Strategic Elements June Quarterly Report

Perth, Australia — 31 July 2026 — Strategic Elements Ltd (ASX: SOR) provides the following update to accompany the Appendix 4C lodged for the quarter ending 30 June 2026.

Strategic Elements – Pooled Development Fund

Strategic Elements Ltd is a registered Pooled Development Fund (PDF) — an Australian Federal Government program stimulating investment into Australian innovation. The PDF structure provides eligible shareholders with potential benefits including tax-free capital gains and dividends, while enabling Strategic Elements to pursue breakthrough innovation with longer development horizons.

The Company operates as a venture builder, generating high-risk, high-reward ventures by sourcing and combining teams of leading scientists and innovators, majority funding initial development while seeking key partners to assist commercialisation. More information on the PDF program can be found on the Company's website.

Stealth Technologies (100% owned)

Stealth Technologies is developing EdgeiQ to help people and AI systems understand what is happening in the physical industrial world in real time. Some of the most valuable operational information exists where people, vehicles, equipment and infrastructure interact. EdgeiQ has been developed by integrating and utilising operational data generated by autonomous systems operating in these complex settings.

Stealth's near-term strategy is to establish the EdgeiQ technology with leading mining companies, validate its performance under live operating conditions and expand across the global mining industry, providing a foundation for future deployment into adjacent industrial sectors including infrastructure, construction and defence.

During the quarter, Stealth Technologies continued progressing deployment under its purchase order with a Tier 1 mining company. This represents Stealth's first commercial pilot and a significant milestone towards validating the technology for broader deployment across the mining industry.

Preparation of the first permanent on-site communications and edge computing hardware package was completed during the quarter, enabling shipment in July as scheduled. The deployment is being undertaken in stages, with the communications infrastructure providing the foundation for installation, system integration and operational testing of the EdgeiQ technology under live underground operating conditions.

During the quarter, the Company completed CSIRO's ON Prime commercialisation program in partnership with The University of Western Australia. The program refined the commercial proposition for the EdgeiQ technology through engagement with industry and prospective customers, identified opportunities beyond the mining sector and led to Stealth commencing its first commercial discussions outside the mining industry.

Increasing investment in artificial intelligence, data centres, defence capability and critical mineral supply chains is expected to increase demand for mining production. Meeting this demand will require mining companies to continually improve productivity and operational efficiency. Stealth is actively engaging with Australian research organisations to identify technologies that can address these operational challenges and be integrated into future EdgeiQ deployments.

Australian Advanced Materials - Energy Ink™

Australian Advanced Materials Pty Ltd, a wholly owned venture of Strategic Elements, is developing Energy Ink™ in collaboration with a world-class materials science team at the University of New South Wales and other collaborators. Energy Ink™ is being advanced through complementary development pathways directed toward different potential product and device opportunities. Energy Ink™ is an early-stage printable energy technology being developed across materials design, scalable fabrication, engineered packaging, moisture management, power management and prospective application pathways.

During the quarter, the team completed the engineering concept design stage of the Moisture Energy Dock following an extensive engineering program investigating how the Energy Ink moisture-powered energy source could be integrated into a portable demonstration system capable of charging a standard removable lithium-ion battery. The concept design addressed the unique engineering challenges associated with capturing, accumulating and transferring ultra-low-power electrical energy generated by the Energy Ink™ platform.

Following successful completion of the engineering concept design stage, development of the Moisture Energy Dock commenced. The Moisture Energy Dock is intended to provide a simple and easily understood demonstration of practical energy transfer from Energy Ink™ into a commercially available rechargeable battery and is not being developed as a consumer charging product.

The initial demonstration will assess whether Energy Ink™ can transfer sufficient electrical energy into a standard removable feature-phone battery to support a one-minute phone call.

Battery-Free Electronics

Increasing environmental regulation in Europe, including new requirements under the European Union Battery Regulation designed to make portable batteries easier to remove, replace and recycle, is expected to accelerate development of battery-free electronic devices. As manufacturers are forced to reduce reliance on conventional batteries, new opportunities are emerging for alternative power technologies that can reduce maintenance, simplify recycling and improve product sustainability.

During the quarter, Australian Advanced Materials commenced a battery-free materials engineering program comprising Energy Ink™ optimisation, materials selection, prototype preparation and initial testing. The program is focused on developing battery-free demonstrator prototypes and establishing the technical foundations for future integration of complementary materials, electronic components and partner technologies with the Energy Ink™ platform.

Subsequent to the end of the quarter, Australian Advanced Materials secured a Japanese patent covering key aspects of the Energy Ink™ technology. The patent strengthens the Company's international intellectual property position in one of the world's leading electronics markets and supports the future commercialisation of the Energy Ink™ platform

Strategic Elements Financials

Strategic Elements

The Company raised $2.5m in capital from current shareholders under a Share Purchase Plan (SPP) offer announced to shareholders on 20 May 2026. The SPP offer closed oversubscribed and was strongly supported by shareholders. The Company ended the quarter with a strong cash position of $4.81M at the end of the June quarter. Across the group, net expenditure was $462k which 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.

Corporate and internal costs incurred in operating the ASX-listed entity of $415k were attributable to Strategic Elements. Payments of $111k to related parties and their associates are reported at item 6.1 of the accompanying Appendix 4C, this includes remuneration for Executive Directors.

Investee Expenditure
Australian Advanced Materials incurred expenditure of $244k related to the Energy InkTM R&D development undertaken at UNSW, consultants and other costs incurred in research and managing Australian Advanced Materials's IP portfolio. Stealth Technologies received A$400,000 from the R&D Tax Incentive program and 73k in revenue whilst incurring $167k of expenditure in staff, consultants, and R&D development expenses for the Edge IQ platform. Cognition Engines incurred no costs for R&D development and consulting costs. Maria incurred $6k in costs associated with its technology metals projects. Strategic Materials incurred $3k in fees for holding the Golden Blocks project in New Zealand.

Financial Summary
The Company remains in a strong financial position to support current investee companies 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 June 2026

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (12 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	73	173
1.2	Payments for		
	(a) research and development	(328)	(913)
	(b) product manufacturing and operating costs	-	-
	(c) advertising and marketing	(79)	(91)
	(d) leased assets	-	-
	(e) staff costs	(299)	(1,334)
	(f) administration and corporate costs	(199)	(757)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	17	92
1.5	Interest and other costs of finance paid	-	(4)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	400	1,126
1.8	Other	-	-
1.9	**Net cash used in operating activities**	**(415)**	**(1,708)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	(50)
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 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**	**-**	**(50)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	2,500	2,500
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	(117)	(117)
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**	**2,383**	**2,383**

4.	**Net increase/(decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	2,873	4,216
4.2	Net cash used in operating activities (item 1.9 above)	(415)	(1,708)
4.3	Net cash used in investing activities (item 2.6 above)	-	(50)
4.4	Net cash from financing activities (item 3.10 above)	2,383	2,383

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (12 months) $A'000**
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**4,841**	**4,841**

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	2,745	448
5.2	Term deposits	131	126
5.3	60 Day Notice	2,000	2,308
5.4	Other (credit card)	(35)	(9)
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**4,841**	**2,873**

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	111
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)	(415)
8.2	Cash and cash equivalents at quarter end (item 4.6)	4,841
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	4,841
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	11.67

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 July 2026
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Authorised by: Matthew Howard
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(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.