

ASX ANNOUNCEMENT**FOR IMMEDIATE RELEASE TO THE MARKET****Li-S Energy Limited – ASX Code: LIS****Wednesday, 3 December 2025****Li-S Energy and UK Underwater Vehicle Specialist MSubs
Collaborate on Unmanned Submarine Systems****Key Highlights:**

- Li-S Energy to collaborate with UK-based undersea systems specialist MSubs Limited to test pressure-tolerant lithium-sulfur battery cells for use in uncrewed underwater vehicle (UUV) platforms.
- MSubs designs and builds autonomous Uncrewed Underwater Vehicles (UUVs) and Uncrewed Surface Vessels (USVs) for clients including the UK MoD, US Navy and USSOCOM.
- The collaboration initially involves high pressure and mission-profile endurance cell testing simulating multi-day deployments at submarine operating depths.
- If successful, the parties will evaluate integration of Li-S Energy batteries as propulsion power sources in current and future MSubs platforms.
- Li-S Energy's lightweight, safer and near-neutral buoyancy batteries offer significant advantages over traditional lithium-ion and lead-acid systems for undersea vehicle design.

Li-S Energy Limited ("Li-S Energy", "LIS" or "the Company") is pleased to announce a collaboration with UK-based undersea systems specialist MSubs Limited ("MSubs"), headquartered in Plymouth, United Kingdom. The collaboration aims to evaluate the performance of Li-S Energy's advanced lithium-sulfur battery cells in MSubs' manned and unmanned undersea platforms.

MSubs is internationally recognised for its design and manufacture of high-performance manned and unmanned underwater vehicles for defence and commercial applications. The company has developed platforms for both the UK Ministry of Defence - including the Project CETUS extra-large uncrewed underwater vehicle (XLUUV) for the Royal Navy - and for the U.S. Special Operations Command (USSOCOM) and U.S. Navy.

MSubs will transport its specialised pressure-test chamber to Li-S Energy's Geelong, Victoria facility, allowing the Company to test its lithium-sulfur battery cells under simulated deep-ocean conditions equivalent to hundreds or even thousands of metres of water pressure. These trials will provide critical data on the performance and integrity of the Company's next-generation cells under these extreme conditions.

Following pressure testing, Li-S Energy will work with MSubs to conduct mission-profile evaluations that simulate multi-day operational deployments typical of unmanned undersea missions. If these tests are successful, the two companies will explore pathways for integrating Li-S Energy's batteries as a primary propulsion power source for specific MSubs platforms, and for inclusion in future vehicle designs.



Designed and built by MSubs under the UK MoD Anti-Submarine Warfare Spearhead programme's Project Cetus, this battery powered extra-large uncrewed underwater vehicle was formally named XV Excalibur during a ceremony at His Majesty's Naval base Devonport on 15 May 2025. [Crown Copyright]

Li-S Energy's lithium-sulfur technology offers several unique advantages for undersea applications. In addition to being significantly lighter and inherently safer than conventional lithium-ion batteries, Li-S cells exhibit near-neutral buoyancy, a property that can substantially improve the balance, form, and efficiency of submersible vehicles. This buoyancy advantage, combined with high energy density, has the potential to transform unmanned underwater platform design by reducing overall vehicle mass, extending endurance and increasing payload capacity.

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

"We are delighted to be collaborating with MSubs - a recognised global leader in UUV design. Testing our lithium-sulfur batteries under deep-ocean simulated conditions will provide valuable insight into how our technology performs in one of the most demanding environments imaginable. The near-neutral buoyancy and lightweight nature of our cells make them particularly well-suited for undersea applications, and we look forward to working with MSubs to drive adoption in this new operating domain"

Rob Shaw, Engineering Director at MSubs, said:

"Li-S Energy's battery technology offers exciting potential for the next generation of undersea vehicles. Weight, buoyancy and energy density are key parameters in our designs, and Li-S Energy's cells could enable major performance improvements compared to traditional battery systems. The trials will demonstrate the ability of LIS' lithium-sulfur battery to operate subsea as a pressure-tolerant lightweight energy-dense power source for next-generation high-endurance UUV systems. We look forward to working closely with the Li-S team to assess this technology and its integration into future MSubs platforms."

Testing of Li-S Energy cells in MSubs' pressure-test chamber is expected to commence at the Company's Geelong facility once the chamber arrives in the first quarter of 2026, followed by mission-profile endurance testing later in the year. Results from both test phases will be jointly reviewed to determine potential pathways for platform integration.

This collaboration represents an important strategic step for Li-S Energy as it expands into the demanding undersea systems sector - an application area that places extreme emphasis on energy efficiency, reliability and buoyancy balance. Success in this initiative would validate the Company's technology across one of the most challenging operating environments and open new opportunities in the defence and autonomous marine markets.

This announcement has been authorised by the Board.

For further information, please contact:

Dr. Lee Finniear – CEO, Li-S Energy Limited | +61 7 3054 4555

Ben Jarvis – Six Degrees Investor Relations | +61 413 150 448 | ben.jarvis@sdir.com.au

About Li-S Energy:

Li-S Energy (ASX: LIS) is commercialising next-generation lithium-sulfur and lithium-metal battery cells with more than double 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

About MSubs Ltd:

MSubs Limited, based in Plymouth, United Kingdom, designs and manufactures manned and unmanned underwater vehicles and platforms. With a proven record supporting the UK Ministry of Defence and U.S. Special Operations Command, MSubs develops innovative solutions spanning tactical to extra-large autonomous systems. Visit: www.msubs.com

For personal use only

