a fully funded pathway to develop plans for commercial manufacturing scale and a growing international partner pipeline.

During the period, Li-S Energy was successful in being awarded a \$7.8m grant in matched funding from ARENA. This grant will support the Phase 4 Feasibility Study and Manufacturing Optimisation Studies necessary to establish a credible and reliable blueprint to scale manufacturing capability to full commercial production, which is currently targeting up to 1GWh per year of production.

In parallel to the Phase 4 studies, the Company will also commence exploring its capital plans and financing options to finance a likely staged development of the proposed manufacturing capacity. These important activities will enable the Company to engage with potential strategic and JV partners, government agencies and project finance providers to drive forward commercial manufacturing.

Key operational and financial highlights for the Half Year:

- **Power Cell** – Key progress in the development of next-generation “power cell” architecture for lithium-sulfur batteries, designed to deliver improved power output while maintaining high energy density. Potential to further expand the addressable market for the Company’s technology to new sectors including multi-rotor drones and advanced wearable systems.
- **Battery Pack** – Continued progress on battery pack integration, battery management systems and regulatory approvals to enable shipment of cells to international partners.
- **Lithium Foil Production** – Commissioned an integrated lithium metal foil production line and successfully produced Australia’s first lithium metal foils – a sovereign manufacturing capability which significantly strengthens our supply chain, optimises battery production processes and offers revenue potential from foil sales.
- **ARENA \$7.8m Grant** – Awarded a \$7.8 million grant from the Australian Renewable Energy Agency (ARENA) to support the scale-up of advanced battery manufacturing and related technology development. Phase 4 studies will commence in the second half of FY2026.

- **UK Undersea Drone Partnership** – Multiple new collaborations with particular interest from the defence sector, including a collaboration with UK based MSubs for the use of Li-S batteries in large uncrewed underwater vessels – marking our first potential deployment of the Company’s technology in extreme underwater operational environments.
- **US Representation** – Appointment of Paladin Defense Services LLC as strategic U.S. representative to facilitate direct engagement with commercial counterparties in US defence and aerospace, along with government agencies.
- **Federal Minister Bowen Tours LIS Facilities** – Australia’s Federal Minister for Energy and Climate Change, the Hon. Chris Bowen toured Li-S Energy’s production and development facilities in Geelong, underscoring the strategic importance the Australian government is placing on the development of advanced battery technologies and sovereign industrial capabilities in Australia. A short video of the visit can be seen on the Li-S Energy website and at: <https://lis.plus/bowen>

At 31 December 2025 Li-S Energy had total cash and other short-term investments of \$17.4m which is expected to be sufficient to support ongoing technology development and commercialisation activities for the next 1-2 years.

Further details are contained in the Appendix 4D and Interim Financial Report released today.

Comments by the Chair and MD

Dr Lee Finniear, Chief Executive Officer and Managing Director, said:

“Over the past six months, Li-S Energy has taken decisive steps toward commercial-scale manufacturing, transforming our platform from advanced development into an emerging industrial capability. The successful commissioning of Australia’s first lithium metal foil production line and our upgraded cathode manufacturing systems materially de-risk the pathway to scale and position the Company for a potential staged capacity expansion.

Importantly for investors, this progress towards a planned expansion in manufacturing capability is now being matched by growing demand signals, particularly in the defence and aerospace industries. Our collaborations across uncrewed aerial, underwater and counter-drone platforms demonstrate the breadth of high-value applications where the Company’s lithium-sulfur chemistry offers a compelling battery performance advantage. Supported by ARENA funding and a strengthened balance sheet, our focus is firmly on converting these collaborations into qualification programs, funded trials and ultimately repeatable commercial revenues as we scale production.”

Ben Spincer, Chairman, added:

“This half-year marks a clear strategic inflection point for Li-S Energy as the Company progresses from technology validation towards commercial partnerships and scalable production capacity in the future. The establishment of our sovereign lithium foil manufacturing capability, combined with ARENA support and ongoing government engagement places Li-S Energy in a small and strategically important group of Australian advanced manufacturers.

We also look forward to engaging with potential strategic and JV partners, existing shareholders, equity markets and project financiers as we develop our capital and funding plans to finance our planned scale-up of manufacturing capability.”

This announcement has been authorised by the Board.

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About Li-S Energy:

Li-S Energy (ASX: LIS) is commercialising next-generation lithium-sulfur and lithium-metal battery cells with twice the energy density of traditional lithium-ion batteries. Its technology - incorporating BNNTs and Li-Nanomesh™ - is designed for high-performance sectors such as drones, electric aviation, and defence. Visit: www.lis.energy

