

Li-S Energy

Investor Update

21st October 2024



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Key Takeaways

- **Strong Cash Position** - \$26.6M in cash and short term investments at 30 June
- **Clear Strategy** - focused target markets, highly differentiated technology and plan to scale
- **Phase 3 successfully commissioned** on time and under budget
- **Cells being produced** - 10Ah and 20Ah cells under test
- **Intelligent BMS** - to more rapidly integrate packs into partner products
- **First Product Integration Underway** - integrating Li-S cells and packs into the VTOL 'Dawn-til-Dusk' UAV – awarded \$1.35M Government grant
- **Strong and growing partner pipeline** - particularly in the drone and defence markets



Our markets & partners

We are targeting markets where the most energy dense cells are projected to command 5 -10 times the price of normal EV cells¹



DRONES

- Drones market size by 2027 - \$61B²
- Annual battery market by 2027 - \$12B²
- Partners – V-TOL Aerospace, Boeing InSitu



eAVIATION

- eAircraft sales p.a. by 2035 - 15,000⁴
- Annual battery market by 2035 - \$20B⁵
- Partners: Magnix/NASA – others under NDA



SECURITY & DEFENCE

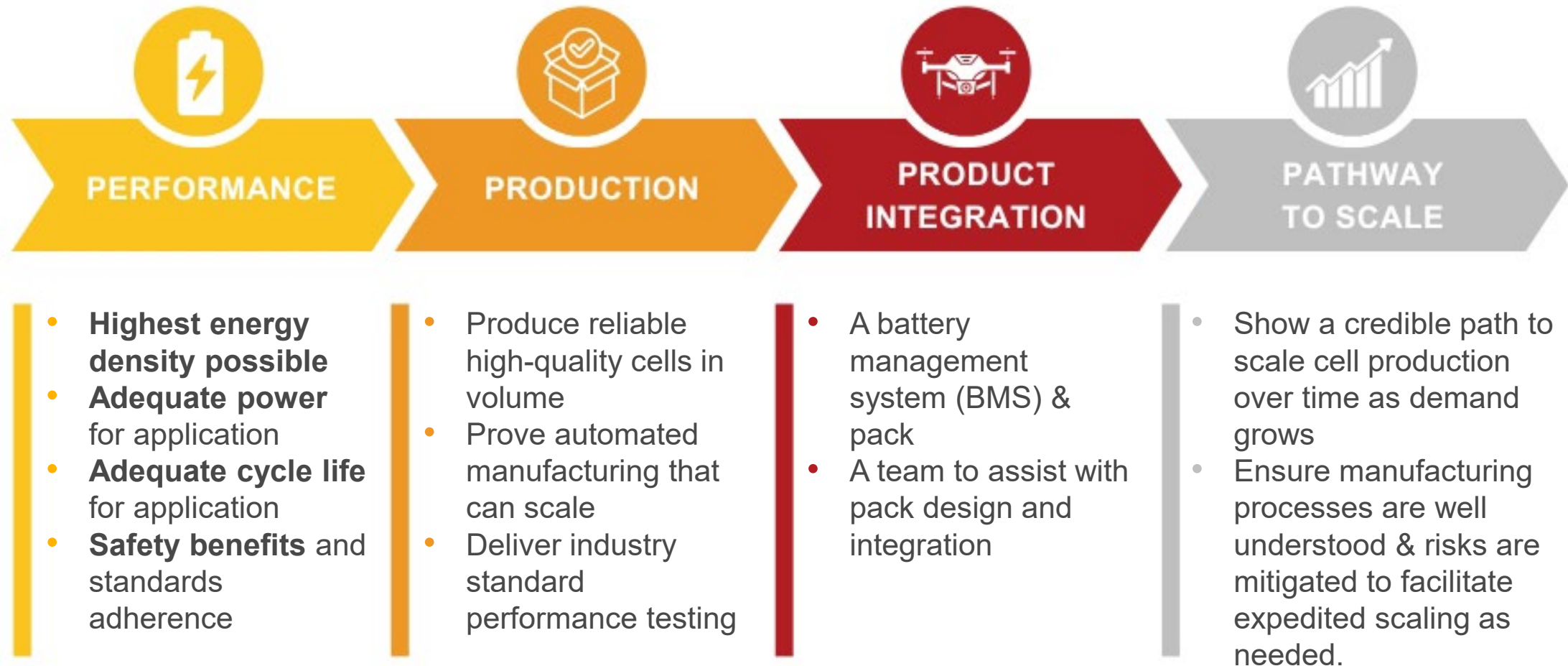
- Key targets: drones and light weight military batteries
- \$1.27B annual military battery market by 2030⁶
- Partners currently under NDA

1. Source IDTechEX Report: Solid-State and Polymer Batteries 2021-2031
2. Source Precedence Research – Unmanned Aerial Vehicle (UAV) Drones Market 2022 – 2027
3. eAviation EAP advanced subsonic aircraft image courtesy of NASA
4. Source IDTechEX Report : Manned Electric Aircraft: Smart City and Regional 2021-2041
5. Based on an estimated average pack size of 1500KWh @ US\$900 per KWh
6. VMR Report: Military Battery Market: Global market size, status and forecast to 2030

All amounts in USD

Partner Requirements

We are delivering against key requirements to capture strategic partners and offtake agreements - *this is what they want from an advanced battery partner*:



Enhanced Cell Performance

Commercially sized 10Ah and 20Ah lithium sulfur cells built using automated manufacturing equipment on our Phase 3 line.

- GEN3 semi-solid-state cell chemistry
- Cell performance and cycle testing currently underway
- Currently finalising the improved performance parameters
- Our GEN3 technology has passed both civilian and US Military nail penetration tests



Nail Penetration Safety Test

Video showing nail penetration on Li-S Energy 2.5Ah multi-layer GEN3 lithium sulfur cell, alongside a comparable lithium-ion cell from an internationally recognised manufacturer (2.5Ah 21700 25R cylindrical LCO cell)

Use this QR code or [click here](#) to see the video.





Phase 3 :
2MWh
production line



Watch on YouTube





Phase 3: 2MWh cell Production Facility

- ✓ among the most advanced in the industry.
- ✓ 2 production lines – large format and small format cells for different industry applications

Transformative Impact

- empowers our team to innovate at pace
- rapidly iterate cell design, material optimisation and production processes at scale
- Lock in unique manufacturing IP
- Deliver high quality full-size cells to Partners
- Enhance Partner confidence that *we are serious* about delivering commercial cells they can rely on for the future



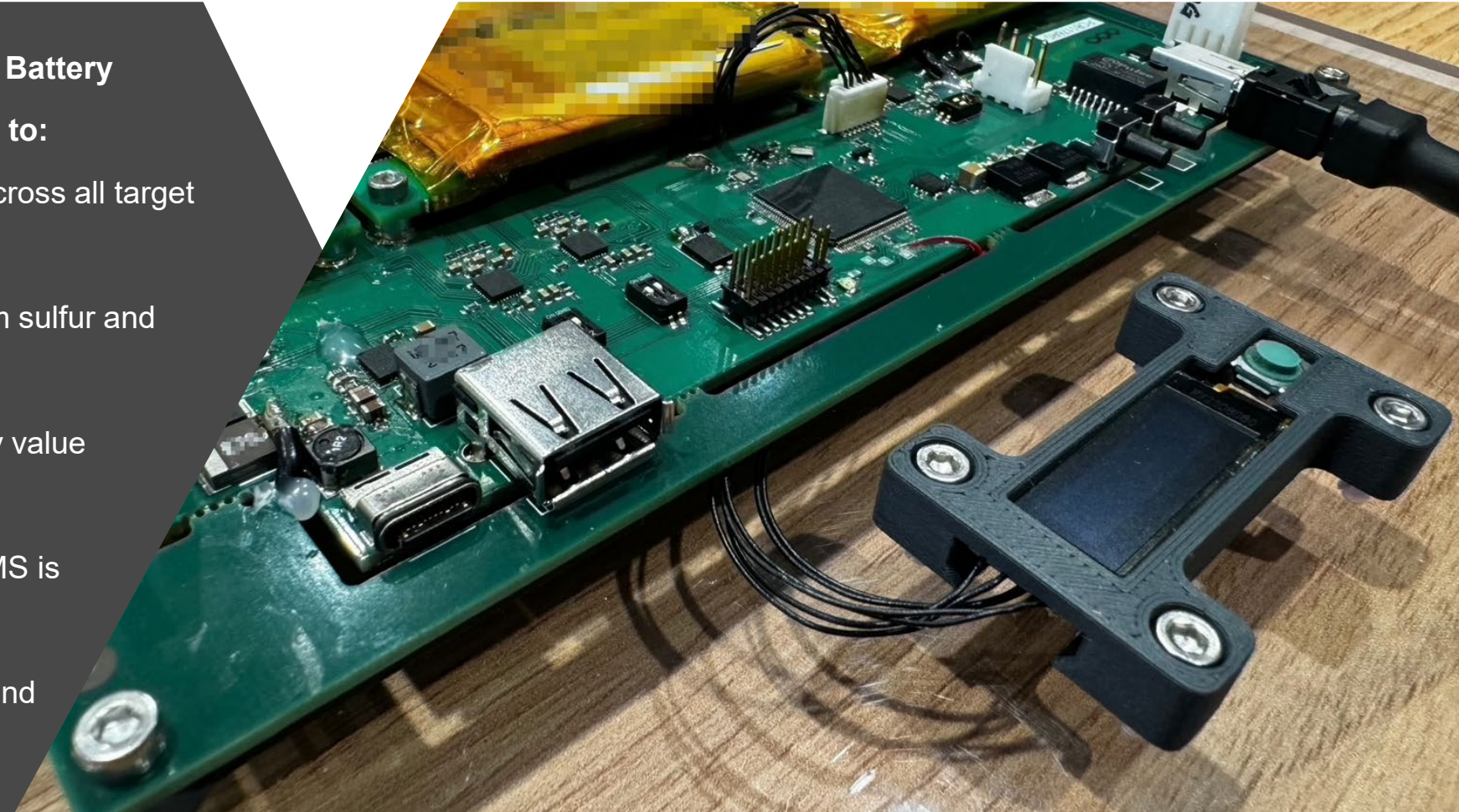
Phase 3 facility is the largest pouch cell production plant in Australia

Intelligent Battery Management System



We have developed prototype intelligent Battery Management System (BMS) to enable us to:

- Deliver battery packs, not just cells, across all target markets.
- AI integrated to manage unique lithium sulfur and lithium metal cell chemistries.
- Intelligent BMS IP enhances company value proposition.
- Partner on-boarding more rapid as BMS is already built.
- Increases speed of partner adoption and pathway to volume sales.



Government funded Projects

- Dawn-til-Dusk Drone Program
 - Currently integrating our cells and intelligent BMS into a long endurance uncrewed air vehicle (UAV)
 - Target markets mapping, surveillance, agriculture, security, defence
 - Awarded \$1.35M EATP Grant for development
 - Partners” V-TOL Aerospace & Halocell
- Lithium metal foil production line
 - Australia’s first sovereign manufacturing capability
 - Funded by IGP Grant of \$1.76M
 - Eliminates poor quality foil and reduces our cost per cell
 - Global revenue expected from high quality foil and laminate sales



Thank you

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