Perth, Australia
October 31, 2025

Strategic Elements September Quarter Update

Strategic Elements Ltd (ASX: SOR) provides the following update to accompany the Appendix 4C lodged for the quarter ending 30 September 2025.

The Company achieved major technical and business milestones while positioning for the next phase of growth — one increasingly defined by revenue generation and commercial partnerships across existing projects. In parallel, SOR has commenced a highly active program to identify and develop new opportunities, particularly in the fields of automation and aritifical intelligence.

Energy Ink™ — Key Step Toward Global Collaboration

The Company achieved a significant breakthrough during the quarter, with over 2000 protoype Energy Ink™ cells successfully fabricated for the first time in a commercial printing facility using industrial equipment common to consumer, defence, and healthcare sectors. This milestone demonstrates reproducibility outside the laboratory and lays the foundation for research and development collaboration with international printed-electronics centres and potential end-users.

Stealth Technologies — Mining and Defence Applications

Stealth Technologies further advanced activities under its Memorandum of Understanding with an Australian mining company to evaluate underground deployment of the EdgeIQ system. Pilot projects are planned to validate performance in live mine environments and provide a pathway to early revenue. In parallel, Stealth is advancing opportunities to apply its **autonomous and artificial intelligence technologies within defence and national security programs,** where its capabilities in perception, automation and edge intelligence strongly align with Australian government priorities.

Cognition Engines — Artificial Intelligence Venture

launched Cognition Engines is targeting enabling technologies that make artificial intelligence more practical, reliable and secure — positioning SOR within one of the fastest-growing global technology sectors.

Pooled Development Fund Program

Strategic Elements is registered by the Australian Federal Government as a Pooled Development Fund (PDF) — a program supporting early-stage Australian innovation through patient capital and tax incentives. While no new PDFs can be registered, existing funds operate under Federal regulation with strict oversight to ensure compliance with the *Pooled Development Fund Act 1992*.

The PDF structure provides major tax advantages and encourages patient investment in Australian SMEs, allowing a focus on earlier stage innovation. SOR collaborates closely with research institutions and universities to access advanced infrastructure, expertise, and non-dilutive government grants that accelerate development while reducing costs. Pilot programs remain central to this strategy, enabling real-world validation with customers, refining performance, and building confidence ahead of broader rollout.

As a registered Pooled Development Fund (PDF), SOR is also actively scouting new opportunities across Australia's innovation ecosystem, engaging early with universities, research bodies, and government programs to identify high-potential technologies aligned with its collaborative, patient-capital approach to supporting breakthrough innovation.

Strategic Elements Financials

The Company ended the quarter with a strong cash position of $3.58M and no debt. Across the group, net expenditure was $632k; this included all corporate costs, research and development expenditures, internal costs incurred in operating the ASX-listed entity and direct costs in providing management assistance to investee companies, principally Australian Advanced Materials (Energy Ink™ technology) Stealth Technologies (robotics and artificial intelligence) and Maria Resources (frontier exploration).

Corporate and internal costs incurred in operating the ASX-listed entity of $477k were attributable to Strategic Elements. Payments of $173k to related parties and their associates are reported at item 6.1 of the accompanying Appendix 4C, this includes remuneration for Executive Directors. AAM incurred expenditure of $162k related to R&D development undertaken at UNSW, consultants and other costs incurred in research and managing AAM's IP portfolio. Stealth received $272k from the R&D Tax Incentive program and incurred $241k of expenditure in staff, consultants, and R&D development expenses across projects. Cognition Engines incurred no costs for R&D development and consulting costs. Maria incurred $2k in costs associated with its technology metals projects. Strategic Materials incurred $22k in permit and consulting fees for holding the Golden Blocks permit in New Zealand. R&D rebates totalling $272k were awarded to Stealth Technologies for FY24 R&D activities.

The Company remains in a strong financial position to support current and emerging ventures, with flexibility to respond to new opportunities under the PDF framework. Strategic Elements thanks shareholders for their continued support as it advances high-potential early-stage innovation under its Pooled Development Fund mandate.

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This announcement was authorised for release by the Strategic Elements' Board of Directors.

Risks and Forward-Looking Statement- The Company's future success depends on its venture companies' successful development. The Company has had initial success with the development of Energy Ink™ technology. However, given it is still an early-stage technology, it is susceptible to risks associated with early-stage R&D, such as the uncertainty of material science development, intellectual property risks, materials engineering challenges, competition, fabrication challenges, access to required laboratory equipment and problems scaling up lab-based methods. There can be no guarantee that the assumptions and contingencies on which any forward-looking statements, opinions and development timeline estimates contained in materials published by the Company are based will ultimately prove to be valid or accurate. The forward-looking statements, opinions and estimates depend on various factors, including known and unknown risks, many of which are outside the control of the Company. Actual performance of The Company may materially differ from forecast performance.

Appendix 4C

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

Name of entity	
Strategic Elements Limited	

ABN	Quarter ended ("current quarter")
47 122 437 503	30 September 2025

Consolidated statement of cash flows			Current quarter $A'000	Year to date (3 months) $A'000
1.	**Cash flows from operating activities**			
1.1	Receipts from customers			
1.2	Payments for			
	(a)	research and development	(286)	(286)
	(b)	product manufacturing and operating costs	-	-
	(c)	advertising and marketing	(2)	(2)
	(d)	leased assets	-	-
	(e)	staff costs	(385)	(385)
	(f)	administration and corporate costs	(259)	(259)
1.3	Dividends received (see note 3)		-	-
1.4	Interest received		28	28
1.5	Interest and other costs of finance paid		(1)	(1)
1.6	Income taxes paid		-	-
1.7	Government grants and tax incentives		273	273
1.8	Other		-	-
1.9	**Net cash used in operating activities**		**(632)**	**(632)**

2.	**Cash flows from investing activities**			
2.1	Payments to acquire or for:			
	(a)	entities	-	-
	(b)	businesses	-	-
	(c)	property, plant and equipment	-	-
	(d)	investments	-	-
	(e)	intellectual property	-	-
	(f)	other non-current assets	-	-

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
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 (provide details if material)	-	-
2.6	**Net cash used in investing activities**	**-**	**-**

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	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from financing activities**	**-**	**-**

4.	**Net increase/(decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	4,216	4,216
4.2	Net cash used in operating activities (item 1.9 above)	(632)	(632)
4.3	Net cash used in investing activities (item 2.6 above)	-	-
4.4	Net cash from financing activities (item 3.10 above)	-	-

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
4.5	Effect of movement in exchange rates on cash held	(1)	(1)
4.6	**Cash and cash equivalents at end of period**	**3,583**	**3,583**

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	482	616
5.2	Term deposits	126	126
5.3	60 Day Notice	3,000	3,500
5.4	Other (credit card)	(25)	(26)
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**3,583**	**4,216**

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	173
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash used in operating activities (item 1.9)	(632)
8.2	Cash and cash equivalents at quarter end (item 4.6)	3,583
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	3,583
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	5.67

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.

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: 31 October 2025

Authorised by: Matthew Howard
(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.